



**ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEG. DEC.
231/2001
of the Company Alitalia Loyalty S.p.A.**

GENERAL SECTION



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Company subject to management and coordination
of Alitalia S.p.A. under special administration, Sole shareholder.
Fully paid-up share capital of € 500,000.00
Tax code, VAT Number and company registration number
on the Register of Businesses of Rome No. 12231871000
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ATTACHMENTS TO THE GENERAL SECTION

Attachment 1 – List of Offences

Attachment 2 - Information Flows to the Supervisory Body

Attachment 3 - Risk – offence matrix

Definitions

- "Sensitive activities": Company activities in areas where there is a risk that the offences specified by law no.231/2001 might be committed;
- "Consultants": persons acting in the name and/or on behalf of the Company pursuant to a specific mandate or other advisory or co-operation agreement;
- "Recipients": the recipients of this Model and, as such, and with regard to their specific remit, required to become acquainted and to comply with it, are the persons working to achieve the purpose and objectives of the Company. The Model's Recipients include the members of the Company boards, the persons involved in the functions of the Supervisory Body, employees, co-workers, external consultants, Partners;
- "Employees": employed staff of the Company;
- "Managers": employees of the Company in management positions;
- Legislative Decree 231/2001: Legislative Decree 8 June 2001, no. 231 as subsequently amended and integrated. (A list of offences and their provisions can be found in Attachment 1 to this General Part);
- "Confindustria Guidelines": the "Guidelines for the preparation of organizational and management models disseminated by Confindustria, approved by the Ministry of Justice, at the end of their control process on the guidelines pursuant to Article 6, para. 3, of Legislative Decree 231/2001 and Ministerial Decree 26 June 2003 no. 201;
- "Model": the organizational, management and control model of the Company pursuant to Legislative Decree 231/2001 approved with decision of the Administrative Body of 11 September 2018;
- "Administrative Body": under the ordinary administration regime, this body is reflected in the Board of Directors;
- "Corporate Control Body": under the ordinary management system, this body is reflected in the Board of Statutory Auditors;
- "Supervisory Body": the Company's supervisory body pursuant to Legislative Decree 231/2001;
- "P.A.": Public Authorities, including civil service officials in their capacity as public officers or individuals performing public service;
- "Partner": contractual counterparties of the Company, such as suppliers, whether natural or legal persons, or entities with whom the Company has negotiated any form of cooperation regulated by contract (parties with whom the Company has entered into a temporary association of enterprises, joint ventures, consortiums, etc.), if intended to cooperate with the Company in the context of Sensitive Activities;
- "Offences or Crimes": the offences or crimes defined herein are those referred to in Legislative Decree 231/2001 as subsequently amended and supplemented (a list of offences and their legal references can be found in Attachment 1 to this General Part);
- "Company": Alitalia Loyalty S.p.A (hereinafter "Alitalia Loyalty" or the "Company" or "Loyalty").

1 DESCRIPTION OF THE REGULATORY FRAMEWORK

1.1 System of administrative liability for legal entities.

Legislative Decree 231/2001, issued in implementation of the mandate conferred on the Government by Article 11 of Law no. 300 dated 29 September 2000, "liability of entities for administrative offences depending on a crime":

This legal framework applies to entities having legal status, as well as companies and associations, including those without legal personality.

Legislative Decree 231/2001 is based on a number of international and Community conventions ratified by Italy, which dictate that forms of liability for legal entities be provided for certain types of crimes.

Pursuant to the provisions of Legislative Decree 231/2001 an entity (hereinafter also referred to as "company") may be held "responsible" for certain offences committed or attempted in the interest or to the benefit of the company, by:

- the top management, i.e. managers and officials in positions of representation, directors or general managers of the company or one of its organizational units with financial and functional autonomy as well as those who exercise, also de facto, the management and control of the above;
- persons subject to the direction or supervision of the top management.

With regard to the notion of "interest", there is deemed to be an interest whenever the illegal conduct is implemented with the aim of achieving a benefit to the company, irrespective of whether such benefit has been achieved or not.

Similarly, the liability is incumbent on the company whenever the perpetrator, despite not acting with a view to benefiting the entity, achieves anyway an economic or other "advantage" for the legal entity.

The administrative liability of the company is independent of the criminal liability of the individual who committed the crime and comes alongside the latter.

1.2 Types of offences under the Decree

The Decree concerns only certain special cases of criminal offences, explicitly mentioned in its provisions.

Such offences can be treated, for convenience, in the following categories:

- offences in relations with Public Authorities (Articles 24 and 25 of Legislative Decree 231/2001)¹;
- cyber crime and illegal data processing offences (Article 24-bis of Legislative Decree 231/2001);
- offences committed by criminal organizations (Article 24-ter of Legislative Decree 231/2001);
- offences regarding counterfeiting of money, instruments of public credit, tax stamps and any means of identification (article 25-bis of Legislative Decree 231/2001);
- offences against industry and trade (Article 25-bis 1 of Legislative Decree 231/2001).
- corporate offences (Article 25-ter of Legislative Decree 231/2001)²;
- offences of terrorism or subversion of the democratic system (Article 25-quarter of Legislative Decree 231/2001);
- female genital mutilation practices (Article 25-quarter 1 of Legislative Decree 231/2001);
- crimes against human beings (Article 25 - quinquies of Legislative Decree 231/2001);
- market manipulation and abuse of privileged information (article 25-sexies Legislative Decree 231/2001);
- manslaughter and serious or grievous bodily harm committed in breach of the occupational health and safety regulations (Article 25-septies of Legislative Decree 231/2001);
- transnational offences (Article 10 of Law no. 146 of 16 March 2006 ratifying the "United Nations Convention and Protocols of the United Nations against transnational organized crime" adopted by the Shareholders' Meeting on 15 November 2000 and 31 May 2001");

¹ As amended by Law 190/2012.

² As amended by Law 190/2012 concerning the introduction of the offence of "bribery between individuals" (Article 2635 of the Civil Code) and the most recent Law of 21 May 2015, no. 69 (Law 69/2015), with reference to the new wording of the offences of "false corporate communications" (Article 2621), "false corporate communications of listed companies" (Article 2622) and the new "immaterial false corporate communications" (Article 2621-bis), with redefined penalties.

- handling stolen goods, money laundering and investing the proceeds of crime (Article 25-octies of Legislative Decree 231/2001)³;
- offences related to copyright violations (Article 25 novies of Legislative Decree 231/2001)
- incitement not to make statements or to provide false statements to the Judicial Authorities" (Article 25-decies of Legislative Decree 231/2001);
- environmental offences (Article 25- undecies of Legislative Decree 231/2001)⁴;
- offences consisting in the employment of irregular citizens of other countries (Article 25 duodecies of the Decree)⁵;
- racism and xenophobia (Article 25-terdecies of Legislative Decree 231/2001)⁶
- Please refer to Attachment 1 (Offences List) of this document for the precise list of offences referred to in the Decree.

1.3 Penalties provided for in the Decree

If the Company's responsibility pursuant to the Decree is ascertained, because of the perpetration or attempted perpetration of the above crimes and offences, the Company shall be liable for the following penalties:

- a fine determined using a system based on quotas, the number and amount of which are decided by the courts, within the limits defined by law;
- prohibitory penalties which, in turn, may comprise:
 - o disqualification from trading or operating a business;
 - o suspension or withdrawal of permits, licenses or concessions functional to the perpetration of the offence;
 - o ban on entering into procurement contracts with the Public Authorities,
 - o exclusion from public aid, financing, grants and subsidies and/or revocation of those already granted;
 - o ban on advertising goods or services.
- seizure of the proceeds of crime;
- publication of the court decision in one or more newspapers.

1.4 Exempting condition for the non-application of penalties: Organizational, Management and Control Models

The typical feature of Legislative Decree 231/2001 is the attribution of an "exempting" value to company organization, management and control models.

The organization is not liable for offences committed in its interest or to its benefit by a top manager if it can prove that:

- the "governing body", as indicated in Article 6 paragraph 1 letter a) of Legislative Decree 231/01 had adopted and effectively implemented organizational, management and control models suited to preventing the offences referred to in the Decree;
- the task of overseeing the operation of and compliance with the Model and proposing its updates had been assigned to a "body" vested with autonomous powers of initiative and control;
- the offences were intentionally committed to breach the organizational models;
- the offences were not committed because of the negligence of or insufficient supervision by the body.

³As amended by Law no. 186 of 15 December 2014 (Law 186/2014) Article 648-ter (1) of the Criminal Code, the crime of self-laundering, also including it among the predicate crimes for administrative liability.

⁴As supplemented by Law no. 68 of 19 May 2015 (Law 68/2015) which introduced into the criminal code eight new offences within Title VI-bis (Book II) "Offences against the environment" indicating their relevance for Legislative Decree 231/2001 and the related penalties and as amended by Legislative Decree 21/2018, which repealed article 260 of Legislative Decree 252/2006, which must now be intended as referred to the new article 452-quaterdecies of the Criminal Code (Activities organised for illegal waste trafficking).

⁵ The reference included in article 25-terdecies of Legislative Decree 231/01 to the repealed article 3(3)bis of Law 654/75 should now be intended as the new article 604-bis(3) of the Criminal Code (Propaganda and instigation to commit offences for reasons of racial, ethnic and religious discrimination).

⁶ Article 3(3bis) of Law 654/1975 – Ratification and implementation of the international convention on the elimination of all forms of racial discrimination, opened for signing in New York on 7 March 1966 and subsequently amended (Law 115/2016. Amendments to article 3 of Law 654/1975 on the struggle against and repression of the crimes of genocide, crimes against humanity and war crimes, within the meaning of article 6, 7 and 8 of the Charter of the International Criminal Court).

On the other hand, in the event of an offence committed by persons subject to the direction or supervision of others, the body is responsible for the perpetration of the offence when the latter was made possible by a breach of the direction or supervision obligations incumbent on it.

The administrative liability of entities is in any case excluded by express provision of the law (Article 5, paragraph 2, of Legislative Decree 231/2001), if the top management and / or their subordinates acted exclusively in their own interest or in the interest of third parties.

Article 7, paragraph 4, of Legislative Decree 231/2001 also defines the requirements for the effective implementation of organizational models:

- periodic verification and modification of the model, if any significant violations of regulations are found or when there are changes in the organization and activity;
- an internal disciplinary system capable of sanctioning any failure to comply with the measures indicated in the Model.

1.5 Examination of suitability

The assessment of the company's responsibility, assigned to the criminal court, is carried out through: the verification of the existence of the predicate offence determining the company's liability; and the examination of suitability of the organizational models adopted.

The court examines the theoretical suitability of the organization model to prevent the perpetration of crimes, for the purposes of Legislative Decree 231/2001, by means of the "retroactive prognosis".

The examination of suitability is formulated on an essentially ex ante basis, therefore the court figures out the company situation at the time of the occurrence of the unlawful event, in order to establish the adequacy of the adopted model.

1.6 Codes of Conduct drawn up by the associations representing public entities

Article 6, paragraph 3, of Legislative Decree 231/2001 provides as follows: "*Organizational and management models can be adopted, ensuring compliance with the requirements of paragraph 2, on the basis of codes of conduct drawn up by the associations representing the entities, submitted to the Ministry of Justice that, in consultation with the relevant Ministries, can, within thirty days, formulate observations on the suitability of the models to prevent crimes*".

Confindustria has defined the "*Guidelines for the construction of models of organization, management and control pursuant to Legislative Decree 231/2001*" disseminated on 7 March 2002 and last updated in March 2014 (approved by the Ministry of Justice on 21 July 2014).

The Confindustria Guidelines provide, among other things, indications on the methods for the identification of risk areas (industry/activities where offences may be committed), the design of a control system (protocols for the training planning and implementation of decisions) and the contents of the organizational, management and control model.

In particular, the Confindustria Guidelines suggest to member companies to use the *risk assessment and risk management* processes of and require the following steps for the definition of the model:

- identification of risks and protocols
- adoption of several general instruments, principally including a code of ethics, with reference to the offences under Legislative Decree 231/2001, and a disciplinary system;
- identification of the criteria for the choice of the supervisory body, an indication of its requirements, duties and powers and of disclosure obligations.

In the development of this Program, the Company is mainly inspired by the aforementioned Confindustria Guidelines, as well as the codes of conduct of major representative organizations and the best practices applying to the different areas of activity. In this regard, please refer to section 3 of this document. Any differences with respect to specific points of the Confindustria Guidelines address the need to adapt the organizational and management measures the activities effectively carried out by the Company and the context within which it operates.

The Company continuously monitors legislative developments, with respect to the regulation of the liability of legal entities for administrative offences arising from the perpetration of offences, assessing the impact of significant changes in the organizational structure or business sectors and acknowledging significant breaches to the Model 231 and/or the outcomes of the checks carried out on the Model. In the light of these circumstances, it examines the possibility of updating the Model, aligning it in time to the needs encountered, from time to time, during the application stage, in accordance with the basic principle that the Model must be "increasingly consistent with" the company's operations.

2. THE GOVERNANCE MODEL AND THE ORGANISATIONAL STRUCTURE OF THE COMPANY

2.1 Company Profile

Alitalia Loyalty is subject to the direction and coordination of Alitalia - Società Aerea Italiana S.p.A. in A.S. (hereinafter also "Alitalia"), Sole Shareholder, and has as its corporate purpose:

- the management and development of customer loyalty programmes of Alitalia and other domestic and foreign air carriers;
- the management and development of partnerships connected with loyalty programmes;
- the management of customer services;
- the issue and sale to the public of airline tickets and bonus tickets;
- merchandising, licensing and commercial development of its brands and intellectual property rights.

Basically, Loyalty's main activity consists in the management and development of the Alitalia customer loyalty programme, which is called the "Mille miglia Programme" and by virtue of which any Alitalia passenger, after joining and becoming a member (through appropriate registration) obtains, for each flight carried out with the Alitalia carrier (or its partners) or for each purchase of goods and services carried out with Alitalia or its commercial partners, a certain number of points (miles) with an economic value that give the right to the collection of bonuses, to reach a certain threshold of accumulation. It should be noted that the Mille miglia regulation itself (available on the Alitalia website in the "Mille miglia" section) defines the loyalty programme as a prize competition pursuant to Presidential Decree no. 430 of 26 October 2001.

Within Loyalty, all the typical company functions are carried out (administration, legal area, commercial area, etc.). Most of the employees are engaged in activities strictly related to the management - through the computer and telephone system (customer care) - of the Mille miglia Programme.

As a result, through access to the IT system, the employees of the Air Partnership & Loyalty Programs and Non-Air Partnership and Operations departments (each on the basis of its duties and authorization levels) come into contact with personal data relating to the position of the member of the Mille miglia Program, manage mileage credits, can change the balance of miles (for example, reducing miles in case of unwarranted credit or, vice versa, crediting them in case of omission errors) and perform all the various (computer) operations necessary to carry out their activities, accessing Loyalty's computer system.

For employees with high authorization levels, it is possible to create member accounts, issue airline tickets (or rather, give input to the competent offices to issue airline bonus tickets to certain members who have earned the right), check in detail the individual position of each member (how much he travels, what type of flights he makes, to which countries, under what conditions, for how long, etc.).

For the purposes specified above, the Company may carry out all movable and real estate, commercial, industrial and financial transactions that are deemed useful or even only appropriate in the opinion of the competent corporate bodies by virtue of the rules resulting from the Articles of Association and the Law, with the explicit exclusion of financial activities covered by Legislative Decree no. 58/1998, as well as by the Consolidated Act no. 385/1993, on banking and credit, and related regulatory and complementary provisions.

The Company also expressly excludes the activities referred to in Legislative Decree no. 385/1993, Legislative Decree no. 58/1998, Law no. 216/1974 and the C.I.C.R. resolution of 3 March 1994 published in the Official Gazette no. 58 of 11 March 1994.

Moreover, the Company is expressly entitled to receive loans and financing from its shareholders and, in general, to collect savings from its shareholders, as well as from companies or entities controlling, controlled or associated with or controlled by the same parent company, and in any case to carry out financial transactions in the same areas, under the terms and conditions allowed by the regulatory provisions applicable to incorporated companies, in particular the provisions of Legislative Decree no. 385/1993, the C.I.C.R. resolution of 3 March 1994, and the instructions of the Bank of Italy on the collection of savings from parties other than banks published in the Official Gazette of 12 December 1994, as amended in the future.

2.2 The Company's corporate governance system

Although this paragraph also makes explicit reference to the corporate bodies envisaged by the extraordinary administration procedure, which currently concerns the other companies of the Group, as interim management and control bodies, in the remaining part of the document an attempt has been made to minimise the references to the extraordinary administration procedure by maintaining the references to the ordinary governance systems, i.e., "Administrative Body" and "Corporate Control Body", in consideration of the exceptional and temporary nature of the institution of extraordinary administration.

The Company is managed by:

- a) A sole director or an **Administrative Body** or **Board of Directors** (hereinafter "Board of Directors") composed of an odd number of directors ranging from 3 to 7, whether or not they are shareholders, as resolved by the Shareholders' Meeting. The administrative body remains in office for the period established by the shareholders' meeting's resolution appointing it, up to a maximum of three financial years. The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the company and has the power to perform all the acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding those that the Law or the Articles of Association reserve exclusively for the shareholders' meeting.

The Board of Directors may:

- appoint one or more Managing Directors, including the Chairman;
 - appoint a secretary who may also be chosen from among its members;
 - appoint one or more agents or proxies ad negotia or proxies in general for certain acts or categories of acts, including with the right to sub-delegate. The powers indicated in art. 2381 of the Italian Civil Code and those that cannot be delegated by law or the articles of association cannot be delegated. The delegated bodies report to the Board of Directors and the Board of Statutory Auditors at least every three months on the general performance of operations and the outlook for the future, as well as on the most significant transactions, in terms of their size and characteristics, carried out by the company and its subsidiaries. The signature and the legal and procedural representation of the company are the responsibility of the Sole Director or the Chairman of the Board of Directors and, within the scope of the powers conferred, of each Managing Director.
- b) **Corporate Control Body or Board of Statutory Auditors:** it is composed of 3 standing members and 2 alternate members, appointed in accordance with the law and called upon to supervise compliance with the law and the articles of association and respect for the principles of correct administration in the performance of corporate activities, but also to supervise the effectiveness of the internal control and internal audit system;
- c) **Supervisory Body:** monocratic body with autonomous powers of initiative and control which is entrusted, by the Administrative Body, with the task of supervising the functioning and observance of the model (adopted and effectively implemented) and ensuring its updating;
- d) **Audit firm:** appointed to audit the accounts. This activity is carried out in compliance with current sector regulations.

The Company has equipped itself with a set of tools for governing the organisation that guarantee its correct functioning and which can be summarised as follows:

- **Code of Ethics:** which lays down the ethical principles and code of conduct that the Company recognizes as its own and which everyone working towards the attainment of its objectives must comply
- **Articles of Association:** in accordance with the applicable regulations, it defines the corporate governance provisions to ensure that the management activities are properly performed.
- **Service orders and Communications:** define the responsibility areas of management and the organizational structure.
- **Organizational Instructions:** documents for disseminating the guidelines, authorization levels and instructions not involving the description of a procedural flow.
- **Procedural Regulatory System:** it includes the set of rules governing responsibilities and the methods of carrying out the activities and phases that make up the company's processes.
- **System of powers of attorney and delegation of functions:** it defines the attribution of the Company representation powers. In particular, in view of its ordinary management activities and as part of its assigned responsibilities, the Company has conferred proxies and powers of attorney for the performance, in the name and on behalf of Alitalia Loyalty, of acts in specific matters and within defined limits of value, also conferring the necessary powers to ensure the correct and timely implementation of all the requirements prescribed by applicable legislation.
- **Intercompany Service Agreement:** it formally regulates the procedures, terms and conditions by which Alitalia - Società Aerea Italiana in A.S. undertakes to provide services, consultancy and assistance to the Company.
- **Other specific legal obligations:** define other specific areas of responsibility. In particular, the Company has identified the Employers, in accordance with Italian Legislative Decree 81/2008 on occupational health and safety, and has appointed the data processors, pursuant to Italian Legislative Decree 196/2003 on the protection and safety of personal data.

- **Organization, Management, and Control Model:** this Model defines a structural and organic prevention and control system aimed at minimizing the risk of the perpetration of offences, pursuant to Legislative Decree 231/01, in relation to the core business of Alitalia Loyalty. and intended to strengthen the Company's governance system.

2.4 Internal Control and Risk Management System (ICS)

The internal control and risk management system is the set of rules, procedures, and organizational structures the Company has adopted to ensure that the corporate goals are reached and the following purposes are fulfilled:

- effectiveness and efficiency of the corporate processes and operations (business, staff, etc.);
- adequate risk control;
- quality and reliability of economic and financial information;
- compliance with the applicable laws and regulations, standards and company procedures;
- safeguarding of the value of the business activities and corporate assets and protection from losses.

The main bodies in charge of the processes of definition, evaluation, monitoring and control of the aforementioned system (also for the purposes of Italian Legislative Decree 231/2001) are:

- the Administrative Body;
- the Corporate Control Body;
- the Supervisory Body, established in accordance with Italian Legislative Decree 231/2001;
- the Top Management of the company (which is responsible for the so-called "first and second" control levels, within its remit);
- the various Function Managers and all Employees (including those of Alitalia, where they carry out activities under the Service Agreement, hereinafter for the sake of brevity, all "Employees"), each within the scope of their own role and their own attributions/activities, are then entrusted with the important task of carrying out "line controls" (or first level controls).
- the Internal Audit Function, responsible for the so-called "third level" control, which reports hierarchically to the Administrative Body. Alitalia's Internal Audit function also works in service for Alitalia Loyalty on the basis of a service contract stipulated between the Companies.

In keeping with corporate governance and control best practices, Alitalia Loyalty's ICS has been designed according to the "three lines of defence model". That is:

- First-level controls - or line controls - aimed at ensuring the proper conduct of operations. The controls are carried out by the operational structures themselves, or by staff, and are part of the procedures and other company rules;
- Second-level controls - or monitoring controls - assigned to units specialized in risk monitoring and control and differing from those of the line controls (i.e. management, quality control, etc.);
- Third-level controls - carried out by the Alitalia Internal Audit function - aimed at the periodic and independent assessment and review of the functionality and adequacy of the internal control system.

The 231 Organization Model has been built into this system as a summary representation of the "general" and "specific" control standards for the prevention of so-called "predicate offences":

General control standards

The general control standards, applicable to each company activity and underlying the instruments and methods used in order to form the specific control points, may be outlined as follows:

- **Existence of formal procedures:** company instructions must exist and be suitable to provide principles of conduct, operating methods for the performance of sensitive activities and filing methods for the relevant documentation.
- **Ex-post traceability and verifiability of transactions by means of adequate documentary/computer evidence and objectification of choices:** for each transaction, there must be adequate documentary support, which may be checked at any time. It must attest to the characteristics and reasons for the transaction and identify who authorized, made, recorded and checked the transaction and, at any rate, the cases and procedures for any possible deletion or destruction of records made must be covered in detail. The safeguarding of data and procedures in the IT area can be ensured by means of the adoption of security measures already provided for under Italian Legislative Decree 196/2003 (Personal Data Protection Code) and subsequent updates, changes and additions, for all data processing carried out using electronic instruments.

- **Separation of duties:** the system must ensure the application of the principle of the separation of functions, whereby authorization to carry out a transaction must be granted by a different person from the one making or checking the operation. Furthermore, it is necessary that: i) the powers and responsibilities are clearly defined and known within the organization; ii) authorization and signing powers are consistent with the assigned organizational responsibilities. This separation is ensured by the involvement of multiple persons, within a single macro business process, in order to guarantee the independence and objectivity of the processes. The separation of functions is also implemented through the use of computer systems that only enable identified and authorized persons to carry out certain operations. The separation is evaluated in consideration of the sensitive activity within the context of the specific process it belongs to and its complexity.
- **A power delegation system consistent with the assigned organizational responsibilities:** the authorization and signing powers assigned must be: i) consistent with the assigned organizational and managerial responsibilities; ii) clearly defined and known within the Company. The corporate roles vested with the power to commit the Company to certain expenses are defined, also specifying the limits and nature of the expenses. The attribution of functions must comply with any specific legal requirements (e.g. powers relating to occupational health and safety).

Specific control standards

For each of the activities at greatest risk – depending on the category of offences to which they are potentially subject – specific control standards have been defined, and are discussed in the Special Sections, besides the application of the general measures referred to in the previous paragraph.

The above mentioned general control standards require specific control procedures establishing:

- a) that all the operations, the formation and implementation of Company decisions shall meet the principles and requirements provided in accordance with the Law, the Articles of Association, the Code of Ethics and corporate procedures;
- b) that company instructions and/or formal procedures must exist and be suitable to provide principles of conduct, operating methods for the performance of sensitive activities and filing methods for the relevant documentation;
- c) that, for all routine management activities:
 - management, coordination and control responsibilities within the Company, reporting and hierarchical levels and a description of the respective responsibilities are formally stipulated;
 - the stages in the formation and drawing up of deeds are consistently documented and reconstructed;
 - the authorization levels in the formation of deeds are always formally stipulated and documented, to guarantee the transparency of the decision-making process;
 - the attribution and exercise of powers in the context of the decision-making process is consistent with the positions and the importance and/or criticality of the underlying economic operations;
 - decisions are made and implemented by persons other than those who give accounting evidence of such operations and those who are responsible for conducting the audits required by law and by the procedures set out by the internal control system;
 - access to company data is consistent with Legislative Decree 196/2003, as subsequently amended and supplemented, and other regulations;
 - the Company data is accessed and processed by authorized persons only;
 - confidentiality is ensured in the transmission of information;
 - the documents concerning the formation of decisions and their implementation are filed and stored by the appropriate Organizational Unit, in such a way as to prevent any subsequent modification, unless by providing specific evidence. Access to documents already archived is permitted only to persons authorised on the basis of internal regulations, as well as to the Administrative Body, the Corporate Control Body, the Independent Audit Firm and the Supervisory Body.
- d) all the dealings with the counterparties shall be adequately formalized and tracked. In particular, for relations that involve entering into agreements, the conclusion of the agreement explicitly requires the use of clauses whereby third parties: declare they are aware of the provisions of the Decree and they have acquired knowledge of the Model of Alitalia Loyalty ; undertake not to adopt or keep a conduct that does not comply with the Model and the Code of Ethics; undertake to refrain from acts or omissions, facts or behaviours that could expose Loyalty to the risk of the penalties provided for by Legislative Decree 231/01 or to any liability for Alitalia on the basis of this latter.

Alitalia Loyalty has precisely identified the categories of counterparties (i.e.: major financial counterparties, material non-Italian corporations) with whom contracts can be closed even if the above clause is not accepted, provided that such counterparty has a code of ethics in place.

Furthermore, the Company has identified the categories of agreements (i.e. Memorandums of Understanding / Letters of Intent, Non-Disclosure Agreements, ISDAs), which do not require the inclusion of the clauses referred to in the first sub-paragraph of this paragraph d).

The Company also provides, in cases of exemption to the use of contracts with 231 clauses, for specific periodic information flows to the Supervisory Body.

2.5 Intercompany transactions

During 2009, as part of the Group's organisational processes, functions and activities were centralised at Alitalia in order to achieve synergies, as well as to rationalise and make the Group's overall action more incisive and efficient.

Consequently, contracts have been entered into between the two companies in the interest of each of them governing the services that Alitalia provides to Loyalty, providing support in the management of the related activities. These contracts contain the standard clauses (subject matter, duration, etc.), the essential characteristics of the services and the determination of the fees.

In particular, on the basis of these contracts, Alitalia provides support, consulting and assistance services regarding functions and activities traditionally defined as corporate.

In performing these contracts, the Company providing the service shall:

- comply with the ethical-behavioural principles defined and adopted by the Company with the approval of the Code of Ethics;
- apply an internal control system that provides protection against the possible commission of offences envisaged by the Decree.

Consistently with the existing contractual relationships and with the aforementioned organizational structure of the Group, the Company has conferred on Alitalia, in the person of its representatives (as identified in the related deeds), the powers, in specific matters and within defined limits of value, to perform, in the name and on behalf of Alitalia Loyalty, acts of ordinary management of interest to Alitalia Loyalty, also conferring on Alitalia's managers the necessary powers to ensure the correct and timely fulfilment of all the requirements prescribed by the current legislation.

3. ORGANIZATION, MANAGEMENT AND CONTROL MODEL

3.1 Introduction

The Company has deemed it appropriate to initiate a process aimed at carrying out an overall review of the existing Model in order to bring it into line with the new reality, including the organisational one, and new regulations and to carry out a survey of the identified risk areas and the internal control system currently being defined.

By decision of the Board of Directors the Company shall approve the Organisational, Management and Control Model, which makes reference to the Code of Ethics.

3.2 Function of the Model

The decision to adopt an Organization, Management and Control Model pursuant to Legislative Decree 231/2001, is not only grounds for exemption from Company liability, should the offences referred to in the Decree be committed, but also, first and foremost, a responsible act by the Company towards its employees, customers, suppliers, lenders, institutions, communities, the environment, etc.

Moreover, adoption of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, and its effective implementation even more so, contribute to the better management of the internal control system, fostering the consolidation of a corporate culture that values the principles of transparency, ethics, fairness, and respect for the rules. This also benefits Alitalia Loyalty and more generally of the Group reputation and strengthens the feeling of trust of passengers and all persons with whom the Company maintains relations as the members of the Mille miglia Programme feel towards the same company.

Ultimately, the Company intends to uphold and promote an enterprise culture inspired by:

- lawfulness, transparency, ethics, fairness, and respect for the rules, also reiterating that, in keeping with the strict principles adopted by Alitalia Loyalty, no unlawful conduct shall be permitted, even if committed in the interests of the Company or to its advantage;

- control, which must govern all the decision-making and operational phases of the company's activities, with full awareness of the risks arising from any offences committed.

These objectives can be achieved in a coherent system of principles, organization, management and control procedures, and provisions that bring to life the Model that the Company has prepared and adopted, in light of the above considerations. The main objectives of this Model include:

- increasing awareness among Alitalia's stakeholders (employees, consultants, suppliers, etc.), requesting that they adopt a fair and transparent line of conduct in the activities carried out in the interests of the Company. This conduct must be consistent with the ethical values that inspire the Company when working towards its corporate purpose, and should prevent the risk of the offences referred to in the Decree being committed;
- raising awareness among the abovementioned stakeholders that they could meet with disciplinary and/or contractual consequences, as well as penal and administrative penalties against them, should the provisions established by the Company be breached;
- establishing and/or strengthening controls, to enable the Company to prevent or promptly react to stop offences being committed by the top management and by any individuals under its direction or supervision, which could result in the administrative liability of the Company;
- monitoring risk areas to enable the Company to promptly intervene in order to prevent or hinder the perpetration of offences and sanction any conduct contrary to its Model;
- guaranteeing its integrity by meeting the obligations expressly provided for in Article 6 of the Decree;
- improving efficiency and transparency in the management of company activities;
- inducing the full awareness by a potential perpetrator that any offence committed is strongly condemned and contrary - not only to the provisions of the law - but also to both the ethical principles the Company intends to uphold and to the interests of the Company itself, even when it could appear to obtain an advantage.

3.3 Recipients of the Model

The Model's Recipients include all persons with representative, administrative or management duties in both the Company as a whole and its organizational units with financial and functional autonomy, as well as those who perform the management and control duties of the Company, both in fact and in law, and persons subject to the direction or supervision of one of the figures above (in accordance with Article 5, Legislative Decree 231/2001) but also, more generally, anyone working towards the achievement of the Company's purpose and objectives. The Model's Recipients, therefore, include members of the Administrative Body, the Corporate Control Body, persons involved in the functions of the Supervisory Body, Employees, Consultants, Partners, and financial counterparties.

3.4 Company methods for defining the Model

The methodology employed to prepare the Model in terms of organization, definition of operational procedures, phasing, and assignment of responsibilities among the various business functions, was defined with the goal of ensuring that the process would be in line with best practices, sustainable over time, and integrated into the Company's organizational and operational context.

Alitalia Loyalty has considered it appropriate to initiate a process aimed at carrying out a comprehensive review of the previously adopted Organizational, Management and Control Model, in order to bring it into line with the new reality, including the organizational one.

This process featured the following main logical stages, implemented with the constant involvement of the company's management:

- **risk assessment:** the identification of the processes and activities within which the offences referred to in Legislative Decree 231/2001 could be committed, and identification of examples of the ways in which, theoretically, the predicate offences could occur in the company situation;
- **interviews and gap analysis:** sharing the risk profile, detecting the control forces in place, and identifying any shortcomings/gaps;
- **development of the Model.**

3.4.1 Risk Assessment

Article 6, paragraph 2, (a) of Legislative Decree 231/2001 includes among the requirements of the Organization, Management and Control Model the identification of processes and activities in which the offences expressly referred to in the Decree could be committed. In other words, the company processes and activities commonly defined as "sensitive" (hereinafter "sensitive activities" and "sensitive processes").

The purpose of this phase, therefore, was to identify the company areas and preliminarily identify the sensitive processes and activities, as well as to define examples of the ways in which, theoretically, the predicate offences could actually occur in the company situation;

To prepare for the identification of sensitive activities, an analysis was made of the corporate and organizational structure taking into account in particular the integrated relationship with Alitalia, as specified above.

On the basis of an analysis of the Company's business model - and, in this context, of the activities carried out by Alitalia in favour of Alitalia Loyalty under the existing contractual relations between the parties and the system of representative powers - together with the organisational acts, an initial identification of the sensitive activities and a preliminary identification of the organisational units responsible for these activities was carried out.

Specifically, the following activities were carried out to identify the sensitive activities:

- collection of documentation relating to the corporate and organizational structure (for example, organization charts, main organizational procedures, delegation of authorities, powers of attorney, power and delegation system, regulation, service contract etc.);
- analysis of the documentation gathered to study the Company's business model;
- survey of the company activity areas and their functional responsibilities;
- preliminary identification of the sensitive activities pursuant to Legislative Decree 231/2001;
- breakdown of each type of offence;
- preliminary identification of the Management/Organization Units responsible for the sensitive processes identified;
- development of the processes – offence risk matrix.

3.4.2 Interviews and Gap analysis

The purpose of this phase was to identify personnel with in-depth knowledge of the sensitive activities and control mechanisms in place, completing and elaborating on the preliminary inventory of sensitive activities, as well as the Organizational Units and persons involved (hereinafter, "*key officers*").

This analysis was carried out both through an analysis of the company documentation, including that relating to powers of attorney and service contracts entered into between Alitalia and Loyalty, and through in-depth technical meetings with key officers, who also had the aim of establishing management processes and control tools for each sensitive activity, with particular attention to the elements of compliance and existing preventive controls to monitor them.

The *key officers* were singled out from among the people at the highest organizational level as being able to provide detailed information about individual company processes and about the activities of the individual organizational Units. This was to enable a suitable level of information/detail to allow comprehension of the control system in place.

Below is a list of the activities carried out during this operational phase. A preliminary "map of the sensitive activities" was then defined, towards which the analysis and study could be steered:

- collection of information through analysis of documents and meetings with the internal representatives of the Project;
- identification of other persons able to provide a significant contribution to the understanding/analysis of the sensitive activities and relative control mechanisms;
- preparation of the map, which "matches" the sensitive activities with their key officers.
- carrying out structured "interviews" with the key officers, as well as with the personnel indicated by them, in order to collect, for the sensitive activities identified in the previous phases, the information necessary to understand
 - the basic processes/activities carried out
 - the Organizational Units and internal/external stakeholders;
 - the relative roles/responsibilities;
 - the existing control system.
- Sharing of what emerged during the "interviews" with the key officers
- formalization of the map of sensitive processes/activities in a special file that collects the information obtained and any critical points identified on the controls of the sensitive process analyzed.

At the end of this phase, therefore, an analytical map was prepared of the activities that, in consideration of the specific contents, could be exposed to the potential risk of crimes as referred to in Legislative Decree 231/2001.

With specific reference to the GAP analysis, the goal was to identify: i) the organizational requirements characterizing an organization model suited to preventing the offences referred to in Legislative Decree 231/2001, and ii) any improvements to the existing organization and control model.

In order to detect and conduct a detailed analysis of the existing control model for the risks found and highlighted during the risk assessment described above, and to evaluate the compliance of the model itself with the provisions of Legislative Decree 231/2001, a comparative analysis (the so-called “*gap analysis*”) was carried out between the existing organization and control system (“*as is*”) and an abstract reference model based on the content of the provisions in Legislative Decree 231/2001 (“*to be*”).

3.4.3 Definition of the Model

The purpose of the operational phase in question was to develop of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 adopted by the Company, taking into account the Confindustria Guidelines on the topic, all the parts of which are articulated and customized to the company situation.

This phase was supported by the results of the preceding phases and was consistently shared with the various organization units involved, including the Supervisory Body.

3.5 Outline of the Model

The document containing the Model features two main sections:

- (i) this *General Section*, describing the reference legislative framework and governing the overall operation of the system organization, management and control model adopted, aimed at preventing predicate offences;
- (ii) the *Special Sections*, designed to complement the contents of the *General Section* with a description of:
 - the sensitive activities existing in the organization, and within which the offences described in Legislative Decree 231/2001 could occur. This section also contains examples of how such offences could be committed;
 - the principles of conduct which the recipients of this Model must comply with in the performance of activities;
 - the specific control standards, applicable to each of the Sensitive Activities for which they are identified.

With reference to the structure of the Special Sections, the following sections have been identified, organized by “groups of offences”:

- **Special Section A:** Offences committed in relations with the Public Authorities, and the inducement to withhold statements from or provide false statements to the judicial authorities;
- **Special Section B:** Corporate offences and market abuse;
- **Special Section C:** Offences committed by criminal organizations, offences of terrorism or for subverting the democratic system and transnational offences;
- **Special Section D:** Handling stolen goods, money laundering and investing money, assets or benefits of illegal origin and self money-laundering;
- **Special Section E:** Manslaughter or grievous bodily harm committed in breach of the occupational health and safety regulations;
- **Special Section F:** Offences regarding the counterfeiting of of money, instruments of public credit, tax stamps and any means of identification, and offences against industry and trade;
- **Special Section G:** Offences against human beings and offences related to copyright violations;
- **Special Section H:** Cyber crime and illegal data processing;
- **Special Section I:** Employment of irregular foreign citizens;
- **Special Section L:** Environmental crimes.

As for the contents of the aforementioned predicate offences under the Decree, reference should be made to Attachment 1 of this Section of the Model.

3.6 Relationship between the Model and the Code of Ethics

In addition to the control instruments provided for by the aforementioned Legislative Decree 231/2001, the Company has adopted the values of Alitalia's Code of Ethics, an expression of a corporate context where the

primary objective is to satisfy, in the best possible way, the needs and expectations of the Group's stakeholders (e.g. shareholders, employees, customers, consultants, suppliers).

The Code of Ethics aims, among other things, to encourage and promote a high standard of professionalism and to avoid behavioural practices that are different from the interests of the Company or deviant from the law, on in any case in conflict with the values that the Company and the Group intend to maintain and promote.

The Code of Ethics is addressed to the members of the Corporate Bodies, to all employees of all levels of the Group and to all those who, on a permanent or temporary basis, interact with the Company and the Group.

The Code of Ethics must therefore be considered as the foundation and essential component of the Model, since together they constitute a systematic body of internal rules aimed at spreading a culture of ethics and corporate transparency. The Model (General Section and Special Sections) and the Code of Ethics are essential elements of the control system; the rules of conduct contained therein are integrated, even though the two documents serve different purposes:

- the Code of Ethics is an autonomously adopted instrument and can be generally applied by the Company; it expresses principles of "company ethics" recognised as their own and which are to be observed by all;
- the Model also complies with specific provisions contained in Legislative Decree 231/01, aimed at preventing the commission of particular types of crimes for acts which, apparently committed for the benefit of the Company, may entail administrative liability on the basis of the provisions of the decree itself.

Since Alitalia Loyalty has adopted the values of Alitalia's Code of Ethics, it follows that all references in the Code of Ethics to Alitalia are to be understood as extending to Loyalty itself. With specific regard, then to the provision of Article 11.2 (Reports of stakeholders) of the Code of Ethics, it should be noted that the e-mail address of the Supervisory Body of Alitalia Loyalty to which reports may be forwarded is as follows: odvLoyalty@alitalia.com

The address of the Supervisory Body is: Supervisory Body of Alitalia Loyalty S.p.A., Piazza Almerico da Schio, Pal. Bravo - 00054 Fiumicino (RM).

3.7 Sensitive activities for the Company

The adoption of the Model, as a tool that can guide the conduct of those working within the Company and promote across the Company conducts inspired by lawfulness and fairness, is reflected positively on the prevention of any crime or offence provided for by the legal system.

After close scrutiny of the business environment, the following "sensitive activities" have been considered representative of the business conducted by the Company and therefore specifically examined in the Model:

- Preparation of financial statements and accounting documents;
- Management of Intercompany relations;
- Management of financial and cash flows;
- Management of insurance and financial intermediaries;
- Management of relations with the Independent Auditors;
- Procurement of goods and services;
- Procurement of consulting and professional services;
- Relations with trade-union organizations;
- Selection and hiring of personnel;
- Evaluation, development and training of human resources;
- Administrative management of personnel and related social security compliance;
- Financed training;
- Management of reimbursements and entertainment expenses;
- Corporate obligations and relations with regulatory bodies;
- Management of litigation and extrajudicial management;
- Management of contributions, earnings and reserves and extraordinary corporate transactions;
- Management of institutional relations;
- Management of promotional and advertising activities;
- Relations with the media and management of external communication;

- Relations with public authorities on legal and regulatory matters, on security, supervisory authorities, tax and related obligations
- Management of PA controls and inspections;
- Management of participation in public tenders;
- Management of partnership agreements and alliances with reference to the part dedicated to the management of the frequent-flyer program (FFP) both in Commercial Agreements with the airlines and with other partners;
- Management and development of the awareness programme of the clients of Alitalia, i.e. "Mille miglia Programme"
- Complaints and claims management;
- Occupational health and safety compliance management;
- IT management;
- Environmental aspects management;
- Management of gifts and special conditions;
- Management of copyright and intellectual property rights.

See attachment 3 containing the connection matrix between business processes, the relevant sensitive activities identified, the applicable offences and examples of how they can be incurred. The matrix also specifies which activities are managed externally by Alitalia.

3.8 Adoption, update and review of the Model

3.8.1 Responsibility

The Administrative Body is responsible for the adoption, updating and review of the Model. With special reference to annex 3 (risks matrix), the Administrative Body will receive the assistance of the Organization function, which will submit the Organizational Communications to it for approval, together with the updated matrix, which shall be deemed to have been approved – and therefore enter into effect – 15 days after the date of presentation to the Administrative Body, if there are no observations.

It is specified that the procedures adopted to implement this Model and its updates are prepared by the competent functions.

The Supervisory Body is promptly and constantly informed of the updating and implementation of the the aforementioned procedures.

3.8.2 Inspections and controls on the Model

The Supervisory Body, within the scope of the powers reserved to it pursuant to Article 6, paragraph 1 (b) and Article 7, paragraph 4 (a) of the Decree and in accordance with the provisions of this Model, is nevertheless vested with specific tasks and powers regarding the oversight, development and promotion of the ongoing updating of the Model.

To this end, the Supervisory Body shall put forward observations and proposals concerning the organization and the control system, to the company structures in charge or, in cases of particular relevance, to the Administrative Body.

The Supervisory Body shall promptly report to the Administrative Body any facts, circumstances or organisational shortcomings found in its supervisory activity which highlight the need to update or adapt the Model and, at least every six months in its periodic report (also sent to the Supervisory Body and to the Administrative Body of Alitalia), any further updates which may be deemed appropriate.

Even for that purpose, the Supervisory Body prepares and gives advance notice to the Administrative Body of its program of activities on an annual basis, without prejudice to the right of the same Body or its members to conduct unplanned checks and controls.

3.8.3 Update and adaptation

The model should be updated or adapted whenever it is considered necessary or appropriate and, in any case, as a result of the following circumstances:

- infringement or avoidance of the provisions of the Model, where it is deemed possible to increase the protection in terms of prevention of the offences sanctioned under Legislative Decree 231/2001;
- significant changes in the organizational structure of the Company and/or the procedures for carrying out business activities; identification of new sensitive activities, or changes to the existing ones, including when

related to the launch of new business activities, changes in the internal structure of the Company and/or methods of conducting business activities;

- changes in the legislative framework that are relevant to the Company (e.g., whenever new types of offences having relevance under the Decree are introduced);
- assessment of non-compliances emerging from the controls carried out.

The internal control risk management system must ensure an ongoing "dynamic adaptation" of the Model, with reference to its main components (General Section, Special Sections and Code of Ethics) and to the overall organization, procedures and control system.

The approval of the updates to the Model is immediately notified to the Supervisory Body, which, in itself ensures the correct implementation and dissemination of the updates.

4. THE SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

4.1 The Supervisory Body of the Company

According to the provisions of Italian Legislative Decree 231/2001 - Article 6, paragraph 1 (a) and (b) - a company may be exempted from liability resulting from the perpetration of crimes by qualified individuals under Article 5 of Italian Legislative Decree 231/2001, if the managing body (-as indicated in article 6, paragraph 1 Legislative Decree 231/2001) has, *inter alia*, assigned the task of supervising the functioning and observance of the (adopted and effectively implemented) model, as well as its updating⁷, to a body with autonomous powers of initiative and control.

In this context, the Company has appointed a Supervisory Body comprising a single member.

4.2 Requirements

The following are the requirements of eligibility, autonomy and independence, professionalism and continuity of action which the Company deems necessary with regard to the composition and activity of the Supervisory Body.

Subjective requirements of eligibility

The existence of any of the following circumstances constitutes cause for ineligibility for the individual members of the Supervisory Body:

- a) any cases provided for under Article 2382 of the Italian Civil Code;
- b) situations in which autonomy and independence may be seriously compromised;
- c) charges brought in relation to any of the predicate offences pursuant to Italian Legislative Decree 231/2001;
- d) charges brought in relation to any intentional offences or which entail disqualification (including temporary disqualification) from public office or executive offices in legal persons.

The member of the Supervisory Body is obliged to immediately notify the Administrative Body of the occurrence of any of the aforesaid circumstances, which represents, in itself, a cause for the immediate and automatic disqualification from office of the member concerned.

Upon the occurrence of such circumstance, the Administrative Body shall promptly acknowledge the disqualification and replace the member of the Supervisory Body.

Autonomy and independence

The Supervisory Body of the Company is provided, within the exercise of its functions, with autonomy and independence from the corporate bodies and other internal control bodies, and also has financial independence, based on an annual budget approved by the Administrative Body on the basis of the request made in this regard by the Supervisory Body.

The Supervisory Body has the right, independently and without seeking any prior consent, to dispose of the financial resources indicated in the budget, drawn up on the basis of the planned activities of the Body, in relation to which it will submit to the Administrative Body a statement of expenses incurred as part of its annual report.

⁷ The Explanatory Report to Italian Legislative Decree No. 231/2001 states, in this regard: "*The institution (...) shall also ensure the effective operation of the models, and therefore compliance with them: for this purpose, to ensure maximum effectiveness of the system, it is specified that the company must make use of an internally-constituted structure (to avoid easy manoeuvres designed to constitute an apparent form of legitimacy in the actions of the company through recourse to accommodating bodies, and especially to establish the actual negligence of the institution), provided with autonomous powers and specifically responsible for these tasks (...) the mandatory provision of information to that internal control body is of particular importance to ensure its own operational capability.*"

In the course of its audits and inspections, the Supervisory Body is granted the widest possible powers in order to carry out its tasks effectively⁸.

In the exercise of its duties, the Supervisory Body must not be in situations, even potential situations, where there is a conflict of interest arising from any personal, family or professional reasons.

Professionalism

The Supervisory Body must possess at least the following professional skills:

- knowledge of the organization and of its key business processes;
- sufficient legal knowledge to identify any circumstances that could constitute an offence.

In particular, as clarified by legal practice, the Company must select the members of the Supervisory Body by making sure that they possess specific professional skills, in relation to risk management and the analysis of control systems, inspections, consulting, or knowledge of specific techniques, such as to ensure the effectiveness of the control and proactive powers conferred to it.

If necessary, the Supervisory Body may engage external Consultants, also for the performance of the technical operations needed to ensure the fulfilment of its control functions. In this case, the Consultants shall report directly to the Supervisory Body⁹.

Continuity of action

The Supervisory Body must ensure the necessary continuity of its duties, also by scheduling its activities and controls, by drafting minutes of its meetings and the regulating the information flows from the competent units.

Without prejudice to the requirements contained in this Model, the functioning of the Body is governed by a specific Regulation, which it adopts itself, as a token of its effective autonomy and independence.

4.3 Composition, appointment and duration

The appointment of the Alitalia Loyalty Supervision Body is delegated to the competence of the Body. The Supervisory Body must meet the requirements of (i) eligibility, (ii) autonomy and independence, and (iii) professionalism as defined in the paragraph above.

Italian Legislative Decree No. 231/2001 does not provide for the composition of the Supervisory Body. Lacking this information, the Company has opted for a solution that, in view of the objectives provided by law, is able to ensure, in relation to its size and its organizational complexity, the effectiveness of the controls for which the Supervisory Body is responsible, also in accordance with the abovementioned requirements of autonomy and independence.

In this framework, the Alitalia Loyalty Supervision Body, as previously reported, is monocratic and, in particular, it is composed of an external professional.

The acceptance of office by the Supervisory Body is a commitment in relation to: (i) this Model and the Code of Ethics for all issues concerning the Body; (ii) the Regulation adopted by the Body; (iii) more generally, the obligations of continuity of action and prompt information to the Administrative Body of any circumstance that requires immediate evaluation by the same Administrative Body. In this regard, of the Supervisory Body is also obliged to immediately notify any fact that determines the absence of the afore-mentioned requirements, or that may constitute just cause for the revocation or suspension from office.

Regardless of the foregoing, the Administrative Body verifies the continuance of the requirements for the Supervisory Body, on an annual basis.

In the event of death, disqualification, revocation or resignation from office of the member of the Supervisory Body, the Administrative Body shall promptly replace him/her.

The Supervisory Body shall hold office for three years from the date of appointment.

4.4 Dismissal

The members of the Supervisory Body may be dismissed solely for a just cause, by resolution of the Administrative Body, with the approval of the Corporate Control Body.

A "just cause" for dismissal means, for example:

⁸ In this regard, refer to paragraph 4.7.

⁹ "This arrangement allows for the principle of responsibility, which the law assigns to the body that reports to the institution, to be supported with the greater specific professional skills of external consultants, thus making the activity of the body more effective and penetrating". Thus, with reference to the possibility of the establishment of an *ad hoc* supervisory body (as an alternative to the assignment of the role of supervisory body to the Audit Committee or to the *Internal Audit* function), Confindustria, *Guidelines*, 44.

- serious negligence in the fulfilment of the duties related to the office;
- “*omitted or insufficient supervision*” by the Supervisory Body - in accordance with Article 6, paragraph 1 (d) of Italian Legislative Decree 231/2001 - resulting from a conviction, even if not final, of the Company, or any other company of whose supervisory body the person concerned was a member, according to Italian Legislative Decree 231/2001, or from a judgement wherein a so-called “penalty upon request” (i.e. a “plea bargain”) is administered.

However, no revocation or penalty imposed on the Supervisory Body may be discriminatory, as a result of reports received and processed by the Body itself.

4.5 Circumstances warranting suspension

If any circumstances that might potentially affect the reputation requirements of one or more members of the Supervisory Body occur, the Administrative Body, with the approval of the Corporate Control Body, may decide to suspend the member from office for as long as the potentially prejudicial situation endures. In which case the Administrative Body may also resolve to replace the suspended member(s) of the Body for as long as the suspension period lasts.

4.6 Temporary incapacity

In the event of circumstances such as to temporarily prevent a member of the Supervisory Body from carrying out their functions, or from performing them with the necessary autonomy and independence of judgement, the Administrative Body may decide, after suspending the member with the favourable opinion of the Corporate Control Body, on the appointment of a new member, whose term of office will be for as long as the situation of temporary incapacity endures.

4.7 Functions and powers

The Supervisory Body has autonomous powers of initiative, intervention and control, extended to all areas and functions of the Company; these powers must be exercised in order to perform effectively and promptly the functions provided by the Model and the relevant implementing rules to ensure the effective and efficient supervision of the functioning and compliance of the Model, as defined by Article 6 of Italian Legislative Decree 231/2001.

The activities carried out by the Supervisory Body cannot be judged by any other body or function in the Company. The verification and control activity performed by the Supervisory Body is, in fact, strictly related to the objectives of effective implementation of the Model and cannot substitute or replace the institutional control functions of the Company. The Supervisory Body, therefore, may ask for data and other business records independently and without requiring any authorization from the top management; no objection may be made to any such requests from the Supervisory Body.

In particular, the Supervisory Body is assigned with the following duties and powers, to carry out and perform its functions:

- ensuring the proper implementation of the Model by Employees and Recipients in general;
- verifying the adequacy and efficiency of the Model, paying particular attention to the identification of the “risk” areas in terms of criminal offences, and to the suitability of the procedures adopted for the prevention of the predicate offences pursuant to Italian Legislative Decree 231/2001;
- promoting and ensuring adequate circulation and knowledge of the Model vis-à-vis Employees and its Recipients;
- checking the updating status of the Model and reporting immediately to the Administrative Body any needs for supplementary additions or updates subsequent to changes in the relevant legislation or corporate structure or, in any case, due to other circumstances encountered;
- performing periodic checks within the Company on the correct application of the procedures described in the Model and the principles contained in the Code of Ethics.
- in agreement with the functions responsible for this and, if necessary, with the Supervisory Body of the parent company, internal training and communication programmes, with reference to the Model, the standards of conduct and the procedures adopted pursuant to the Decree;
- promptly requesting information from the managers of the relevant corporate departments and the perpetrators (if known), in the event of deficiencies or omissions in the correct execution of the Model or potential breaches of its provisions emerging during its regular control activities. The Supervisory Body shall immediately organize provisions and measures that are required to correct such deficiencies and prevent the perpetration of further offences;

- maintaining a constant exchange of information with the company functions, which must guarantee, even without notice, unrestricted and unconditional access to information, data, documents and any other information deemed important in carrying out its assigned tasks. For this purpose, the Body may ask for information from all the staff of the Company. The non-cooperation with the Supervisory Body constitutes a disciplinary offence;
- reporting to the Administrative Body, any violations of the Model or situations of non-compliance with the requirements of the Supervisory Body involving Employees, in order for the appropriate measures to be taken.

In carrying out its tasks, the Supervisory Body may make use of assistance from the Internal Audit of the other Functions in the Company and Alitalia with specific skills in the corporate areas which are subject to control from time to time, as well from external consultants.

In general, the Supervisory Body coordinates with the organisational units involved for all aspects relating to the implementation of the procedures for implementing the Model.

In carrying out its activities, the Supervisory Body is also supported by a Secretary appointed by it. The Company ensures adequate communication to the structures of the tasks of the Supervisory Body and its powers.

The Company shall be responsible for adequately communicating the duties and powers of the Supervisory Body to all the corporate structures.

The Supervisory Body does not have any management or decision-making powers, in relation to the activities of the Company, nor any powers of organization or modification of the corporate structure, nor any sanctioning powers.

The members of the Supervisory Body, and any other parties engaged by the Supervisory Body for whatever purpose, are obliged to respect the confidentiality of all information which has come to their knowledge in the performance of their duties, unless the communication of such information is necessary for the accomplishment of the task or is in compliance with the provisions of public authorities where required by law. Such obligation, however, does not exist for the Administrative Body, Corporate Control Body and the Internal Audit Function. Nor is there an obligation towards the Supervisory Body, the Administrative Body or the Corporate Control Body of the parent company in the case of news and information necessary also for the purposes of the latter's activities.

Access to the information contained in the Books of the Supervisory Body, or in documentation pertaining to the Supervisory Body, is permitted in accordance with provisions issued by public authorities or, in any case, for needs related to legitimate audits or requests made in the interest of the Company. Access is made by making the Books of the Supervisory Body and other documentation pertaining to the Supervisory Body available for consultation at the offices of the Company or of the parent company, or by copies or extracts thereof being sent by the Secretary. All this is subject to authorisation by the Chairman of the Supervisory Body, who will assess the legitimacy of the request; authorisation is not required for access to information by the Administrative Body, the Corporate Control Body and the Internal Audit department of the parent company. Nor is authorisation necessary for access to information by the Supervisory Body and by the Parent Company's Corporate Control Body, where access is required for the purposes of the latter's activity.

4.8 Information flows from and to the Supervisory Body

4.8.1 Reporting of the Supervisory Body to the Administrative Body

The Supervisory Body reports on the implementation of the Model, on the occurrence of critical aspects and the need for changes to be made.

In particular, the Supervisory Body:

- Annually, transmits to the Administrative Body a report on the activities performed, the conclusions relating to audits carried out and pointing out any problems that have come to light and the measures to be taken in order to correct such situations;
- meets the Administrative Body at least once a year (which they are also defined the periodic information exchanges;)
- notifies the Administrative Body, in advance, of its program of activities that are scheduled on an annual basis;
- reports immediately to the Administrative Body any needs for supplementary additions or updates to the Model subsequent to changes in the relevant legislation or the Company's organization or, in any case, due to other circumstances facing it. The Administrative Body, as well as the Supervisory Body of the parent company, shall be promptly informed of this report.

- on a half-yearly basis, documents and reports to the Administrative Body of the Company, as well as to the Supervisory Body and to the Administrative Body of the parent company, the conclusions relating to the checks carried out, pointing out the problems that have arisen and the measures to be taken to correct such situations;
- In the event that the Supervisory Body finds violations of the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 or unlawful and/or illicit conduct, it must immediately report such violations or conduct to the Administrative Body in order to agree on the appropriate measures.

The Supervisory Body may be convened and may ask to be heard at any time by the Administrative Body.

The meetings with the Board of Directors to which the Supervisory Body reports must be documented. The Supervisory Body is responsible for filing the documentation.

4.8.2 Information to the Supervisory Body

The Supervisory Body must be promptly informed about any acts, conduct or events that could lead to a violation of the Model or, more generally, may be relevant in the terms of Italian Legislative Decree 231/2001.

In particular, the Management of the Company and the individual area managers (including Alitalia) who operate on behalf of Alitalia Loyalty, are obliged to provide written reports to the Supervisory Body and to the competent Company Functions regarding any possible situations that could expose the Company to the risk of committing offences and provide constant and immediate notification of any new circumstances likely to vary or extend the areas at risk of predicate offences being committed, within the meaning of Italian Legislative Decree 231/2001

In this context, the Supervisory Body must be promptly informed of all the information relating to:

- requests for legal assistance submitted by the Senior Executives and/or Employees, against whom the judicial authorities may initiate proceedings for offences under Italian Legislative Decree 231/2001;
- committees of inquiry or internal reports from which assumptions of responsibility arise, regarding offences under Italian Legislative Decree 231/2001;
- measures or information coming from police authorities or any other authority, to the effect that investigations are being performed, also against unknown persons for the predicate offences committed under Italian Legislative Decree 231/2001;
- possible violations of the provisions contained in the Model, that are more serious in the eyes of the Manager of Alitalia Human Resources;
- any received and/or detected reports about possible violations of the Model;
- operations carried out by derogating from the provisions of the procedures concerning activities that are relevant for the purposes of the Model and/or relevant pursuant to the provisions of Italian Legislative Decree 231/2001 (in any case, without prejudice to the compliance with the general rules of conduct provided by the Model; these include, in particular: traceability of operations, objective motivation of choices and separation of responsibilities);
- irregularities concerning the key principles of the Model, as found during first level controls;
- communications related to changes in the organizational structure, the powers of representation and Company signature, special powers of attorney and internal mandates.

In addition, the Loyalty Supervisory Body has set up coordination mechanisms so that the information flows provided for Alitalia, with specific reference to those relevant to the activity of Alitalia Loyalty, are also transmitted to the Supervisory Body of the latter, with the reporting methods and timescales provided for in the Model of Organization, Management and Control pursuant to Legislative Decree 231/2001 of Alitalia.

Annex 2 to this Model ("information flows to the Supervisory Body"), illustrates in detail the ownership of the information flows, the relative transmission times and their contents.

Similar information obligations exist for all employees with reference to facts or circumstances encountered in the performance of their activities and worthy of reporting pursuant to Italian Legislative Decree 231/2001.

Partners, Consultants and other Recipients of the Model outside the Company are obliged to send immediate report directly to the Supervisory Body in the event of receiving, directly or indirectly, by an employee/representative of the Company, a request which would constitute conduct that could lead to a violation of the Model. Such obligation must be specified in the contracts that bind such persons to the Company.

4.9 Management of whistleblowing reports

The obligations to provide information on any behaviour deemed contrary to the provisions contained in the Model (so-called “whistleblowing”) are included within the wider duty of diligence and obligation of loyalty of employees referred to in Articles 2104 and 2105 of the Italian Civil Code¹⁰.

In particular, the persons performing functions of representation, administration or management of the body, those subject to the management or supervision of the aforementioned persons and those who collaborate with the institution, are obliged to report illicit conduct that, in good faith on the basis of the reasonable belief based on factual information, are believed to have occurred (the so-called “whistleblower”).

The Company protects the whistleblower who reports any irregularities which have come to their knowledge in the public or private employment relationship.

The proper fulfilment of the information obligations by the employees cannot give rise to disciplinary sanctions, therefore, the whistleblower – whose identity shall not be disclosed – is protected from any form of discrimination, penalization or retaliation. The Supervisory Body, in fact, guarantees the absolute confidentiality and anonymity of the whistleblower, except as required by the law and for the protection of the Company's rights.

To this end, the Company, pursuant to article 6, paragraphs 2-bis, 2-ter and 2-quarter of Legislative Decree 231/2001, as amended by Law 179/2017 containing “Provisions for protecting any persons reporting offences or irregularities committed within the company and which they become aware of in relation to their work, in either the public or private sector”, has adopted a “Whistleblowing Policy”, available in electronic format at:

- the Alitalia SharePoint: Home>Resources>Corporate Governance;
- on the website of Alitalia, www.alitalia.com, at <http://corporate.alitalia.it/it/compagnia/corporate-governance/index.html>

The of the Policy is to provide the procedures for reporting to the Supervisory Body, through the establishment of two dedicated and confidential communication channels that may be used by whistleblowers, namely:

- Communications should preferably be made through the EQS Integrity Line platform specifically designed and accessible at: <https://alitalia.integrityline.org>
- by ordinary mail to
Organismo di Vigilanza c/o Alitalia Loyalty S.p.A.
Piazza Almerico da Schio, Pal. Bravo – 00054 Fiumicino (RM)

4.10 Information from and to the Alitalia Supervisory Body

The Alitalia Supervisory Body may ask for information from the Supervisory Body of the subsidiaries, if necessary for the purpose of carrying out its control activities.

The Supervisory Bodies of the subsidiaries are obliged to accomplish the requests made by the Alitalia Supervisory Body.

In this respect, the Alitalia Supervisory Body is empowered to acquire relevant information and documentation and to perform, independently or together with the Supervisory Body of the Company, periodic inspections and targeted audits on the individual activities at risk.

In turn, the Company's Supervisory Body may request information relevant to its activity from the Alitalia Supervisory Body, also agreeing with the same, if necessary, checks on the risky activities carried out on behalf of Alitalia Loyalty by representatives of Alitalia.

- The Company's Supervisory Body shall send to Alitalia's Supervisory Body, at least on a half-yearly basis, a report on the state of implementation of Model 231, with particular reference to the following:
 - adoption of the relevant control measures in its reference procedures;
 - the training activities dedicated to the Model 231;
 - any relevant facts arising out of its activities, any disciplinary measures applied and the significant changes made to its model.

¹⁰ These regulations state, respectively: “[1] Employees must use the diligence required by the nature of the due services provided, the company's best interests and by the greater interests of national production. [2] They must also comply with the provisions for the execution and discipline of the work issued by the employer and its collaborators which they hierarchically report to” (Article 2104 of the Italian Civil Code) and “The employee must not do business, on its own or on behalf of third parties, in competition with the employer, nor disclose information pertaining to the organization and methods of production of the company, or make use of them in a manner that is prejudicial to the company's interests.” (Article 2105 of the Italian Civil Code).

Any corrective action on the Company Model as a result of the controls carried out is the exclusive responsibility of the Company itself.

4.11 Collection and storage of information

Any information and reports provided for in the Model and within the competence of the Supervisory Body are kept by the Supervisory Body itself, according to the procedures indicated in its Regulation.

5. DISCIPLINARY SYSTEM

5.1 General Principles

Article 6, paragraph 2 (e) and Article 7, paragraph 4 (b) of Italian Legislative Decree 231/2001 specify that the effective implementation of the Organization, Management and Control Model requires the introduction of a disciplinary system for adequately sanctioning any failure to abide by the measures indicated in the Model¹¹.

The definition of an appropriate disciplinary system therefore constitutes an essential prerequisite for the exculpatory effects of the Management and Administration Model pursuant to Legislative Decree 231/2001, as regards the entity's administrative liability.

The penalties provided for must be applied for each breach of the regulations contained in the Model, irrespective of whether a crime has been committed or of the outcome of any criminal proceedings which the judicial authorities may have initiated¹².

The penalties considered for breaches to the rules contained in the Model are to be interpreted as applicable even in the event of a breach of the rules contained in the Code of Ethics.

For the formal notification and verification of breaches and the application of disciplinary penalties, the powers conferred are valid within the limits of their respective authority delegations and responsibilities.

In each case, the phases of formal notification of the breach as well as those of determining and effectively applying penalties are to be carried out in compliance with applicable regulations and legislation, as well as with the provisions in the collective labour agreement.

5.2 Measures against employees

The breach of individual regulations and rules of conduct set out in the Model and in the Code of Ethics by the Company's Employees always constitutes a disciplinary offence.

The Company requests that its Employees report any breaches that may occur and positively views the contribution made, even when the person who submitted the report contributed to said breach.

Concerning the types of penalties that may be applied, in the event of an employment relationship, any penalty measures must abide by the procedures provided for in Article 7 of the Italian *Charter of Workers' Rights*, which describes not only the kinds of breaches but also the kinds of penalties and the disciplinary regulations provided for by the applicable labour agreement.

Dismissal and any other disciplinary measures will be taken without prejudice to possible statutory liability for damages which the worker may have incurred.

The Disciplinary System, composed primarily of the provisions relating to the disciplinary system of the Collective Bargaining Agreement applied, of the company rules on disciplinary matters; of the Code of Ethics, of the General Part of the Model and of other company documents relating to the disciplinary system, is disseminated in the manner provided for in art. 7 of Law no. 300/1970 (Workers' Statute).

5.2.1 Measures against non-management personnel

Employee conduct that is in breach of the rules of conduct contained in the Model and the Code of Ethics constitutes non-compliance with a primary employment obligation and consequently constitutes a disciplinary offence.

The penalty applied must be proportional to the gravity of the breach committed, and, in particular, must take into consideration:

¹¹"The effective implementation [of the Model] also requires the introduction of a 'disciplinary system that appropriately sanctions the failure to abide by the measures indicated in the Model', both as regards persons in senior positions (Article 6, comma 2 (e) and as regards persons managed by others (Article 7, comma 4 (b)).". Confindustria, Guidelines 2014, p. 50.

¹²"The employers' disciplinary evaluation of the line of conduct adopted, except for, naturally, a possible subsequent control by an industrial tribunal, does not necessarily need to coincide with the evaluation by a criminal court, given that violations of the Code of Ethics and internal procedures are independent of the legal violations entailed by the perpetration of a criminal offence. The employer is therefore not required to await the completion of any ongoing criminal trial before taking measures. The principles of the timeliness and immediacy of the penalty make it only proper; what's more, it is also inadvisable to delay the application of the disciplinary penalty while awaiting any verdict that may be reached before a criminal court of law", Confindustria, Guidelines 2008, p. 30.

- the subjective element, that is, the intentionality of the conduct or the degree of guilt (negligence, carelessness or incompetence);
- the employee's overall conduct with particular focus on whether or not there are disciplinary precedents;
- the level of responsibility and autonomy of the employee who committed the disciplinary offence;
- the involvement of other persons;
- the seriousness of the effects of the disciplinary offence, that is, the level of risk to which the Company may reasonably be exposed following a reported breach;
- other particular circumstances associated with the offence.

The penalties that can be applied are those provided for by the Corporate Collective Agreement applicable to employees.

Following is an overview of the disciplinary penalties pursuant to Legislative Decree 231/2001, with specific indications of the forms of conduct that incur them.

1. Verbal reprimand

A “verbal reprimand” is incurred by an employee who violates one of the internal procedures provided for by the Model (for example, failure to abide by the prescribed procedures, failure to provide the Supervisory Body with the required information, failure to perform controls, etc.) or who adopts, in carrying out activities in sensitive areas, a conduct that does not abide by the provisions of the Model itself. Such conduct constitutes non-compliance with the regulations established by the Company.

2. Written reprimand

A “written reprimand” is incurred by an employee who carries out a repeat offence in breaching the procedures prescribed by the Model or who adopts, in carrying out activities in sensitive areas, a conduct that does not abide by the provisions of the Model. Such conduct constitutes repeated non-compliance with the regulations established by the Company.

3. Fine not exceeding four hours of pay

A “fine not exceeding four hours of pay” is incurred by an employee who, in violating the internal procedures prescribed by the Model or in adopting, while carrying out activities in sensitive areas, a conduct that does not abide by the provisions of the Model, exposes the integrity of company assets to a situation of risk. Such conduct in breach of the regulations established by the Company results in a situation of risk for the integrity of the assets of the Company and/or constitutes acts that are in conflict with its interests.

4. Suspension from work and of pay for a period not exceeding 10 days

A “suspension from work and of pay for a period not exceeding 10 days” is incurred by an employee who, in violating the internal procedures prescribed by the Model or in adopting, while carrying out activities in sensitive areas, a conduct that does not abide by the provisions of the Model, causes damage to the Company by committing acts in conflict with its interests, or an employee who has made a repeat offence more than three times in one calendar year as per Points 1, 2 and 3. Such conduct, carried out while failing to abide by the regulations established by the Company, results in damage to the Company's assets and/or constitutes acts that are in conflict with its interests.

5. Dismissal with notice

“Dismissal with notice” is incurred by an employee who, while carrying out activities in sensitive areas, adopts a conduct that does not abide by the provisions of the Model and is unequivocally aimed at committing an offence sanctioned under Legislative Decree 231/2001. Such a conduct constitutes gross non-compliance with the regulations established by the Company and/or a serious breach of the employee's obligation to work for the good of the Company.

6. Dismissal without notice

“Dismissal without notice” is incurred by an employee who, while carrying out activities in sensitive areas, engages in a conduct that is in breach of the provisions of the Model thus leading to the application to the Company of the measures provided for in Legislative Decree 231/2001, as well as an employee who has made a repeat offence more than three times in one solar year as per Point 4. Such conduct drastically undermines the Company's trust in the worker, constituting moral and/or material damage to the company.

5.3 Measures against managers

In performing their professional activities the Company's Managers are required both to respect the regulations contained in the Model and ensure that their subordinates do the same.

The types of conduct by managers are considered sanctionable, for breach of the regulations contained in the Model, include, but are not limited to:

- failure to supervise their subordinates to ensure that they are abiding by the rules contained in the Model, in respect of the performance of activities in the areas at risk of criminal violations and for activities that are instrumental in the operational processes at risk of criminal violations;
- failure to report any lack of compliance with and/or anomalies relating to the fulfilment of the obligations in the Model, if they become aware of them, such as to make the Model ineffective, thereby potentially subjecting the Company to the risk of the penalties applicable under Legislative Decree 231/2001;
- failure to report the Supervisory Body any critical factors relating to the performance of activities in the areas at risk of criminal violations, encountered during monitoring by the competent authorities;
- perpetration of one or more serious breaches to the regulations in the Model, to the extent that it constitutes a criminal offence under the Model, thus exposing the Company to the application of penalties pursuant to Legislative Decree 231/2001.

In the event a manager breaches the regulations and rules of conduct contained in the Model, the Company, based on the principles of gravity, repetition of an offence, direct non-compliance and lack of supervision, shall adopt the measures deemed the most appropriate, towards the said manager, in compliance with the contractual rules and applicable regulations.

5.4 Measures against members of corporate bodies

Upon being informed of a breach of the regulations and the rules of conduct in the Model by members of corporate bodies, the Supervisory Body must promptly inform The Administrative Body and/or Corporate Control Body of the event.

The notified members of the Supervisory Body must then take appropriate measures.

To ensure the full exercise of the right of defence, a deadline must be established within which the party in question may provide justification and/or a written statement in his or her defence and may have the opportunity to be heard.

5.5 Measures against the Supervisory Body

In the event of negligence and/or carelessness by the Supervisory Body, in supervising the effective application of and compliance with the Model, and in failing to identify any cases of violation thereof, proceeding to the elimination, the Management Body shall apply the most opportune measures, in accordance with the applicable laws and regulations, including the withdrawal of the engagement and without prejudice to any further compensation.

In order to ensure the full and unrestricted rights of defence a deadline must be established and envisaged within which the subject concerned may send justifications and/or defence briefs in writing and may also be heard.

5.6 Measures against Partners and Consultants

In the event that Partners and Consultants or others parties to agreements with the Company for the performance of activities deemed sensitive are found to have breached the applicable regulations and rules of conduct provided for in the Model, or any perpetration of criminal offences contemplated in Legislative Decree 231/2001, shall be sanctioned according to the provisions contained in the specific contractual clauses included in the respective contracts.

6 TRAINING AND INFORMATION PLAN

6.1 Foreword

In order to effectively implement the Model, the Company intends to ensure the correct dissemination of its contents and principles, both inside and outside its organization.

In particular, the Company's objective is to circulate knowledge of the Model's contents and principles not only among its Employees but also to anyone who, while not formally an employee of the Company, nevertheless operates — occasionally or otherwise — to enable the Company to attain its purpose, in pursuance of a contractual arrangement.

Recipients of the Model include persons who represent, direct or manage the Company, or one of its organizational units with financial and functional autonomy, as well as those who carry out, effectively or otherwise, the management of the Company and also persons subordinate to the supervision of one of the aforementioned persons (as per Article 5, Legislative Decree 231/2001), but also, more generally, all those who operate to achieve the Company's purpose and objectives. The Recipients of the Model therefore include members of corporate bodies, persons involved in the functions of the Supervisory Body, Employees, Consultants and Partners, and financial counterparts.

The Company, in fact, aims to:

- ascertain that all those who operate in its name and on its behalf in “sensitive” activities are aware that in the event of a breach of the regulations therein they may be committing an offence that may incur penalties;
- inform all those who operate in any way in its name, on its behalf and, in any event, in its interests, that a breach of the provisions contained in the Model will result in the application of specific penalties or in the termination of the contractual relationship;
- reiterate that the Company will not tolerate illicit conduct of any kind and irrespective of its purpose, as such conduct (even in the event that the Company might appear to benefit from it) is nevertheless in conflict with the ethical principles to which the Company intends to adhere.

The information and training activities will be diversified depending on their intended Recipients and, in any event, must respect the principles of completeness, clarity, accessibility and continuity so as to provide the various Recipients with full awareness of the company regulations they are compelled to abide by and the ethical regulations that must guide their conduct.

These Recipients are compelled to punctually respect all the regulations in the Model, also so as to fulfil their obligations of loyalty, honesty and diligence arising from the legal relationship established with the Company.

The information and training activities are promoted by the Supervisory Body, which is assigned with the task, among others, to promote, in agreement with the appointed company functions, internal communication and training programs regarding the Model, the standards of conduct and the procedures adopted in accordance with the Decree.

6.2 Employees

Every employee must: i) be or become aware of the principles and contents of the Model; ii) understand the operational means according to which activities must be carried out; iii) actively contribute, in relation to his or her role and responsibilities, to the effective implementation of the Model, also by reporting any shortcomings encountered.

In order to ensure effective and rational communication activities, the Company intends to promote and facilitate the awareness of the contents and principles of the Model by its Employees, with different levels of detail depending on the positions and roles they have.

Employees must be guaranteed the possibility to access and consult the documentation pertaining to and connected with the Model (Code of Ethics, information regarding the Company’s organizational structures and regarding company activities and procedures) directly in a special area of the company intranet. In any event, for Employees who do not have intranet access, this documentation is to be placed at their disposal through alternative means, such as an attachment to their pay slip or postings on the company bulletin boards. The disciplinary system provided for by the Model is to be communicated to the personnel through the means provided for by Article 7 of the aforementioned Law no. 300/1970.

The responsible company functions will assist the Supervisory Body in identifying the best approach to instructing employees about the principles and contents of the Model, in particular for those who work in areas deemed sensitive as per Legislative Decree 231/2001 (e.g., staff meetings, online courses, etc.).

At the end of each training event, the participants will fill out a form to attest to the fact that they have taken part in the course.

Suitable informational tools are to be adopted to update the Recipients of this paragraph regarding any changes made to the Model, as well as every relevant procedural, regulatory or organizational changes.

The Supervisory Body will monitor the level of awareness of the contents of the Model through ad hoc verifications.

6.3 Other Recipients

The informational activities regarding the contents and principles of the Model must also be addressed to third parties who have contractually regulated relationships with the Company or who represent the Company without employment commitments (e.g., Partners and Consultants).

To this end, the Company will determine:

- the types of legal relationships established with persons external to the Company to whom the provisions of the Model should apply, given the nature of their activities;
- the means of communicating an extract of the Model and the Code of Ethics to external persons involved and the procedures necessary to adhere to the regulations contained therein so as to ensure their effective understanding of the same.

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