



## **ATHLON CAR LEASE ITALY S.R.L.**

### **ORGANISATION, MANAGEMENT AND CONTROL MODEL**

**(pursuant to Italian Legislative Decree no. 231 of 8 June 2001)**

**AND**

### **CODE OF ETHICS ("INTEGRITY CODE")**

L&C v. 9 del 01.03.2017

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## **Organisation model pursuant to Italian Legislative Decree 231/2001**

### **1. Premise**

The Italian Legislative Decree no. 231 of 8 June 2001 (henceforth the "Decree", containing the "regulations on administrative liability of legal entities, companies and associations even devoid of legal status", issued in execution of the proxy detailed in art. 11 of Law no. 300 of 29 September 2000, absorbs a series of European Community and international prescriptions designed to increase corporate liability, by identifying in such a measure a necessary and unavoidable prerequisite in the battle against economic crime.

Over the years, the newly introduced regulation has been the object of subsequent implementations designed to expand the number and nature of the crimes originally identified (so called "predicate offences").

The Decree introduces a new type of liability that the legislator terms "administrative", but which has strong analogies with penal liability. In fact, it is assessed in penal proceedings, and is separate from the liability of the physical person who has committed a crime. Therefore, the entity's liability is added to that of the subject that is materially responsible for the illicit conduct. The entity may be declared liable even if the physical person who committed the crime cannot be charged, meaning said person has not been identified.

The conditions under which an entity can incur in such a liability - that involves the application of financial and/or restrictive sanctions are:

- a) the commission, even in the form of an attempt, of one of the crimes foreseen by the Decree by a subject that holds a senior post within its organisation, or an employee responsible for the management or supervision of the same, and
- b) that the crime is committed in the interest or to the advantage of the entity (only for company crime does the Decree expressly prescribe that the crime be committed in the interest of the entity and not to the advantage of the latter).

Those considered in senior posts are those subjects who are responsible for representing, managing or

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steering the entity or one of its organisational units endowed with functional and financial independence or that exercise, even simply in deed, the management and supervision over the entity in question.

The entity is not liable if the persons have acted exclusively for their own advantage or that of third parties.

The Decree also prescribes the possible liability of the entity for crimes committed abroad by the subjects mentioned above, in the interest or to the advantage of the entity itself.

Furthermore, art. 6 of the Decree prescribes that the entity not be liable for crimes committed by subjects holding senior posts providing it can prove that:

- a) it has adopted and effectively implemented organisational and management models specially designed to prevent crimes of the kind that have been perpetrated;
- b) the task of overseeing the operations and the compliance with the models, as well as their updating, has been assigned to an organism provided with its own independent investigative and control powers (so called Supervisory Body), or to the Company body responsible for supervision or to one of the control functions (compliance functions);
- c) the persons have committed the crime by fraudulently circumventing the organisation and management models;
- d) there has been omission or insufficient supervision on behalf of the Organism referred to under letter b).

Pursuant to art. 7 of the Decree, for crimes committed by subjects under management orders, the entity is only liable if the crime was made possible as a result of a failure to comply with management or supervisory obligations. In any case, it is presumed the entity has complied with these obligations if the entity, prior to the crime being committed, has adopted and effectively implemented an organisational model, a management model and a control model designed to prevent crimes of the kind that have taken place.

The sanctions levied against the entity foreseen by the Decree as a result of committing or attempting to commit the crimes are: a) pecuniary penalties (up to Euro 1,549,000.00 or up to ten times the revenue or profit accrued as a result of committing the crimes related to abuse of privileged information and market tampering); b) interdictive sanctions, such as: 1) interdiction from exercising the activity; 2)

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suspension or revocation of authorisations, licenses or concessions functional to the perpetration of the illicit conduct; 3) ban from contractual negotiation with the public administration; 4) exclusion from subsidies and benefits, funding, contributions or subsidies and possible revocation of those granted; 5) prohibition from advertising goods or services; c) seizure; d) the publication of the verdict.

Finally, in relation to the so called "predicate offences" regulated by articles 24 and following of the Decree, on the basis of the activity performed by Athlon Car Lease Italy S.r.l., appropriate monitoring systems and specific internal procedures will be adopted, depending on the operating unit/division involved, in order to avoid the perpetration, in particular, of the following macro-categories of penal offences:

- a. Crimes committed in relations with the Public Administration and against state assets;
- b. Corporate crimes;
- c. Crimes against public faith;
- d. Financial crimes;
- e. Crimes committed for terrorist purposes or in order to subvert the democratic order;
- f. Crimes against individuals and against the life and safety of the individual;
- g. Transnational crimes;
- h. Crimes due to the violation of regulations governing health and safety at the workplace;
- i. Receiving, recycling or employing illicitly gained cash, goods or benefits;
- j. Computer crimes, including crimes related to illicit data processing;
- k. Crimes involving violation of copyright;
- l. Crimes by organised crime;
- m. Incitement to not bear witness or to make false statements before the judicial authorities;
- n. Crimes against Industry and Trade;
- o. Environmental crimes;
- p. Crime of employing citizens from third countries whose work permits are irregular;
- q. Crimes involving counterfeiting of currency, credit cards, tender bills and identification tools or signs.

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## 2. Supervisory Body

### 2.1 Institution of the Supervisory Body

#### 2.1.1 *Composition of the Supervisory Body*

The Supervisory Body is made up of three statutory members from outside the company, who appoint their own Chairman. The meetings of the body can be attended by the heads of the other company functions if invited by the Chairman of the Body.

The number of components is decided by the management body. The members of the Supervisory Body must possess the professional abilities required to perform their role. Meetings of the Supervisory Body may be attended by the heads of company functions as well as external consultants provided they are not in conflict with the issues on the agenda.

#### 2.1.2 *Appointment of the Supervisory Body, the Chairman and the Secretary*

The management body of Athlon Car Lease Service S.r.l. appoints and revokes the members of the Supervisory Body according to the relative legal dispositions, having first verified that the above mentioned members possess the required professional expertise to fulfil the requirements of the position. In particular, the members of the Supervisory Body must satisfy the requirements of integrity, professionalism, independence and autonomy. These requirements must be verified on the basis of the statements made by the candidates to fill the positions before their appointment as member of the Body.

The management body of Athlon Car Lease S.r.l. sets the retribution to be paid to the Chairman appointed by said management body and to the other members of the aforementioned Body, for the entire duration of the appointment, for the performance of their assignments. The Supervisory Body, in its turn, appoints a Secretary by a majority vote. If the Chairman is absent he/she shall be replaced by the head of the Legal & Compliance function.

The members of the Supervisory Body remain in office for three years. The revocation of the members of the Supervisory Body is only allowed in the following circumstances:

- for just cause, in the event of negligence, inefficiency or unfaithfulness of a member of the Body in question (unjustified absence to more than two meetings, even if non-consecutive; failure to

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implement the training program or the internal control program; disclosure of confidential information outside Athlon Car Lease Italy S.r.l., without a valid reason);

- in the presence of events that call into question the prerequisites of integrity, professionalism and independence foreseen by legal dispositions.

The decision to revoke the Supervisory Body by Athlon Car Lease Italy S.r.l. must contain adequate motivation of the reasons that have led to the revocation.

If, during the course of the appointment, there are substantiated reasons why the prerequisites of professionalism, integrity or independence may lapse, the member involved is required to immediately inform the other members of said Body along with the management body of Athlon Car Lease Italy S.r.l.

Other reasons for termination of the assignment are:

- the withdrawal on behalf of a member of the Supervisory Body, by means of a written and motivated communication to the management body of Athlon Car Lease Italy S.r.l. presented at least one month prior to the date in which the same will have effect;
- the death or sudden onset of mental or physical infirmity or impossibility to perform the assignment.

The Chairman of the Supervisory Body, or another component if the Chairman is withdrawing, must inform the management body of Athlon Car Lease Italy S.r.l. without delay if any of the above events has taken place that may lead to the replacement of a member of the Supervisory Body and the latter must promptly take action to replace the member who no longer can fill the position.

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## **2.2 Meetings of the Supervisory Body**

### ***2.2.1 Drafting of the meeting agenda***

The Chairman of the Supervisory Body - also on the basis of the proposals formulated by the other components of the body - decides the topics to be discussed by the Body at the meeting and lists said topics, divided by subject matter, on the meeting's agenda. On this point, the Chairman shall take steps to ensure that the documentation concerning the topics included in the agenda is sent to all the members of the aforementioned Body well in advance of the date on which the meeting has been called.

### ***2.2.2 Summoning of the Supervisory Body***

The Chairman, via the Secretary, summons the meetings of the Supervisory Body with the necessary frequency to ensure an effective execution of the body's mandate as well as when violations of the 231/2001 model have been established.

Meetings are called by means of a communication sent by the Chairman to the individual members, along with the documentation relative to the topics on the agenda. Said communication must be forwarded suitably in advance, in order to enable each individual member to take part in the meeting having set aside the necessary time to consider the topics included in the agenda, so that they may reach fully informed decisions. The summoning of the aforementioned Body is also communicated, using the same methods as those described above, to all subjects invited to take part in the Body's meetings. The meetings are usually held at the legal offices of Athlon Car Lease Italy S.r.l., at least once every quarter or, in any case, whenever the Chairman or one of the Body's members should deem it necessary.

Said meetings may also take place in video or teleconference on condition that the collegial method and the principles of good faith and equal treatment of members are complied with.

### ***2.2.3 Constitution of the Supervisory Body***

At each meeting, the Chairman, with the help of the Secretary, shall take steps to:

- a. note the attendance at the meeting, the members of the Supervisory Body and the participation of the other subjects invited by the Chairman. At this point, the motivations presented by members unable to attend are examined;

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- b. Verification of the valid formation of the Supervisory Body. On this point, the meetings of the aforementioned Body are deemed valid provided the majority of the members are present.

#### ***2.2.4 Procedural aspects of the Supervisory Body meetings***

The Chairman chairs and coordinates the work programme of the meetings of the Supervisory Body and, in this context, must take steps to:

- provide information on the results of any inspections performed by the competent company functions and by the Chairman concerning the topics on the agenda;
- provide details of the various alternatives in relations to the decisions that have to be made, stimulating a dialectic discussion among the members of said Body, coordinating the discussion and taking on board the different proposals forwarded with regard to the decisions to be adopted on each topic;
- ensure that the aforementioned Body reach a decision regarding all points on the agenda. The decisions are passed with a favourable vote of a majority of those present. In this context, any member who has a vested interest, either directly or in relation to third parties, on a specific issue that is under examination, is required to make the appropriate statements during the course of the discussion. The interested party retains the right to abstain from voting, which shall involve leaving the meeting temporarily if they deem it appropriate (these circumstances shall be reported in the meeting's minutes);
- ensure that all discussion contributions made by each member are included in the minutes, along with their dissent or abstention regarding the Body's decisions for each of the topics on the agenda, and the final resolutions passed by the Body. On this point, the Secretary is required to draft the meeting's minutes which are then signed by the same Secretary and the Chairperson. Any copies or extracts from the minutes are declared as compliant by the Secretary or the person who has chaired the meeting.

At the end of the meeting, a copy of all documents (meeting minutes, documentation on file and member summons notifications) must be filed with the secretariat of the management body of Athlon

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Car Lease Italy S.r.l., so they are available for consultation by the members of the Supervisory Board and of the other subjects that have taken part in said meetings.

In compliance with confidentiality obligations, connected to the performance of one's assignment, all members are required to treat all information as strictly confidential and not to divulge the documents and information they may become privy to in the performance of their functions.

## **2.3 Role of the Supervisory Body**

The Supervisory Body, in order to prevent illicit administrative conducts, is granted broad inspection powers and access to company documents as well as financial resources that are allocated on an annual basis in its favour by the management body of Athlon Car Lease Italy S.r.l. and can be modified following a proposal to this end by the Supervisory Body.

The Supervisory Body, in the performance of its role, is empowered to: a) carry out all verifications and inspections that are deemed necessary in order to correctly perform its assignments; b) avail itself of the assistance of all company function heads and in particular those responsible for overseeing external consultants; c) engage in constant coordination activities with the management body of Athlon Car Lease Italy S.r.l. even regarding the issue of any sanctions; d) engage in constant coordination activities with the function responsible for human resource management for all that concerns personnel training.

The aforementioned Supervisory Body must, also, be informed by the management body of Athlon Car Lease Italy S.r.l. and by the heads of all company functions engaged in control activities on the results of their verifications and/or reports received, regarding default and/or violation of the processes established by the models prescribed by Italian Legislative Decree 231/2001. In particular, the Supervisory Body must receive compulsory and prompt reports, forwarded for example using the following e-mail address: [odv-it@athlon.com](mailto:odv-it@athlon.com):

1. the violations or crimes committed (requests for legal assistance advanced by employees against whom the Judicial Authorities are bringing a case for the crimes listed in the Decree; proceedings communicated to Athlon Car Lease Italy S.r.l. by judiciary police authorities; investigative or internal relations committees that produce information regarding criminal conducts; news on any current disciplinary measures and any sanctions issued; any orders received from one's superiors that are deemed contrary to the law, the internal regulations or model 231; any requests or offers

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of gifts or other utilities received from public officers or persons engaged in public service, etc.);

2. the information concerning the activities of Athlon Car Lease Italy S.r.l. that may be relevant to the performance of the Supervisory Body's assignments (information concerning organisational changes; updating of operating powers, any communications from the auditing company concerning aspects that may indicate a lack of internal audits; decisions related to the bidding, receipt and use of public funding; all useful information on proposed changes to the 231 model).

### ***2.3.1 Proactive activity and definition of the organisational model 231/2001***

The Supervisory Body submits to the management body of Athlon Car Lease Italy S.r.l. the organisational solutions to be adopted to implement the 231 model for Athlon Car Lease Italy S.r.l.

The management body has entrusted the Supervisory Body with the task of verifying that the organisational model 231/2001 has been prepared and approved so that it will prevent the crimes detailed in the "decree", by verifying compliance of the activities performed by Athlon Car Lease Italy S.r.l. to legal dispositions.

Therefore, the Supervisory Body acknowledges the approval by Athlon Car Lease Italy S.r.l. and the delivery to it of the model 231/2001, which details the organisational model, the management model and the control model with reference to the regulations of the decree that apply to Athlon Car Lease Italy S.r.l.

In short, the Supervisory Body has adopted specific organisational solutions to establish and regulate the organisational model, the management model and the control model that all together make up the organisational model 231/2001. The aforementioned models are described in the following paragraphs. Therefore, below we only outline the general aspects of the organisational model 231/2001.

In particular, the complex company activities through which the crimes listed in the decree might be committed have been linked to said models and ordered into processes (sets of consistent activities positioned according to a logical time line). Each process is divided into phases and protocols, meaning criteria to be followed in the performance of these phases, are established for each phase (so called qualitative aspects of the process phases). The activities to be performed for each aspect are indicated

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to ensure compliance with the legal provisions designed to prevent as far as possible the recalled crimes being committed with a view to achieving:

- a) transparent conduct with reference to sensitive areas within Athlon Car Lease Italy S.r.l. and in relations with external counterparties;
- b) correctness on behalf of all subjects that refer to Athlon Car Lease Italy S.r.l, guaranteed by compliance with legal dispositions and regulations as well as all internal organisational procedures;
- c) traceability of operations, and in particular those linked to the sensitive areas identified, designed to guarantee the possibility of verifying the coherence and adequacy of said operations, also by providing appropriate documentation.

Therefore, the processes that are set up with reference to the operational and management requirements as well as with reference to external dispositions are the core of the organisational model 231. The recalled processes, once approved and absorbed by the first level internal regulating body, are then disseminated throughout all company organisational units.

The role and responsibility of the organisational units entrusted with carrying out the processes are regulated in the "regulations governing the organisational framework".

The conduct to be complied with by the management body, by employees and collaborators of Athlon Car Lease Italy S.r.l. are described in the last part of this model (Code of Ethics - so called "Integrity Code").

The organisation model 231 and the Code of Ethics ("Integrity Code") also detail the sanctions that may be applied as a result of non-compliance. In this context, the contents and principles of the organisation model 231, and of the Code of Ethics ("Integrity Code"), are brought to the attention of all employees. The latter are guaranteed the possibility of accessing and consulting said organisation model directly on the company Intranet.

The management body of Athlon Car Lease Italy S.r.l. is required to sign a commitment to comply with the contents of the model itself.

The training activities, designed to disseminate knowledge of the regulations included in the Decree,

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differs in content and implementation procedure, depending on the qualifications of the recipients, the level of risk of the area in which they operate and whether the subjects stand to represent Athlon Car Lease Italy S.r.l.

Furthermore, in order to facilitate the understanding of the organisation model 231, Athlon Car Lease Italy S.r.l. organises employee training activities, at the end of which certificates are issued that certify attendance in said activities.

The training system is set up by the department responsible for personnel management and the related trade union relations in collaboration with the Supervisory Body as foreseen by decree 231/2001 and the heads of the departments involved in each case in the application of the organisation model.

All consultants and approved suppliers of Athlon Car Lease Italy S.r.l. and/or that are required to operate with the Public Administration as a result of assignments bestowed by the same are required to sign the organisation model or at least the Code of Ethics ("Integrity Code") of Athlon Car Lease Italy S.r.l. that is published and can be consulted on the latter's website.

Athlon Car Lease Italy S.r.l., in contracts with consultants and suppliers, shall also take steps to include specific contractual clauses (even by means of a statement of commitment enclosed in an attachment) that shall commit said parties to not engage in actions or conduct that might lead to a violation of the principles contained in its Code of Ethics ("Integrity Code"). In case said obligations are violated, the contract may be terminated and a possible sanction applied.

The Body updates the described model 231/2001 whenever:

- significant violations of the organisation model take place or when, in order to guarantee the effectiveness of the same, it is not sufficient to take action by means of disciplinary measures and sanctions issued against the subjects who have breached the rules, and thus changes need to be made to the aforementioned model;
- significant violations of the organisational framework and/or diversification/expansion of the company's operations or in the presence of a specific change to the criminal offence risk profile that has an impact on the internal audit system as a result of opening new areas of business (new products lines or new reference market), the contraction of the activities (transfer of business units), the acquisition of a company that leads to a diversification of the activities previously performed;

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- changes in regulations or when new criminal offences are introduced or the existing ones are modified which means there is a risk than new offences may be committed.

In addition to defining the organisational model in its various configurations, the Supervisory Body promotes initiatives, including training courses and communications, designed to foster an appropriate knowledge of the internal regulatory sources (regulations governing processes) as well as the dissemination of the same throughout the organisational structure of Athlon Car Lease Italy S.r.l., in order to ensure the operation and compliance with the models prescribed by Italian Legislative Decree 231/2001.

In the presence of a failure to comply with said models on behalf of the heads of the company functions, the management body of Athlon Car Lease Italy S.r.l. as well as on behalf of any member of the Body itself, the aforementioned Body shall suggest disciplinary actions and/or sanctions to be adopted towards the aforementioned subjects.

The Supervisory Body will also draft a cost estimate for carrying out its own activities. This estimate provided is merely indicative and the aforementioned Body may in any case forward a request to the aforementioned management body to authorise further motivated expenses if these are deemed necessary in order to guarantee the full and complete execution of their assignments.

In this context, the Supervisory Body may fall back on the support and collaboration, even on a permanent basis, of the various company departments, and in particular the Control departments and may also have recourse to third party consultants with specific competences (i.e. legal consultants, organisation consultants, etc.).

In this case, in order to certify the independence of said consultants, whenever these appointments are conferred, Athlon Car Lease Italy S.r.l. shall requests a statement by the professional in question that must certify that no impediment or no expedient reason stands in the way of their taking on the assignment, and in which they also state that they have been adequately informed about the ethical and conduct regulations to which Athlon Car Lease Italy S.r.l. complies in the execution of its activities, and that they shall abide by them in carrying out their assignment.

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### **2.3.2 Decision-making activities**

The Supervisory Body, in the performance of its role, acknowledges the drafting and approval of the Organisation Model 231/2001 by Athlon Car Lease Italy S.r.l. and decides the measures that have to be implemented to remove any failings that have come to light as a result of the verifications carried out on the model itself.

### **2.3.3 Verification activities**

The Supervisory Body, at least every six months, shall verify regulatory compliance<sup>1</sup> and operating compliance<sup>2</sup> of the process carried out by the same Body with regard to legal dispositions and, in so doing, certify whether the single components have fulfilled their roles appropriately.

The Supervisory Body carries out ongoing verification, with reference to the annual planning of the verifications to be performed, regulatory compliance, operating compliance and the appropriateness of the processes regulated in order to prevent the crimes, which would entail compliance with the models foreseen by Italian Legislative Decree 231/2001 (organisation model, management model, control model), also in order to suggest modifications, updates and/or integrations. Said verifications can be performed by the Supervisory Body:

- in remote meaning on the basis of the results obtained from the line-checks performed by the persons responsible for the processes and/or on the basis of the reports forwarded to the Body by the Control Functions relative to the verifications performed by the Body itself, the results and the action suggested to remove any critical aspects that have come to light as a result of said inspections;
- directly on sight meaning at the departments in charge of the processes.

The Supervisory Body examines the significant failings that obstruct crime prevention reported by the persons in charge of said control functions or directly mentioned by the persons in charge of the processes in relation to crime prevention. In this instance, the Body carries out the necessary

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<sup>1</sup> Verification of the consistency between the legal dispositions that regulate the process and the internal regulations that apply to the same process.

<sup>2</sup> Verification of the consistency between activities actually performed in the process and activities foreseen by legal dispositions.



investigations in order to verify the truthfulness of reports received as well as the existence of proof or specific, consistent and clear presumption. In this context, it must:

- guarantee the secrecy of the identity of the reporting subjects in order to protect the latter from possible retaliation and/or discrimination of any kind or nature;
- keep track of the reports made, as well as the report documents of the inspections performed, complete with any considerations and the answers of the personnel in charge of the company processes involved.

The Supervisory Body is responsible for the filing of reports received, reports forwarded and the results of the investigative activities performed in an appropriate archive which it shall keep updated and for which it shall establish access procedures and the subjects that are granted legitimate access.

If the Supervisory Body believes that the report is groundless, it shall be filed away. In the event of false, inappropriate or slanderous reports, the Body shall inform the competent company functions in order that they may issue the sanctions foreseen by the disciplinary system.

If it ascertained that a crime has been committed, the Supervisory Body shall identify the measures that need to be taken, based on the disciplinary system. In this context, the aforementioned Body, with the assistance of the Athlon Car Lease Italy S.r.l. management body and the head of the function responsible for human resource management, shall verify and assess the appropriateness of said disciplinary system, pursuant to and in accordance with Italian Legislative Decree 231/2001.

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#### **2.3.4 Operational activities**

The Supervisory Body establishes the actions or measures that need to be taken in order to remove any critical aspects that have come to light as a result of the verifications carried out by the Body as well as setting the priority for said actions or measures and the relative timeframe for their execution.

#### **2.3.5 Communication activities**

The results of the verifications carried out by the Supervisory body must be forwarded to the management body of Athlon Car Lease Italy S.r.l. In particular, the Supervisory Body must report to said management body any infringement of the models described in Italian Legislative Decree 231/2001 in order to adopt the appropriate disciplinary measures. The Supervisory Board must, therefore:

- report to the aforementioned management body on a six monthly basis regarding the controls performed in order to prevent crimes and the actions that need to be implemented to eliminate any failings or malfunctions encountered;
- prepare a summary report on an annual basis to be sent to said management body on the activities performed during the course of the year, detailing also all expenses incurred. Said report will also contain the results that have been obtained as a result of the verifications performed along with all proposals of actions or measures that need to be taken. The report will also contain the results on the monitoring of the actions previously decided by the aforementioned representatives, distinguishing between those that have been carried out and those that haven't and examining for the latter the relative reasons and justifications. Finally, in the aforementioned report there must be a description of an activity plan to be put in place for the next year;
- over time if it notices any illicit conduct and/or conduct not in line with what has been established, it must immediately inform the recalled representatives.

In particular, in the presence of a serious violation committed by legal representative or the management body of Athlon Car Lease Italy S.r.l., the Supervisory Body shall report to the Control Body of the Parent company.

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In the event of violations perpetrated by a member of the Supervisory Body itself, the same Body shall inform the management body.

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### 3. Organisation model 231/2001

The organisation model 231/2001 is made up of the compliance organisation process, the decision-making process and the informative-steering process.

#### 3.1 Compliance organizational process

The model of the compliance organisational process is established by the Supervisory body to define the single company process in order to prevent crimes as well as to perform its role and in particular the verification activity describes the activities to be carried out according to the criteria (protocols) established by legal dispositions, with reference to the individual phases of the process itself.

In particular, this process regulates the phases relative to the strictly organisational aspects; 1) identification without interruption of regulations that may apply to Athlon Car Lease Italy S.r.l. and the measuring/assessment of their impact on company processes and procedures; 2) proposal of procedural organisation changes designed to ensure an adequate monitoring of any non-compliant risks identified. The correct and actual performance of said processes on behalf of the Supervisory Body allows:

- a. the definition, without interruption, based on external dispositions, of one's own internal regulatory sources relative to the overall company processes. These solutions must therefore ensure compliance of the internal regulatory sources that regulate the processes in relation to external dispositions;
- b. assess on a regular basis:
  - the organisational risk of non-compliance of the internal regulation sources relative to the external dispositions (so called regulatory compliance) with reference to the relevance of the discrepancies detected between the aforesaid regulations;
  - the risk of organisational non-compliance of the activities performed as part of the processes relative to the external dispositions (so called operational compliance) which hinges on the significance of the discrepancies detected between the aforesaid activities;
- c. report back on a regular basis to the management body on the results of the verifications carried out and therefore in relation to the organisational risk of regulatory and operational compliance of

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the processes;

- d. undertake the necessary actions to eliminate the failings brought to light by said verifications and especially the significant failings, those that hinder the management of the risks and thus the achievement of the company's goals.

The external dispositions that apply to Athlon Car Lease Italy S.r.l. may be issued by different legislative and administrative sources. These regulations are also issued by Independent Management Authorities ("Antitrust", "Privacy Authority", etc.).

The ongoing examination of the external dispositions carried out by the Supervisory Body must enable the identification of those that apply to Athlon Car Lease Italy S.r.l. as well as identifying the processes involved and the actions to be taken if said dispositions have not yet been absorbed by the individual processes that are included in the various organisation models (organisation, management, control).

Having identified the processes affected by external dispositions, the Supervisory Body drafts the criteria that must guide the performance of the processes in question (so called protocols). With reference to the aforementioned criteria the Supervisory Body organises the activities to be implemented so that they may be fully applied. For the definition of the criteria and the definition of the activities, the Supervisory Body may involve all the organisation units with competence over the various aspects of the process. On this point, if necessary, work teams can be set up, under the management of the Supervisory Body, in which the involved units shall participate. In short, in order to apply the above criteria the following activities must be performed:

- a. examination of legal dispositions;
- b. examination of the dispositions of the Independent Administrative Authorities;
- c. identification of the external dispositions that apply to Athlon Car Lease Italy S.r.l.;
- d. identification of the processes affected by the dispositions;
- e. drafting of criteria relative to the phases of the processes affected by external dispositions;
- f. definition of the activities required for application of the criteria;
- g. specification of activities to be performed with or without the support of computerised procedure.

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### 3.2 Decision making process

The model of the decision making process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

In short the process foresees that the operating, decision making and signing powers must be established in compliance with the laws and dispositions of the Independent Administrative Authorities.

The legal dispositions enable power to be assigned for different company matters with the exception of those that cannot be reassigned by law. Therefore, the persons responsible for the various processes all need to be empowered and must ensure they submit this need, via the company's organisational unit, to the management body. In short, in order to apply the above criteria the following activities must be performed:

- a. definition of powers that can be delegated regarding Personnel;
- b. definition of powers that can be delegated regarding costs;
- c. definition of powers that can be delegated regarding loans;
- d. definition of powers that can be delegated regarding economic conditions (i.e.; pricing, rebates, discounts, etc. both on the Client and Supplier side);
- e. definition of powers that can be delegated regarding representation and signing.

To assign operating powers to the organisational departments one must ascertain the operating and management requirements of the units responsible for carrying out the processes. Therefore, these powers must be assigned while respecting the hierarchic - functional standing of the subjects employed by Athlon Car Lease Italy S.r.l. as regulated by the regulations governing the organisation structure. In this context:

- the organisational units assigned to perform the processes or any part of them file a request with the management body that they be allocated the required powers in order to be able to satisfy their own

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operating and management requirements and carry out the verifications they are responsible for (consistency between the management requirements indicated by the functions with the powers requested, adequacy of the procedures and information required to execute and verify the powers to be delegated, adequacy of the information to be supplied on a regular basis to the management body regarding said operation);

- the management body assigns said powers and the resolution relative to the conferral of the same is brought to the attention of the assignees.

The powers that at any time are assigned by the management body to the organisational units are arranged by subject matter.

Before the assignment of the operating powers specific activities must be performed in order to verify the effective need for the power delegation request.

In order to use the assigned powers one must bear in mind that:

- the resolutions of the management body in the various company matters are taken based on the proposals formulated by the persons responsible for the functions that refer to the management body directly or by other delegated subjects as established by their hierarchic and functional standing.
- the decisions of the company employees are taken based on a proposal presented to these same employees by other subjects employed by Athlon Car Lease Italy S.r.l. in compliance with their hierarchic and functional standing;
- the above proposals must be supported by data and information that must detail, when necessary and depending on the matters on hand, more solutions and/or alternatives.

The decisions on loan issues must be taken by the management body and those it has empowered.

The empowered subjects that have an interest, of their own or of third parties, must refrain from being

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involved in the decision making process.

The resolutions that directly and/or indirectly involve the management body must be taken by the Decision making organism of the Parent Company, which must be informed of such a circumstance by the aforementioned management body.

All subjects that supply data and information as well as documentation are responsible for the truthfulness and reliability of the same data/information/documentation and are liable, if they turn out not to be truthful, to the sanctions foreseen by the regulations in force at the time.

Therefore, the decisions must be taken in compliance with the powers received and with the utmost professional dedication, with the awareness that the exercising of said powers involves responsibility for the decisions, if these decisions were not taken in the exclusive interest of Athlon Car Lease Italy S.r.l.

The responsibility also falls on the delegating subject if they haven't verified the correct execution of the powers they have delegated.

In this context, the management body and the single delegated organisation units, before taking the decisions in the various company matters, must ensure that these decisions are included in the powers assigned to them and verify the appropriateness of the information and data on the basis of which said powers are exercised. In particular, risk taking must always be preceded - apart from specially foreseen cases - by a proposal forwarded to the competent functions.

If, due to the absence or impediment of the person holding the powers, said powers are exercised by a substitute, who operates with the same powers and according to the same procedures assigned to the absent or impeded delegated subject.

In urgent cases - motivated by the person suggesting the initiative to be taken - meaning in those cases in which an omitted or delayed decision may cause Athlon Car Lease Italy S.r.l. either quantifiable or unquantifiable damage (even in terms of failed opportunity), or could expose Athlon Car Lease Italy S.r.l. to operating risk, or risks to its image, the decisions assigned to the management body may be taken by its delegated subjects. The exercise of said powers must be brought to the attention of said management body.

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The delegated subjects exercise the powers assigned to them in compliance with the resolutions on this matter reached by the management body.

The responsibility for verifying the correct exercise of powers is assigned to the management body as far as the powers it has conferred are concerned and to the individual delegated subjects as far as the powers they have been assigned within the context of those received in order to inform the delegated subjects regarding any failings or malfunctions that have been noted in the exercise of delegated powers. In short:

- the persons responsible for delegated functions must verify on a regular basis that they are correctly implementing the powers assigned to them;
- the persons who have assigned powers must verify on a regular basis that the assigned power are being used correctly. The verification may be carried out directly or with reference to the information forwarded to the delegating subject by those assigned the powers.

the verification of the powers must be carried out by the delegated subject by comparing the powers assigned to those it exercises. The results of the above verification must be transmitted, along with the relative action proposals to the delegating subjects. In short: the following activities must be performed in order for the above criteria to be applied:

- a. verification of consistency between the management requirements claimed by the functions and the powers requested;
- b. verification of the adequacy of the procedures and the information required in order to exercise and verify the powers that can be delegated;
- c. verification of the adequacy of the information to be supplied on a regular basis to the management body regarding the exercising of powers;
- d. assignment of powers regarding Personnel;
- e. assignment of powers regarding costs;
- f. assignment of powers regarding loans;

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- g. assignment of powers regarding economic conditions;
- h. assignment of powers regarding representation and signing.
- i. acquisition from the delegated subject of any resolution proposals made concerning the matters under his responsibility;
- j. verification by the delegated subject that the resolution proposal complies with the powers appropriate to their area of competence;
- k. the delegated subject exercises the powers received;
- l. monitoring of the powers exercised on the matters for which the delegated subject is responsible;
- m. comparison between powers exercised and those assigned for the various subjects;
- n. monitoring of discrepancies between powers assigned and powers exercised;
- o. highlighting of the reasons for the discrepancies;
- p. report to the delegating party of the powers exercised that fall within the limits of those received;
- q. report to the delegating party of the powers exercised beyond the limits of those received;
- r. report to the delegating party regarding the reasons why unassigned powers were exercised;
- s. proposals for actions to eliminate the reported failures.

### **3.3 Information - steering process**

The model of the information-steering process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

The information -steering process foresees that the Supervisory Body inform the management body, using specific forms, regarding the results of the activities performed in order to verify the regulatory and operating compliance of the activities actually performed in the individual process with the legal dispositions as well as regarding the actions that need to be taken to remove any critical aspects that have been detected. In short, in order to apply the above criteria the following activities must be performed:

- a. formulation and indication of the ruling on regulatory compliance;
- b. formulation and indication of the ruling on operating compliance;

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- c. drafting of the analysis models;
- d. definition of the actions to be implemented;
- e. drafting of the compliance report;
- f. delivery of the compliance report to the management body.

#### 4. Management Model

### 4.1 Loan process

The loan process model, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

With regard to the description of the internal loan process at Athlon Car Lease Italy S.r.l., we refer to Attachments 1 - 11 attached to this organisation model (and in force since the date of approval of the same), that may be consulted at the legal offices of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal & Compliance function.

### 4.2 Goods and services procurement process

The goods and services acquisition process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

According to said process, in order to manage effectively (achievement of objectives or forecasts) and efficiently (achievement of objectives at a lower cost than estimated) the goods and services procurement operations must be defined by cost type as well as the procedure for acquisition of said goods and services, in order to comply with current regulations introduced to protect collective interests (management responsibility, measures against money laundering, privacy, safety, etc.). In particular,

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one must assess:

- The special or direct costs that concern the type of cost that relates to a specific process and/or single phases of the process in question. These costs, besides being measurable, which means that they must be objectively assignable and can be either controllable or not controllable depending whether they can be influenced or not by the choices made with relation to possible alternatives;
- the shared or indirect costs, that concern cost types that affect more than one process or various phases of the same processes. These costs, therefore, are not measurable meaning they cannot be objectively assigned to said processes and/or to the aforementioned phases and they may be controllable or not controllable depending on whether they can be influenced or not by the choices made with relation to possible alternatives;
- the binding costs, which concern types of cost to be incurred and are not discretionary in that they are dependent on choices made in earlier financial years.

Furthermore, the aforementioned costs are divided up into current costs, which normally fulfil their usefulness within a single year, and investment costs, which retain usefulness over many financial years. In short, in order to apply the above criteria the following activities must be performed:

- a. definition of special and direct costs;
- b. definition of shared and indirect costs;
- c. definition of binding costs.

With regard to the description of financial and operating process internal to Athlon Car Lease Italy S.r.l. and connected to the procurement of goods and services, please refer to the attachments to this organisation model (and in force as of the date of approval of the same):

- as far as the financial processes are concerned, from Attachment 12 to Attachment 26, which may consulted at the legal offices of Athlon Car Lease Italy S.r.l, with the possible support of the Legal & Compliance function.
- as for operating processes, from Attachment 27 to Attachment 46, which may consulted at the legal offices of Athlon Car Lease Italy S.r.l, with the possible support of the Legal & Compliance function.

Generally speaking, relations for the provision of goods and services must be exclusively set up with

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subjects listed in the appropriate approved suppliers list.

These subjects must receive a summary of the organisation model adopted for the prevention of crime pursuant to Italian Legislative Decree 231/2001 and the Code of Ethics ("Integrity Code") attached to the same summary.

The aforementioned subjects must state they are aware of the content of the regulatory dispositions concerning "management responsibility of legal entities, companies and associations" pursuant to

Italian Legislative Decree 231/2001 and subsequent modifications and that they have read the summary of the organisation model adopted for the prevention of crime pursuant to Italian Legislative Decree 231/2001 and the Code of Ethics ("Integrity Code") attached to the same summary.

In particular, the suppliers are included in said suppliers list after having carried out specific enquiries designed to formulate a reliability assessment of the subjects in question in terms of professional attitude, correctness and punctuality in the performance of the commitments taken both previously with Athlon Car Lease Italy S.r.l. as well as with other companies. In this context, it is essential to verify the professional capacity and experience acquired by the human resources used by the suppliers in the supply of goods and services as well as the structure of suppliers who are set up as a company, in relation to what pertains to the requirements of integrity and professional capacity of company members, the organisation, controls and the ongoing capacity to fulfil the obligations and commitments taken on by said companies in relation to legal dispositions and specifically those concerning safety at the workplace.

The goods and services may be acquired via procedures that ensure transparency and the objectivity in the assignment to the supplier. Possible waivers of an exceptional nature are admitted only if (alternatively) motivated by:

- the need to guarantee the continuity of the support previously supplied by the supplier in the immediately preceding periods or the need to safeguard intellectual property rights;
- activities performed by the supplier under a monopoly regime;
- irrelevance of the amount of the service and the objectively demonstrable urgency (i.e. maintenance of a malfunctioning system).

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The faculty of availing oneself of possible waivers must be authorised and communicated to the competent function responsible for goods and service provision, before the start of negotiations.

Specific contracts must be stipulated with said suppliers, that recall the proposals relative to the supply of goods and services and establish that the payment of the fee is made once verification of the effective delivery of the goods or the effective provision of the services has taken place.

In short, in order for said criteria to be applied one must carry out the following activities (placed in a logical-consequential order and describing the phases to which the stipulation and execution of the supply contract refer):

- a. verification of integrity and professionalism requirements of the supplier's representatives;
- b. verification of the supplier's technical competence and reputation;
- c. verification of conflicts of interest between the parties involved;
- d. verification of the "black list";
- e. census of the supplier in the list of approved suppliers;
- f. delivery of the summary of the organisation model adopted for the prevention of crime and the Code of Ethics ("Integrity Code") attached to the same summary;
- g. Goods and services procurement requests;
- h. stipulation of contracts/order issue (concerning the purchase of goods and/or services) and relative termination clauses of the same contracts;
- i. execution of the supply contract through the purchase of the goods and services;
- j. verification of the effective supply of the goods or service;
- k. verification of the consistency of the goods or service supplied and the fees requested;
- l. fee payment;
- m. regular verification that appropriate standards are being maintained that can guarantee inclusion in the approved supplier list.

The relationship may be set up with consultants included in the approved supplier list. Possible waivers of an exceptional nature are admitted only if (alternatively) motivated by:

- the need to guarantee the continuity of the support previously supplied by the supplier in the immediately preceding periods or the need to safeguard intellectual property rights;
- activities performed by the supplier under a monopoly regime;

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- irrelevance of the amount of the service and the objectively demonstrable urgency.

The faculty of availing oneself of possible waivers must be authorised and communicated to the competent function responsible for goods and service provision, before the start of negotiations.

These subjects must receive a summary of the organisation model adopted for the prevention of crime pursuant to Italian Legislative Decree 231/2001 as well as the Code of Ethics ("Integrity Code") attached to the same summary.

The same subjects must state they are aware of the content of the regulatory dispositions concerning "management responsibility of legal entities, companies and associations" pursuant to Italian Legislative Decree 231/2001 and subsequent modifications and that they have read the summary of the organisation model adopted for the prevention of crime pursuant to Italian Legislative Decree 231/2001 and the Code of Ethics ("Integrity Code") attached to the same summary.

In particular, the consultants are included in the approved suppliers list after having carried out specific enquiries designed to formulate a reliability assessment of the subjects in question in terms of professional attitude, correctness and punctuality in the performance of the commitments taken both previously as well as with other companies. In this context, it is essential to verify the professional capacity and experience acquired by the human resources used for the matters that are the object of the consultancy as well as the structure of consultants who are set up as a company, in relation to what pertains to the requirements of integrity and professional capacity of company members, the organisation, controls and the ongoing capacity to fulfil the obligations and commitments taken on by said companies in relation to legal dispositions and specifically those concerning safety at the workplace.

The consultancies may be conferred by private negotiations after having set the conditions and fee ceilings that establish the advantage of embarking on such a negotiation or according to other procedures that ensure the transparency and objectivity of the conferment in question (consultant tender invitations, restricted offers for consultancy services, opening of proposals, selection of the winner, run-off and/or possible further negotiations to secure better conditions).

Specific contracts must be stipulated with said subjects, that recall the proposals relative to the

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provision of the consultancy services and establish that the payment of the fee is made once verification of the effective delivery of the service has taken place.

In short, in order to apply the above criteria the following activities must be performed:

- a. execution of the established procedure for the selection of the consultants;
- b. verification of the black list;
- c. census of the supplier in the list of approved suppliers;
- d. delivery of the summary of the organisation model adopted for the prevention of crime and the Code of Ethics ("Integrity Code") attached to the same summary;
- e. consultancy requests;
- f. examination and prior evaluation of the professional competence of the consultants indicated in the proposal;
- g. evaluation of the contents of the consultancy proposal;
- h. evaluation of the adequacy of the fee requested in relation to the contents;
- i. examination of the assignments carried out by the consultant in question and relative professional qualifications recalled in the consultancy proposal;
- j. verification of possible conflicts of interest between Athlon Car Lease Italy S.r.l. and the consultant;
- k. conferment of the assignment in writing for acceptance by the same;
- l. stipulation of any required contract and of the relative termination clauses;
- m. regular reports by the consultant on the activities performed;
- n. completion of the consultancy and closing report;
- o. verification of the consistency between the consultancy provided and the fee paid for the consultancy;
- p. verification of the costs incurred by the consultancy when these are included in the proposal or the contract;
- q. joint assessment of the completeness of the consultancy on behalf of the functions involved and authorisation for payment;
- r. payment of the fee with reference to the results of the aforementioned verifications;
- s. regular verification of the black lists;

#### **4.3 Workplace safety process**

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The workplace safety model, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

According to said process, one has to comply with preliminary and general obligations for the protection of places where one performs a work activity.

On this point, in order to reduce the effects on health of tedious and repetitive labour, one must implement a prevention programme:

- that is consistent with the production processes, with the environment and with the organisation of the working activities;
- complies with ergonomic principles in the organisation of work, in the conception of workstations, in the choice of equipment and the definition of work and production methods.

In this context, the measures concerning safety, hygiene and health while performing one's job must not, in any case, result in a financial burden for the workers.

In short, in order to apply the above criteria the following activities must be performed:

- a. evaluation of the workers' health and safety risks;
- b. elimination or reduction of risks;
- c. limitation to a minimum number of the workers exposed to risk;
- d. limitation to a minimum of the use of chemical, physical and biological agents at the place of work;
- e. assessment of the collective protection measures compared to the personal protection measures;
- f. need to provide for worker health check-ups;
- g. removal of the worker from being exposed to risk for health reasons;
- h. information and training for the workers, management, those assigned to the training and for worker safety representatives;
- i. participation of and consultation with the workers and the worker safety representative;
- j. planning of measures deemed advisable to guarantee the improvement of safety levels over time;
- k. need to provide a specific timetable for the review of the measures adopted;
- l. detailed information on the emergency measures to be implemented when providing first aid, fire-fighting, worker evacuation and in the presence of immediate and serious danger, including the use of warning and safety signals;
- m. decision regarding the location of warning and safety signposting;

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- n. planning of regular maintenance of premises, equipment and systems with particular care taken over safety devices in compliance with the manufacturer's indications.

By "place of work", we are here referring to the premises for the working activities by employees, whether within Athlon Car Lease Italy S.r.l. or in any other pertinent location. Said locations must be set out in such a way as to guarantee access and mobility for differently able workers and made compliant with safety and worker protection requirements in relation to, in particular, the building's solidity and stability, its height, volume and surface area, the circulation and emergency paths, the stairs, the micro-climate and the temperature of the premises, the lighting and the sanitary and hygienic services.

In particular, the work place must be of a proper size and furnished in such a way that there is sufficient space to allow position changes and operating activities. The general and specific lighting (table lamps) must be appropriate and guarantee sufficient lighting and an appropriate contrast between the screen and the surrounding environment, taking into account the characteristics of the work performed and the visual requirements of the user.

Particular attention must also be paid to the computer equipment used by the workers. In any case, with the express and absolute prohibition to introduce quantitative or qualitative control devices without the knowledge of the workers.

In short, in order to apply the above criteria the following activities must be performed:

- a. evaluation of the conditions and technical characteristics of the jobs to be performed;
- b. evaluation of the risks present on the work premises;
- c. evaluation of the risks due to the use of equipment;
- d. evaluation of the risks due to interference with the equipment already in use;
- e. verification that all work equipment is compliant with the regulations governing the protection of worker's health and safety;
- f. certification that the installation and use of the equipment are compliant to the user instructions;
- g. regular equipment maintenance and updating;
- h. certification that the workstations are compliant with ergonomic principles;
- i. regular involvement of the workers in appropriate training courses;
- j. appropriate information provided to the workers regarding the exposure to specific risks;
- k. installation of anti-glare protections on the screen and that contrast the brightness and dazzling of

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the operator;

- l. location of the workstations as close as possible to a source of natural lighting;
- m. assessment of the position of windows, transparent or translucent walls, light coloured equipment that give rise to direct and/or indirect dazzling phenomena or reflections on the screen;
- n. if necessary, installation of an appropriate adjustable blind on the windows to dim the daylight that shines on the workplace;
- o. when arranging the workstations, install appropriate devices to protect from noise emission sources;
- p. assess the micro-climatic conditions to ensure they do not cause discomfort to the workers;
- q. verify whether the equipment installed in the work place do not give off an excess of heat that may be a source of discomfort for the workers;
- r. reduce all radiation to a minimum;
- s. foresee protection measures in order to avoid workers suffering from physical and psychological stress and eyestrain;
- t. evaluate the appropriateness of the software to the tasks to be performed and to the weighted level of understanding and experience of the operator.

It is necessary to proceed to assess all the risks connected to the working environment in order to protect worker health and safety. In this context, particular attention must be paid to risks affecting pregnant female workers as well as those connected to differences in gender, age and country of origin. The actions to be implemented in order to reduce said risks, must guarantee compliance with the aforementioned safety dispositions, also to avoid sanctions being levied against the persons assigned to said implementation and even against Athlon Car Lease Italy S.r.l. even considering the dispositions concerning the joint liability of the entities pursuant to Italian Legislative decree no. 231 of 2001. The precautionary activity must be repeated whenever significant changes are introduced to the production process.

With regard to the detailed description of the workplace safety verification process, please refer to Attachments 47 attached to this organisation model (and in force since the date of approval of the same), that may be consulted at the legal offices of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal & Compliance function.

#### **4.4 Personnel planning and management process**

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The personnel planning and management process, established by the Supervisory Body to prevent crimes being committed as well as in order to perform its own role and in particular the verification activities, describes the activities to be carried out according to criteria (protocols) indicated by legal dispositions, with reference to the single phases of the process itself.

According to said process, personnel planning focuses on providing a constant alignment of its resources as well as ensuring they are correctly positioned within the company organisation so their professional contribution is exploited to the full. In particular, the company's personnel must be analysed in both quantitative and qualitative terms, in order to be able to compare the resources available within the company structure to those required in order to achieve the best possible integration and consistency between objectives to be achieved and available professional resources.

With regard to the description of the personnel planning and management process, please refer to Attachments 48 - 49 attached to this organisation model (and in force since the date of approval of the same), that may be consulted at the legal offices of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal & Compliance function.

#### **4.5 Transaction transparency process**

The model of the transaction transparency process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

According to said process, particular attention has been paid to informative and contractual documentation related to the conditions of the products and services offered to the client.

Said documentation is differentiated based on client type. On this point, for the purpose of the implementation of these regulations, the following classification holds true:

- "client", any subject, physical person or legal entity, that has a contractual relationship or intends to enter into a relationship with the company;
- "consumer", the physical person who acts for purposes unrelated to their business, trade, craft or

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professional occupation.

The definition of the transparency principles, right from the purely promotional phase, is essentially designed to inform our clients about the essential aspects of the contractual relationship they have set up or that they intend to set up, and connected variations. In particular, the foreseen compliance on matters of transparency and correctness in relations with the clientèle have the following purpose:

- raise the awareness of the clientèle concerning the costs and how both the transactions and products work and their varied natures;
- to align the product/service offer with the different types of clientèle and their actual requirements;
- to provide a complete outline of how the relationship is moving ahead, relying on an appropriate and regular communication/information system.

A necessary prerequisite of transparency protocols is that business relations be based on criteria such as good faith and correctness. On the basis of this fundamental assumption, the information provided to the clientèle must be drafted correctly, clearly and thoroughly, as well as being adapted to the communication channels used and the characteristics of the services and the receivers. The degree of detail provided in the information varies according to the requirements of the client bracket (client; consumer) of reference and the service provided.

Furthermore, all the documents concerning the contractual report must comply with rigorous drafting criteria in order to guarantee the correctness, completeness and understanding of the information provided so that the client is in a position to understand the characteristics and costs of the service required with sufficient detail to be able to make informed decisions on all aspects of the relationship. In particular, one must adopt:

- graphic layout criteria to make said documents easily consultable;
- an appropriate logical order and prioritizing of the information to reassure the client and make it easy for him/her to understand the text and compare the specific characteristics of each product on offer;
- simple syntax and a clear terminology aligned with the level of understanding of technical terms of the client bracket to whom the services are to be rendered. To make the understanding of the

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- concepts easier, one must provide readers with a glossary and an explanatory legend;
- a communication channel that is consistent with chosen information layout.

In short, in order to apply the above criteria the following activities must be performed:

- a. compliance with the goals foreseen by the regulations governing transparency;
- b. compliance with general transparency principles;
- c. adoption of technical criteria for the drafting of the documentation.

The prices and other economic terms and conditions concerning the product and services on offer must be published in a clear and timely fashion, so the clients can view them immediately before the contractual clauses become binding.

To this end, one must safeguard the client's right to obtain all information concerning the products and services offered before the completion of the contract. This information is supplied by preparing the following compulsory documents:

1. a complete copy of the contractual texts, highlighting the economic terms and conditions under which the services are provided;
2. documents attached to contractual texts (i.e. insurance documentation);
3. instruction manuals/operating manuals, practical manuals and attached documentation.

Advertising is used to promote the offer of the transactions and services offered. These messages must always be acknowledged as such. And in particular, they must indicate:

- their specific nature as an advertising message for promotional purposes;
- the analytic referral to contractual conditions.

In short, in order to apply the above criteria the following activities must be performed:

- a. explicit acknowledgement of advertising information as a promotional tool;
- b. the analytic referral to contractual conditions.

In order to enable the client to make a more informed assessment of the contract, before its completion and following a specific request, one must release a complete copy of the text, along with all attached

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contractual documentation, containing the general and special conditions of the negotiated relationship and connected services. The request for a copy is not dependant on the payment of any sums of money in that it is totally free. The client's right to request and obtain a copy of the text of the contractual conditions cannot be subject to terms or conditions. In any case, one must comply with the obligation to deliver said requested documentation in a timely fashion.

If during the time foreseen for the stipulation the contractual conditions are changed, one must immediately inform the client, who has the right to request the delivery of a complete copy of the new contractual text that will apply to the stipulated contract.

In short, in order to apply the above criteria the following activities must be performed:

- a. free delivery to the client, on request, of the complete copy of the general and special contractual conditions and of all contractual documentation attached to the same;
- b. communication that the delivery does not bind the parties to a future stipulation;
- c. it is forbidden to include terms and conditions to the client's right to request and obtain a copy of the contract;
- d. communication of changes to contractual conditions that may have taken place in the meantime;
- e. in the event that a change of contractual conditions has been introduced, the client must be provided with a further complete copy of the contract and all contractual documentation attached to the same.

Contracts must be drafted in written form. When the use of computer generated documents is foreseen, the appropriateness of the same in satisfying the requirement that they be in written form is subordinated to the presence of the objective characteristics of quality, security, integrity and unchangeability. The computer document signed with a qualified electronic signature or digital signature (a format that guarantees the possibility of identifying the author and the integrity and unchangeability of the document) does in any case satisfy the requirement of written form.

A copy of the contract must be delivered to the interested party, having first signed for receipt of the original, which must be preserved in its entirety.

In short, in order to apply the above criteria the following activities must be performed:

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- a. drafting of the contract in written form;
- b. considerations regarding the adoption of a computer generated document;
- c. compliance with the criteria for drafting of the computer document;
- d. signing of the computer generated document with qualified or digital signature;
- e. delivery to the client of a copy of the contract;
- f. signing by the client, on the original, that the contract has been received;
- g. conservation on file of the receipt certification.

The regulations establish the minimum content for each type of contract. The minimum content must include the economic and other conditions that apply to the contract including the general and special conditions of the contract.

The exercise of the clientele's right is acknowledged and guaranteed during the course of the contractual relationship. Therefore, changes may be made to the conditions regulated by the contract, in the event that these variations remain subject to certain prerequisites (in form and substance) and within the boundaries of the cases expressly foreseen by legal dispositions or if agreed through negotiation or discretionally imposed (for example, following the deterioration of the client's economic and financial situation).

The changes must be introduced according to procedures that will not damage the client. The conditions that are subject to modifications are not subject to restrictions and may potentially concern instalments, prices and any other condition foreseen by the contract.

In the offer proposal of one's own products and services, one is entitled to use remote communication techniques, by which we are here referring to "any means that, without the physical and simultaneous presence of the supplier and consumer, may engage in the remote sale of a service between the parties".

In particular, if one engages in direct communications with the consumers and/or clients using vocal telephone calls, the appointed person is required, at the start of the conversation, to state in a clear and unequivocal way their identity and the commercial purpose of the call. Once they have received the consumer's consent, they must exclusively supply the following information:

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- the identity of the person in telephone contact and their relationship with Athlon Car Lease Italy S.r.l.;
- the main characteristics of the service offered;
- the total cost of the service or the basis on which it is calculated;
- the right to exercise the right of withdraw;
- the possibility of asking and obtaining further information.

If remote communication techniques are used, at the time immediately preceding the completion of the contract, the content of the contract must be made available to the clientèle in hard copy form or other lasting support, that is to say any instrument that enables the consumer and/or client to store the information directed to him personally in such a way that it can be easily recovered for a period appropriate to the purposes the information is designed to achieve and that enables the unchanged reproduction of the stored information. The client must be guaranteed ready access and fruition of the documentation at any time.

In short, in order to apply the above criteria the following activities must be performed:

- a. publication of the pertinent contractual documentation on the Internet website;
- b. use of the same technique used for the completion of the contract;
- c. use of the same editorial and layout criteria used for the drafting of the documentation delivered without using remote communication techniques;
- d. indication of costs and burdens shouldered by the client in relation to the communication means used;
- e. indication of the contact information of Athlon Car Lease Italy S.r.l. and the person responsible for the service;
- f. indication of the existence of the consumer's right to withdraw from the contract, specifying the connected procedures and the time limit for said action;
- g. compliance with the dispositions foreseen for the communications directed at consumers using mobile telephone systems;
- h. availability of the contract before its completion.

If one intends to use remote communication techniques using automated calling systems without the involvement of an operator, fax or other instrument that enables direct communication to individuals

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(i.e. e-mail, letter, telephone), in the commercialisation of the services offered, one must always request the advance consent of the consumer and/or client to said use, even if there is no economic burden for the consumer. The advance consent may however be omitted if the consumer has previously and intentionally supplied their own e-mail or postal address, even during the commercialisation of a similar service. In any case, the consent must be: validly supplied, that is to say freely granted, in an explicit and specific way for the different purposes and categories of services offered. The consumer and/or client may in any case easily and gratuitously oppose the receipt of any further announcements at any time. One is required to provide this information on this right at the time of sending every communication. One is also beholden to supply an appropriate address where one may send a request to have these communications interrupted.

In short, in order to apply the above criteria the following activities must be performed:

- a. an evaluation regarding the use of remote communication techniques using automated calling systems;
- b. the consumer is released from the payment of any additional costs or economic burdens;
- c. an advance request for the consumer's consent to the use of each single category of services offered;
- d. the verification that this consent is freely and explicitly provided;
- e. acquisition of the consumer's consent;
- f. no request for advance consent is required if the client has already supplied their postal address to Athlon Car Lease Italy S.r.l.;
- g. information must be given to the client regarding his right to oppose the sending of any further announcements at any time;
- h. the client must be given an appropriate address of Athlon Car Lease Italy S.r.l. where they may deliver their interruption request.

If one takes advantage of remote communication techniques, in the stipulation of the contracts, one is required to comply with the general regulations governing contracts. Therefore, contracts stipulated using remote communication techniques, must be drafted in written form, except in those cases expressly indicted by current regulations. It is the consumer and/or client's right to request a hardcopy of the contract at any time during the business relationship.

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The client may always ask that the communication technique used be changed, unless this is incompatible with the completed contract or the nature of the service provided.

No economic contribution may be requested of the consumer for unsolicited services, noting that the failure to reply does not imply the consumer's consent.

In short, in order to apply the above criteria the following activities must be performed:

- a. stipulation of the contract in writing;
- b. delivery of a hardcopy of the contract to the client;
- c. verification of whether the client has requested a change of the communication technique used;
- d. attempts to find a new and jointly approved communication technique;
- e. The consumer is exonerated from every additional economic payment for unsolicited services, noting that the failure to reply cannot be taken as the consumer having accepted the unsolicited service.

The consumer always has the right to reconsider immediately after the stipulation of the contract in order to weigh up their choice carefully and possibly revoke it, without any economic charge. To this end, they must be granted the period of fourteen days that start from the time of signing the contract. This provision also applies when using remote communication techniques. Within such a deadline, the consumer must formally indicate their will to withdraw from the contract by sending a written communication to the offices of Athlon Car Lease Italy S.r.l. by registered mail with proof of receipt. The communication may also be sent, within the same time-frame, even by telegram, telex, e-mail and fax on condition that is confirmed by registered letter with proof of receipt within the following 48 hours.

However, if the contract has been entirely or partially executed, the consumer, within thirty days of sending the communication, must return what they have received as a result of the contract.

In short, in order to apply the above criteria the following activities must be performed:

- a. identification of the context to which consumer's right of withdrawal applies;
- b. evaluation of consumer withdrawal within fourteen days of contract stipulation;
- c. exoneration from the application of any economic burden to the exercise of the right of

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withdrawal;

- d. request made to the consumer to return all that it has received in accordance with the contract if the contract has been entirely or partially executed.

Relative to a detailed description of the commercial and operating processes within Athlon Car Lease Italy S.r.l. and connected to the transparency of the operations both on the Client and Supplier side, please refer to the following attachments to this organisation model (and in force since the date of approval of the same):

- as far as the commercial processes are concerned, from Attachment 50 to Attachment 64 which may be consulted at the legal offices of Athlon Car Lease Italy S.r.l with the support of the Legal & Compliance function if necessary;
- as for operating processes, from Attachment 65 to Attachment 85, which may be consulted at the legal offices of Athlon Car Lease Italy S.r.l, with the possible support of the Legal & Compliance function.

#### **4.6 Complaint management process**

The model for the complaint management process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

According to said process, compliance with the regulations and correctness in business dealings are fundamental elements in the performance of the commercial activity and in order to help to reduce the legal and reputational risks, by contributing to a healthy and prudential overall management.

For this reason, the relations with the clientèle take pride of place in the definition of the company organisation and its sales policies.

To this end, one must therefore implement management policies relative to the client designed to help strengthen the trust bond, the development of business, the consolidation of the company's good name and the fulfilment of its statutory purposes.

In particular, one must:

- handle conflictual situations with one's clientèle;

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- inform personnel to ensure their conduct matches principles of correctness and transparency, for the protection of the company's image, risk containment and the prevention of conflicts with every type of clientèle.

With regard to a detailed description of the complaint management process at Athlon Car Lease Italy S.r.l., we refer to Attachments 86 - 87 attached to this organisation model (and in force since the date of approval of the same), that may be consulted at the legal offices of Athlon Car Lease Italy S.r.l., with the support of the Legal & Compliance function if necessary.

#### 5. Control model 231/2001

### **Line-checking process**

The model for the line-checking process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

According to said process, the line checks are the first level checks (self-checking) carried out by the single operating units, that provide support and supervision in order to indicate the activities performed by these units in the processes under their responsibility compared to the activities foreseen for the same processes by internal and external regulations.

The planning of the line-checks must be differentiated with reference to the types of checks to be performed, meaning:

- a. ongoing line checks performed on the single organisation units during the course of operations in order to verify the correctness of the activities performed during the processes for which they are responsible. In particular, it is essential to regulate at a company level the activities to be performed within the context of these processes, with reference to the external dispositions and the internal operating and management requirements as well as assigning responsibility for said processes to the aforementioned units. This enables the units to check whether the processes for

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which they are responsible are being correctly performed. In short, the ongoing line-checks focus on process activities and are therefore also termed self-checks;

- b. hierarchic line checks set in motion by the heads of the company's functions in order to verify the correct performance of the activities foreseen by the processes on behalf of the units responsible for them;
- c. regular line-checks set in motion by the units responsible for the processes in order to indicate the activities actually performed in the processes for which they are responsible with an aim to suggesting possible actions to be implemented to eliminate possible failings that have been reported concerning the activities that have not been performed even though.

The single operating units, providing support and control, as far as their own processes are concerned, must plan the line checks to be performed on the processes with reference to the various types of controls in question (ongoing line-checks, hierarchic line-checks, regular line-checks). In short, in order to apply the above criteria the following activities must be performed:

- a. identification of the processes to be subjected to ongoing line-checks;
- b. identification of the processes to be subjected to hierarchic line-checks;
- c. identification of the processes to be subjected to regular line-checks;

The individual operating units, providing support and control, responsible for one or more processes or part of the same, in performing the line-checks, in their various configurations, must responsibly indicate the activities performed by the same units in the processes for which they are responsible, including the line-check process.

On this point, the units, before indicating the activities performed in their processes, must first verify the actual performance of said activities. In particular, the units take steps to build up a significant sample of operations performed within the context of their own operations over a certain period of time that may stretch from the date of the last verification to the current one and that are included in the individual qualitative aspects of the process phases.

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After having built up said sample the units indicate the activities performed for the single operations that fall within the qualitative aspects of the process phases to which these operations refer, even on the acquired and/ by the units in question.

The units indicate the activities actually performed in the processes for which they are responsible only if these activities reach the percentage set by the management body. This percentage is calculated based on the relationship between the activities performed by the single operations included in the sample and those foreseen for the single operations. In short, in order to apply the above criteria the following activities must be performed:

- a. identification of the aspects of processes for which a unit is responsible that must be subjected to verification;
- b. definition of the operation sample concerning the aspects of the processes to be verified;
- c. assessment of the operations and indication of activities performed;
- d. calculation of the percentage of the activities performed compared to those scheduled for the process;
- e. comparison of the percentage obtained and the one set by internal dispositions;
- f. verification that the percentage of activities performed is greater or equal to the one forecast;
- g. indication of activities actually performed within each aspect of the processes.

The organisation units responsible for the processes, after having indicated the activities actually performed by the same, must identify the activities not performed by the aforementioned processes. For each unperformed activity one must indicate the reasons why they have not been performed, distinguishing between those that can in any case be performed in time, to those that in order to be performed require additional specific actions to be taken. Therefore, said organisation units must formulate specific action proposals to be acted upon in order to remove the failings reported. These proposals are subsequently assessed and evaluated by the competent functions that also set the relative implementation schedule. In short, in order to apply the above criteria the following activities must be performed:

- a. indication of activities not performed within the single processes;
- b. identification of the reasons why said process activities have not been performed;

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- c. formulation of a proposal for actions to be taken for each activity that has not been performed as part of the processes.

The single units must communicate the activities performed and those not performed as part of the processes for which they are responsible to the control functions (Compliance) in order to enable the latter to carry out second and third level checks. In particular, the results of the line-checks must be transferred to the management body and the Supervisory Body.

In this context, the units responsible for the processes or part of them, in relation to the unperformed activities must indicate the reasons for the failure to perform them as well as formulate action proposals while also providing an indication of the timetable for their implementation.

Both the motivations and the action proposals must be transferred to the control functions and the organisation function (support function), to the Supervisory Body and the management body. Said proposals are examined and assessed by said functions and by the Supervisory Body and the management body that also set the timetable for their implementation. Finally, following a resolution by the management body, the control functions and the Supervisory Body monitor said proposals in terms of their implementation within the set timetable. In short, in order to apply the above criteria the following activities must be performed:

- a. communication of the activities performed to the control functions and Supervisory body;
- b. communication of unperformed activities to the control functions, the Supervisory body and the management body;
- c. communication of the motivations concerning the unperformed activities to the control and support functions;
- d. communication of the proposals of actions to be taken to the control and support functions.

### **Compliance verification process**

The model for the compliance verification process, as defined by the Supervisory Body to prevent crimes being committed as well as performing its role and in particular the verification activities, describes the activities to be performed, according to criteria (protocols) detailed in the legal dispositions, with reference to the single phases of the process in question.

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According to said process, the compliance verifications are second level controls. These controls aim to:

- verify the regulatory compliance of the processes, by comparing the internal regulatory sources and the legal dispositions that govern the processes. Therefore, the regulatory compliance assessment is established based on significance of the possible discrepancies reported following;
- verification of process operating compliance, by comparing the activities actually performed as part of the processes compared to those foreseen by external dispositions. Therefore, the operating compliance assessment is established based on the significance of the possible discrepancies reported following said comparison.

The planning of the operating compliance verifications (comparison between activities performed as part of the processes with the relative external dispositions) must be separate with reference to the verification procedures, which involve:

- remote verification, carried out based on the results of the line checks performed on the individual processes;
- on site inspections, in order to verify the reliability of the results of the line-checks and hence the process operating compliance.

The yearly planning of these controls is carried out with reference to the available data and information regarding the failings previously reported, the complaints filed by the clientèle and/or specific requests.

In short, in order to apply the above criteria the following activities must be performed:

- a. examination of the available data and information related to previous verifications;
- b. examination of the complaints filed by the clientèle;
- c. examination of complaint management and related results;
- d. examination of the actions previously implemented;

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- e. examination of the specific verification requests.

Once the annual verification plan has been approved, said plan must be implemented. In particular, the verification of operating compliance concerns the processes that make up the single model which overall constitute the organisation model 231/2001. Said verification is carried out by the Supervisory Body:

- remotely, based on the results of the line-checks;
- on site, meaning at location of the organisation units responsible for the processes in order to verify the reliability of the information provided in the line-checks.

Based on any discrepancies reported between the activities performed and the activities foreseen by external dispositions an assessment is formulated on:

- operating compliance, for each process, for each system and for the company's organisation system as a whole;
- of unit efficiency, with reference to the compliance assessments reported by the processes pertaining to said unit;
- the effectiveness of the function, with reference to the effectiveness assessments reported by the units that make up the function in question;

In short, in order to apply the above criteria the following activities must be performed:

- a. indication of the activities performed in the single processes compared to those foreseen by external dispositions;
- b. determination of the discrepancies between the activities performed and those foreseen by external dispositions;
- c. formulation of a verdict on the organisational risk related to operating compliance of the single processes;
- d. formulation of a verdict on the organisational risk related to operating compliance of the single systems;
- e. formulation of a verdict on the organisational risk related to the compliance of the entire

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company organisation;

- f. verification of operating compliance in the processes pertaining to each single organisation unit;
- g. formulation of an effectiveness verdict on the single organisation units;
- h. formulation of an effectiveness verdict on the single functions;

With reference to the results of the verifications performed, one must examine the action proposals formulated. These proposals may be confirmed, integrated and/or modified. For each suggested course of action one must also provide a timetable for its implementation.

In short, in order to apply the above criteria the following activities must be performed:

- a. examination of proposed actions;
- b. assessment of proposed actions;
- c. integration and/or modification of proposed actions;
- d. formulation of an action proposal for each process;
- e. indication of the implementation timetable for the proposed actions;

Ongoing verification must be carried out to ensure that the approved actions are actually performed according to the foreseen timetable and examine the reasons that have led to delays in the timetable and/or delays in the decision process. In this context, the actions are redefined as is their implementation timetable.

In short, in order to apply the above criteria the following activities must be performed:

- a. verification of the content of the action proposed;
- b. verification of the date of action implementation;
- c. identification of actions not implemented;
- d. assessment of the reasons why actions have not been implemented;
- e. review of the actions and relative implementation timetables.

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Dear Employees,

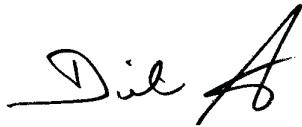
What does integrity mean at Daimler? What values should apply to our conduct and our dealings within the company and with business partners and customers?

These and similar questions have been discussed in great detail as part of the Integrity Dialog initiative, which has run since November 2011, spanning many months and all areas of the company across hierarchy, function and location.

Following intensive discussions with managers, employees and employee representatives, the Board of Management has drawn up a new Integrity Code. This Code has been negotiated and agreed with the Group Works Council and the Management Representative Committee. The results of the company-wide involvement campaign for integrity have been taken into account in the new Code. The Code is thus based on shared values. It replaces the previous Integrity Code and is applicable throughout the entire Group.

The Code accommodates the frequently expressed desire of employees for clear and transparent regulations regarding proper and responsible conduct. This makes it easier to deal with the rules contained therein.

Our mutual objective is to make integrity even more of a matter of course at Daimler. Through our own actions, each and every one of us can contribute to a shared corporate culture.



Dieter Zetsche



Wolfgang Bernhard



Christine Hohmann-Dennhardt



Wilfried Porth



Andreas Renschler



Hubertus Troska



Bodo Uebber



Thomas Weber



Erich Klemm



Heinrich Flegel

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## I. Common Guiding Principles at Daimler

### 1. A Commitment to Excellence.

The Daimler Group has been setting standards for more than 125 years. “The best or nothing!” – the goal that Gottlieb Daimler once set for himself continues to be the benchmark for Daimler AG as a global automobile manufacturer, and serves as encouragement and motivation for its employees. **Together we want to give our best, deliver the best and be the best in every way:** in terms of quality, technological standards, and the design of our products, with regard to our social responsibility, in dealing with others in the company, in cooperating with our business partners, assisting our customers, and in our business success. In everything we do, we are mindful of sustainability.

### 2. Exercise Responsibility – Socially and Globally.

A company such as Daimler that wants to assume and maintain a leading position must also take responsibility. That is the only way to achieve sustainable long-term success.

Daimler is committed to its **social responsibility** based on the Global Compact. Daimler and international labor representatives have agreed on the “Principles of Social Responsibility” to meet the obligations contained in the Global Compact.

This includes **responsibility for our employees**. Their work and motivation are the decisive factors for the shared success of our company. Therefore, they must be treated with dignity and respect by all managers at Daimler, regardless of their duties or position within the company, their gender, their religion, the color of their skin, their origin or sexual orientation. Everyone deserves respect.

Diversity is enriching. It enhances the quality of business decisions through a broader spectrum of ideas, points of view and abilities; and contributes to better mutual understanding of the concerns of others. This requires that we treat each other with tolerance, openness, trust and fairness. We expect our Board of Management, executive bodies and our managers to create a good working environment through exemplary behaviour, to be fair in their judgments and to have a sympathetic ear for the concerns of their staff. Our desire is to maintain a culture of trust and responsibility.

Such a culture enables us to provide our employees with adequate compensation in line with the concept of equal treatment. We ensure their health and occupational safety, support their professional advancement, and safeguard their basic rights on the job. We strive to create working conditions that promote a work-life balance. To these ends, we work together with employee representatives in a spirit of trust, abiding by the Principles of Social Responsibility that Daimler has agreed upon together with employee representatives throughout the Group.

We also take our **responsibility to conserve resources seriously**. This responsibility applies to the use of human labour resources or the company’s assets, as well as the use of natural resources such as energy, commodities or materials. We want our value creation processes to ensure that future generations are left with an intact ecological, social and economic foundation for life. Environmentally sound production methods and sustainable products should therefore be a signature feature of the Daimler Group.

We are aware that we as a company also bear **responsibility for the common good**. This means more than obeying the laws of the countries where we do business. Rather, we want to help improve the infrastructure, social situations and quality of life wherever we have entities. Our business activities and products should serve the people's well-being and needs.

Companies like Daimler that operate on a global scale bear **global responsibility**. Therefore, we joined the United Nations Global Compact as one of the founding members in 2000. In doing so, we have made a commitment to preserve human rights in our business activities, to respect the rights of employees and their representatives, to protect the environment and to prevent corruption.

As a member of the Lead Group of the Global Compact, we also consider it our duty to actively ensure that not only we, but our business partners and customers also follow the principles of the Global Compact. First and foremost that means fighting corruption worldwide in order to improve the poor social conditions which are a consequence of corruption and enable fair competition. We are using our market position to take the lead in this area as well.

We are convinced that it strengthens our good reputation in the world and ensures our sustained economic success.

### **3. Integrity – a Top Priority.**

Passion, discipline, respect and integrity are the values that serve as Daimler's guiding principles in the knowledge that economic excellence can only be permanently achieved if the company's actions are aligned with ethical principles that are accepted and perceived to be fair. The assumption that communities of values are more successful at creating value in the long run continues to hold true. We therefore strive to do business fairly, in other words, with the best possible results and in a decent, ethical manner.

This philosophy requires adherence to applicable laws, but also to internal company regulations. Such regulations set the parameters for and define exactly what is desired, allowed or prohibited. Our rules establish the framework within which everyone in the company may freely and confidently act on his/her own responsibility. These rules must be in line with our corporate values and, essentially, with our employees' concepts of "decent" ethical behavior. Aligning these values is the only way to ensure that the resulting rules will be accepted and pursued with conviction. It is the only way to turn a "must do" into a "want to" on the part of the employees, and for integrity to become a standard practice in the workplace. Furthermore, to become tangible, regulations must also be supported by compliant behavior, particularly by our managers, who are responsible for setting a consistent and credible example.

Regulations, however, do not always provide sufficient guidance, especially, for example, in situations where decisions require striking a difficult balance between conflicting interests. Rules often provide only abstract provisions without specific assistance on how to act or what decision to make in individual cases. Although we can rely chiefly on our own judgment of what is right and wrong, it is important for us to know whether our inner compass agrees with what the company expects and with what is ultimately applied to specific actions and decisions.

#### **4. Pulling in the Same Direction.**

In order to provide assurance and gain the self-confidence necessary to make decisions even in dilemma situations, the company must first agree on the principles of integrity that are meant to guide everyone. An open dialog between managers, staff and their representatives helps us to do so. Through this open dialog, we will reach an agreement on what constitutes corporate integrity so it can be expressed in rules and independent actions.

We have initiated this dialog throughout Daimler and will continue to have such a dialog in the future. The positive feedback from our workforce, including managers at every level, regarding this process of communication and understanding is encouraging. There is considerable agreement that this kind of dialog promotes integrity and fairness in the workplace, supports the responsible party in making difficult decisions, contributes to better mutual understanding and deepens the spirit of trust during collaboration to the benefit of successful, ethical business.

#### **5. Rules for Support and Security.**

This Integrity Code is based on the results and findings of the dialog conducted thus far. According to most employees, mutual respect, personal appreciation, taking responsibility for one's actions, fair, transparent and open behaviour, mutual trust and collegiality as well as clear, comprehensible regulations are the key factors for living with integrity in our company. These established principles of behaviour have, therefore, been incorporated into this Code. The rules contained in the Code establish behavioural principles, assign rights and obligations, and establish guidelines for conduct. The rules are applicable to all employees of the Daimler Group, and are meant to provide these employees with confidence and support when they take action on the company's behalf. Whenever the regulations are not helpful, employees should seek advice from their co-workers and/or their managers. In addition, employees who have any questions about ethical conduct may contact the Human Resources Division or Integrity and Legal Affairs Division. The staff there will be happy to provide advice and assistance.

## **II. Our Principles of Behaviour and Guidelines for Ethical Conduct.**

### **1. We Preserve Human Rights and Obey the Law.**

As a company that does business worldwide, we at Daimler have a global responsibility. As a result, we have committed ourselves to the principles of the United Nations Global Compact. We place special emphasis on the following principles:

- Protection of human rights
- Protection of fundamental rights at work, in particular the freedom of association and the right to collective bargaining, the elimination of discrimination before and during employment and the rejection of forced labour and child labour
- Sustained environmental protection
- Fight against corruption.

We are working to ensure that our company, as well as our business partners and customers, follow these principles.

Furthermore, we comply with international and local laws and provisions. Together, we ensure that everyone in the Daimler Group obeys the laws and regulations that apply to our work.

### **2. We Treat Each Other and our Partners Fairly.**

When dealing with each other and third parties, we maintain an atmosphere of openness and tolerance, respect and politeness as well as fairness and trust.

Every employee should be able to rely on everyone else respecting his or her dignity and personality at all times. We treat each other with respect.

### **We Support Diversity and Observe the Principle of Equal Treatment.**

A wide variety of ideas, viewpoints and skills improve the quality of our work, thereby ensuring long-term success. Our desire is to profit from the social, linguistic, cultural, and lifestyle diversity. We promote and respect this diversity. We, therefore, do not discriminate against anyone and we treat all people equally, regardless of:

- Ethnic decent, origin or nationality
- Religion or ideology
- Political or union affiliation
- Gender or sexual orientation
- Age
- Disability
- Medical condition
- Race or color

### **We Protect the Personal Rights of Every Individual.**

It is our shared duty to create a fair and friendly working environment. Such an environment can only come to fruition if we respect every individual and are considerate of one another. We will, therefore, not tolerate statements or behavior that may lead to animosity or hostility towards our coworkers, business partners or customers.



At Daimler, any form of intimidation or harassment is prohibited. Behavior of this kind will be vehemently opposed.

**We Protect the Privacy of Every Individual.**

Working together in a spirit of trust requires us to respect and protect the privacy of our employees, business partners and customers. This expectation of privacy applies to our conduct towards each other as well the use and processing of information. For this reason, we collect, process and use personal information only to the extent that laws, regulations and our internal policies allow.

We store personal information securely and take the necessary precautions to prevent unauthorized use.

**Our Managers Act with Responsibility and are Appreciative.**

Acting responsibly takes responsible managers. We, therefore, expect our managers at all levels to live up to their duty to set an example by behaving ethically, to give employees guidance, and to ensure a good working environment. Maintaining an open door policy with their staff enables the free exchange of ideas.

**We Stand for Good Collaboration.**

Respect and mutual appreciation should be the hallmark of cooperation. That means that we allow different opinions, address problems openly and seek solutions together. This manifestation of mutual appreciation is the only way to develop an environment of trust, tolerance, and fairness.

**We Ensure Safe and Fair Working Conditions.**

The Daimler Group ensures occupational health and safety in the workplace.

We obey the local and national regulations as minimum standards. We create motivational and inspirational working conditions. We want to create a working environment that allows our employees to reconcile work, family and private life.

We work together with all employees, their representatives and unions in a spirit of trust. We are committed to achieving the balance between the economic interests of the company and the interests of our employees. Even in cases of conflict, our goal remains to lay and preserve a firm foundation for constructive collaboration.

**We Actively Pursue Success.**

We perform our duties with a high level of commitment, motivation and team spirit. We take responsibility for our own actions and work carefully and efficiently.

We contribute our knowledge and skills to the success of the company. We undertake training and approach the challenges of the future with dedication and competence. The ideas and suggestions of all our employees bring us closer to success. We encourage and support them. In everything we do, we work together in a friendly and considerate manner.

**We View Mistakes as Opportunities.**

We want to learn from our mistakes, but in order to learn from them, we first have to acknowledge them. It is desired and expected that mistakes and misconduct be pointed out. By making mistakes and misconduct transparent, we can all prevent harm to our employees and company.

Employees who address or report mistakes and misconduct will not be subject to retaliation. Employees who have been accused of misconduct are also treated fairly.

**We Take Care of our Company's Property and Assets.**

It is in our common interest to safeguard the property and assets of the Daimler Group. It is only natural for us to protect the company's assets, to handle them with care and not to use or embezzle them for our own inappropriate or unauthorized purposes. Depriving Daimler of financial and material assets through misappropriation or misuse is detrimental to the company and harms us all.

**We Ensure Transparency and Proportionality.**

Responsible collaboration requires decisions that are transparent and comprehensible. Only then will they find acceptance. Even when conducting checks, audits, and investigations, we place high importance on transparency and treat those concerned fairly.

We deal with misconduct consistently, applying balanced and comprehensible measures.

When doing so, the Daimler Group observes the principle of proportionality. Therefore, we examine each case to determine which consequences are suitable, necessary and appropriate.

**3. We Are Successful Together with our Business Partners and Customers.**

Competition motivates and inspires excellence. Our goal is to do the best business with the best products in a decent manner. Accordingly, we treat our competitors fairly and cooperate with our business partners and customers respectfully and in a spirit of trust. These common principles form the basis for these relationships and are meant to guide our business transactions.

Therefore, we select our direct business partners according to their adherence to the same principles that we have established for ourselves in this Code. In our business relations, we pay heed to the observance of these principles. We reject business partners and customers who violate human rights and workers' rights outlined in the "Principles of Social Responsibility at Daimler" as well as environmental protection or anti-corruption laws.

**We Stand for Fair Competition and Obey the Law.**

We are committed to ensuring fair competition in our markets and to obeying applicable anti-trust and competition laws. We prohibit illegal agreements and coordinated behaviour that intends to or may limit competition. If we discover such agreements, we immediately terminate them and impose sanctions.

In our global activities and when opening up new markets, we are also required to obey further laws and regulations. These include:

- Foreign trade legislation, including export control regulations
- Tax and customs duty laws
- Money laundering laws
- Anti-terrorism laws

**We Do Not Disclose Confidential Information.**

Confidential information, such as inventions, new products and vehicle designs, as well as the latest sales figures are valuable. After all, they ensure we stay ahead of the competition. For this reason, we treat every piece of secret business information as confidential and do not share it without authorization. We treat confidential information belonging to our competitors, business partners and customers in the same manner.

**We Live by this Principle: We Do not Give or Take Bribes.**

We do not do business at any cost. We only want to win contracts in a fair and legal manner. The Daimler Group does not tolerate unethical or corrupt behaviour by its employees or business partners and will take action against it. Decisions based on corruption are immoral, distort competition, harm the company's assets and reputation and go against the common good.

We pay special attention to ethical behaviour in our contact with political parties, public authorities and their officials both at home and abroad. Under no conditions do we grant payments, favours or other monetary contributions to civil servants, public employees or employees of governmental organizations in order to win contracts or gain advantages for the Daimler Group or other individuals. We do not waiver, even when benefits are expected or "common" for official duties. We also do not try to influence specific business dealings with private enterprises by making illegal payments.

In our business dealings, we always pay special attention to avoid even the mere appearance of an impropriety, such as an attempt to influence our business partners or customers.

The Daimler Group provides information and conducts regular audits to ensure corrupt behaviour is exposed, stopped and punished.

We want to use our market influence to lead the way in fighting corruption. We are convinced that fighting corruption strengthens our good reputation in the world and ensures us sustained economic success.

**We Balance Personal Interests and the Interests of the Company Carefully.**

The Daimler Group respects the personal interests and private lives of its employees. Personal and private financial interests are not allowed to influence business decisions, since they may conflict with business interests. Therefore, we avoid situations in which private or personal financial interests conflict with the interests of the Group or our business partners.

In the event that such a conflict of interest arises, we disclose it and seek a solution with the respective manager in order to avoid any negative impact on the interests of the Daimler Group.

Conflicts of interest may arise when employees, for example:

- Accept, offer or grant gifts and invitations
- Are members of the governing bodies of other companies, pursue activities "on the side" or invest in competitors

**In These Cases, our Behaviour Must be in Accordance with the Following Rules:**Gifts, benefits and invitations.

As Daimler employees, we may not encourage, ask for, or demand gifts, benefits, invitations, personal services or favours for ourselves or others from business partners or customers.

We refuse gifts, benefits or invitations from business partners and customers whenever their value may influence or appear to influence our decisions.

We only accept discounts, rebates and other benefits offered to us by business partners if they are offered to all employees of the Daimler Group or its member companies.

Voluntarily given promotional and occasional gifts by our business partners and customers may only be accepted if of reasonable value and scope. To determine what is deemed reasonable a value of 50 euros serves as a reference.

We only accept invitations from business partners and customers to meals or events if they are freely given, serve a business purpose, do not occur with excessive frequency, take place in the course of regular collaboration, and are appropriate for the purpose.

If there is any doubt as to the appropriateness of gifts, benefits or invitations, we consult our managers.

We disclose and document any gifts or benefits received if they exceed the reference value of 50 euros for gifts or benefits and 100 euros for invitations. Reporting requirements according to applicable law remain unaffected.

We also only give gifts and benefits to business partners and customers within appropriate limits and as part of our normal business conduct.

If we extend an invitation to a business partner or customer, it must also be within appropriate limits and must correspond with the occasion. We must not create an appearance of seeking to make a party dependent on us.

#### Governing Body Membership and "Side" Activities.

Employees may only serve on the management board, supervisory board or advisory board of another company with the prior approval of the Board of Management of the Daimler Group.

Before employees assume business activities "on the side" they must report them to their managers, who must then check for possible conflicts of interest. In the event of a conflict, the activity may be prohibited if in opposition to the company's justified interests.

#### Share Ownership.

As employees of the Daimler Group, we are allowed to acquire and hold shares and investments in business partners or competitors under the following conditions:

- We do so on a small scale
- The possibility of a conflict of interest or the appearance of such is excluded.

This rule may not be circumvented by having a third party hold the shares on the behalf of the employee.

### **We Keep Insider Knowledge to Ourselves.**

The Daimler Group promotes fair and sustainable securities trading. We, therefore, do our part to prevent insider trading. Illegal insider information concerning the Daimler Group can significantly influence the price of Daimler stocks and bonds and diminish investor confidence. Insider trading can negatively impact our stock market value and damage our reputation among the public.

Knowledge that is not public and that employees gain in the performance of their duties is considered to be insider information. Insider information includes, for example, information about the following:

- Financial results and changes to dividends
- Mergers and acquisitions
- Technical innovations and order status
- Important changes to the leadership structure or in business relations.

We treat these unpublished pieces of information as confidential, do not use them for private trading of securities and do not share them without authorization – not even to close friends and trusted family members.

#### **4. We Are Aware of our Social Responsibility.**

##### **We Are Responsible for the Common Good.**

As a worldwide leading company, the Daimler Group supports institutions, projects and events concerning education, science, art, culture, sports and social issues at its entities, and views them as methods of creating social value. Additionally, the Daimler Group plays an active role in international disaster relief efforts.

Daimler supports its employees' tremendous willingness to provide assistance e.g. by matching a portion of the employees' donations. One successful example is the ProCent initiative which supports non-profit projects at home and abroad.

##### **We Encourage Volunteering.**

Volunteering is what holds society together. As a company that takes its responsibility towards society seriously, we encourage the volunteer activities of our employees – regardless of whether they support political democratic, social or charitable activities.

##### **Representing Daimler.**

Daimler employees have the right to freedom of expression. For opinions expressed at events, in public or in publicly accessible communication forums, we ensure that personal views are labelled as such. During public appearances on behalf of Daimler we are careful to ensure that our actions or statements do not cause harm to the Daimler Group or damage its good reputation.

##### **We Stand for Quality and Safety of our Products.**

Our desire is to make the mobility of the future as safe as possible and to turn our vision of accident-free driving into reality. We, therefore, focus on top quality and constant quality improvements, as well as the use of innovations in our cars that raise their level of safety. Such innovations are essential to the growth and success of the Daimler Group.

##### **We Work Sustainably and Conserve Resources.**

With new mobility concepts, we are taking into account the needs of sprawling metropolises to reduce environmental pollution and to ensure mobility. The steps we take to improve the environmental impact of our production and our products are published in an annual Sustainability Report, and we exchange information with those who follow our business, our stakeholders.

##### **We Carry on a Transparent Dialog with Governments and Societies.**

As a company that does business worldwide, we are subject to varied political changes and decisions that affect our actions. Therefore, it is crucial for safeguarding the future of the

Daimler Group that we represent our company's interests in an open dialog with governments, associations, organizations and social groups. In a similar fashion, we listen to their suggestions and take their interests into consideration.

#### **We Make our Donations and Sponsorship Activities Transparent.**

When making donations and conducting sponsorship activities, we pay attention to transparency. We donate on a voluntary basis without demanding anything in return, and we adhere to applicable laws and local regulations.

We use our sponsorship activities to affect our reputation and public perception in a positive manner.

Donations and other contributions, sponsorship and other monetary benefits that are granted to political parties, candidates or individuals holding public office are only made with the approval of the Daimler Group's Board of Management.

#### **5. Complying with the Integrity Code.**

The Daimler Group expects the members of its Board of Management, its executive bodies, its managers and its employees to obey this Integrity Code.

All employees are required to familiarize themselves with its contents, know them and act in compliance with them. After all, it forms the foundation of our daily work.

It is our managers' responsibility that all employees know and adhere to the Integrity Code. They are the first point of contact for questions and will support their staff in behaving in accordance with our values.

In addition, employees who have any questions about ethical conduct may contact the Human Resources Division or Integrity and Legal Affairs Division. The staff there will be happy to provide advice and assistance.

This Integrity Code cannot encompass the standards, procedures, and regulations for our Group in every detail. The specific policies, instructions, or regulations for individual cases which have been adopted by Daimler are binding.

Business units, departments or individual entities with specific conditions may require additional regulations. These regulations are also binding.

Violations of this Integrity Code and other Daimler policies and regulations may have consequences on the employment relationship and other legal implications in accordance with the principle of proportionality.