ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

Rev. 04 dated 18 June 2020

DRAFTING	Studio Gebbia Bortolotto
VERIFICATION	Supervisory Body
APPROVAL	Board of Directors
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1. Italian Legislative Decree 231/2001 "Administrative liability of legal entities, companies and associations with or without legal personality"

Italian Legislative Decree No 231 of 8 June 2001, containing the "Rules governing the administrative liability of legal entities, companies and associations with or without legal personality, pursuant to Article 11 of Italian Law No 300 of 29 September 2000" (hereinafter also referred to as the 231 Decree or the Decree), introduced into the Italian legal system a regime of administrative liability for entities, in addition to the liability of the individual, operating within the entity, who actually committed the offence.

The 231 Decree lays down the general principles for the administrative liability of entities, the criteria for attributing liability, the penalties that may be imposed, the procedure for ascertaining liability and aspects concerning penalty enforcement.

Administrative penalties can be enforced on the company only by a criminal court within the protective context of criminal proceedings and only if all the objective and subjective conditions established by the legislator have been met, and namely that:

- a "predicate offence" has been committed;
- the perpetrator of the "predicate offence" is one of the persons identified by the legislator;
- the offence was committed in the interest or for the benefit of the entity.

Furthermore, the entity's liability is an independent liability, insofar as it exists even when the perpetrator of the offence has not been identified or cannot be charged and when the offence has been cancelled for a reason other than amnesty.

1.1. Predicate offences

The administrative liability of legal entities does not arise from any offence committed by persons belonging to the Company, as more detailed in the following paragraph, but only from the commission of certain types of offences set down in an exhaustive list by the legislator.

These offences, also referred to as "predicate offences", are stated in Article 24 and Article 25-*undecies* of the 231 Decree or laid down in a number of special laws.

For the sake of clarity of this General Part, a list of individual offences is provided in Annex I.

It is necessary to bear in mind that administrative liability may also arise from the attempted commission of a "predicate offence" when the legal grounds are present.

1.2. Objective attribution criteria

Article 5 of the Decree refers to two categories of natural persons who may be responsible for the offence giving rise to administrative liability for the Entity.

The entity is liable for offences committed by:

a) top managers, meaning persons holding representative, administrative or management positions within the Entity or one of its organisational units with financial and functional independence, and persons exercising, *de facto* or otherwise, management and control of the Entity;
b) subordinates, meaning persons subject to the management and supervision of one of the persons referred to in letter a) (in the case of companies, essentially the Entity's employees).

Furthermore, the legislator requires that the offence is committed "in the interest or for the benefit of the Entity".

The "benefit" or the "interest" represent two different criteria for attributing liability, as the Company's interest is assessed on an *ex ante* basis, while the benefit requires *ex post* verification.

The entity's liability is waived only in cases where the offence was committed for the exclusive purpose of pursuing a personal or third party interest.

1.3. Subjective attribution criteria. Adoption of the "Organisational, Management and Control Model" as a possible means of exemption from administrative liability

In order to establish administrative liability, it is also necessary to prove that the offence is indicative of the corporate policy or at least derives from a fault in organisation, insofar as that the entity is reprimanded for not having adopted suitable organisational measures to prevent the risk of commission of offences.

The subjective attribution criterion, linked to fault within the organisation, differs according to whether the offence was committed by top managers or by subordinates.

Article 6 of the Decree establishes that, if one of the offences envisaged by the Decree is committed by top managers, the entity shall not be held liable if it proves that:

- before the offence was committed, the management body adopted and efficiently implemented organisational, management and control models to prevent the commission of the criminal offences in question;
- the duty of monitoring the functioning and observance of the model and ensuring its update was entrusted to a body of the entity provided with independent powers of initiative and control;
- the persons committed the offence by fraudulently evading the organisational and management models;
- there was no lack of, or insufficient, supervision by the body.

The Decree defines the minimum mandatory characteristics that the Model must have in order to be considered effective for the purpose and more specifically (Article 6(2)):

1) identify the activities where there is the possibility of an offence being committed;
2) lay down special protocols to govern the taking and implementation of decisions by the entity with regard to the offences to be prevented;
3) identify suitable financial resource management methods to prevent commission of the offences;
4) identify a body to which to assign the duty of monitoring the functioning and observance of the Model and ensuring its update;
5) establish reporting obligations to the body entrusted with monitoring the functioning and observance of the Model;
6) introduce a suitable disciplinary system to punish failure to comply with the measures indicated in the Model.

Instead if the offence is committed by subordinates, Article 7 provides that "the entity shall be held liable if it was possible to commit the offence due to failure to fulfil management or supervisory obligations", while "failure to fulfil management or supervisory obligations shall be excluded if, before the offence was committed, the entity adopted and efficiently implemented a suitable organisational, management and control model to prevent offences of the type that occurred". In this case the burden of proof on the entity is lighter.

Article 7(3) establishes that, in relation to the nature and size of the organisation and the type of activities performed, the model must set out suitable measures to:

- guarantee that activities are performed in compliance with the law;
- promptly detect and eliminate risk situations.

Adoption of the organisational, management and control model is optional and not mandatory. No penalty shall be incurred for failure to adopt a model, but the entity shall be exposed to liability for offences perpetrated by directors or employees.

1.4 Applicable penalties

The 231 Decree sets forth a detailed system of penalties, which can be rather burdensome, depending on the offence committed.

Article 9 of the Decree provides that fines and disqualification penalties can be imposed and confiscation of the price or profit arising from the offence and publication of the judgment can be ordered.

Fines are always imposed after a final conviction and are determined on a quota basis (no less than one hundred and no more than one thousand quotas).

The amount of a quota varies between a minimum of EUR 258.00 and a maximum of EUR 1,549.00.

For each offence, the legislator states the statutory lower and upper limits within which the court must quantify the fine.

The number of quotas is determined at the court's discretion on the basis of the seriousness of the offence, the degree of liability of the entity and the actions taken to eliminate or lessen the consequences and to prevent the commission of further offences (Article 11(1)).

The quantification of each quota is also left to the discretion of the court which uses the Entity's economic and financial conditions as benchmark for ensuring that the penalty is effective (Article 11(2)).

Article 12 of the 231 Decree also sets forth a number of circumstances where the fine can be reduced:

- if the perpetrator committed the offence mainly in his own interest or in the interest of third parties and the entity did not gain any benefit or only a minimal benefit;
- if the financial damage caused is particularly limited;
- if, before the opening of the first instance hearing was declared, the entity fully compensated the damage and eliminated the detrimental or dangerous consequences of the offence or took effective steps in that direction;
- if, before the opening of the first instance hearing was declared, a suitable organisational, management and control model to prevent offences of the type that occurred was adopted and implemented.

Article 21 of the Decree instead states that fines may be increased when a number of offences have been committed.

Disqualification penalties are only enforced with regard to offences for which they are envisaged and consist in the following measures:

- disqualification from conducting business;
- suspension or withdrawal of authorisations, licences or concessions required to commit the offence;
- prohibition on contracting with public administration, except to obtain public services;
- exclusion from benefits, financing, contributions or grants and withdrawal of those previously provided;
- prohibition on publicising goods or services.

Disqualification penalties are enforced when one of the following conditions is met:

1. the Entity gained a considerable profit from the offence and the offence was committed by a top manager or, if committed by subordinates, commission of the offence was determined or facilitated by serious organisational shortcomings;
2. the offences recurred.

Disqualification penalties cannot however be enforced when the financial damage caused is particularly limited or the perpetrator committed the offence mainly in his own interest or in the interest of third parties and the entity did not gain any benefit or only a minimal benefit.

There is also another cause for exemption. Disqualification penalties are not enforced when one of the following conditions is met before the opening of the hearing is declared:

- the entity fully compensated the damage and eliminated the detrimental or dangerous consequences of the offence or took effective steps in that direction;
- the entity eliminated the organisational shortcomings that led to the offence by adopting a suitable organisational, management and control model to prevent offences of the type that occurred;
- the entity made the profit obtained available for confiscation.

If these conditions are implemented belatedly, and provided that the Entity submitted a specific request within 20 days of service of the judgment, it is possible to have the disqualification penalty converted into a fine (Article 78).

When choosing a suitable disqualification penalty to prevent offences of the type committed, the court must follow the same criteria set forth above for fines.

It is possible for a number of disqualification penalties to be enforced at the same time.

Disqualification penalties must be specific in nature, as they must affect the specific activity concerned by the Entity's offence.

The prohibition on contracting with public administration can in fact be limited to certain types of contract or to certain administrations.

Among the different measures, disqualification from conducting business (which entails the suspension or withdrawal of authorisations, licences or concessions required to conduct the business) can only be imposed if the infliction of every other penalty proves inadequate.

As a general rule disqualification measures are temporary and can last for no less than three months and no more than two years.

However, if the entity obtained a considerable profit from the offence and has already been sentenced at least three times in the last seven years to temporary disqualification from conducting business, this penalty can be imposed permanently. Likewise, the court can permanently prohibit the entity from contracting with public administration or from publicising goods or services if the entity has already been sentenced at least three times in the last seven years to the same penalty.

A permanent disqualification from conducting business shall always be imposed if the entity, or one of its organisational units, is regularly used for the sole or main purposes of enabling or facilitating the commission of offences in relation to which it shall be held liable.

If the conditions for enforcing a disqualification penalty entailing suspension of the Entity's business have been met, when the Entity provides a public service or a service in the public interest and its suspension could cause serious damage to the community, or if, in view of the Entity's size and the economic conditions of the territory where it is located, the suspension of business could have significant repercussions on employment, the court may order that, instead of disqualification, the Entity's business shall continue under the guidance of a commissioner for a period equal to the duration of the penalty that would have been inflicted.

The Law no. 3/ 2019 has heavily tightened the disqualification provisions for offences by introducing art. 25, paragraph 2 (i.e. crimes sanctioned under the articles 319, 319-ter, paragraph 1, 322, paragraph 2 and 4, of the Italian Criminal Code) and paragraph 3 (crimes stated and sanctioned under the articles 317, 319, as aggravated by the sanction set forth in the article 319-bis in the event of the entity has gained a considerable profit, art. 319-ter, paragraph 2, 319-quarter, 321 of the Italian Criminal Code), has set forth the interdiction measures pursuant to art. 9 for a period not less than 4 years and not higher than 7 years, in the event of the crime is committed by top management and not less than 2 years and not higher than 4 if the crime is committed by one of the people identified in the article 5, paragraph 1, letter b).

If, before the first instance sentence, the entity has taken certain steps aimed at preventing the criminal activity from being brought to further consequences, in order to ensure evidences of the offenses and to identify those are responsible for such crimes, or for the seizure of the sums or other benefits transferred and has eliminated the organizational deficiencies that led to the crime, by way of the implementation of a suitable 231 Organizational Model to prevent crimes similar to the one committed, the applicable interdiction measures have the duration as stated in the article 13, paragraph 2 (not less than 3 months and not higher than 2 years).

Confiscation of the price or profit of the offence is always ordered in the event of conviction. When it is not possible to confiscate the assets making up the price or profit of the offence, sums of money, goods or other benefits of an equivalent value can be confiscated.

Publication of the judgment, or even an extract, in one or more newspapers selected by the court at the Entity's expense, may be ordered when a disqualification penalty is enforced.

1.5 Interim measures

Pending the criminal proceedings, at the request of the Public Prosecutor, the court may order the aforesaid disqualification measures on an interim basis.

The enforcement of interim measures is subject to the condition that there is serious evidence of the entity's liability as well as factors to suggest a real danger that further offences of the same kind could be committed.

As applies to natural persons, interim measures in proceedings against entities must be proportionate, suitable and adequate (Article 46). They must be proportionate to the scale of the offence and the

enforceable penalty, suited to the nature and degree of the interim requirements and adequate for the actual interim requirement for which they were requested, which could not be satisfied otherwise.

The duration of penalties imposed on an interim basis (Article 51) is determined by the court and cannot however be longer than one year.

If a first instance sentence has already been issued, the duration of the interim measure may be the same as the length of the sentence, without prejudice to the limit of one year and four months (Article 51(2)).

The legislator also provides for cases of suspension of interim measures and of their withdrawal and replacement.

It is also possible for interim disqualification penalties to be replaced by temporary receivership of the Entity for the full duration of the penalty that would have been applied.

1.6 Offences committed abroad

According to Article 4 of the 231 Decree, the entity may be held liable in Italy for offences envisaged by the Decree that were committed abroad. The Explanatory Report on the 231 Decree underlines the need to ensure that a criminal situation that could frequently occur does not go unpunished, also in order to avoid easy evasion of the entire regulatory framework in question.

The entity's liability for offences committed abroad is based on the following conditions:

- the offence must be committed abroad by a person functionally linked to the entity, pursuant to Article 5(1) of the 231 Decree;
- the entity must have its main place of business in Italian State territory;
- the entity can only be held liable in the cases and under the conditions established by Articles 7, 8, 9 and 10 of the Italian Criminal Code (where the law requires that the guilty party – natural person – is punished at the request of the Ministry of Justice, prosecution shall only be taken against the entity if the request also concerns the entity);
- if the cases and conditions referred to in the aforesaid articles of the Italian Criminal Code are met, the entity shall only be liable provided that prosecution is not brought by the state in which the offence was committed.

1.7 Confindustria "guidelines"

Article 6 of the 231 Decree specifically states that the organisational, management and control models may be adopted on the basis of the codes of conduct drawn up by the entities' trade associations.

The Confindustria Guidelines were approved by the Ministry of Justice through Italian Ministerial Decree of 4 December 2003. The subsequent update, published by Confindustria on 24 May 2004, was approved by the Ministry of Justice which considered those Guidelines to be suitable for achieving the purposes set forth in the Decree.

The Guidelines were updated in 2008 and most recently in March 2014 and approved by the Ministry of Justice in July 2014.

According to the Confindustria Guidelines, definition of the organisational, management and control model should include the following stages:

- identification of risks, i.e. analysis of the corporate context to highlight the areas of activity where, and the manners in which, offences envisaged by the 231 Decree could occur;
- setting up of a suitable control system (the "protocols") to prevent the risks of offence identified in the previous stage, by assessing the entity's existing internal control system and the degree to which it is appropriate to the needs expressed by the 231 Decree.

The key components of the control system outlined in the Confindustria Guidelines to guarantee the effectiveness of the organisational, management and control model are the following:

- laying down ethical principles and rules of conduct in a Code of Ethics;
- an organisation system that is sufficiently formal and clear with specific regard to assignment of responsibilities, reporting lines and description of duties with the special provision of control principles;
- manual and/or computer procedures governing the performance of activities and establishing appropriate controls;
- authorisation and signature powers consistent with the organisational and management responsibilities assigned by the entity and providing, where required, expenditure limits;
- management control systems capable of providing timely warning of possible problem areas;

- personnel information and training.

It should be stressed that any differences in respect of the specific points of the Confindustria Guidelines shall not affect the validity of the Model. In fact as each model has to be drawn up with regard to the reality of the entity to which it refers, it may well differ from the Guidelines which are general in nature.

In drawing up this Model, account was also taken of the Guidelines of the Italian Banking Association approved by the Ministry of Justice on 30 October 2007.

2. The Company

DeA Capital Real Estate SGR (hereinafter, "SGR" or the "Company") is one of Italy's leading asset management companies, specialising in real estate investment funds. At present SGR is active in every stage of the real estate fund creation and management chain, from the search for and development of new investment opportunities to the asset management of complex real estate funds.

Established in October 2011, following the merger between two leading companies in the Italian market, FIMIT SGR and FARE SGR, the company is now one of the European top players.

The presence, among shareholders, of institutional partners contributes to the development of new products, enabling the SGR to positions itself as a privileged partner to promote, set up and manage real estate investment funds for Italian and international institutional investors.

The Company's mission is to develop, promote and manage real estate finance instruments in line with the requirements of national and international investors.

SGR's activity is developed along three main lines:

- real estate investment funds, dealt with in regulated market and therefore dedicated to "retail customers", as per definition of MiFID II and its enforcement regulations (so-called "*retail*" Funds);
- real estate investment funds reserved to "professional customers" (by right or upon request), as per definition of MiFID II and its enforcement regulations (so-called "*reserved*" Funds) and, if explicitly provided for by funds' management regulations, of non-professional investors, within the relevant rules of the Minister of Finance's Decree;
- closed-end alternative investment funds reserved to "professional customers" (by right or upon request), as per definition of MiFID II and its enforcement regulations.

The table below provides general information on the Company:

Name	DeA Capital Real Estate SGR S.p.A.
Registered office	ROME - Via Saverio Mercadante, 18
Operational headquarters	MILAN – Via Brera, 21 ROME - Via Saverio Mercadante, 18
Companies Register	Rome 05553101006
REA number	RM - 898431
Certifications	ISO 9001: 2015
Resolved, subscribed and paid-in share capital	EUR 16,757,556.96
NCLA applied	Commercial sector NCLA
INPS position	7040318425
INAIL position	10767928/85
Website	www.deacapitalre.com

2.1 Corporate purpose

SGR provides collective asset management services consisting in the setting up and asset management of collective investment undertakings -, including Italian closed-ended real estate funds set up in accordance with applicable legislation, and pursuant to Article 14-*bis* of Italian Law No 86 of 25 January 1994 and subsequent amendments and supplements – and related risks, as well as their administration and marketing.

The Company is also authorised to carry out the following activity:

- providing investment portfolio management services;
- setting up and managing pension funds;
- marketing units of UCITS managed by third parties, in compliance with applicable EU and Italian laws and regulations;
- managing Italian and foreign UCITS (and related risks) set up by third parties, under delegation arrangements or as external asset manager of investment companies with fixed capital;
- providing advice on investments;
- providing services of order reception and transmission;
- providing instrumental and advising activities also in real estate matters, in compliance with applicable EU and Italian laws and regulations;
- providing ancillary safekeeping and administration services only with regard to units of managed UCITS;
- providing any other activities allowed to asset management companies by applicable EU and Italian laws and regulations.

Lastly, in order to achieve its corporate purpose SGR may carry out any transaction that proves necessary or useful, including the acquisition of equity investments in banks, financial companies and insurance firms as well as in special purpose companies, with registered office in Italy and abroad, in compliance with provisions of laws and regulations and applicable supervisory instructions.

2.2 Governance model

The Company adopts a traditional administration system, the control body is the Board of Statutory Auditors and the audit is carried out by an Auditing Firm.

The Company is administered by a Board of Directors, made up, pursuant to Article 14 of the Articles of Association, by a minimum of five and a maximum of thirteen members, at least one-fourth of whom independent directors.

At the time of update of the Organisational Model, the Board of Directors is made up of seven members, of whom there independent directors.

The Board of Directors is the SGR's strategic supervisory Body, is assigned of wide powers for the ordinary and extra-ordinary management of the Company and is entitled to execute any necessary deed for the achievement of corporate purpose, except for the ones referred to the shareholders' meeting. In particular, the Board of Directors plays a key role for the definition of asset management strategies.

Pursuant to Article 21 of the Articles of Association, the power to use the corporate signature and to officially represent the Company, also at the court, is assigned to the Chairman of the Board of Directors and, if appointed, to the Managing Director and the General Manager, in accordance with the procedures and within the limits of the powers assigned to them by the Board of Directors.

The Board of Directors may request that certain acts or categories of acts are only carried out with the joint signature of the Chairman and Managing Director, if appointed.

Furthermore, the Board of Directors may also assign the power to represent the Company to individual directors, executive, managers and employees, determining powers, limits and exercise procedures.

In addition to the powers established by law and by the Articles of Association, the Chairman of the Board of Directors is assigned the power to oversee in the name and on behalf of the Company institutional relations with the government, individual ministries, local authorities, the Bank of Italy, CONSOB and any other supervisory authority, ABI, Borsa Italiana S.p.A. and organisations representing production categories, without prejudice to normal obligations towards the supervisory authorities.

If a Deputy Chairman is appointed, he shall be assigned the same powers as the Chairman, in the event of his absence or impediment.

A Managing Director has been appointed within the Board of Directors and assigned the power to manage and represent the Company. The Managing Director is the Company's Management Body, responsible for

implementing the guidelines decided by the body with strategic supervisory function and represents the top of the organisation structure.

More specifically, the Managing Director is assigned the power to carry out, in the name and on behalf of the Company, all the acts of ordinary and extraordinary administration, with the exception – and without prejudice to the different provisions contained in corporate procedures – of related party transactions and transactions where there is a conflict of interest, and with a value limit, only for transactions entailing expenditure commitments for the Company:

- of EUR 250,000.00 per transaction (with cumulative calculation of serial transactions) if not envisaged in the Company's annual budget approved by the Board of Directors;
- without expenditure limits for transactions individually and specifically envisaged in the Company's annual budget or in the Funds' expenditure budgets approved by the Board of Directors.

The Managing Director is also assigned the power to carry out, in the name and on behalf of the Funds, all the acts of ordinary and extraordinary administration, with the exception – and without prejudice to the different provisions contained in corporate procedures – of related party transactions and transactions where there is a conflict of interest, and with a value limit, only for transactions entailing expenditure commitments for the Funds:

- of EUR 1,000,000.00 per transaction (with cumulative calculation of serial transactions) if not envisaged in the business plan;
- without expenditure limits for transactions individually and specifically envisaged in the funds' approved business plans, without prejudice to the percentage deviation from the values stated in said business plans provided for each specific category of acts or transactions, as defined from time to time by the Company when specifying the details of internal delegations.

By way of example but not limitation, the Managing Director may take any action required to exercise the following powers:

- <u>powers regarding personnel:</u>
  - represent the company as head of personnel for all administrative acts, and for those stated below:
  - conclude and amend employment contracts of subordinate employees, excluding executives with a gross annual salary of more than EUR 150,000, in accordance with the Company's annual budget approved by the Board of Directors;
  - terminate employment contracts of subordinate employees, except for executives;
  - conclude project collaboration and temporary employment contracts, internship agreements and in general any "atypical" employment contract in accordance with the Company's annual budget approved by the Board of Directors;
  - assign and amend roles and duties and appoint heads of corporate functions in accordance with the Company's organisational chart and structure approved by the Board of Directors;
  - propose to the Board of Directors – when the budget is being presented – remuneration and meritocracy policies for subordinate employees, ensuring their execution once approved;
  - propose to the Board of Directors personnel incentive and retention schemes (functioning criteria, definition of reference corporate objectives, definition of overall budget, allocation for each function, etc.) ensuring their execution once approved;
  - take disciplinary measures against all subordinate employees;
- <u>representation before public authorities</u>:
  - represent the Company in relations with public and private entities;
  - represent the Company, also in the capacity of Fund manager, before any ordinary and/or administrative judicial authority, at any stage or level, in all proceedings whether as claimant or respondent, with every legal power, including the power to initiate, conciliate and settle individual disputes (within the maximum limit of EUR 2,500,000), discontinue and/or accept discontinuance of proceedings and actions and respond to formal or informal questioning on the facts of the case, and approve and carry out every appropriate judicial and extrajudicial initiative to protect the interests and assets of the Company and/or of the Funds, with the express power to appoint and revoke defence lawyers and arrange to be replaced, only with regard to individual proceedings, by special executive officers to exercise the powers assigned;
  - sign every official declaration and fulfil all the activities and obligations legally required of the Company with regard to CONSOB, Borsa Italiana S.p.A., Bank of Italy, the Financial Intelligence Unit, the competition/data protection authorities, Chambers of Commerce and Public Administration in general;

  - represent the Company as "data controller" in the processing of personal data pursuant to and for the purposes of UE Regulation no. 2016/679 of the European Parliament and of the Council of 27 April 2016 (GDPR) and of Italian Legislative Decree 196/2003;
  - manage external relations;
- contracts:
  - conclude with the most appropriate clauses, including the arbitration clause, amend, terminate, prevent the continuation for any reason and assign lease contracts, in the name and on behalf of the Funds, provided the total value of the rental generated from the date the contract is signed to its first expiry date – or in the event of amendment, termination, discontinuance or assignment, the total value of the residual rental from the effective date of the amendment, termination, discontinuance or assignment to the contract's first expiry date – does not exceed EUR 10,000,000, without prejudice to the percentage of deviation established in each lease analysis;
  - conclude with the most appropriate clauses, including the arbitration clause, amend, terminate and assign, in the name and on behalf of the Company and of the Funds and in compliance with the General Economic Limits, contracts generating revenue or expense, including settlement agreements, providing the value of the waiver does not exceed the General Economic Limits;
  - identity, appoint and assign a mandate, in compliance with the General Economic Limits, to all advisors and suppliers of the Company and the Funds, including banks and any other intermediaries used for development, placement and listing of the Funds;
  - take part in tenders and selective procedures in Italy and abroad for the construction and/or supply of goods and services, signing the relevant contracts in compliance with the General Economic Limits;
  - sign applications (including those required to participate in tenders or other competitive procedures for the setting up of real estate investment funds), declarations, petitions, confidentiality commitments, expressions of interest, correspondence and any other document pertaining to ordinary and extraordinary administration activities in compliance with the General Economic Limits where applicable, and even in excess of the General Economic Limits, if they concern non-binding acts;
- financial transactions:
  - establish, amend and discharge with banks (including the Funds' custodian banks), credit institutions in general and post offices contracts to open credit lines, current accounts, deposits, advances, security-backed or otherwise, safe deposit boxes, stock exchange contracts also for the forward purchase of foreign currencies in relation to obligations undertaken by the Company towards third parties in compliance with the General Economic Limits;
  - carry out transactions in any form, in compliance with the General Economic Limits, on all current accounts held in the Company's name at credit institutions and post offices, even if sub-headed to the Funds, including by way of example but not limitation: issue, endorse and cash bank cheques; arrange for issue, endorsement and cashing of banker's drafts and postal orders; issue, accept, provide receipt for, endorse for discount, assignment and collection bills of exchange; make bank transfers and transfers between accounts; issue and arrange for issue of documents establishing title to goods, accept them and endorse them for assignment, discount and advance;
  - carry out transactions for investment and disinvestment in financial instruments with the Company's liquidity for unitary amounts (i.e. for each individual transaction) up to EUR 5,000,000, in accordance with the Company's investment and disinvestment policies;
  - carry out transactions for investment and disinvestment in financial instruments with the Funds' liquidity for unitary amounts (i.e. for each individual transaction) up to EUR 10,000,000, in accordance with the strategies set forth in the business plan or otherwise decided by the competent corporate bodies and with the investment policies;
  - take out credit lines, facilities or other forms of bank loans, including leasing, for the Company's benefit, carrying out debit transactions, with the exclusion of endorsement of bills of exchange, provision of collateral and guarantees, issue of letters of patronage, in compliance with the General Economic Limit relating to acts on behalf of the Company and the strategies decided in advance by the Board of Directors;
  - take out credit lines, facilities or other forms of bank loans, including leasing, for the Funds' benefit, carrying out debit transactions worth less than EUR 5,000,000 per transaction, with the exclusion of endorsement of bills of exchange, provision of collateral and guarantees, issue of letters of patronage, in compliance with the policies of the Board of Directors and the Business Plan, without prejudice to the percentage deviation that may have been established for that category of acts;
  - purchase or sell or trade real estate owned by the Funds for unitary amounts up to EUR 5,000,000, in accordance with the strategies set forth in the business plan or otherwise decided by the

competent corporate bodies and with the investment policies, without prejudice to the percentage deviation established for real estate investment and disinvestment transactions, delegating the release and delivering the compulsory personal guarantees as per Legislative Decree 122/2005 and its amendments and supplements;
  - authorise collections and payments;
  - demand payment of receivables issuing receipt and discharge.
- Powers regarding Funds:
  - convene the Committees and Shareholders' Meetings of the Managed Funds, when – in accordance with the management regulations – SGR or the Board of Directors is responsible for their convening;
  - represent the Funds and take decisions in the shareholders' meetings and board of directors meetings of its investee companies and in the advisory and decision-making bodies of the UCITS in which it holds investments in compliance with the Funds' management regulations and the resolutions of the Board of Directors or of the Executive Committee (if it has been set up);
  - create rights for use, ground leases and positive and negative easements on real estate owned by the Funds;
  - rectify boundaries, report tipes of division, notification of changes for demolition, merge, variations of consistency and not of intended use, as well as sign acts of obligation, urban development agreements and any related acts, for Funds' real estate properties;
  - enter into all the deeds and contracts required to discharge easements and property restrictions encumbering the real estate owned by the Funds (i.e. mortgages, deeds of transfer to secure receivables arising from lease agreements, etc.).

To exercise all or part of the powers assigned, the Managing Director is granted the power to appoint and revoke executive officers.

Furthermore, the Managing Director has also been exclusively assigned all the powers and duties of "employer" pursuant to article 2 of Italian Legislative Decree 81/08 and of "principal" pursuant to Title IV of Italian Legislative Decree 81/08, as well as of "official representative" pursuant to Italian Legislative Decree 156/2006 and further environmental legislation.

The Board of Directors has set up three internal board committees, with advisory, propositional or controlling functions, and focused, respectively, on appointment, risk and remuneration issues, of which the members are Independent and non-Independent Directors and of which the powers are stated in the relevant regulations. In particular:

- Risks and Controls Supervisory Committee: supporting the Board of Directors on the subject of risks and internal control system;
- Appointment Committee: supporting the Board of Directors on Directors' appointment and co-optation, on Board's self-assessment and on verifications of Board members' eligibility;
- Remuneration Committee: with advisory and propositional functions for the Board of Directors on the subject of SGR's remuneration and incentive practices and policies.

The control body is the Board of Statutory Auditors made up of five auditors, of whom three standing and two alternate, meeting the legal requirements and appointed by the ordinary shareholders' meeting. Pursuant to Article 22 of the Articles of Association, Statutory Auditors remain in office for three years and may be re-elected.

The causes of ineligibility, forfeiture and incompatibility and the appointment, termination and replacement of statutory auditors are governed by provisions of the law.

As stated above, the audit is carried out by an Auditing Firm.

The Company entrusted with the audit also certifies the Company's financial statements.

2.3 Organisational structure and system of delegation

The organisational structure concerns the areas into which corporate activities have been divided and provides clear identification of relevant functions and of relations between the various sectors.

The Company provides that only persons vested with specific formal powers can undertake commitments towards third parties in the name and on behalf of the Company.

Special powers of attorney have therefore been assigned for the performance of organisational roles entailing the effective need for a power of representation, taking into account the organisation of the structure for which the officer is responsible.

Powers of attorney are held at the Company's head office.

SGR regularly checks the system of delegation and powers of attorney in force, making all the necessary amendments if the management functions and/or the position do not correspond to the powers of representation assigned.

In order to ensure that everyone's role and responsibilities within the corporate decision-making process are instantly clear, the Company has drawn up a summary outlining its organisational structure.

The Organisational Chart specifies the following:

- areas into which corporate activity is divided;
- reporting lines;
- persons operating within each area and their role within the organisation.

The organisational chart is officially disclosed to all the Company's personnel through specific organisational communications and is promptly updated on the basis of changes effectively made to the organisational structure.

The Company is organised into Departments and Functions. Each Department is headed by a Director, assigned a special power of attorney for exercising his duties, who oversees one or more Functions and is responsible for issuing operational guidelines and organising the processes within his area of competence.

The Company's Departments are: Asset Management, Administration Finance and Control, Legal and Corporate Affairs, Personnel and Organisation, Market Development and Real Estate Development.

Instead the Functions are activity management centres made up of a number of employees and are controlled by the Departments, which have the duty and authority to manage the processes, pursuant to the special powers of attorney assigned.

The Directors and the Functions may meet in Committees, with duties and activities assigned by specific internal regulations.

Lastly the following Control Functions, reporting directly to the Board of Directors, have been identified: Internal Audit, Compliance, Anti-Money Laundering and Risk Management.

A summary of the corporate organisation is provided below, while more detailed information on the main powers and responsibilities can be found in the Document "Rules of the Organisational Structure". This document, approved by the Board of Directors and brought to the attention of SGR's employees and collaborators, defines the Company's corporate structure, establishes the main powers and responsibilities of its various Departments, Functions and Operating Units and governs the necessary coordination and interaction, to ensure uniform achievement of the purposes set forth in the Articles of Association.

The Managing Director oversees the Company's Organisational Units, and more specifically:

- Legal and Corporate Affairs Department (LCD): oversees the Business Legal (BUL), SGR Legal (SGL) Functions and Legal & Regulatory Affais (LRA), to which Funds Legal (FUL) and Regulatory Affairs (REA) report.
- Administration Finance and Control Department (AFD): oversees the SGR Administration (SGA), Funds Administration (FUA), SGR Planning and Control (SPC) and Funds Planning and Control (FPC) Functions.
- Personnel and Organisation Department (POD): oversees the General Affairs (GA), Purchases (PF), IT Systems (ITF), Personnel Administration (PA) and Organisation (ORG) Functions.
- Market Development (MDD): functionally oversees the Business Development Function (BDD) which oversees the Product Development (PDF) and Analysis Team (AT) Functions.
- Asset Management Department (AMD): oversees the management activities of existing Funds and their assets and, more specifically, oversees the Fund Directors (FD), who in turn control the activities of the Portfolio Managers (PFM), the Fund Managers (FM), the Asset Managers (AM) and the Analysts, entrusted with managing the individual Funds.
- Real Estate Development Department (RDD): oversees the Real Estate Development Function (RED) – which in turn oversees and the Development Managers (DM) -, as well as the Development Fund Director

(DF), who in turn oversees the Fund Managers (FM), the Asset Managers (AM) and the Analyst, entrusted with managing the Funds.

- Reporting and Media (RM) Function.
- Valuation (VAF) Function.
- ESG Management (ESGM) Function.

The organisational chart is attached (Annex II).

The Board of Directors entrusted the Legal and Corporate Affairs Manager with updating the Model and making formal or less significant amendments to the company organisational chart.

2.4 Information system

The Information System also plays a key role in creating the control environment.

SGR uses an information services system that is shared by the various Group companies, based on common infrastructures and entrusted to a single operator and a single system administrator. In addition to this Group-wide common base, SGR has its own internal system with special monitoring and control tools.

The Information System used by SGR is a traditional system based on a client-server structure which allows processes to be managed by recording transactions in real time and permitting transaction traceability and identification of those who implemented them.

To ensure the computer system is secure, the Company has drawn up an Information Technology procedure to guarantee data security and containing a description of the security measures adopted.

2.5 Intragroup relations

The Company belongs to the Group headed by DeA Capital S.p.A., a sector sub-holding of the De Agostini S.p.A. Group.

Through Dea Capital, the De Agostini Group is the Company's controlling shareholder. More specifically, DeA Capital S.p.A. directly holds 9,03% of the units of SGR, while the remaining 90.97% is held through an equity investment in DeA Capital Partecipazioni S.p.A., a wholly owned subsidiary of DeA Capital.

On May 31st 2019, the parent company DeA Capital S.p.A. provides SGR with the following services:

- internal audit services, through the outsourcing of Internal Audit Function;
- corporate and regulatory services, supporting the SGR Legal Function.

Furthermore, an agreement has been entered into between SGR and De Agostini Editore S.p.A. regarding the information systems (as stated in the previous paragraph) and Indirect Purchases – General Services, for the office located at Via Brera 21, Milan – HSM, for the office located at Via Brera 21, Milan.

2.6 Management systems

SGR seeks to offer a product that meets its customers' needs. This objective must be pursued through constant respect for those working in the Company.

In order to protect these values and ensure they are constantly assimilated in day-to-day company operations, SGR has obtained ISO 9001 quality assurance. This quality management system provides considerable support in ensuring the reliability of the internal control system with regard to specific processes.

SGR has always paid attention to the sustainability of its activities, by promoting the principles of ethical behaviour, of respect of human rights, of lawfulness and of compliance with national and international rules with both internal and external *stakeholders*. SGR is, therefore, aware that proper management of environmental, social and governance (ESG) matters is fundamental to create value and ensure a sustained performance of core business activities and intends to play an active role in order to foster this approach within its industry

These principles and beliefs has always guided the actitivities of SGR, which has decided to demonstrate its commitment through the subscription of United Nations' *Principles for Responsible Investments* (PRI).

Accordingly, SGR has initiated the integration of ESG issues within its operating processes, including investement, new product development, risk management and real estate asset management processes.

For this purpose, SGR has adopted the "ESG Principles" Policy (POL09_GEST), which adds to what established by the dal Organisational Model.

2.7 Code of Ethics

SGR has decided to adopt its own Code of Ethics which forms an integral part of the Model (Annex III).

The Code of Ethics sets forth the commitments and ethical responsibilities undertaken in the conduct of business and corporate activities by employees, collaborators in varying capacities or members of SGR's corporate bodies.

The principles it contains therefore also constitute a useful interpretative reference for the sound application of the Model to corporate dynamics.

The Model responds to the need to prevent, as far as possible, commission of the offences envisaged by the Decree by laying down specific rules of conduct.

Here lies the difference between the Model and the Code of Ethics, as the Code is an instrument of general application that seeks to spread "company ethics" but does not have a specific procedural form. The effectiveness of the internal control system in fact depends on the integrity and ethical values of the people operating within the organisation and certainly of those who administer and monitor controls. However, it is necessary to establish close integration between the Organisational Model and the Code of Ethics so that they form a body of internal rules that seek to encourage a culture of corporate ethics and transparency.

The Code of Ethics is therefore binding on its addressees.

3. The Organisational, Management and Control Model

The Company arose from the merger of two companies (Fimit sgr and Fare sgr) both of which had Organisational Models.

So, based on this prior experience and in light of the guidelines provided in the 231 Decree, SGR considered it consistent with corporate policy to implement an Organisational, Management and Control Model, giving due consideration to the provisions of the models of the two companies and creating a new model with amendments, updates and a new and careful assessment of everything existing at that time.

The Company believes that the adoption of the Model and the codifying of precise rules of conduct constitute an effective tool for raising the awareness of all those who operate in the name and on behalf of the Company, prompting them to engage in ethical behaviour in line with the rules and procedures contained in the Model, when performing their duties.

The purpose of the Model is therefore to draw up a structured and consistent system of prevention, deterrence and control that seeks to reduce the risk of commission of offences by firstly identifying and then regulating sensitive activities.

The Organisational Model is an "official document issued by the management body", pursuant to Article 6(1)(a) of the 231 Decree, and therefore any amendments and supplements to be made to the Model fall within the competence of SGR's Board of Directors.

It is specifically necessary to ensure that the Model is amended and updated upon occurrence of certain circumstances, such as, for example, legislative actions introducing new types of offences to the 231 Decree that could affect SGR, significant changes in the corporate structure, the Company's involvement in proceedings to investigate its liability or the review of procedures mentioned in the Model.

The Supervisory Body, with the assistance of any functions concerned, may propose to the Board of Directors any amendments and supplements to the Model that it may consider advisable as a result of the performance of its functions.

Non-substantial amendments shall be reported to the Board of Directors on an annual basis and ratified by it.

Over the years the Organisational Model has been subject to amendments and specifically:

- January 2013: full review of the Model in light of the corporate merger and update to comply with Italian Law 190/2012 which introduced the offence of bribery between private individuals;
- November 2015: publication of Italian Law 186/2014 (Anti-money laundering provisions), Italian Law 69/2015 (Provisions governing crimes against public administration, mafia-type association and false accounting) and Italian Law 68/2015 (Provisions governing environmental crimes);
- May 2016: Italian Legislative Decree 7/2016 which led to the repeal of a number of forgery offences referring to the Special Part on cybercrimes;
- December 2017: Italian Law 199/2016 - "*Unlawful intermediation and exploitation of labour*" (illegal hiring of labourers) – Italian Law 236/2016 - "*Trafficking of organs removed from living persons*", as aggravating circumstance of the predicate offence of organised crime – and Italian Legislative Decree 38/2017 – amendment of the offence "*Bribery between private individuals*" and inclusion of the new offence "*Incitement to bribery between private individuals*". The Model was also fully reviewed in light of the change of the Company's name;
- June 2018:i) Italian Law 161/2017, which introduced the illegal immigration crimes among the predicate offences referred to in article 25 *duodecies* of Legislative Decree 231/2001; ii) Italian Law 167/2017, which established the article. 25 *terdecies, "Xenophobia and Racism"* in the Decree 231/01*; iii)* Italian Law 179/2017, containing "*Provisions for the protection of persons reporting crimes or irregularities of which they have become aware within a private or public employment relationship*", governing the matter of *whistleblowing*.

The current version of the Model, adopted by resolution passed by the Board of Directors on 18 June 2020, was updated to assimilate the following updates of the Legislative Decree 231/2001: i) Italian Law 3/2019, containing "*Measures about contrasting crimes against public administration, about prescription time-barring and transparency of political parties and movements*", which introduced the reformed crime of Illegal influence peddling, as referred to in article 346 *bis* p.c., in the Legislative Decree 231/2001 and established ex officio prosecutability for crimes of bribery between private individuals and has affected the disqualification sanction system; ii) Italian Law 39/2019 which introduced in the Legislative Decree 231/2001 the article 25 *quaterdecies "Fraud in sport competions, unauthorized exercise of gambling and betting and gambling by means of forbidden devices"* which foresees the crimes of "*Fraud in sport*

competitions" and of "*Unauthorized exercise of gambling and betting activities*", respectively regulated by articles 1 and 4 of the Law 401/1989; iii) Italian Law 43/2019, which has modified the article 416-ter "*Politics-mafia electoral exchange*", already predicate offence in accordance with article 24 *ter* of Legislative Decree 231/01, by widening its scope and framework; iv) Legislative Decree 105/2019 (converted with modification by the Law 133/2019) containing "*Urgent provisions about the perimetre of cybernetic national security"* about *cybercrime; v) Legislative Decree 107/2018, which modified articles 184 and 185 of TUF; vi)* Legislative Decree 124/2019 (converted with modifications by Law 157/2019) which introduced the new article 25- *quinquiesdecies* (Tax crimes) in the Legislative Decree 231/2001, by considering as predicate offences of company responsibility the following cases foreseen by the Legislative Decree 74/2000: fraudulent statement by means of invoices or other documents of non-existent transactions (article 2, 1 and 2-bis), fraudulent statement by other means (article 3), issue of invoices or other documents for non-existent transactions (article 8, 1 and 2-bis), concealment or destruction of accounting documents (article 10), fraudulent evasion of tax payments (article 11). Upon updating the Model, a general revision of the risk assessment has been performed, which encompasses not only the incriminating provisions but also, verifies the topicality of what already foreseen by the Model and evaluates the impact of company organizational and operational changes with reference to the Legislative Decree 231/2001.

3.1 Objectives and purposes

The Model has been adopted not only in order to be able to benefit from the exemption provided for by the Decree, but it is also an instrument for improving SGR's entire internal control system.

Furthermore, by identifying the "sensitive processes", consisting of activities where there is a greater risk of offences being committed, and by then setting forth specific rules of conduct, the Company seeks to pursue the following objectives:

- ensure that all those who operate in the name and on behalf of the Company are fully aware that conduct contrary to the principles set forth in the Code of Ethics or conduct that does not comply with the law is strongly condemned and contrary to SGR's interests, even when it could appear to gain an advantage from it:
- ensure they are aware that, if they should breach the provisions contained in the Model, the Code of Ethics and in the body of internal procedures (which includes the protocols), they could commit an offence punishable by criminal and administrative penalties;
- ensure full awareness that conduct contrary to the Code of Ethics and to the Model and also unlawful conduct could also lead to administrative penalties being imposed on the Company;
- enable the Company to respond immediately in order to prevent and combat commission of offences, thanks to constant monitoring of the sensitive processes and therefore of the risks of offending.

3.2 Addressees

The Model is addressed to the following persons, who must ensure their constant compliance:

1. the Company's Directors and Statutory Auditors;
2. all the Executives;
3. all the Employees;
4. any collaborators, agents, representatives, advisors, suppliers, outsourcers and business partners of SGR, if they are required to operate within sensitive areas of activity, within the limits and according to the procedures described in paragraph 4.4 below.

3.3 Preliminary work for creation of the Organisational Model

The 231 Decree states that an organisational model may be considered efficacious when it is effective and appropriate.

Effectiveness is achieved through proper adoption and enforcement of the Model, also through the activity of the Supervisory Body which carries out verification and monitoring actions and assesses whether actual conduct is consistent with the Model's requirements.

Appropriateness instead depends on whether the Model is actually capable of preventing the offences envisaged in the Decree.

It is guaranteed by the existence of preventive and corrective control mechanisms, enabling the identification of transactions or "sensitive processes" that have abnormal characteristics.

Hence, the drawing up of SGR's Model required a series of activities to construct a risk prevention and management system in line with the provisions of the 231 Decree.

An analysis and revision of the following was conducted:

- the governance model;
- the organisational structure and system of delegations;
- the management systems, the existing policies and procedures;
- the information system;
- the pre-existing code of ethics;
- the intragroup relations.

3.3.1 Risk assessment

Once the Company's organisational structure had been assessed, an analysis was conducted on SGR's operating activity in order to identify among the "predicate offences" envisaged by the Decree those that could even hypothetically and theoretically be committed in the specific corporate context.

The same analysis was carried out when the Model was reviewed and updated.

In this regard, it was always borne in mind that the assessment could not be based exclusively on the concept of "acceptable risk" as normally used in the economic-business context.

In fact from an economic point of view a risk is considered "acceptable" when additional controls "cost" more than the resource to be protected. Obviously this logical approach is not sufficient to satisfy the principles set forth in the Decree.

However, it is essential to establish a risk threshold as otherwise the quantity of preventive controls would become virtually endless with evident consequences on the Model's effectiveness, on one hand, and on the Company's business continuity, on the other.

With regard to intentional crimes, the risk is considered appropriately addressed when the preventive control system can only be circumvented using fraudulent means and is therefore in line with the provisions of the Decree.

Instead with regard to non-intentional crimes, the threshold of acceptability is represented by the implementation of conduct, obviously involuntary and non-compliant with the principles and rules laid down in the Model, despite the provision of specific protocols and the Supervisory Body's precise fulfilment of the supervisory obligations established by the Decree.

Hence, as the Model must address both intentional and non-intentional crimes, the first objective to be pursued is the regulation and oversight of activities where there is a risk of offences in order to prevent their commission.

According to this logic, a "map" was drawn up of the areas potentially exposed to the risk of offence, based on best practices and on the guidelines provided by Confindustria.

The activity consisted in interviewing some of the Company's top managers, analysing internal documents in order to obtain relevant information (e.g. accident registers, documents provided by Legal and Corporate Affairs and registers of disciplinary measures) and analysing any organisational mitigants put in place, as specified in the paragraph below.

3.3.2 Analysis of existing protocols

The risk assessment phase also included the collection and analysis of the following documentation in order to give due consideration to the actions already taken by the Company and to assess the extent to which they can prevent the relevant offences:

- operating and control procedures;
- internal provisions;
- SGR's system of delegations and powers;
- documents detailing the internal operating procedures;
- procedures for managing and carrying out control activities.

When there was found to be insufficient oversight of activities posing a risk, the owners of the operating processes were asked to identify effective and suitable measures to fully address the risk of commission of the potential offences. The most suitable and enforceable measures were introduced to the Model and Code of Ethics and to SGR's operating procedures.

3.4 Identification of areas where there is a potential risk of commission of certain types of offences ("sensitive areas")

Upon completion of the analysis and study activities described above, it was found that, at present, the "sensitive areas" mainly concern the following categories of offences:

A. Offences in relations with Public Administration;
B. Offences concerning industrial health and safety (with specific regard to management of real estate owned by the Funds managed by SGR);
C. Environmental crimes (with specific regard to management of real estate owned by the Funds managed by SGR);
D. Corporate offences;

D1. Offence of bribery between private individuals and incitement to bribery between private individuals;

E. Market abuse offences;
F. Offences of receiving, laundering and using money, goods or other benefits of unlawful origin and self-laundering;
G. Cyber crimes;
H. Tax crimes.

For each category of offence a Special Part is to be drawn up, providing a detailed description of each "sensitive process", identified at the end of the assessment phase, the specific mitigants and rules of conduct that the addressees must enforce in order to reduce the risk of commission of the relevant predicate offences.

The Model may also be supplemented by additional Special Parts relating to offences newly introduced to the 231 Decree if after the risk assessment process the Company should detect the existence of sensitive areas referring to the criminal offences in question.

3.5 Identification of offences considered to constitute a "minimal risk"

After completion of the mapping activity, there was considered to be no reasonable risk of commission of certain categories of offences.

Within the context of the Company, it does not appear even theoretically possible that the following categories of offence could be committed:

- offences of forgery of money, public credit cards and revenue stamps (Article 25-*bis*);
- terrorist offences (Article 25-*quater*);
- transnational crimes and organised crime (Article 24-*ter*);
- offences against industry and trade (Article 25-*bis*.1);
- offences of forgery of trademarks and patents (Article 25-*novies*);
- offences of employing third world citizens without a regular residence permit and of illegal immigration (Article 25-*duodecies*) as at the time the Model was approved and updated the Company did not employ foreign citizens and its business activity was unrelated to any activity associated with the transportation of foreigners. If this circumstance should change, the SB shall work with the competent corporate functions to update the Model;
- offences of racism and xenophobia (Article 25-*terdecies*);
- offences of sport fraud (Article 25- *quaterdecies).*

With specific regard to offences against the individual (Article 25-*quinquies* and 25-*quater* 1), and to the offence of incitement not to provide declarations or to provide false declarations to the judicial authority (Article 25-*novies*), the principles contained in the Code of Ethics, in addition to the provisions concerning other "sensitive areas", are considered suitable instruments to govern and prevent them.

For the sake of clarity, the "Risk Mapping" document has been attached to the General Part (Annex IV).

3.6 Structure of the Organisational Model

In light of the results of the risk assessment activity, SGR's Organisational, Management and Control Model is made up of:

- this "General Part" illustrating the contents of the Decree, the function of the Organisational and Management Model, the duties of the Supervisory Body, the disciplinary system and in general the principles, logic and structure of the Model;

- the individual "Special Parts" which, as mentioned earlier, refer to the specific types of offence analysed and to the Sensitive Activities identified and set forth the rules of conduct to be followed in order to prevent the offences envisaged by the Decree;
- the Code of Ethics;
- the annexes mentioned in the individual parts of the Model (e.g. organisational charts, management systems, system of delegated powers, etc.) and the policies and procedures (see paragraph 3.7).

The General Part, the Special Part and the Annexes, including policies and procedures, form an integral and essential part of the Model.

In general, SGR's Model is based on the following principles:

- every transaction or action that is taken in a sensitive area must be verifiable, documented, logical and congruous;
- as a general rule no-one should be able to manage independently an entire process falling within a sensitive area and the principle of separation of functions must be observed;
- powers must be assigned in line with organisational responsibilities;
- a Supervisory Body is assigned (see chapter 5) the duty of working in close contact with top management to ensure effective and proper implementation of the Model, also by monitoring corporate conduct in the areas of activity of relevance to the Decree and assessed in the Model;
- the Supervisory Body is provided with sufficient resources to support it in its duties in order to achieve reasonably obtainable results;
- the ex post verification of corporate conduct and of the functioning of the Model is guaranteed, with consequent regular update;
- the Model is effectively disseminated and all company levels are effectively involved in implementing the rules of conduct and the procedures established;
- an appropriate system of penalties for breach of the rules set forth in the Code of Ethics and of the provisions contained in the Model is set up;
- a reporting obligation towards the Supervisory Body is established.

3.7 Protocols and preventive control system

The objective set by the Company is to guarantee the highest standards of transparency and traceability of processes and activities where the offences envisaged by the Decree could potentially be committed.

On the basis of the risk assessment described above and explained in greater detail in the individual Special Parts, the Company drew up the necessary protocols (integrating SGR's operating procedures) to control the areas where there is a potential risk of offences being committed.

With regard to these processes, the existing management and control procedures were examined and any appropriate implementations were defined, in compliance with the following principles:

- as a general rule the Company's internal organisation must meet the essential requirements of formalisation and clarity, communication and separation of roles, with specific regard to assignment of powers of representation and operating functions;
- the system of delegations and division of powers must ensure "clear" identification of the powers assigned and allow efficient management of corporate activity;
- the operating procedures and internal protocols must feature the following:
  - separation within each process ("separation of functions") between the person who makes the decision (decision maker), the person who authorises it, the person who enforces it and the person responsible for controlling the process;
  - written record of each significant step in the process, including the control activities performed ("traceability");
  - adequate level of formalisation and dissemination.

The behavioural policies and procedures arising from the Model are obviously integrated with the other organisational guidelines, organisational charts and the system for assigning corporate powers and mandates – insofar as functional to the Model – already used or in operation within the Company, for which no amendment was considered necessary for the purpose of the 231 Decree.

If problem areas should arise during the application of these procedures, the Company shall ensure they are promptly adapted to meet the requirements underlying enforcement of the Decree.

An examination of the protocols and procedures can be found in the individual Special Parts.

4. Dissemination of the Organisational Model

SGR encourages the dissemination and knowledge of the Model by all its Addressees, as specified in paragraph 3.2 above.

The Company has chosen the following procedures for disseminating the Model:

- dispatch of a communication signed by the Managing Director or by the Personnel and Organisation Director illustrating the principles underlying the Model and its contents;
- publication of the Model on the company intranet to facilitate consultation by all Addressees.

Furthermore, with the exclusion of certain parts that are of a strictly internal nature and cannot therefore be disclosed to third parties, the Model is published on the Company's website.

4.1 Personnel training

In the interest of the Model's effectiveness, the Company strives to ensure that employees already working in the Company, as well as those to be recruited, are properly informed of the rules of conduct it contains, providing different degrees of detail depending on their different level of involvement in "sensitive" areas and processes. The training programmes therefore all include a minimum common content illustrating the principles of the 231 Decree, the Model's component parts, individual "predicate offences" and conduct considered sensitive in relation to said offences.

In addition to these elements forming the common ground for all training activity on the matter, each specific training programme shall be modulated to provide its users with the necessary tools to ensure full compliance with the provisions of the 231 Decree in relation to their area of activity and duties. Participation in these training programmes is compulsory and information on dissemination of the regulations set forth in the 231 Decree is provided in sessions required a signature as evidence of attendance and passing the specific learning tests (60% of the answers).

4.2 Information to Directors, Statutory Auditors and Auditing Firm

This Model is delivered to each Director and Statutory Auditor.

The Auditing Firm is also informed that the Model has been adopted.

4.3 Information to third parties

Appropriate information is provided to third parties (suppliers, advisors, collaborators, business partners, professionals and outsourcers) on the Company's compliance with the provisions of the 231 Decree, the adoption of the Code of Ethics and the consequences that conduct contrary to applicable legislation or to the provisions of the Code may have on contractual relations.

As stated in the next section of this Model on the disciplinary system, specific clauses to govern these aspects are included in contracts with third parties.

5. The disciplinary system

Pursuant to Article 6(2)(*e*) of the 231 Decree the definition of a system of penalties commensurate with the breach, including a deterrent effect and applicable in the event of breach of the provisions of this Model, constitutes an essential requirement of the Model and guarantees its effectiveness.

The enforcement of disciplinary measures depends on the outcome of the procedure initiated by the judicial authority, if the conduct to be punished may entail criminal liability.

All SGR's subordinate employees, directors and collaborators are subject to the disciplinary system set forth in this Model. The procedure for imposing penalties takes into account the specificities arising from the legal status of the person against whom they are to be enforced.

For the purposes of application of the disciplinary system, the following provide examples of punishable conduct:

1) commission of offences envisaged by the 231 Decree;
2) breach of provisions and internal procedures set forth in the Model (for example failure to observe protocols, failure to provide the required information to the Supervisory Body, failure to carry out controls, etc.);
3) adoption of conduct that does not comply with the Model's provisions when carrying out activities associated with the "sensitive processes";
4) breaches of the general rules of conduct contained in the Code of Ethics.

The disciplinary system described below is constantly verified by the Personnel and Organisation Manager, who is responsible for the sound enforcement of disciplinary measures, following the decision of the Supervisory Body. No disciplinary measure can be dismissed and no disciplinary penalty can be enforced under the 231 Decree without first obtaining the Supervisory Body's opinion.

The disciplinary sanctions stated in this chapter also apply to those who breach the protective measures adopted for reports made to the Supervisory Body (referred to in paragraph 6.4 below and in the procedure for information flows to the Supervisory Body, where a description of the reports management process can also be found) and to those who, wilfully or negligently, make reports that prove unfounded.

5.1 Measures applicable to employees

An employee's breach of the individual rules of conduct set forth in this Model constitutes a disciplinary offence.

In identifying the duty of "obedience" required of employees, Article 2104 of the Italian Civil Code provides that in carrying out their duties workers must comply with the instructions issued by their employer and his collaborators to whom they report.

Compliance with the provisions of this Model and the Code of Ethics forms part of the employees' general obligation to comply with the provisions provided by management to satisfy the Company's technical, organisational and productive requirements.

The penalties that can be imposed fall within those established by applicable legislation and by the collective contract applied, which in this specific case is the National Collective Labour Agreement of the Commercial Sector – as described in the disciplinary code provided on the company intranet, to which reference is made – in compliance with the procedures established by Italian Law No 300 of 30 May 1970 (Workers Statute) and related provisions contained in the NCLA.

Infringements shall be investigated and consequent disciplinary procedures initiated in compliance with the provisions of the aforesaid legislation.

It is provided, for example but not limitation, that:

- any worker who breaches the Code of Ethics or, when carrying out his activity, adopts conduct that does not comply with the provisions of the Model (e.g. fails to observe the required procedures, fails to carry out controls, etc.), shall be subject to verbal or written reprimand, depending on the seriousness of the infringement;
- any worker who, in breaching the Code of Ethics or by adopting, when carrying out his activity, conduct that does not comply with the provisions of the Model, or by carrying out actions that are contrary to the Company's interests, engages in conduct considered more serious than the conduct punishable under letter a), shall be fined or suspended;

- any worker who, when carrying out his activity, adopts conduct that does not comply with the provisions of the Model and is unequivocally designed to commit an offence or is such as to lead to the imposition of measures envisaged by the Decree on the Company, even only on an interim basis, shall be subject to disciplinary dismissal.

The disciplinary penalty must be enforced in accordance with the provisions of the NCLA and applicable legislation.

The type and scale of the penalties enforced in each case of breach shall be proportionate to the seriousness of the offences and specific account shall be given to the seriousness of the conduct, also in light of the worker's disciplinary record, the duties he performs and the circumstances in which the breach arose and the action or omission was committed.

5.2 Measures applicable to executives

The breach by executives of the procedures established by this Model or the adoption, when carrying out activities within "sensitive processes", of conduct that does not comply with the provisions of the Model, taking into account the specifically trust-based nature of the employment relationship, shall lead to enforcement of suitable measures in compliance with the provisions of applicable legislation and of the sector's National Collective Labour Agreement applied to the executive who committed the breach.

5.3 Measures applicable to Directors, Statutory Auditors and External Auditors

When the Supervisory Body is informed of breaches of the Organisational and Management Model by members of the Board of Directors, it is required to promptly inform the entire Board of Directors and the Board of Statutory Auditors, so that the necessary measures can be taken, including for example the convening of the Shareholders' Meeting so that it may take suitable action.

When the Supervisory Body is informed of breaches of the Organisational and Management Model by one or more members of the Board of Statutory Auditors, it shall inform the Chairman of the Board of Directors of the reported breach by one or more members of the Board of Statutory Auditors. The Board of Directors shall urgently convene the Shareholders' Meeting to order possible revocation pursuant to Article 2400(2) of the Italian Civil Code.

When the Supervisory Body is informed of breaches of the Organisational and Management Model (as far applicable) by external auditors, it is required to promptly inform the Board of Directors and the Board of Statutory Auditors, so that the necessary measures can be taken, including for example the convening of the Shareholders' Meeting so that it may take suitable action.

5.4 Measures applicable to external collaborators, advisors and third parties

In relation to the provisions of specific contractual clauses included in the letter or appointment, the breach of this Model by external collaborators deriving from conduct that could give rise to the risk of commission of an offence punishable under the 231 Decree may lead to termination of the contractual relationship.

For the reasons stated above, all contracts entrusting third parties with the management of goods or services and, by way of example, outsourcing or agency contracts, consultancy contracts or contracts for the supply of goods and services, shall include the following clause:

"You/The APPOINTED COMPANY acknowledge/s that DeA Capital Real Estate SGR (hereinafter, "SGR") has adopted a code of ethics (hereinafter, the "Code of Ethics") and an organisational, management and control model pursuant to the 231 Decree and subsequent amendments and supplements (hereinafter, the "231 Model"). The purpose of adopting the 231 Model is to prevent the commission of offences envisaged by the aforesaid Decree and to avoid enforcement of relevant penalties. A copy of the Code of Ethics, the contents of which you or the APPOINTED COMPANY expressly declare to be aware of and to accept, is available on the website www.deacapitalre.com.

The contracting parties declare that they are not aware of facts "of relevance" to the 231 Decree during the negotiation and conclusion of this contract. The parties also undertake to fulfil the obligations arising from this contract in compliance with the principles of the Code of Ethics and to monitor the performance of the contract so as to avoid the risk of commission of the offences envisaged by the aforesaid 231 Decree. SGR also undertakes to activate its internal procedures as required by the 231 Model. You or the APPOINTED COMPANY also undertake/s to inform SGR of any measures, even if not final (judgment or conviction by penalty order or plea bargaining pursuant to Article 444 of the Italian Code of Criminal Procedure) handed down by the judicial authority against

you or your employees/against the APPOINTED COMPANY or its employees or members of corporate bodies for offences of relevance to the 231 Decree.

You/The APPOINTED COMPANY acknowledge/s and accept/s that, in the event of failure to comply with the principles and rules set forth in the Code of Ethics, SGR may expressly terminate the contract pursuant to Article 1456 of the Italian Civil Code".

6. Supervisory Body (SB)

The Decree provides that, in order for the exemption provided by Article 6 to be effective, a Supervisory Body must be set up within the entity and provided with independent powers of initiative and control.

6.1 Identification of the supervisory body

In light of the above and of the duties required of the SB under the Decree, the body must meet the following requirements:

A. Autonomy, independence and impartiality

Autonomy and independence are requirements considered vital to the proper structuring of the SB and assume that the SB is not directly involved in management activities subject to its control activity, thus preventing it from being influenced by its performance of operating duties within the Company.

A further guarantee is provided by the fact that the SB reports to the highest management level, the Board of Directors.

B. Professionalism

The SB must have technical and professional skills appropriate to the functions that it is required to perform. These characteristics, together with its independence and autonomy described above, guarantee its objective judgment.

C. Integrity

The members of the SB have not received sentences, whether provisional or final, and have not plea bargained for offences envisaged by the 231 Decree or been sentenced to a penalty entailing permanent or temporary disqualification from public offices or temporary disqualification from management positions in legal entities or enterprises.

D. Continuity of action

The SB must constantly monitor application of the Model, guaranteeing the continuity of this activity.

Compliance with the requirements described above is also guaranteed by the fact that SGR's SB has been provided with an expenditure account, approved by the BoD in the annual corporate budget, which the SB can use for any expenditure required for proper performance of its duties.

Hence, if the SB should require a specific type of professional expertise that is not covered by its members, it may engage the services of external advisors appointed at its own discretion.

Furthermore, when carrying out its supervisory and control duties, the SB may be assisted by all the Company's internal functions.

In compliance with the provisions set forth above and in light of the autonomy required of the SB to ensure that the Model is effective, SGR's Board of Directors appointed a Supervisory Body in the form of a board, made up of two members from outside the Company and one internal, therefore guaranteeing the above listed requirements and avoiding hypothetical conflicts of interest.

The details of the procedures for carrying out the SB assignment, such as activity scheduling, meeting minutes recording and rules governing information flows from the corporate functions, are defined by the SB, which shall regulate its internal functioning by special regulations.

6.2 Term of office, revocation and forfeiture

The Board of Directors is responsible for appointing and revoking the SB.

The members of the Supervisory Body remain in force for three years and their mandate may be renewed.

Upon expiry of the three years, the SB's term of office shall automatically end if it is not renewed at the first available meeting of the Board of Directors.

However, in order to guarantee efficient and constant implementation of the Model and continuity of action, the terminated body shall retain its functions until the new Supervisory Body is appointed.

The members of the Supervisory Body are required to immediately inform the Board of Directors and the Supervisory Body itself if for any reason they no longer meet the requisites of eligibility and integrity required to serve as a member of the Body.

If during the term of office the members of the SB should no longer fulfil the requirements, the BoD shall revoke the mandate and replace the members with others fulfilling the requirements.

The mandate may be revoked for just cause, for supervening impossibility or when the members no longer meet the requirements of impartiality, autonomy, independence and integrity.

Revocation for just cause shall mean:

- disqualification or incapacitation or serious infirmity that makes one of the members of the Supervisory Body unfit to carry out his supervisory functions, or infirmity that entails an absence of longer than six months;
- serious breach of duties as defined in this Model;
- conviction of the Company, pursuant to the Decree, by final judgment or criminal proceedings concluded through "plea bargaining", where the case papers showed "a lack of, or insufficient, supervision" by the Supervisory Body, in accordance with the provisions of Article 6(1)(d) of the Decree;
- conviction by final judgment of one of the members of the Supervisory Body for having personally committed one of the offences envisaged by the Decree;
- conviction by final judgment of one of the members of the Supervisory Body to a sentence entailing permanent or temporary disqualification from public offices or temporary disqualification from management positions in legal entities or enterprises.

In the cases described above, the Board of Directors shall appoint the new member of the SB to replace the member whose mandate has been revoked.

If instead all the members of the Supervisory Body are revoked for just cause, the Board of Directors shall appoint a new Supervisory Board.

The members of the Supervisory Body may resign at any time and must provide the Board of Directors with written notice, stating the reasons for their resignation.

6.3 Functions and powers

The Supervisory Body is entrusting with monitoring:

1) compliance with the provisions of the Model by directors, executives, employees, advisors and partners;
2) effectiveness and adequacy of the Model in relation to the company structure;
3) advisability of updating the Model if it needs to be adjusted to reflect changes in legislation or in corporate conditions.

For this purpose the SB is also entrusted with the following duties:

- verifying compliance with the Organisational Model and with the relevant procedures and protocols, considering that the primary responsibility for control still lies with the management operating within the sensitive processes;
- regularly conducting, in coordination with the corporate functions involved from time to time, targeted checks to verify compliance with the provisions of the Model. These checks must specifically verify whether the procedures and controls required are being carried out and documented appropriately and whether the ethical principles are observed;
- arranging with those responsible for the areas affected by the checks for appropriate corrective measures, when problem areas are found;
- promoting suitable initiatives to ensure spread of the knowledge and understanding of the Model, also providing user instructions, explanations or updates;
- providing information that comes to its knowledge in the performance of its duties to the person responsible for disciplinary action (Head of Human Resources) when it believes there are grounds for initiating a disciplinary procedure;
- conducting surveys on the corporate activity in order to update the map of "sensitive processes", especially when new business activities or new corporate processes are launched;
- constantly monitoring the Model's compliance with the legislative requirements and liaising with the corporate functions (also through special meetings) to assess the Model's adequacy and any need for updates.

In carrying out its activity, the SB:

- may issue provisions and internal regulations to govern the Supervisory Body's activity and the flow of information to and from it;
- may be assisted by all the Company's structures or by external advisors;

- may consult anyone who holds a specific position within the Company to obtain any information or data considered necessary for performance of the duties required under the 231 Decree and this Model;
- is authorised to obtain and process all the information, data, documents and correspondence concerning the activity carried out in the individual corporate areas and considered necessary for performance of its activities, in compliance with current legislation on personal data processing;
- is sufficiently protected against any form of retaliation that might follow its conducting or concluding of investigations;
- fulfils the confidentiality obligation by which it is bound on account of the breadth of information that comes to its knowledge in the performance of its duties. The members of the Supervisory Body specifically guarantee the confidentiality of the whistleblower's identity and of the information they are provided with, especially if it refers to reports received on alleged breaches of the Model. Furthermore, the members of the Supervisory Body refrain from seeking and using confidential information for purposes unrelated to their functions within the Body, unless express and informed authorisation has been provided. In any case, any information held by the members of the Supervisory Body is handled in compliance with current privacy legislation. Failure to comply with these obligations shall cause the member to automatically forfeit his office.

6.4 Information flows to the SB and Whistleblowing

Among the requirements to be satisfied by the Model, the 231 Decree includes the establishment of specific reporting obligations towards the Supervisory Body from the Company's corporate functions to enable the Body to carry out its supervisory and verification activities.

For this reason, SGR has adopted the procedure "Information flows to the Supervisory Body", (Annez V) and the procedure "Whistleblowing" (PR65_ADEM).

The procedure "Information flows to the Supervisory Body", (Annex V) establishes an email address dedicated to the SB – organismo231-re@deacapital.com – accessible only to SB members and to which the members of Corporate Bodies, employees and other personnel of SGR can send the following communications:

- anomalies, irregularities and breaches of the Model found when carrying out activities within the "risk areas" and which cannot constitute the "reports" foreseen by the procedure "PR65_ADEM Whistleblowing";
- on a regular basis: information, data, news and documents as identified in the protocols and procedures established by this Organisational Model and specified in the individual Special Parts;
- on an occasional basis: any other information of any kind concerning implementation of the Model in areas where there is a risk of offences being committed that may help the Body fulfil its duties, as well as anything else formally requested from the individual corporate functions, in accordance with the procedures and timeframes established by the Body.

This channel can be used also by the Addressees of this Model, different from the previous ones, for whistleblowing reports relevant for the Legislative Decree 231/2001 and, in particular, substantiated reports of unlawful conduct or of breaches of the Organisational Model of relevance to the 231 Decree and based on precise and consistent facts.

In compliance with the implementing Regulation of articles 4-*undecies* and 6, 1, letters b) and c-bis), of TUF of 5 December 2019, SGR has adopted a whistleblowing procedure, addressed to SGR's corporate Bodies, employees and other personnel. In compliance with the law, this procedure regulates also the reports included in the scope of Legislative Decree 231/2001. This procedure provides for information flows and processing, so that enabling the SB to receive adequate information and, at the same time, to make independent assessment and /or autonomous in-depth analyses, if necessary.

While referring to those procedures for the specific examination of the cases and of the information reporting and processing procedures, in summary every Director, Statutory Auditor, executive and employee of the Company is therefore obliged to send any information that could facilitate its monitoring of the Model's effectiveness or relating to events that could generate or have generated breaches of the Model, its general principles and the Code of Ethics, or regarding their inadequacy, ineffectiveness or any other aspect of potential relevance to these purposes.

By way of example, information concerning the following matters must be sent immediately to the SB:

- measures and/or news from judicial police bodies or from any other authority, which shows that investigations are underway for offences specified in the Decree, even concerning unknown persons;

- visits, inspections and investigations initiated by competent bodies (for example, ASL (health authority), INPS (social security institution), INAIL (workers' compensation authority), Tax Police, etc.) and, upon their conclusion, any findings and penalties imposed;
- requests for legal assistance forwarded by executive and employees if proceedings are initiated for offences specified in the Decree;
- reports drawn up by heads of other corporate functions as part of their control activity, which could highlight facts, actions, events or failures of significance for compliance with the provisions of the Decree;
- internal reports which show that persons within the company may be liable for offences envisaged by the Decree;
- information on disciplinary procedures conducted and penalties imposed (including measures against employees) or orders not to proceed, providing reasons for the decision;
    - changes to the composition of corporate bodies;
    - changes to the Company's organisational structure;
    - changes to mandates and powers of attorney.

Anonymous reports are inadmissible and therefore shall not be taken into consideration by the SB, unless they are substantiated with concrete facts, according to SB's judgement.

For what is relevant for the Legislative Decree 231/2001, the Supervisory Body shall assess the reports received and if considered useful may summon both the whistleblower to obtain further information and the alleged perpetrator of the breach, carrying out all the assessments and investigations required to establish whether the report is founded.

Regardless of the means of communication used, any information obtained by the SB shall be handled in such a way as to guarantee:

- that the confidentiality of the whistleblower and the report is respected;
- that the whistleblower shall not be the victim of retaliation, penalisation or discrimination;
- that protection is given to the rights of persons against whom malicious reports were made and subsequently found to be groundless, without prejudice the possibility of bringing appropriate action against those who intentionally made the false report.

6.5 Collection and retention of information.

Any information or report provided under this Model shall be retained by the SB in a special strictly confidential database (computer and, if not possible, paper) for a period of 10 years.

6.6 Reporting to corporate bodies.

The SB reports on the implementation of the Model and on the emergence of any problem areas and an annual reporting requirement to the Board of Statutory Auditors and to the Board of Directors has been established for the purpose.

The report concerns the activity carried out by the SB and any problems detected with regard to conduct or events within the Company as well as effectiveness of the Model.

Based on problem areas found, the SB submits proposals to the Board of Directors regarding suitable corrective measures to be taken to improve the Model's effectiveness.

Minutes must be recorded of meetings held between the SB and the bodies to which it reports and a copy of the minutes must be retained by the SB and by the bodies involved each time.

The Board of Statutory Auditors, the Board of Directors, the Chairman of the Board of Directors and the Managing Director have the power to convene the SB at any time and the SB in turn has the power to request, through the competent functions or persons, the convening of aforesaid bodies for urgent reasons.