

Banco Desio Brianza

Organizational Model 231

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Definitions

The following terms are used in the document:

Leg. Dec. No. 231/01 or the Decree: Legislative Decree No. 231, dated 8 June 2011, which came into effect on 4 July 2001, and all subsequent amendments and supplements.

Organisational Model 231 or Model 231: the organisation, management and control model adopted in terms of the provisions of Art. 6, clause 1 of Leg. Dec. No. 231.

High-risk operations in terms of Leg. Dec. No. 231: operations undertaken by the Banco di Desio e della Brianza S.p.A. in which there is a possibility that the offences contemplated in Leg. Dec. No. 231/01 could be committed. Such operations are identified by mapping company operations and departments in order to identify appropriate precautions to be taken that are commensurate with the real risk of the envisaged offences being committed.

ABI Guidelines: the document published and circulated by the Italian Banking Association (ABI) - version dated December 2002, and all subsequent amendments and/or supplements – as submitted to the Ministry of Grace and Justice for comment regarding the suitability of the models - see Art. 6, clause 3 of Leg. Dec. No. 231.

ANIA Guidelines: the document published by ANIA - version dated December 2002, and all subsequent amendments and/or supplements – as submitted to the Ministry of Grace and Justice for comment regarding the suitability of the models - see Art. 6, clause 3 of Leg. Dec. No. 231/01.

Banco Desio Brianza or the Bank: Banco di Desio e della Brianza S.p.A.

Gruppo Banco Desio o the Group: the Banco di Desio e della Brianza S.p.A. as the Holding Company of the Group and all the directly or indirectly controlled companies therein.

Top Management: “individuals that hold representative, administrative or directorship posts in Group Companies or their functionally and financially independent business units, as well as individuals that even *de facto* manage and control the Company itself”. These individuals include the Directors, Regular Auditors, the Managing Director, the General Manager and the Assistant General Manager.

Addressees: Organisational Model 231 is applicable to all Directors, Auditors, Employees at every level and in every category, Consultants, Suppliers and generally speaking to any individual that has any kind of contractually governed collaboration arrangement that falls within the scope of high-risk operations in terms of the provisions of Leg. Dec. No. 231/01.

Supervisory Body 231 or Supervisory Body or Body: A body charged with overseeing the operation of, compliance with and updating of Organisational Model 231 (Art. 6, clause 2 of Leg. Dec. No. 231/01).

Protocols: these identify the individual types of risks/offences that could potentially be committed by each of the company Departments and specify the organisational procedures and main control mechanisms to be put in place to prevent such illegal behaviours. It must be pointed out that all the addressees of Organisational Model 231 are required to know the entire *corpus* of procedures and the Bank's internal regulations since the protocols do not replace, but rather integrate the Bank's internal regulations.

Public Administration: purely by way of example, the following types of Entities can be classified as significant Public Administration entities in terms of the provisions of Leg. Dec. No. 231/01:

1. Institutes and schools of every type and level, as well as educational institutions;
2. Independent government entities and administration Entities (Ministries; the Chamber and the Senate; the Department of European Union Policy; the Maritime Authority, the Customs Authority, the Harbour Authority, the Market and Competition Authority; the Electricity and Gas Authority; the Media Equity Authority; the Italian Central Bank; Consob; the Personal Information Protection Authority; the Department of Internal Revenue; Italian Ship-owners Association Entities)
3. Regional Administrations;
4. Provincial Administrations;
5. Municipal Administrations;
6. Mountain community councils and their consortiums and associations;
7. Universities;
8. Independent public housing institutes (now known as Local Housing Agencies);
9. Chambers of Commerce, Industry, Handcrafts and Agriculture and their associations;
10. All national, regional and local non-economic public Entities (INPS; Previdenza Marittima ACI; CNR; INAIL; INPDAL; INPDAP; ISTAT; ENASARCO)
11. ASL;
12. Financial management entities (specifically involved in the granting of low-interest loans),
13. Provincial agricultural consortiums;
14. Government entities and monopolies;
15. AIMA;
16. Trade-fair Entities;
17. ARPA;
18. ANAS;
19. Municipal Service Companies;
20. Reclamation consortiums;
21. Private companies in possession of administration concessions or permits (Telecom, Tim, Autostrade, etc.);

22. “Privatized” economic public Entities (Enel, FFSS, Ente Poste, Aziende Monopoli di Stato, etc.).

It must be pointed out that since they are classed as relevant individuals in terms of the Decree, office bearers of the Entities specified at points 21 and 22 in particular must be able to be classified as either Public Officials or Public Service Officials depending on their actual duties.

Public Official: Purely by way of example, the following individuals can be classified as Public Officials in terms of the provisions of Leg. Dec. No. 231/01:

1. Politicians such as Members of Parliament; Regional Councillors; Provincial Councillors; Municipal Councillors;
2. Ministers and ministerial managers and officials;
3. Serving military staff;
4. Carabinieri officers;
5. Harbour Police officers
6. Police officers;
7. Department of Inland Revenue staff;
8. Prison officers;
9. Magistrates and Public Prosecutors;
10. Bailiffs;
11. Auxiliary Judge;
12. Experts appointed by the Criminal Investigations Department;
13. Notaries;
14. Official Receivers;
15. Court Technical Consultants;
16. Messengers of the court;
17. Deeds office debt collectors (issues receipts for private real estate title deeds);
18. Municipal company debt collectors;
19. Classification Bureau inspectors;
20. Professionals appointed by companies awarded tender contracts for public works, such as the site manager for road works on a motorway for the Independent Government Motorway Company;
21. The Chairman and members of the Board of Directors of a joint-stock company holding a concession for public works;
22. University lecturers;
23. Major oil company inspectors;
24. Hospital health inspectors;
25. Workplace health and safety inspectors;
26. Customs inspectors;
27. Department of Inland Revenue officials;

28. CONSOB inspectors;
29. Witnesses in a trial (for the entire duration of the trial and in relation to statements made) ;
30. Municipal Engineering Department employees;
31. Government railway controllers, (even after privatisation of the Government railways, when called upon to testify regarding events and when minuting the activities during the investigation of infractions);
32. Postal service workers;
33. ACI (Italian Automobile Association) office workers;
34. Health department officials;
35. INPS (National Pension Fund) employees;
36. European Union officials;
37. Public officials of foreign Countries;
38. Officials of International Organisations (NATO, OCSE, UNO, etc.).

Public service appointees: By way of example only, the following are deemed to be public service appointees:

1. Government Printers officials;
2. Managers of public waste disposal facilities;
3. ASL cashier staff;
4. Bank staff (when performing tax collection or public funding management duties);
5. Holders of administrative concessions (for the provision of public services or radio and television broadcasting services), but also, for example, RAI (Italian Public Broadcaster) employees;
6. ASL administration assistants;
7. Provincial Traffic Department workers;
8. Shipping officials

Introduction

Applicable regulatory framework

The Decree has adapted the regulations regarding individual responsibility regarding a number of International conventions to which Italy has subscribed, such as the *Brussels Convention of 26 July 1995* on the protection of the financial interests of the European Union and its member Countries, the *Brussels Convention of 26 May 1997* on the battle against corruption amongst officials of the European Union and Member Countries and the *OCSE Convention of 17 December 1997* on the battle against corruption amongst foreign public officials involved in financial and international operations.

Leg. Dec. No. 231/01 on “*Regulating the administrative liability of individuals, companies and associations even without any corporate legal status*” introduced into the Italian legal framework the concept of administrative liability of Entities¹, essentially the same as that of criminal liability, for a number of offences committed in their own interest or for their own benefit:

- by individuals holding representation, administration or management positions within the Entities themselves or in one of their functionally and financially independent business units, or by individuals that even *de facto* manage and control the aforesaid Entities;
- by individuals subject to the supervision or oversight of one of the aforementioned individuals.

This liability is in addition to that of the individual that actually engineered the event.

The aim of the regulation is therefore to expand the scope of personal criminal liability by directly involving the Entities that have benefited from the commission of the crime.

The Entity is relieved of administrative liability (art.6) if it can prove during the course of any potential proceedings that:

¹ Art. 1 “This legislative decree regulates the liability of entities for administrative offences resulting from crimes. The provisions contained herein apply to entities with a corporate legal status and even to companies and associations without any corporate legal status.”

- a) *the management body had already, prior to the commission of the offence in question, adopted and effectively implemented appropriate organisation and management models to prevent the commission of the type of offences like the ones that have taken place;*
- b) *the duty to supervise the operation of and compliance with the models and to ensure that they are updated has been entrusted to one of the Entity's bodies with independent initiative and control authority;*
- c) *the persons that committed the offence did so by fraudulently circumventing the organisation and management models;*
- d) *there was no failure to supervise or indeed inadequate supervision by the Supervisory and Control Body.*

The Model 231 envisaged by Art 6, clause 1, letter a) and the mechanism to which the legislator has entrusted the prevention of the offences must meet the following prerequisites. They must:

- a) *identify the activities in which there is a possibility that the crimes envisaged in the decree could potentially be committed;*
- b) *include specific protocols aimed at scheduling training and implementing company decisions with regard to the offences to be prevented;*
- c) *identify financial resources management methods that can prevent the commission of such offences;*
- d) *include the duty to inform the body designated to supervise the operation of and compliance with the model;*
- e) *introduce an appropriate internal disciplinary system to punish any failure to comply with the measures indicated in the model.*

Offences contemplated in the regulations

Leg. Dec. No. 231/01 punishes Entities for the commission of offences already covered by the current criminal regulations.

At the time when the Decree came into effect, a number of categories of offences were already envisioned – see Arts. 24 and 25 – and these were subsequently progressively increased by the legislator. The structure of Leg. Dec. No. 231/01 defines an administrative liability model that can then be progressively streamlined by referring back to the categories of offences that are deemed worthy of this specific prevention mechanism.

Section III of Leg. Dec. No. 231/01 cites the offences for which the entity could be deemed to be held liable, specifying the applicable penalties for those offences.

A detailed list of the offences specified in the Decree is contained in the applicable attachment to this document and is updated by the Compliance Department whenever there is any change in the legal regulations.

Purpose of the document

This document describes the Organisation and Control Model envisaged in Leg. Dec. No. 231/01, refers specifically to the Banco di Desio e della Brianza and is approved by the Bank's Board of Directors.

Banco Desio Brianza's Organisational Model 231

Regulatory and sector references

The Banco Desio Brianza's Model 231 has been based on the following regulatory references.

- Leg. Dec. No. 231/01 envisages that "Subject to the envisaged prerequisites, Organisation and Control Models may be adopted on the basis of Codes of Conduct drafted by representative associations of entities".
- The implementation Laws and Regulations that govern banking, financial and insurance operations.
- The sector regulations and guidelines issued by the Supervisory Bodies and applicable Organisations, such as the Italian Central Bank, Consob, Isvap, Borsa Italiana S.p.A., A.B.I., ANIA, Assogestioni etc., which are responsible for the overall oversight of banking, financial and insurance operations.

Banco Desio Brianza's functional choice

Having taken into account the provisions of Art.6, clause 4-bis of Leg. Dec. No. 231/2001, as introduced by Art. 14, clause 12 of Law No. 183, dated 12 November 2011 ("Provisions relating to the drafting of the State's Annual Financial Statements – 2012 Stability Law"), the Bank has entrusted the Supervisory Body duties to the Board of Statutory Auditors.

These duties are performed by the aforesaid Board in addition to the duties and tasks already assigned to it by the applicable regulations.

The entrustment of these duties to the Board of Statutory Auditors has been communicated to everyone at every level within the company.

In performing the aforesaid duties, the Board of Statutory Auditors operates on the basis of one specific regulation approved by the Board of Statutory Auditors itself and by the Board of Directors, keeping the activities undertaken for the purposes of Organisational Model 231 separate.

Every provision in the Model that refers to the Supervisory Body shall be deemed to refer equally to the Board of Statutory Auditors in terms of fulfilling the specific duties assigned to it by the Decree.

Organisational Model 231 formulated strictly in accordance with the indications contained in the ABI Guidelines, the ANIA Guidelines and the sector regulations and then integrated and streamlined in reference to the Banco Desio, its size, its operational characteristics and its organisational layout.

With the introduction of Organisational Model 231 the Bank has set itself the objective of setting up a system of elements and associated operating rules that, via the identification of high-risk operations in terms of the Decree and the specification of associated countermeasures, is aimed at:

- establishing a reference pattern of behaviour for each addressee of the Model;
- making all of the aforesaid individuals, and in particular those that form part of the organisational structure, both at management and executive levels, aware that any illegal conduct could lead to criminal penalties both for the individuals and for the Bank;
- guaranteeing proper conduct by the Bank and the individuals that represent it, in complete adherence to the applicable legal provisions and the sector regulations;
- introducing control, monitoring and disciplinary measures aimed at combating the commission of any offences.

Banco Desio Brianza's organisational system

Also as a member company of the Gruppo Banco Desio, the Banco Desio Brianza has established and documented its organisational system and the associated operating mechanisms, which are constantly reviewed and amended in order to meet strategic and organisational requirements and to bring them into line with the requirements of the sector regulations.

The main documentary references that describe the Bank's Organisation are as follows:

- *The Company Charter* – defines the company structure, the bodies responsible for company administration, management and control, the duties and responsibilities of Top Management and the Bank's operating rules;
- *Company Information Internal Procedure / Internal Dealing Code of Practice* – describes the system and the rules according to which the Bank and the Companies that form part of the Gruppo Banco Desio - in line with the provisions of the Self-discipline Code

applicable to Companies quoted on the Italian Stock-Exchange and the Stock-Exchange Regulations – govern the issue of company information and the transparency of the operations undertaken by the players involving quoted financial instruments issued by Group Companies;

- *Organisational structure* – describes, by means of special documents, the layout of the structure of the Bank (organisational chart) and the duties and responsibilities of each company function (function flow chart);
- *Company and Group Body Internal Regulations* – governs the attributes and operating methods of the company Bodies, as well as the duties and powers assigned to them. This document, which is complementary to the Company Charter, describes the distribution and extent of the delegated powers in terms of budget, granting of credit, financial discretion and in general in terms of deeds that commit the Bank and the way in which signing powers are attributed. Inter alia, the Holding Company's Regulations make provision for a Control and Risk Committee whose functions include consultation and making proposals regarding the internal audit and risk management systems;
- *Information flow regulations pertaining to the company bodies and internal audit functions* – describes the methods for directing information flows to the Company Bodies;
- *Regulations regarding the Internal Auditing Directorate, the Risk Management Directorate, the Compliance Department and the designated Manager* – describe the mission, objectives and activities of the aforesaid Holding Company functions, which are also performed on behalf of subsidiary companies on the basis of specific service agreements;
- *Authorised signatures register* – specifies the rules applicable to the use of official signing powers and indicates the individuals to whom signing powers have been assigned;
- *Internal regulations* – describes the procedures adopted for carrying out work activities for which the company departments are responsible. These regulations consist of Consolidated Texts, Service Orders, Notifications and Circulars. This documentation is made available to all employees via the Company Intranet network;
- *Service agreements between the Holding Company and Subsidiary Companies* – in accordance with the applicable Supervisory Authorities' provisions, these agreements describe the inter-relationships that exist between the Holding Company departments and those of the Subsidiary Companies enabling the latter to make all their decisions entirely independently and to retain the necessary control as regards outsourced activities. These agreements make provision for i) a detailed description of the outsourced activities, ii) the way in which the services are provided and the applicable

fees, iii) service levels, iv) verification and control powers held by the Holding Company and v) information flows between the parties. The service agreements do not cover institutional activities performed by the Holding Company in its role as Group leader (for example, establishing strategic guidelines for the Group as a whole);

- *Information document on the “Corporate Governance System”* - describes the Holding Company’s overall Corporate Governance system in accordance with the indications provided on an annual basis by the Italian Stock-Exchange. The aforesaid document, which is approved by the Holding Company’s Board of Directors, is published on an annual basis as part of each budget session also in accordance with the Stock-Exchange Regulations.

Supervisory and Control Body

The 231 Supervisory Body is responsible for the following tasks:

- to oversee the proper operation of and adherence to Organisational Model 231 as adopted by the Bank and, with the involvement of the applicable company bodies, to analyse the Model updating activities;
- to evaluate the controls and, more broadly speaking, the activities performed by the Designated Manager charged with drafting the company financial statements, so as to obtain useful information regarding the risk of commission of corporate offences within the Group;
- to guide and coordinate information circulated to addressees regarding the content of the Decree and Model 231;
- to ensure that a training plan for Bank personnel is drawn up and carried out in order to ensure that the stipulations of the Decree and the adopted Model 231 are widely understood;
- to verify that the Model remains valid even in the event of changes to the organisational structure/business model;
- to investigate the behaviour of and propose possible penalties against individuals that have failed to comply with the provisions of Model 231 and, where necessary, propose amendments to the Model itself;
- to act as a point of reference where employees can go to report any illegal conduct – in the manner prescribed in the applicable paragraph of this Model 231 – and to guarantee that any reports received will be handled confidentially;
- to immediately report to the Board of Directors the commission, or attempted commission of any of the offences contemplated in the Decree by addressees;
- to regularly inform the Bank's Board of Directors regarding the activities performed, in the manner and frequency specified in its own Regulations.

The Holding Company' Supervisory Body is responsible for guiding and coordinating the activities performed by the 231 Supervisory Bodies of each of the Subsidiary Companies; within this context, the former liaises with the individual Bodies in order to ensure that the activities are performed in a manner that is harmonious and consistent throughout the Group.

In order to carry out its task, the 231 Supervisory Body may, entirely at its own discretion, commission audits, obtain professional advice from qualified external consultants and support training programmes relating to Leg. Dec. No. 231/01, all within the limitations of the annual budget allocated by the Board of Directors.

Furthermore, it is important to point out that:

- The supervisory activities are outwardly expressed both in the form of controls on all of the Bank's various Areas and functions in which the predicate offences contemplated in the Decree could be committed, and in the form of the evaluation of the adequacy of the precautions taken to prevent the commission of the aforesaid offences. In the performance of these activities the 231 Supervisory Body may also obtain assistance from the control departments and the Holding Company's other operational departments, including the Designated Manager, on the basis of the framework agreement for the provision of operational, assistance and consultancy services that exists between the Holding Company and the Subsidiary Companies or – where applicable – on the basis of outsourcing agreements entered into with external providers of *internal auditing* services;
- the supervision also extends to activities set up by members of Top Management;
- the Holding Company's Internal Auditing Directorate, which provides support to the Bank's Supervisory Body, reports directly to the Holding Company's Board of Directors and is hierarchically independent from the managers of the various operational areas both within the Holding Company and within the Companies to which it provides its services. This department has free access to all of the Bank's activities performed both at the main offices and at the Branches.

Supervisory Body member prerequisites and operating rules

As regards the members and the operation of the Supervisory Body, the rules applicable to the Board of Statutory Auditors and the Supervisory Body Regulations shall apply.

Supervisory Body expenses budget

In order to ensure that the Supervisory Body has all the necessary initiative powers to guarantee the effective implementation of Model 231, the Board of Directors allocates an appropriate annual budget by resolution.

Supervisory Body Regulations

The Supervisory Body equips itself with a proprietary set of Regulations, which then becomes an integral part of this Model 231.

The requirements of Organisational Model 231

Model 231 envisages the following requirements:

- identification of any high-risk operations performed by the Bank, in which there is the possibility that any of the offences contemplated in the Decree could be committed;
- drafting of specific protocols aimed at planning the formulation and implementation of Bank decisions regarding the offences to be prevented;
- specification of appropriate financial resources management methods designed to prevent the commission of such offences;
- making provision for the flow of information to the 231 Supervisory Body and methods for reporting any violations, attempted violations or non-compliances regarding the proper implementation of the Model;
- introduction of an appropriate internal disciplinary system designed to punish any failure to adhere to the measures indicated in the Model.

Organisational Model 231 finds its complete and effective implementation within the Banco Desio via the contextualisation of each high-risk activity and also in reference to the internal regulations and the Code of Conduct adopted by the Bank.

a) High-risk operations

In order to identify high-risk operations as defined by the Decree, it is necessary to conduct an in-depth overall analysis of the entire organisational structure of the Banco Desio, both at the executive level – i.e. Sectors, Departments, Areas and Directorates – and at the corporate governance level – Board of Directors, Auditors and Top Management – aimed at exposing the areas of activity in which, due to their content or individual contacts, there is a real possibility that the predicate offences could be committed.

At the same time and in the same manner, precautionary checks have been instituted for each operation at high-risk of offences being committed, to prevent the commission of said offences and with reference to the internal regulations. The aforesaid precautionary checks have been included in the Bank's broader Internal audit System which, in keeping with the accepted standards and the Supervision Instructions, is broken down into the following three levels:

1. an *initial level* that defines and governs both the so-called line checks, which form part of the operational processes, and the associated risks. The *Line checks* are aimed at ensuring that

the operations are conducted properly and are carried out by the production structures themselves (for example: hierarchical types of checks) or incorporated in the procedures, in other words conducted as part of *back-office* activities;

2. a second level that oversees the process of managing and controlling operational risks, guaranteeing that they are consistent with company objectives and meet the segregation criteria that enable effective monitoring. These are so-called *risk management* checks, whose objective is to contribute towards establishing the methods used to assess risk, verify compliance with the limits assigned and check that operations conducted by individual production areas are consistent with the risk/reward targets set. Responsibility for conducting these checks lies with structures other than the production departments, such as, for example the Compliance Department, the Risk Management Department, etc;
3. a third level represented by the internal audit operations, which are aimed at identifying abnormal trends and procedural and regulatory irregularities, as well as evaluating the operation of the internal audit system as a whole. These checks are performed on an ongoing, periodic or random basis by structures that are independent from the production departments, even by means of on-site inspections.

The surveys conducted focussed specifically on activities that, in addition to being amongst those typically performed in a bank, were also identified as being high-risk in the Industry Association *Guidelines*.

With reference to the offences contemplated in the Decree, which are across the board in nature (collusive and internal money laundering offences), all of the Bank's employees are urged to adhere strictly to the behaviours indicated in the Code of Conduct and in the Bank's entire body of procedures so as to refrain from planning, organising and possibly committing any offences not necessarily appearing on the list of predicate offences specified in Leg. Dec. No. 231/01.

The survey of High-risk Activities in terms of the Decree is repeated periodically, with the involvement of all company departments, following any changes in the applicable primary and secondary regulations reported by the Compliance Department. The results of the survey are then evaluated by the Supervisory Body.

b) Management of operational processes that include “high-risk operations”

The Banco Desio organisational system is founded on the following premises regarding the management of company operating processes:

- separation of duties by means of a proper distribution of responsibilities and ensuring adequate levels of authority so as to avoid any functional overlaps;
- clear and official allocation of authority and accountability, with precise indication of operating limits and consistent with the duties assigned and the positions held within the organisational structure;

- operating methods contained in formalised procedures;
- traceability of actions, operations and transactions by means of appropriate documentary or computerised backup;
- decision making processes linked to re-established objective criteria (e.g.: supplier requirements, existence of objective personnel selection and evaluation criteria, merit rating systems, etc.);
- the existence and traceability of supervision and control activities performed on company transactions, as defined in the Internal Audit System;
- the existence of adequate security measures capable of ensuring appropriate physical and electronic protection and/or access to company data and assets.

c) Formulation and implementation of the decision-making process

Banco Desio manages and maintains a constantly updated system of internal regulations that establishes the manner in which company activities are performed and the execution of the decision making process in the various functional areas of the company. The internal regulations are circulated to all personnel, updated periodically and available for online consultation via a specific software package (i.e. DocuWeb).

Furthermore, in order to provide a reference conduct frame work, specify conduct criteria applicable to all operational areas and the relative risk of commission of offences, the Banco Desio Code of Conduct has been drafted and approved and is now an integral part of Model 231.

d) Financial resources management method

As specified in its own internal regulations, Banco Desio applies a financial resources management method that includes a list of expenses classified by type – non-discretionary expenditure, discretionary expenditure, operating expenditure and investment – with spending limits for each category assigned to incumbents in various positions within in the company.

The purchasing of goods and/or services and the management of the Bank's financial resources in general are founded on principles such as legality, propriety, transparency, loyalty and impartiality, as specified in the Code of Conduct.

Banco Desio adopts financial resources management procedures and practices that enable the Bank to track all incoming and outgoing financial flows.

Banco Desio has introduced a post with the job title "Designated Director responsible for the drafting of company financial statements", as introduced and regulated by the Department of Finance Consolidated Text (Art. 154-bis of Leg. Dec. No. 58/98 T.U.F.) via Law No. 262, dated 28 December 2005 (and subsequent amendments and/or

supplements). The Designated Director then promoted the establishment of a “financial information control model”, which is in essence a combination of the organisational rules, structures and procedures aimed at ensuring compliance with the laws and regulations applicable to administration, accounting tax matters, as well as ensuring the reliability of the financial information.

e) Duty to inform the Supervisory Body

Supervisory Body acts as a point of reference where employees can go to report any illegal conduct, ensuring that any reports received and the associated investigations will be handled confidentially.

In the Supervisory Body Regulations, which form an integral part of this Model, information flows to and from the Body are duly identified and classified, thereby enabling the Body to perform its task meticulously.

f) The disciplinary system

The disciplinary system – which forms an integral part of this Model – punishes any conduct or activity that is contrary to the indications provided by the Bank and provides for penalties that are commensurate with the seriousness of the infraction committed.

g) The rewards system

The Bank’s rewards system will also take into account the level of training achieved on relevant topics for the purposes of Decree No. 231/01. During the course of the assessment process, compliance with rules and regulations – such as, for example, those contained in this Model - will equally be taken into account, as will the individual’s attitude towards the Bank’s values.

h) Addressees of Organisational Model 231

Model 231 and all the provisions contained therein must be adhered to by company representatives as well as by all Banco Desio Brianza personnel and, in particular, by anyone involved in performing any high-risk operations.

In order to ensure the efficient and effective crime prevention, Model 231 is also aimed at outside parties (meaning freelance or contract workers, professionals, consultants, agents, suppliers, trading partners, etc.) who, by virtue of contractual agreements in place, provide their services to the Bank in order to perform its operations. As regards these parties, their compliance with the provisions of Model 231 is ensured by means of a specific clause in their respective contracts.

For the above reasons, Organisational Model 231, together with the Code of Conduct and the list of offences are posted on the Banco Desio Brianza Internet website.

i) Organisational Model 231 violation reporting method

Anyone who comes across any facts, situations or events that could lead him/her to believe or indeed to reasonably suspect that some crime and/or administrative offence has or may have been committed, in other words, any conduct that is contrary to the provisions of Model 231 or the procedures to which it refers must report it to the Supervisory Body – confidentially and without delay by sending the compiled “standard reporting form”, as attached to this document, to the following-mail address: **”Organismo231BD Brianza@bancodesio.it”**.

Similarly, any attempted commission of a crime/administrative offence must also be reported.

Dissemination of information regarding Organisational Model 231

In order to guarantee the efficacy of Model 231, Banco Desio Brianza intends to ensure that both current and newly engaged personnel have an adequate understanding of the Model itself, such that all members of the staff are fully aware of its contents and are in a position to comply with all its directives.

Within this context, Model 231 and all amendments and supplements thereto are made available to everyone:

- to Top Management and employees of the Bank by means of a set of specific internal regulations that can also be accessed online via the DocuWeb application;
- to new employees by providing them with a special Model 231 documentation kit and requiring them to sign a document acknowledging that they have received the documentation, viewed its content and agree to be bound by its provision.

The circulation of the model to employees and their viewing of any subsequent amendments are electronically tracked by means of specific application software.

Consultants, suppliers and, generally speaking, anyone with whom the Bank has any kind of contractually regulated collaboration agreement in place are informed about the contents of Model 231, which is posted on the Bank's website, and are required to conduct themselves as specified in the Model and according to the conduct-behavioural principles specified therein.

Training on Organisational Model 231

The training of personnel is handled by the Personnel Department, which is required to draft an Annual Training Plan in conjunction with the Supervisory Body.

Within this context, personnel training initiatives are envisaged that specify individual training paths that are functional and consistent with each individual's relative position within the Bank, so as to ensure adequate skills coverage. The Annual Training Plan shall include a schedule of ongoing, systematic and compulsory training courses to qualify individuals for certain positions in the company, as well as regular *updating sessions* aimed at ensuring that individual skills are always kept up to date.

Training programmes are provided by means of distance learning and also classroom sessions. In the case of *online* training courses an electronic tracking system has been introduced that can provide a detailed analysis of course attendance levels and send out regular reminders.

Within its scope of operation, the Supervisory Body has the authority to plan specific training interventions aimed at specific individuals.

The Supervisory Body monitors that the self-training course is completed by all associates within a specified time period and informs the Human Resources Directorate regarding any non-compliant employee/s so that appropriate action can be taken in terms of the rewards system.

The Supervisory Body monitors the participation and the results achieved by individuals taking part in company courses.

Updating of Organisational Model 231

In order to ensure that Model 231 is always up to date, the Supervisory Body ensures that it is constantly reviewed. For these reviews, which are conducted at least once every two years, the Supervisory Body also decides whether or not to utilise the services of specialised individuals.

The decision on whether or not it is necessary to review the Model is normally based on the following factors:

- any changes in the primary or secondary reference regulations;
- the introduction of new products/services that may impact on the predicate crimes specified in Decree No. 231;
- new developments and/or changes to the Bank's operations that may impact on the predicate crimes specified in Decree No. 231;
- any changes to the company organisational structure/function flow chart that may impact on the Bank's activities and therefore also on the high-risk operations contemplated in Decree No. 231.

In the event of any proposed amendments to and/or updating of Model 231, The Bank's Supervisory Body submits the aforesaid proposals or updates to the Banco Desio Brianza Board of Directors for consideration and approval.

Should the amendments and/or updates merely constitute the acknowledgement of changes in the current primary or secondary regulations, the Supervisory Body may go ahead with their implementation, subject to the duty to submit them to the Bank's Board of Directors simply for the purposes of information and ratification.

Attachments – Integral parts of Model 231

1. The Banco Desio Brianza Code of Conduct
2. List of offences in terms of Leg. Dec. No. 231/2001
3. The Disciplinary system
4. Standard reporting form
5. Supervisory Body Regulations
6. Main information flows to and from the Supervisory Body
7. High-risk operation identification forms for main company bodies
8. Protocols