



ATHLON CAR LEASE ITALY S.R.L.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

(as defined by the Legislative Decree of June 8, 2001, No. 231)

and

CODE OF CONDUCT ("INTEGRITY CODE")

L&C v. 10 of July 26, 2019

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Organization model as defined by Legislative Decree 231/2001

1. Introduction

The Legislative Decree of June 8, 2001, No. 231 (hereinafter, the “Decree”), providing for the “*body of regulations governing the administrative liability of legal entities, companies and associations, including those that have no legal personality*,” and issued in implementation of the delegation provided for in Article 11 of the Law of September 29, 2000, No. 300, incorporates a series of EU and international measures aimed at achieving a greater degree of accountability of corporate bodies, this intervention being considered to be a necessary and unchanging precondition for the fight against financial crime.

The legislation introduced *from scratch* has over the years been subject to successive implementations designed to increase the number and range of the types of crimes originally identified (“predicate offenses”).

The Decree provides for a new type of liability, which the legislator calls “administrative,” but which has many similarities to criminal liability. The finding in favor of its existence is in fact made within the scope of criminal proceedings and is independent of the liability of the natural person who committed the crime. The liability of the corporate body is thus added to that of the person who, through material acts, put the criminal conduct into effect. The corporate body may be held liable even if the natural person who committed the crime cannot be charged or has not been identified.

The preconditions for a corporate body to incur such liability – implying the application of financial penalties and/or prohibitory sanctions – are:

- a) the commission, even in the form of an attempt only, of one of the offenses provided for in the Decree by a person who holds a senior position within his organization, or within an organization subject to the management or supervision of the same, and
- b) for the crime to have been committed in the interest or for the benefit of the corporate body (for corporate crimes only, the Decree provides exclusively for crimes committed in the interest of the corporate body and not equally for the benefit of the latter).

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Those individuals who perform functions of representation, administration or management of the corporate body, or of one of its organizational units with financial and functional autonomy, or who exercise, even de facto only, the management and control of the said corporate body, are considered to be in a senior position.

The corporate body shall not be liable in those cases in which the persons concerned have acted solely in their own interest or in the interest of third parties.

The Decree moreover provides for the corporate body to be possibly held liable for crimes committed abroad by the aforementioned persons in the interest or for the benefit of the said corporate body.

Article 6 of the Decree furthermore provides for the corporate body not to be liable for crimes committed by persons in a senior position if it can prove that:

- a) it adopted and effectively implemented, prior to the commission of the act, organization and management models designed to prevent crimes of the nature of the crime that took place;
- b) the task of monitoring the proper functioning and observance of the models and of ensuring that they remain up-to-date was entrusted to an Organ of the corporate body with autonomous powers of initiative and control (Supervisory Body) or to the corporate Organ with the function of control or to one of the Compliance & Business Controls Areas (function of compliance);
- c) in committing the crime, the persons fraudulently evaded the organization and management models;
- d) the supervision by the Organ referred to in sub-paragraph b) was not omitted nor was it inadequate.

Pursuant to Article 7 of the Decree, for crimes committed by persons subject to the management of others, the corporate body shall be liable only if the commission of the crime was made possible by the failure to observe the obligations of management or supervision. In any event, such obligations are assumed to have been observed if the corporate body, prior to the commission of the crime, adopted and effectively implemented an organization model, management model and control model designed to prevent crimes of the nature of the crime that took place.

The sanctions provided for by the Decree to be imposed on corporate bodies as the result of the commission or attempted commission of crimes are: a) financial penalties (up to EUR 1,549,000.00 or up to ten times the proceeds or profit obtained through the commission of crimes in matters relating to

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insider dealing and market manipulation; b) prohibitory sanctions, such as: 1) prohibition from operating the business; 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the wrongful act; 3) ban on contracting with the public administration; 4) exclusion from benefits, funding, aid or subsidies and the possible revocation of those granted; 5) ban on advertising goods or services; c) confiscation; d) publication of the judgment.

Finally, with regard to the “predicate offenses” regulated by Articles 24 et seq. of the Decree, based on the activities performed by Athlon Car Lease Italy S.r.l., adequate safeguards will be put in place and specific internal procedures will be adopted, depending on the business unit/division concerned, designed to prevent the commission, in particular, of the following macro-categories of particular criminal cases:

- a. Crimes committed in dealings with the Public Administration
- b. Corporate crimes and bribery between private individuals
- c. Financial crimes
- d. Crimes committed for the purposes of terrorism or the subversion of democracy as provided for by the criminal code and by special laws
- e. Offenses against the person
- f. Computer crimes and unlawful processing of data
- g. Organized crime
- h. Extortion, improper inducement to provide or promise some other benefit and bribery
- i. Counterfeiting of coins, legal tender, revenue stamps and instruments or distinguishing marks
- j. Crimes against trade and industry
- k. Crimes of market abuse
- l. Crimes of manslaughter and serious or very serious injuries caused by negligence, committed as the result of the infringement of accident prevention regulations or regulations designed to safeguard safety and hygiene at work
- m. Receiving, laundering and using money, goods or profits of unlawful origin, and self-laundering
- n. Offenses in matters relating to the infringement of copyright and of other rights linked to the exercise of the same
- o. Inducement not to make statements or to make untruthful statements to judicial authorities
- p. Environmental crimes
- q. Use of citizens from third countries who are illegal migrants
- r. Racism and xenophobia
- s. Transnational crimes

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2. Supervisory Body

2.1 Establishment of the Supervisory Body

2.1.1 *Composition of the Supervisory Body*

The Supervisory Body comprises three full members from outside the Company, who appoint their own Chairman. The managers of other Areas may take part in the Supervisory Body's meetings at the invitation of the Chairman of the said Body.

The number of members is decided upon by the administrative body. The members of the Supervisory Body shall have the proficiency required to perform their role. The managers of corporate areas may take part in the Supervisory Body's meetings, as may other outside consultants provided this is not in conflict with the items on the agenda.

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

The administrative body of Athlon Car Lease Italy S.r.l. appoints and removes from office members of the Supervisory Body in accordance with what is provided for in this regard by statutory provisions, subject to prior verification of the fact that the aforementioned members have the proficiency required of them to hold the aforementioned office. In particular, members of the Supervisory Body shall meet the requirements of reliability, proficiency, independence and autonomy. The fact that these requirements have been met shall be established based on the statements submitted by the candidates for the office prior to their appointment as a member of the Body.

The administrative body of Athlon Car Lease Italy S.r.l. sets the remuneration payable, for the entire term of office, to the Chairman appointed by the aforementioned administrative body and to the other members of the aforementioned Body for the tasks performed by them. The Supervisory Body then, by absolute majority, appoints the Secretary. In case of the Chairman's absence, he shall be replaced by the manager of the Legal Area or by the manager of the Compliance & Business Controls Area.

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Members of the Supervisory Body remain in office for one year following approval of the annual accounts. Members of the Supervisory Body are permitted to be removed from office in the following cases only:

- for cause, in case of negligence, inefficiency or disloyalty on the part of members of the said Body (unexcused absence at more than two meetings, even if they are not consecutive; failure to control the implementation of training plans and/or failure to control or implement internal control plans where provided for; disclosure of classified information outside Athlon Car Lease Italy S.r.l., where there is no good reason for this);
- should events occur that cause the requirements of reliability, proficiency and independence provided for by statutory provisions to no longer be met.

The resolution of the administrative body of Athlon Car Lease Italy S.r.l. in favor of the removal from office of the Supervisory Body shall contain sufficient reasons for the causes that led to the removal from office.

Should during the term of office a cause for forfeiture of the said office arise that may be connected with the requirements for proficiency, reliability and independence, the member concerned shall be obligated immediately to inform the other members of the aforementioned Body, together with the administrative body of Athlon Car Lease Italy S.r.l.

Other causes for retirement from office include:

- resignation by a member of the Supervisory Body, expressed through a written, reasoned communication submitted to the administrative body of Athlon Car Lease Italy S.r.l. at least one month prior to the date on which it is due to take effect;
- death or unexpectedly arising mental or physical incapacity or inability to perform the office.

The Chairman of the Supervisory Body, or any other member in case of the retirement from office of the Chairman, shall inform the administrative body of Athlon Car Lease Italy S.r.l. without delay of the occurrence of one of the aforementioned causes if these might lead to the need to replace a member of the Supervisory Body, and the latter shall make timely arrangements for the replacement of the member who has retired from office.

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2.2 Meetings of the Supervisory Body

2.2.1 Preparation of the agenda

The Chairman of the Supervisory Body decides – based also on the proposals made by the other members of the same – upon the items to be examined by the said Body in the course of the meeting and places such items, separated out by subject matter, on the agenda for the said meetings. In this regard, the Chairman arranges for the documentation relating to the items placed on the agenda to be sent to all the members of the aforementioned Body sufficiently in advance of the date for which the meeting has been convened.

2.2.2 Convening of meetings of the Supervisory Body

The Chairman, acting through the Secretary, convenes meetings of the Supervisory Body with the frequency necessary for ensuring the effective discharge of the authority conferred on it and in cases in which the model 231/2001 is found to have been breached.

The meeting is convened subject to prior notification sent by the Chairman and to the individual members, together with the documentation relating to the items that will be dealt with on the agenda. The aforementioned notification shall be sent reasonably in advance to permit the individual members to take part in the meeting, having freed up the time necessary to ponder over the items placed on the agenda and, accordingly, to pass deliberations on an informed basis. Persons invited to take part in the Body's meetings are also informed, under the same terms and conditions as those set out above, of the convening of meetings of the aforementioned Body. The meetings are held, as a rule, at the registered office of Athlon Car Lease Italy S.r.l. on a quarterly basis at least and, in any event, whenever the Chairman or one of the members of the Body considers this to be necessary.

The aforementioned meetings may be held by means of video or teleconferencing on condition that there is respect for the collegial consultation method and for the principles of good faith and the parity of treatment of members.

2.2.3 Constitution of the Supervisory Body

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For every meeting, the Chairman, with the support of the Secretary, arranges to:

- a. note the attendance at the meeting of members of the Supervisory Body and the participation of the other persons invited by the Chairman. In this context, there is an examination of the reasons put forward by non-attending members to excuse their absence;
- b. verify the fact that the Supervisory Body has been validly constituted. In this regard, meetings of the aforementioned Body are validly constituted whenever the majority of the members attend.

2.2.4 Course of meetings of the Supervisory Body

The Chairman chairs and coordinates the work of the meetings of the Supervisory Body and, within the scope of such activities, arranges to:

- provide information on the results of the inquiries made by the competent corporate areas and by the said Chairman regarding the items placed on the agenda;
- present the various alternatives in terms of the decisions to be taken, encouraging reasoned debate between members of the aforementioned Body, coordinating the speeches made and taking into account the various proposals put forward for the purposes of the decisions to be adopted on each item;
- ensure that the aforementioned Body passes resolutions on all the points placed on the agenda. In this regard, decisions are adopted with the favorable vote of the majority of those attending. At this juncture, any member who has an interest, on his own behalf or on behalf of third parties, in a specific subject matter under examination is obligated to make the appropriate statements in the course of the discussions, notwithstanding the option for the person concerned to refrain from voting or to temporarily leave the meeting if he considers this to be advisable (such circumstances will be recorded in the minutes of the meeting);
- ensure that the speeches of every member are entered in the minutes, together with, where applicable, their disagreement or abstention with respect to the Body's decisions on the individual items placed on the agenda, and that the final decisions adopted by the Body referred to are recorded therein. In this regard, the Secretary arranges to draw up the minutes of the

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meetings, which are signed by the said Secretary and by the Chairman. Any copies and abstracts of minutes are declared to be true copies by the Secretary and by whomever chaired the meeting.

At the end of the meeting, a copy of all documents (minutes of the meetings, documentation recorded in the minute-book and notices calling members to the meeting) shall be filed with the secretariat of the administrative body of Athlon Car Lease Italy S.r.l., or in compliance with any other procedures agreed between the Parties, also to permit them to be consulted, where necessary, by members of the Supervisory Body and by the other persons who took part in the aforementioned meetings.

In compliance with the confidentiality obligations connected with the exercise of their office, all the members are obligated to keep strictly confidential and not to disclose the documents and information that they become aware of in the performance of their functions.

2.3 Role of the Supervisory Body

The Supervisory Body enjoys, for the purposes of the prevention of wrongful administrative acts, wide-ranging powers of inspection and access to corporate documents and has financial resources at its disposal, which could be set aside for its benefit by the administrative body of Athlon Car Lease Italy S.r.l. and modified, again at its proposal.

The Supervisory Body, within the limits of the role performed by it, is authorized to: a) make all the verifications and inspections deemed to be appropriate for the purposes of properly performing its tasks; b) avail itself of the support, under its direct supervision and responsibility, of all the managers of the corporate areas and in particular of the Legal Area and Compliance & Business Controls Area, and of outside consultants; c) continually coordinate with the administrative body of Athlon Car Lease Italy S.r.l., including for the purposes of imposing any sanctions; d) continually coordinate with the Legal and Compliance & Business Controls Areas, possibly in cooperation with the area delegated to the management of human resources, as far as concerns aspects relating to Staff training. Further training needs, where applicable, will be assessed by the Parties on a case-by-case basis.

The aforementioned Supervisory Body shall moreover be informed by the administrative body of Athlon Car Lease Italy S.r.l. and by the managers of the overarching corporate areas Legal and

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Compliance & Business Controls of the results of their assessments and/or of any reports received in relation to the failure to perform and/or any breach of the processes constituting the models provided for by Legislative Decree 231/2001. In particular, the following shall necessarily be reported to the Supervisory Body in good time, by using for example the following email address: odv-it@athlon.com:

1. breaches or the commission of crimes (requests for legal aid submitted by employees against whom the Judicial Authorities are proceeding on account of crimes referred to in the Decree; measures notified to Athlon Car Lease Italy S.r.l. by the Police Authorities in the guise of the Criminal Investigation Department; committees of inquiry or internal reports evidencing liability for crimes; information relating to disciplinary proceedings in course and to any sanctions imposed; any orders received by the superior and deemed to be in conflict with the law, internal regulations or model 231; any requests for or offers of gifts or other benefits originating from public officials or public sector employees; etc.);
2. information relating to activities of Athlon Car Lease Italy S.r.l. that might be relevant for the purposes of the performance by the Supervisory body of the tasks assigned to it (information relating to organizational changes; updating of operational powers; any communications from the independent auditors regarding aspect that may indicate a shortcoming in internal controls; decisions relating to requests for, the provision of and the use of state funding; any information leading up to proposals for the modification of model 231).

2.3.1 Activities of proposal of and definition of the Organization Model 231/2001

The Supervisory Body proposes to the administrative body of Athlon Car Lease Italy S.r.l. the organizational solutions to be adopted in order to create the model 231 relating to the said Athlon Car Lease Italy S.r.l.

The administrative body has delegated to the Supervisory Body the task of ensuring that the organization model 231/2001 has been prepared and approved in such a way as to prevent the crimes referred to in the “decree,” by checking the compliance with statutory provisions of the activities performed by the said Athlon Car Lease Italy S.r.l.

The Supervisory Body thus acknowledges the approval by Athlon Car Lease Italy S.r.l. and the related delivery to it of the model 231/2001, i.e. the organization model, the management model and the

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control model with reference to the provisions of the decree applicable to the said Athlon Car Lease Italy S.r.l.

In summary, the Supervisory Body has adopted specific organizational solutions for scrutinizing and regulating the organization model, the management model and the control model, which together form the organization model 231/2001. The aforementioned models are outlined in the following paragraphs. We have therefore shown below the general aspects of the organization model 231/2001 only.

In particular, all the corporate activities in their entirety, through which the crimes provided for in the decree could be committed, have been applied to the aforementioned models and have been ordered according to process (set of homogeneous activities laid out in a logical and time-based sequence), procedure and, where required, operating instructions. Each process is broken down into phases and, for each phase, the related procedures are outlined for such purposes. In each procedure, there is an indication of the activities to be performed, in compliance with what is laid down in internal or statutory provisions, to prevent as far as is possible the crimes referred to therein, this with a view to:

- a) transparency of conduct in acts relating to sensitive internal areas of Athlon Car Lease Italy S.r.l. and in dealings with outside counterparts;
- b) honesty on the part of all those reporting to Athlon Car Lease Italy S.r.l., this being ensured through compliance with statutory and regulatory provisions and through internal organization procedures;
- c) traceability of operations, in particular those relating to the sensitive areas identified, this being designed to ensure that the consistency and adequacy of the same are verifiable, including through appropriate supporting documentation.

The core position of the organization model 231 is thus represented by the processes, procedures and, where required, operating instructions, which are defined with reference to operational and managerial requirements and with regard to internal and external provisions. The foregoing is based on internal first-level regulatory sources (Group policies or directives) and is disseminated to all the Company's organizational units.

The manner in which the administrative body, employees and collaborators of Athlon Car Lease Italy S.r.l. shall conduct themselves is set out in the final section of this model (Code of Conduct, or "Integrity Code").

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The organization model 231 and the Code of Conduct (“Integrity Code”) also set out the sanctions applicable in case of any failure to observe the same. In this context, the contents and principles of the organization model 231, and of the Code of Conduct (“Integrity Code”), are brought to the attention of all employees. The latter are guaranteed the option of accessing and consulting the aforementioned organization model directly on the corporate intranet or on Athlon Car Lease Italy S.r.l.’s web page.

Athlon Car Lease Italy S.r.l.’s administrative body is placed under an obligation to observe the contents of the said organization model.

The training activities, intended to spread awareness of the regulations provided for in the Decree, are differentiated into contents and procedures for implementation, depending on the status and qualifications of those to whom the training is directed, on the level of risk in the area in which they operate and on the performance by the persons concerned of functions of representation of Athlon Car Lease Italy S.r.l.

Furthermore, to facilitate an understanding of the organization model and/or of the regulations provided for in the Decree, Athlon Car Lease Italy S.r.l. could organize training activities for employees, if it sees a further need for this, at the end of which one might envisage the issue of declarations attesting to their fact that they have taken part in such training.

The training regime is implemented by the Legal and Compliance & Business Controls Areas, possibly in cooperation with the area delegated to the management of human resources and/or with the Supervisory Body provided for pursuant to Decree 231/2001.

All consultants and suppliers who are trusted representatives of Athlon Car Lease Italy S.r.l. and/or who work, in relation to the assignments conferred by the latter, with the Public Administration are obligated to sign by way of acceptance the organization model, or at the very least the Code of Conduct (“Integrity Code”) of Athlon Car Lease Italy S.r.l., which is published on the latter’s website and refiled there.

Athlon Car Lease Italy S.r.l. ensures, moreover, that suitable contractual clauses are inserted into contracts with consultants, customers and suppliers (including through a written undertaking that might possibly be inserted into an attachment) obligating them not to act or conduct themselves in such a way as to bring about a breach of the principles contained in its Code of Conduct (“Integrity Code”). Should

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such obligations be breached, provision is made for the termination of the contract, with the possible application of a penalty and/or with a claim for damages.

The Body acknowledges the fact that the model 231/2001 described herein is updated on the occurrence of:

- significant breaches of the organization model or whenever, in order to ensure the effectiveness of the same, it is not sufficient merely to intervene by taking disciplinary action against and imposing sanctions on the persons who infringe the rules and regulations, but changes shall necessarily be made to the aforementioned model;
- significant breaches of the organizational structure and/or diversification/broadening of the scope of the Company's basis of operation or on the occasion of a specific change in the risk profile for commission of the crimes that has an impact on the system of internal controls decided upon whenever new business areas were opened up (a new product line or new market of reference) or whenever there was a contraction of activities (transfer of a line of business) or acquisition of a business, leading to a diversification of the activities previously performed;
- legislative changes or whenever new types of crime or changes to the previous ones, within the scope of which there is the risk of commission of new wrongful acts, are introduced;
- changes to the internal regulatory structure (policies or directives, procedures and, where provided for, operating instructions) of Athlon Car Lease Italy S.r.l.

In addition to defining the organization model in its various configurations, the Supervisory Body promotes initiatives, including training courses and communications, directed toward furthering appropriate awareness of internal regulatory sources (policies, procedures and, where required, operating instructions) and the dissemination of such sources within the organizational structure of Athlon Car Lease Italy S.r.l., to ensure the proper functioning and observance of the models provided for by Legislative Decree 231/2001. In case of any failure to observe the aforementioned models by employees, by managers of corporate areas, by the administrative body of Athlon Car Lease Italy S.r.l. or by any member of the said Body, the said Body puts forward proposals for disciplinary measures and/or sanctions to be imposed on the aforementioned persons.

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The Supervisory Body will moreover draw up an estimate of the cost of performing its activities. This estimate is given merely as a guideline, however, and the said Body may in any event ask the aforementioned administrative body for prior authorization, citing the reasons for this, for further expenses to be incurred should this prove to be necessary to ensure the full and complete discharge of its tasks.

In this context, the Supervisory Body avails itself of the support and cooperation, including on an ongoing basis, of the various corporate structures, and in particular of the Legal and Compliance & Business Controls Areas, and it may also call upon the advice of third parties who have the necessary competence (e.g. legal consultants, organizational consultants, etc.). Under such circumstances, and to confirm the autonomy of such consultants, on conferring the assignment, Athlon Car Lease Italy S.r.l. requests a declaration from the professionals concerned attesting to the lack of impediments or to the advisability of their accepting the assignment, and in which the consultants declare that they have been adequately informed of the rules of conduct and standards of professional practice to which Athlon Car Lease Italy S.r.l. conforms in the exercise of all its activities, and which they will adopt as their own when completing the assignment.

2.3.2 Activities of deliberation

The Supervisory Body, within the limits of the role performed by it, acknowledges the fact that the Organization Model 231/2001 has been drafted and approved by Athlon Car Lease Italy S.r.l. and deliberates and passes a resolution on the measures to be taken to remove any shortcomings that might have emerged as the result of the audits performed on the said model.

2.3.3 Auditing activities

The Supervisory Body audits, on a weekly basis at least, the regulatory compliance¹ and the operational compliance² of the process performed by the said Body as compared with what is provided for by statutory provisions and, in this way, assesses the suitability of the individual members to perform their role.

¹ Auditing the consistency between the statutory provisions that regulate the process and the internal regulation of the said process.

² Auditing the consistency between activities actually performed as part of the process and activities provided for by statutory provisions.

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The Supervisory Body audits on an ongoing basis, or with reference to the annual planning for the audits to be performed, the regulatory compliance, the operational compliance and the adequacy of the processes regulated for the purposes of crime prevention or of the models provided for by Legislative Decree 231/2001 (organization model, management model, control model), including for the purposes of suggesting changes, adaptations and/or additions to the same. The aforementioned audits may be performed by the Supervisory Body:

- remotely, and therefore based on the results obtained from the line controls performed by those responsible for the processes and/or based on the reports forwarded to the Body by the Compliance & Business Control Area, relating to the audits performed by the latter, to the results of the same and to their proposals for the measures to be applied to eliminate any problems that might have emerged following the aforementioned audits;
- directly *on site* or in the areas responsible for the processes.

The Supervisory Body examines the significant shortcomings that might hinder crime prevention as reported by the managers of the aforementioned Compliance & Business Control Area or directly by the aforementioned persons responsible for the processes relating to crime prevention. In such circumstances, notwithstanding the application of and coordination with Group policies, the Body makes the necessary enquiries to check on the veracity of the reports received and on the existence of evidence or of clear, precise and concurring presumptions. In this context, it shall:

- ensure that the identity of the persons reporting remains confidential to protect them from any reprisals and/or discrimination of any type or kind;
- keep track of the reports made and of the documents outlining the audits performed, accompanied by any observations and by the responses from those responsible for the corporate processes involved.

The Supervisory Body arranges for the reports received, the written reports sent and the results of the auditing activities performed to be retained in a specific archive, which it ensures is kept up-to-date and for which it sets out the access procedures and the persons authorized to access the same.

Should the Supervisory Body consider the report to be unfounded, it will be archived. In case of false, improper or slanderous reports, it will arrange to inform the competent corporate areas authorized to impose the sanctions provided for as part of the disciplinary regime.

Where a breach is found to have been committed, the Supervisory Body will cooperate with the administrative body of Athlon Car Lease Italy S.r.l. and with the manager of the area delegated to the management of human resources to identify the most suitable measures to be adopted based on the disciplinary regime in force. In this context, the aforementioned Body also checks and assesses the suitability of the aforementioned disciplinary regime pursuant to and for the purposes of Legislative Decree 231/2001.

2.3.4 Intervention activities

The Supervisory Body decides on the measures to be applied to eliminate any problems that might have emerged following the audits performed by the said Body and sets the priorities for application of the aforementioned measures and the related implementation periods.

2.3.5 Information activities

The results of the audit performed by the Supervisory Body shall be forwarded to the administrative body of Athlon Car Lease Italy S.r.l. In particular, the Supervisory Body reports to the aforementioned administrative body any infringements of the models described in Legislative Decree 231/2001 to permit the appropriate disciplinary measures to be adopted. The Supervisory Body shall therefore:

- on a six-monthly basis, report to the said administrative body on the controls performed for the purposes of crime prevention and on the measures to be applied to eliminate the shortcomings and failures encountered;
- on an annual basis, prepare a summary report, to be sent to the aforementioned administrative body, on the activities performed in the course of the financial year, reporting also on the expenses incurred. The aforementioned report moreover sets out the results that have emerged from the audits performed together with the proposals for any measures that might possibly have to be applied. The report moreover sets out the results of monitoring the measures previously decided upon by the aforementioned representatives, distinguishing between those that have

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already been applied and those that have not and examining, with respect to the latter, the related reasons or justification. Finally, the aforementioned report outlines a plan for the activities to be put in place for the next financial year;

- on an ongoing basis, if it identifies unlawful conduct and/or conduct different to what is laid down, to ensure that the representatives referred to are informed without delay.

In particular, in case of any serious breach committed by the legal representative or administrative body of Athlon Car Lease Italy S.r.l., the Supervisory Body will report to the BPO in line with the guidelines contained in the “Corporate Policy on the Whistleblower system of the Business Practices Office (BPO) and on the measures to be applied in case of any breach” available on the corporate intranet (Dr Björn Nill, GC/PB Tel.: +49 711-17-70267 in relation to the process and Dr Karl-Heinz Hoffmeister, PER/HRC Tel.: +49 711-17-26069 in relation to the reports).

Where breaches have been committed by one or more members of the Supervisory Body, the administrative body of Athlon Car Lease Italy S.r.l. checks on whether it is advisable for the person(s) concerned to continue to hold office and applies the appropriate measures in this regard.

3. Organization Model 231/2001

The organization model 231/2001 is made up of the compliance organization process, the decision-making process and the information management process.

3.1 Compliance organization process

The model of the compliance organization process tested by the Supervisory Body in order to clarify the individual corporate processes designed to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and with reference to the individual phases of the said process.

In particular, this process regulates the phases relating to the strictly organizational aspects: 1) identification on an ongoing basis of the regulations applicable to Athlon Car Lease Italy S.r.l. and measuring/assessing their impact on corporate processes and procedures; 2) proposal for procedural organizational changes designed to ensure adequate safeguarding against the risks of non-compliance identified. The proper, actual completion of the aforementioned process by the Supervisory Body permits it:

- a. to define, on an ongoing basis, in accordance with external provisions, its own internal regulatory sources related to all the corporate processes in their entirety. Such solutions shall therefore ensure the compliance of the internal regulatory sources (policies, procedures and, where required, operating instructions) that regulate the processes in line with the related external provisions;
- b. to periodically assess:
 - the organizational risk of non-compliance of the internal regulatory sources with the related external provisions (“regulatory compliance”) with reference to the significance of any discrepancy observed between the aforementioned regulations;
 - the organizational risk of non-compliance of the activities performed in the processes with those provided for by the external provisions (“operational compliance”) with reference to the significance of the discrepancy observed between the aforementioned activities;

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- c. to periodically inform the administrative body of the results of the audits performed, and therefore of the organizational risk of regulatory and operational non-compliance of the processes;
- d. to take the necessary initiatives to eliminate the shortcomings that have emerged from the aforementioned audits and, in particular, the significant shortcomings, i.e. those that hinder risk management and the achievement of the corporate objectives.

The external provisions applicable to Athlon Car Lease Italy S.r.l. may come from various sources, both legislative and administrative. Such regulations are also issued by Independent Administrative Authorities (“Antitrust Authority,” “Data Protection Authority,” etc.).

The examination on an ongoing basis of external provisions as performed by the Supervisory Body shall permit the latter to identify those applicable to Athlon Car Lease Italy S.r.l. and to identify the processes concerned and the measures to be adopted if such provisions have not yet been incorporated into the individual processes that make up the various organization models (organization, management, control).

Having identified the processes concerned by the external provisions, the Supervisory Body prepares the criteria that shall act as guidelines for the performance of the said processes (“protocols”). With reference therefore to the aforementioned criteria, the Supervisory Body prepares the activities that shall be put in place for their actual application. All the organizational units competent for the various aspects of the process may be involved by the Supervisory Body both for the purposes of defining the criteria and for defining the activities. In this regard, working groups may where necessary be set up under the direction of the Supervisory Body, and the units concerned shall take part in this. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. examination of the statutory provisions;
- b. examination of the measures of the Independent Administrative Authorities;
- c. identification of the external provisions applicable to Athlon Car Lease Italy S.r.l.;
- d. identification of the processes concerned by the provisions;
- e. preparation of the criteria relating to the phases of the processes concerned by the external provisions;

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- f. definition of the activities for the application of the criteria;
- g. distinguishing between the activities to be performed with or without the support of IT procedures.

3.2 Decision-making process

The model of the decision-making process tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal regulatory sources (policies, procedures and, where required, operating instructions), with reference to the individual phases of the said process.

In summary, the process provides for operating, decision-making and signing powers to be defined in compliance with laws and with internal and secondary regulatory sources.

The statutory provisions and the internal regulatory sources permit powers to be delegated in the various corporate sectors, with the exception of those that are not delegable. Thus, those responsible for the various processes share the delegation requirements and ensure that they are represented to the Company's administrative body. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. definition of the delegable powers in matters relating to staff;
- b. definition of the delegable powers in matters relating to procurement;
- c. definition of the delegable powers in matters relating to the Company's operational management;
- d. definition of the delegable powers in matters relating to sales and marketing;
- e. definition of the delegable powers in financial, accounting and control matters;
- f. definition of the delegable powers in matters relating to debt recovery, dispute management, the legal sector and dealings with the Authorities;
- g. definition of the delegable powers in credit-related matters;
- h. definition of the delegable powers in matters relating to dealings with third parties not previously regulated.

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Before the operating powers can be assigned to the organizational units, it is necessary to identify the operational and management needs of these same units, delegated to perform the processes. Such powers shall therefore be assigned in compliance with not only the articles of association, but also the hierarchy and functional structure of the persons reporting to Athlon Car Lease Italy S.r.l., which are regulated by the system of governance of the organizational structure. In this context:

- the organizational units delegated to perform the processes, or part of them, ask the administrative body to assign specific powers to them to permit them to satisfy their operational and management needs and perform the audits that fall within their remit (consistency between the management needs represented in the areas concerned and the powers requested, adequacy of the procedures and the information necessary for the exercise and verification of the delegable powers, adequacy of the information to be periodically provided to the administrative body with regard to the exercise of such powers);
- the administrative body assigns the aforementioned powers and the delegates are advised of the resolution relating to the conferring of such powers.

The powers that the administrative body assigns from time to time to the organizational units are organized by sector.

Before assigning operating powers, specific activities shall be performed to check on the effective need for the delegation requests.

For the exercise of the delegated powers, it is necessary to bear in mind the fact that:

- the resolutions of the administrative body in the various corporate sectors are adopted on the basis of the proposals made by the managers of the areas reporting directly to the said body or by other delegated persons in compliance with the hierarchy and functional structure of the same;
- the decisions of persons reporting to the Company are adopted following the proposal made to them by other persons reporting to Athlon Car Lease Italy S.r.l. in compliance with the hierarchy and functional structure of the same;

- the proposals referred to above shall be supported by data and information and shall put forward, whenever necessary and depending on the sector under examination, multiple solutions and/or alternatives.

Decisions on credit-related matters shall be made by the administrative body and its delegates.

Delegated persons who have an interest therein, either on their own behalf or on behalf of third parties, shall refrain from making decisions.

Resolutions directly and/or indirectly involving the administrative body shall be adopted by the Deliberative Body of the Parent Company, which the aforementioned administrative body shall notify of any such circumstance.

Any person who provides data and information or documentation is responsible for the veracity and reliability of the said data/information/documentation and is liable, should this prove not to be true, to the sanctions provided for by the legislation from time to time in force.

Decisions shall therefore be made with respect for the powers that the person concerned has been granted and with professionalism, in the knowledge that the exercise of such powers implies responsibility for the decisions if such decisions are not made in the exclusive interest of Athlon Car Lease Italy S.r.l.

Where powers are delegated, the responsibility lies always and in any event with the person delegating the powers.

In this context, the administrative body and the individual delegated organizational units shall, prior to making the decisions in the various corporate sectors, ascertain that such decisions fall within the powers assigned to them and shall verify the adequacy of the information and data on the basis of which such powers are exercised. In particular, the acceptance of risks is always preceded – except in particular cases specifically provided for – by a proposal put forward by the competent areas.

In case of the absence or impediment of the holder of the delegated powers, these powers are exercised by his deputy, who acts by following the same procedures and with the same powers as those assigned to the absent or impeded delegate.

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Delegates exercise the powers that they are authorized to exercise in compliance with what is decided on in this regard by the administrative body.

Responsibility for checking on the proper exercise of the powers is assigned to the administrative body as far as concerns the delegated powers conferred by it and to the individual delegates as far as concerns the delegated powers that they confer within the scope of the powers conferred on them, this in order to bring to the attention of the persons delegating the powers the shortcomings and failures identified in the exercise of the delegated powers. In summary:

- the managers of the delegated areas shall periodically check on the proper exercise of their powers;
- the persons delegating the powers shall periodically check on the proper exercise of the powers by the delegates directly or with reference to the information transferred by the delegates to the persons delegating the said powers.

The powers shall be checked by the individual delegate comparing the powers assigned to the same with those exercised. The results of the aforementioned check shall be forwarded, together with the related proposals for any measures to be implemented, to the respective persons delegating the powers. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. checking that the powers requested are consistent with management needs as represented by the areas;
- b. checking the adequacy of the procedures and information necessary for the exercise and checking of the delegable powers;
- c. checking the adequacy of the information on the exercise of the powers to be periodically provided to the administrative body;
- d. definition of the delegable powers in matters relating to staff;
- e. definition of the delegable powers in matters relating to procurement;
- f. definition of the delegable powers in matters relating to the Company's operational management;
- g. definition of the delegable powers in matters relating to sales and marketing;
- h. definition of the delegable powers in financial, accounting and control matters;
- i. definition of the delegable powers in matters relating to debt recovery, dispute management, the legal sector and dealings with the Authorities;

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- j. definition of the delegable powers in credit-related matters;
- k. definition of the delegable powers in matters relating to dealings with third parties not previously regulated;
- l. acquisition by the delegate of the proposals for the resolution to be passed in the sector for which the said delegate is responsible;
- m. checking by the delegate to ensure that the proposed resolution falls within the powers that he is authorized to exercise;
- n. exercise by the delegate of the powers conferred on him;
- o. identification of the powers exercised in the sectors for which delegates are responsible;
- p. comparison between the powers exercised and those delegated in the various sectors;
- q. identification of any discrepancies between powers delegated and powers exercised;
- r. evidence of the reasons for the discrepancies;
- s. report to the person delegating the powers on the powers exercised in keeping with the limits placed on the powers conferred;
- t. report to the person delegating the powers on the powers exercised above and beyond the limits placed on the powers conferred;
- u. report to the person delegating powers on the reasons for exceeding the limits of the powers;
- v. proposal for the measures to be taken to eliminate the shortcomings found.

3.3 Information management process

The model of the information management process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions, with reference to the individual phases of the said process.

The information management model provides for the Supervisory Body to inform the administrative body, through specific models, both of the results of the activities performed, this in order to check on the regulatory and operational compliance of the activities actually performed as part of the individual processes with statutory provisions, and of the measures to be implemented to eliminate any problems that might have emerged. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. forming an opinion on regulatory compliance and expressing this;

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- b. forming an opinion on operational compliance and expressing this;
- c. preparing analysis models;
- d. defining the measures to be adopted;
- e. preparing the compliance report;
- f. sending the compliance report to the administrative body.

4. Management model 231/2001

4.1 Staff-related processes

a) The model of the staff planning and management process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

According to the aforementioned process, staff planning is designed to ensure the adequacy of resources on an ongoing basis and to further the proper placement of such resources within the corporate organization, thereby maximizing the professional contribution of staff. In particular, staff requirements shall be examined from both a quantitative and qualitative point of view; i.e. the resources available within the workforce shall be compared with those necessary to ensure the greatest possible degree of integration and consistency between the objectives to be achieved and the available professional resources.

With regard to the detailed description of the staff planning and management process, we would refer to the Group policies, which may be consulted via the following link <http://erd3.e.corpintra.net/ERD> through the support of the Compliance & Business Controls Area, to the local procedures – and attached operating instructions, such as those relating to Company Cars for private purposes ATH_P_HR_01, Used Car Policy ATH_P_HR_02, Phone Calls ATH_P_HR_03, Travel ATH_P_HR_04, Company Care di ATH_P_HR_05 and Global Remuneration ATH_P_HR_06, as well as those present on the Company's SharePoint, and to the document on the corporate signing powers ("Bill of Authority"), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

b) With regard to the safety at work process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, there is a description of the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

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According to the aforementioned process, it is necessary to abide by preliminary and general obligations for the protection of the places where work is performed.

In this regard, to reduce the effects on health of monotonous and repetitive work, a program of prevention shall be implemented:

- that is consistent with the production processes, with the working environment and with the organization of the work activities;
- in which there is respect for ergonomic principles in the organization of the work, in the design of the workplaces, in the choice of equipment and in deciding on the working and production methods.

In this context, the measures relating to workers' safety, hygiene and health when performing their work shall in no event cause them to incur any financial expenses.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. assessment of the risks to workers' health and safety;
- b. elimination or reduction of the risks;
- c. limitation to the minimum of the number of workers exposed to risk;
- d. limitation to the minimum of the use of chemical, physical and biological agents in the workplace;
- e. assessment of collective protection measures as compared with personal protection measures;
- f. provision for the screening of workers;
- g. moving workers away from any exposure to risk for medical reasons;
- h. provision of information to and training for workers, senior executive staff, designated persons and workers' safety representatives;
- i. participation of and consultation with workers and workers' safety representatives;
- j. planning of measures considered to be suited to ensuring an improvement over time in the levels of safety;
- k. provision for a specific time frame for the review of the measures adopted;
- l. provision of detailed information on the emergency measures to be implemented in case of first aid, firefighting, evacuation of workers and serious and immediate danger, including the use of warning signs and safety notices;
- m. decision on the siting of warning signs and safety notices;

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n. planning for the regular maintenance of environments, equipment and plant, focusing particularly on safety devices in line with manufacturers' recommendations.

“Workplaces” are understood to be the places designed to accommodate workers, located either within Athlon Car Lease Italy S.r.l. or anywhere else that is relevant to the latter. The aforementioned workplaces shall be designed to ensure access and mobility for disabled workers and shall be rendered compliant in terms of meeting the requirements for the safety and protection of workers as far as concerns, in particular, the strength and stability of the building, the height, volume and surface area, the passageways and emergency exits, the stairs, the microclimate and temperature of rooms, the lighting and the sanitary facilities.

In particular, the workplace shall be well-proportioned and fitted out in such a way as to ensure that there is sufficient room to permit changes of position and movements during operations. Both the general lighting and the specific lighting (table lamps) shall be suited to ensuring sufficient illumination and an appropriate contrast between the screen and the surrounding environment, taking into account the nature of the work being performed and the visual needs of the user.

Particular attention shall then be paid to the computer equipment made available to workers. In any event, arranging for quantitative and qualitative monitoring systems to be introduced without the knowledge of workers is expressly and absolutely prohibited.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. assessment of the conditions and technical specifications of the work to be performed;
- b. assessment of the risks present in the working environment;
- c. assessment of the risks resulting from the use of equipment;
- d. assessment of the risks resulting from interference with other equipment already being used;
- e. check to ensure that all the work equipment meets the requirements for the protection of workers' health and safety;
- f. establishing the fact that the installation and use of the equipment are in accordance with the instructions for use;
- g. maintenance and periodic updating of the equipment;
- h. establishing the fact that the workstations comply with the principles of ergonomics;

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- i. participation of workers in periodic and appropriate training courses;
- j. provision of sufficient information to workers on the exposure to particular risks;
- k. provision of anti-glare protection on screens to counter the luminance and dazzle experienced by the operator;
- l. siting the workstations as close as possible to sources of natural light;
- m. assessment of the position of windows, transparent or translucent walls, clear-colored equipment that might lead to phenomena of direct and/or indirect dazzle and/or screen glare;
- n. fitting windows, where necessary, with appropriate adjustable coverings to lessen the amount of daylight illuminating the workplace;
- o. when setting up the workstations, fitting them with systems offering protection from sources of noise emissions;
- p. assessment of the microclimatic conditions to ensure that they are not a cause of discomfort for workers;
- q. assessment to ensure that the equipment with which the workplace is fitted does not produce excessive heat, which might be a source of discomfort for workers;
- r. reducing all radiation to a minimum;
- s. provision for protective measures to prevent workers suffering from psychophysical stress and eyestrain;
- t. assessment of the suitability of software to the task to be performed, to its careful use and to the level of knowledge and experience of the user.

It is necessary to undertake an assessment of all the risks linked to the working environment in order to protect workers' safety and health. As part of this, particular attention shall be paid to the risks that concern workers who are pregnant and those related to gender differences, age and different countries of origin.

The action to be taken in order to contain such risks shall ensure respect for the aforementioned safety provisions, including with a view to preventing any measures whereby sanctions are imposed on the persons in charge and on Athlon Car Lease Italy S.r.l. itself, having regard also for the provisions relating to the joint and several liability of the said corporate bodies pursuant to Legislative Decree No. 231 of 2001. The precautionary measures shall be implemented again on the occasion of significant changes to the production process.

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With regard to the detailed description of the staff planning and management process, we would refer to the manual providing information on the protection of health and safety in the workplace and to the related documentation (information provided to workers, document on risk assessment, pamphlet on safety and staff training in safety), and to the document on the corporate signing powers (“Bill of Authority”), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas, working in cooperation with the Human Resources Area.

4.2 Procurement process

The model of the procurement process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

According to the aforementioned process, to manage procurement operations effectively and efficiently, the types of costs and the procedures for completing such operations shall be defined, including for the purposes of compliance with legislation currently in force for the protection of the public interest (administrative liability, money laundering prevention, privacy, security, etc.).

With regard to the description of the processes directed toward the procurement of goods and services, we would refer to the Group policies, which may be consulted via the following link <http://erd3.e.corpintra.net/ERD> through the support of the Compliance & Business Controls Area, to the car-related and non-car-related policies of Athlon International, to the local procedures, such as those relating to Procurement, to the Outgoing Payments procedure ATH_P_FIN_01, as well as those present on the Company’s SharePoint, and to the document on the corporate signing powers (“Bill of Authority”), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

As a general rule, relationships for the purposes of the procurement of goods and services shall be established exclusively with persons entered on the specific list of suppliers.

The aforementioned persons are required to comply with the organization model adopted for the purposes of crime prevention, as provided for in Legislative Decree 231/2001, and with the Code of Conduct (“Integrity Code”) attached to the aforementioned model.

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The aforementioned persons shall declare that they are aware of the content of regulatory provisions on matters relating to the “administrative liability of legal entities, companies and associations” provided for in Legislative Decree 231/2001, as subsequently amended, and that they have examined and accepted the organization model adopted for the purposes of crime prevention, as provided for in Legislative Decree 231/2001, and the related Code of Conduct (“Integrity Code”). This notwithstanding also the requirement to comply with additional contractual clauses linked to corporate regulatory sources (e.g. “clause on compliance with the anti-corruption law”).

In particular, suppliers are included on the aforementioned list after specific assessments have been made designed to permit an opinion to be formed regarding the reliability of the said persons in terms of professionalism, integrity, honesty and punctuality in fulfilling the obligations assumed either previously toward Athlon Car Lease Italy S.r.l. or toward other companies. As part of this, it is equally and not only necessary to assess the professional skills and experience acquired by the human resources used by the suppliers for the supplies of goods and services as well as the structure of suppliers set up as companies as far as concerns the requirements of the reliability and professionalism of company representatives, the organization, the controls, the ability to ensure on an ongoing basis that the obligations assumed and the undertakings made by the said companies are fulfilled in compliance with statutory provisions and, in particular, with provisions relating to safety at work.

Goods and services may be procured based on procedures that ensure competitiveness, affordability, transparency and objectivity in assigning orders to suppliers. Any discrepancies of an exceptional nature are permitted within the limits set by Group policies, by the car-related and non-car-related policies of Athlon International and by any local procedures only.

Specific contracts shall be concluded with the aforementioned suppliers; such contracts recall the proposals made in relation to the supply of goods or services and specify that payment of the amounts due by way of consideration be made on verification of the effective delivery of the goods or of the effective provision of the service.

In summary, for the application of the aforementioned criteria, the following activities need to be performed (put in logical and consequential order and describing the phases that concern the conclusion and performance of the supply contracts):

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- a. verifying the requirements of professionalism, integrity, honesty and punctuality of suppliers and possibly of their predecessors in title and/or of anyone who exercises direct or indirect control;
- b. verifying the technical and reputational requirements of suppliers;
- c. checking on any conflict of interests of related parties;
- d. checking of *blacklists* and other internal databases;
- e. entering the supplier's details in the list of suppliers;
- f. requesting the procurement of goods and/or services;
- g. conclusion of contracts/issue of orders (for the procurement of goods and/or services) and related termination clauses for the said contracts, including clauses concerning compliance with Model 231 and the Code of Conduct, as well as additional clauses governing matters relating to compliance with company regulations (e.g. clause on compliance with the anti-corruption law);
- h. performance of the supply contract through the procurement of goods and services;
- i. checking on the effective supply of the goods or of the service;
- j. checking that the supply of the goods or provision of the service is consistent with the amounts due by way of consideration that are sought;
- k. payment of the amounts due by way of consideration;
- l. periodic checking of the fact that the requirements for inclusion on the list continue to be met and of continued compliance with the additional contractual and financial requirements agreed (e.g.: observance of the SLAs agreed).

Relationships may be established with consultants entered on the specific list of suppliers. Any discrepancies of an exceptional nature are permitted within the limits set by Group policies, by the car-related and non-car-related policies of Athlon International and by any local procedures only.

The aforementioned persons are required to comply with the organization model adopted for the purposes of crime prevention, as provided for in Legislative Decree 231/2001, and with the Code of Conduct ("Integrity Code") attached to the aforementioned model.

The aforementioned persons shall declare that they are aware of the content of regulatory provisions on matters relating to the "administrative liability of legal entities, companies and associations" provided for in Legislative Decree 231/2001, as subsequently amended, and that they have examined and accepted the organization model adopted for the purposes of crime prevention, as provided for in

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Legislative Decree 231/2001, and the related Code of Conduct (“Integrity Code”). This notwithstanding also the requirement to comply with additional contractual clauses linked to corporate regulatory sources (e.g. “clause on compliance with the anti-corruption law”).

In particular, consultants are included on the list of suppliers after specific assessments have been made designed to permit an opinion to be formed regarding the reliability of the said persons in terms of professionalism, integrity, honesty and punctuality in fulfilling the obligations assumed either previously toward Athlon Car Lease Italy S.r.l. or toward other companies. As part of this, it is equally and not only necessary to assess the professional skills and experience acquired by the human resources possibly used by the consultants for the supply of services as well as the structure of consultants set up as companies as far as concerns the requirements of the reliability and professionalism of company representatives, the organization, the controls, the ability to ensure on an ongoing basis that the obligations assumed and the undertakings made by the same are fulfilled in compliance with statutory provisions and, in particular, with provisions relating to safety at work.

Specific contracts shall be concluded with the aforementioned persons; such contracts recall the proposals made in relation to the provision of the consultancy services and specify that payment of the amounts due by way of consideration be made on verification of the effective provision of the said service.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. implementation of the defined procedure for the selection of consultants;
- b. checking of blacklists and other internal databases;
- c. entering the supplier’s details in the list of suppliers;
- d. requesting consultancy services;
- e. examination and prior assessment of the professionalism and integrity of the consultants specified in the proposal;
- f. assessment of the content of the consultancy service proposed;
- g. assessment of the compatibility of the consideration requested with the content;
- h. examination of the assignments performed by the consultant concerned and of the related proficiencies referred to in the proposal for the consultancy services;
- i. verifying whether there are any conflicts of interest between Athlon Car Lease Italy S.r.l. and the consultant;
- j. conferring the assignment in writing and acceptance of the same;

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- k. conclusion of a possible contract and related termination clauses, including clauses concerning compliance with Model 231 and the Code of Conduct, as well as additional clauses governing matters relating to compliance with company regulations (e.g.: clause on compliance with the anti-corruption law);
- l. periodic report, where required, from the consultant on the activities performed;
- m. conclusion of the consultancy services and related report;
- n. checking that the consultancy service provided is consistent with the amount paid by way of consideration for the consultancy service;
- o. checking the expenses incurred by the consultancy service whenever these are included in the proposal or in the contract;
- p. sharing of all the consultancy services in their entirety by the areas concerned and payment authorization;
- q. payment of the amount due by way of consideration with reference to the results of the aforementioned checks;
- r. periodic checking of blacklists and other internal databases.

4.3 Company's operational management process

The model of the operational management process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

More particularly, as far as the operational management of the Company is concerned, taking into account what has already been clarified with regard to the procurement process, the aforementioned model is designed to ensure the accuracy, completeness and economic feasibility of the activities linked to the determination of the parameters for the valuation of the vehicles to be leased, to the delivery of the same subject to a prior check of the contractual documentation against the lease agreement, to the repair of vehicles, to handling the insurance for the same, and to the possible resale of the vehicles on termination of the agreement, and all activities ancillary to the lease, including the correct identification of the costs and operating prices linked to each activity. Particular attention shall also be paid to the coherent setup and related updating and monitoring of the Company's computer systems and of the related access profiles, to ensure that the Company's operational management proceeds on an optimal and efficient basis.

With regard to the description of the processes directed toward the proper operational management of the Company, we would refer to the Group policies, to the car-related and non-car-related policies of Athlon International already mentioned above, to the local procedures – and attached operating instructions – such as those relating to Asset Management ATH_P_ASM_01, Master Data Management ATH_P_OPR_01, Contract Activation ATH_P_VOD_02, Driver Service Archive ATH_P_OPR_02, Contract Termination ATH_P_TER_01, Vehicle Order and Delivery ATH_P_VOD_01, Remarketing ATH_P_RMK_01, Stock Audit for Assets ATH_P_RMK_02, di Access Profile ATH_P_IT_01 and Contract Management ATH_P_CMG_01, as well as those present on the Company's SharePoint, and to the document on the corporate signing powers ("Bill of Authority"), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

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4.4 Sales and marketing process

The model of the sales and marketing process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

According to the aforementioned process, particular attention has been paid to the informative and contractual documentation relating to the terms and conditions for the products and services offered to customers.

The aforementioned documentation varies according to the type of customers for which it is intended.

In clearly setting out the principles of transparency as early as in the purely promotional phase, our main objective is to make our customers aware of the essential elements of the contractual relationship established with them, or that will be established with them, and any related variations. In particular, fulfilling the obligations provided for in terms of transparency and honesty in our dealings with customers allows us to achieve the following objectives:

- to make customers more aware of the costs and the way in which operations are conducted, and of the products together with any variations to the same;
- to render the product/services offering consistent with the different types of customers and their effective needs;
- to ensure, through an appropriate system of communications/periodic information to customers, that they are fully aware of developments in the relationship existing with them.

A necessary precondition for the body of regulations governing transparency is for business relationships to be characterized by criteria of honesty and good faith. Based on this fundamental assumption, the information provided to customers shall be furnished properly, clearly and in full, and shall be suited to the form of communication used and to the specifications of the services and of the intended recipients of such services. The decision on how in-depth the information should be varies according to the needs of the customers of reference and the service provided.

Furthermore, all the documents that concern the contractual relationship shall follow a strict internal approval path based on the subject matter dealt with and the corporate figures involved on the respective Committees (such as, for illustrative purposes only and without being limited to, standard

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and non-standard derogations) shall respect strict drafting criteria in such a way as to ensure the correctness, completeness and understanding of the information presented to permit the customer to be able to understand, in detail, the features and costs of the service required and, therefore, to make well-thought-out decisions in this regard. In particular, provision needs to be made:

- for such criteria to be adopted in terms of page layout in order to ensure a high degree of legibility;
- for the information to be put into the correct logical order and order of priority to ensure that the customer's requirements are met and to facilitate his comprehension of the text and a comparison of the main features of each individual product offered;
- for syntactic simplicity and lexical clarity;
- for a channel of communication consistent with the presentation of the information.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. respect for the objectives provided for by regulations governing transparency;
- b. observance of general principles of transparency;
- c. adoption of technical criteria in drafting the documentation.

The prices and other financial terms and conditions relating to the products and services offered shall be clearly advertised in a timely fashion in such a way as to ensure that customers notice them immediately, before the contractual clauses become binding.

In this regard, the customer's right to obtain, prior to the conclusion of the contract, all the information on the products and services offered shall be safeguarded. Such information is provided by preparing the following mandatory documents:

1. full copy of the contractual texts, including an indication of the financial terms and conditions for the services;
2. documentation attached to the contractual texts (e.g.: insurance documentation);
3. practical guidance/operating manuals/practical manuals and attached documentation.

Advertisements are used to finance the offering in terms of the operations and services offered. Such messages shall always be recognizable as such. They shall, in particular, indicate:

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

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. explicit recognition of advertising information as an instrument of promotional sponsorship;
- b. analytical reference to the contractual conditions.

To permit customers to make a more considered assessment of the contract, prior to its conclusion and on their specific request, a full copy of the text needs to be issued, together with all the other contractual documentation attached thereto, indicating the general and special terms and conditions for the negotiated relationship and for the related services.

The written form shall be observed when drafting contracts. Where there is provision for the use of electronic documents, the suitability of such documents to meet the requirement for the written form is of less importance than their having the objective characteristics of quality, security, integrity and non-modifiability. An electronic document signed with a qualified electronic signature or with a digital signature (a format that ensures the identifiability of the author and the integrity and non-modifiability of the document) does in any event meet the requirement for the written form.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. drafting the contract in writing;
- b. evaluating whether electronic documents should be used;
- c. observance of the criteria for drafting electronic documents;
- d. signing electronic documents with a qualified or digital signature.

In the contractual relationship maintained, the exercise of rights for the protection of customers is recognized and ensured. Therefore, changes may be made to the terms and conditions regulated by the contract provided that these variations remain subject to certain requirements (in terms of form and substance) and fall within the limits of the cases expressly provided for by statutory provisions or are agreed by negotiation or imposed on a discretionary basis (for example, as the result of a deterioration in the customer's financial circumstances and/or equity position).

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The changes shall be made in such a way as to not be prejudicial to customers. The modifiable terms and conditions are not subject to restrictions and may potentially concern fees, prices and any other term and condition provided for under the contract.

In the proposal offering the Company's own products and services, means of distance communications may be used, these being understood to be "any means which, without the simultaneous physical presence of the supplier and the consumer, may be used for the distance marketing of the service between those parties," provided this is done in compliance with the statutory requirements provided for from time to time.

When handling complaints from customers, compliance with regulations and honesty in business dealings are fundamental elements of the commercial activity performed, this also in order to help to reduce the legal and reputational risks, contributing to a healthy and prudent overall management process.

For this reason, the primary focus when defining the Company's organization and the sales policies is on the relationship with customers.

With this in mind, the policies implemented for managing customer relationships shall therefore be designed to help strengthen the bond of trust, develop the business conducted, reinforce the Company's good name and achieve the objectives set out in the articles of association. Assessments (with the support of valid supporting documentation) of the necessity or not to grant trade discounts and/or to allow the reversal of amounts not yet due also fall within the scope of the above.

In particular, there is a need:

- to handle situations of conflict with the Company's customers;
- to advise staff to conduct themselves at all times in line with principles of honesty and transparency, for the protection of the corporate image, for risk containment and for the prevention of conflict with customers of any kind.

Finally, with regard to sales processes, particular attention shall be paid to ensuring that relationships with intermediaries and with anyone who provides services ancillary to the long-term framework lease agreement are properly established and maintained.

With regard to the description of the sales and marketing processes, we would refer to the Group policies, which may be consulted via the following link <http://erd3.e.corpintra.net/ERD> through the

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support of the Compliance & Business Controls Area, to the policies of Athlon International, to the local procedures – and attached operating instructions, such as those relating to Handling of complaints ATH_P_COM_01, Broker approval and remuneration ATH_P_COM_02, Handling of deposits ATH_P_COM_03, Security deposits ATH_P_COM_04, Deal Committee ATH_P_COM_05, Marketing Communications ATH_P_MKT_01 and Product-Change Creation ATH_P_MKT_02, as well as those present on the Company's SharePoint, and to the document on the corporate signing powers ("Bill of Authority"), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

4.5 Process in financial, accounting and control matters

The model of the process in financial, accounting and control matters, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

More particularly, as far as financial, accounting and control matters are concerned, the aforementioned model is designed to ensure the accuracy, completeness, organic unity and consistency of the activities linked to tracing the sources of finance, to liquidity, to payments, to the management of general customer/supplier accounts, to the assessment of the financial impact of the lease life cycle and to management auditing.

With regard to the description of the processes directed toward the proper financial, accounting and control management of the Company, we would refer to the Group policies, which may be consulted via the following link <http://erd3.e.corpintra.net/ERD> through the support of the Compliance & Business Controls Area, to the local procedures – and attached operating instructions – such as those relating to Outgoing Payments ATH_FIN_01, Issue of Credit Notes ATH_FIN_02, Suspense Accounts Credit Balances and Dormant Accounts ATH_FIN_03, Cancellation of Billing Items ATH_P_FIN_04, Customer Refunds ATH_P_FIN_05, as well as those present on the Company's SharePoint, and to the document on the corporate signing powers ("Bill of Authority"), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

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4.6 Process governing matters relating to debt recovery, dispute management, the legal sector and dealings with the Authorities

The model of the process governing matters relating to debt recovery, dispute management, the legal sector and dealings with the Authorities, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

More particularly, as far as matters relating to debt recovery, dispute management, the legal sector and dealings with the Authorities are concerned, the aforementioned model is designed to ensure the accuracy, completeness, consistency and effectiveness of the activities linked to safeguarding the Company's personal claims and ownership of the corporate assets, to the proper management of dealings with the Authorities and, more generally, with third parties, including from the point of view of safeguarding the Company's reputation, to the analysis of the different positions in terms of the capacity to sue and to be sued and to the preparation of the judicial or extrajudicial measures deemed appropriate for safeguarding the rights of the said Company.

With regard to the description of the processes in matters relating to debt recovery, dispute management, the legal sector and dealings with the Authorities, we would refer to the local procedures – and attached operating instructions – such as those relating to Debt Recovery ATH_P_COL_01, Watch list Problem credit ATH_P_RSK_01 and Items recognized as losses ATH_P_RSK_02, as well as those present on the company's SharePoint, and to the document on the corporate signing powers ("Bill of Authority"), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

Finally, at a general level, with regard to legal and compliance implications applicable to all corporate sectors, particular attention is paid to the rules for the processing of personal data in connection with "Privacy" legislation updated from time to time. In this regard, the procedure ATH_P_CMP_01 Data protection provides operational guidelines to permit staff from the various corporate sectors to manage the activities that might have an impact on the personal data of customers, suppliers, intermediaries, employees and candidates, based on the legislation on such matters applicable from time to time.

For such purposes, the administrative body, assisted by the Supervisory Body and by the Legal and Compliance & Business Controls Areas, takes care to ensure that the criteria and protocols provided for

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by the aforementioned procedure are respected, both within and outside the Company and both as an active and passive player, to prevent the commission of any infringement of law in relation to this Model.

4.7 Credit-related process

The model of the credit-related process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

With regard to the description of the credit-related process relating to Athlon Car Lease Italy S.r.l., we would refer to the policy D 641 “DFS Credit Rules” and to the document on the corporate signing powers (“Bill of Authority”), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

4.8 Process governing matters relating to delegable powers in dealings with third parties not previously regulated

The model of the process governing matters relating to delegable powers in dealings with third parties not previously regulated, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

With regard to the description of the process governing matters relating to delegable powers in dealings with third parties not previously regulated, relating to Athlon Car Lease Italy S.r.l., we would refer to the document on the corporate signing powers (“Bill of Authority”), which may be consulted at the registered office of Athlon Car Lease Italy S.r.l., possibly with the support of the Legal and Compliance & Business Controls Areas.

5. Control model 231/2001

5.1 Line controls process

The model of the line controls process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

According to the aforementioned process, line controls are first-level controls (self-monitoring) made by the individual business, support and control units to indicate the activities performed by them during the processes that fall within their remit as compared with the activities provided for with respect to these same processes by external and internal regulations.

The planning for line controls shall be different depending on the types of controls to be made, i.e.:

- a. ongoing line controls implemented by the individual organizational units in the course of operations in order to assess the correctness of the activities performed during the processes that fall within their remit. It is necessary in particular to regulate at a corporate level the activities to be performed as part of these same processes with reference to external provisions and to internal operational and management needs and to assign responsibility for the aforementioned processes to the units referred to. This permits the units to check that the processes that fall within their remit are performed correctly. In summary, ongoing line controls focus on the activities of the processes and are therefore also referred to as self-monitoring;
- b. hierarchic line controls implemented by the managers of the corporate areas in order to verify the proper performance of the activities provided for as part of the processes by the units delegated to perform the same;
- c. periodic line controls implemented by the units responsible for the processes in order to indicate the activities actually performed during the processes falling within their remit and in order to propose the measures to be adopted to eliminate any shortcomings that might have emerged with regard to the activities that were not performed despite the fact that they were provided for by internal regulations and/or by external regulations. Also included in the aforementioned line

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controls are the activities to be performed to check that the measures proposed, once defined by the units and approved by the administrative body, are implemented within the scheduled time periods. The periodic line controls are performed with a predefined frequency or on request by the control units. In summary, the periodic line controls act as the necessary and an adequate precondition for implementing the other types of control (compliance control, risk management control, etc.).

The individual business, support and control units shall, as far as their own processes are concerned, plan the line controls to be conducted on the same with reference to the different types of controls in question (ongoing line controls, hierarchic line controls, periodic line controls). In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. identification of the processes on which to perform ongoing line controls;
- b. identification of the processes and functions/areas on which to perform hierarchic line controls;
- c. identification of the processes and functions/areas on which to perform periodic line controls.

The individual business, support and control units responsible for one or more processes, or part of such processes, shall indicate when performing the line controls in their various configurations, in a responsible manner, the activities performed by the said units during the processes falling within their remit, including the line control process.

In this regard, the units shall, prior to indicating the activities performed during their own processes, ensure that the said activities have actually been performed. In particular, the units arrange for the preparation of a significant sample of the operations performed, within the scope of their operability, over a given lapse of time, which may stretch from the date of the last audit to the current one and which come under the individual qualitative aspects of the phases of the processes.

After preparing the aforementioned sample, the units indicate the activities performed for the individual operations included in the qualitative aspects of the phases of processes to which such operations refer, on the basis also of the documentation obtained and/or produced by the said units.

The units indicate the activities actually performed during the processes falling within their remit only if the said activities attain the percentage established by the administrative body. This percentage is derived from the ratio between the activities performed during the individual operations included in the

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sample and those provided for during the individual operations. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. identification of those aspects of the processes falling within the remit of the unit that are to be audited;
- b. definition of the sample of operations concerning the aspects of the processes to be audited;
- c. examination of the operations and indication of the activities performed;
- d. determination of the percentage of the activities performed compared with those that were due to be performed;
- e. comparison between the percentage that emerged and the percentage set by internal provisions;
- f. verifying the fact that the percentage of activities performed is higher than or equal to the percentage provided for;
- g. indication of the activities actually performed in the individual aspects of the processes.

After indicating the activities actually performed during the processes, the organizational units responsible for such processes shall identify the activities that were not performed during the same. An indication shall be given, for each activity that was not performed, of the reasons for the failure to perform the same, distinguishing between those that may in any event be completed over time and those the performance of which requires the adoption of specific measures. The aforementioned organizational units shall therefore formulate specific proposals for measures to be adopted for the purposes of removing the shortcomings that have emerged. Such proposals are subsequently examined and assessed by the competent areas, who then establish, moreover, the related implementation times. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. identification of the activities not performed during the individual processes;
- b. indication of the reasons why the activities from the processes were not performed;
- c. formulation of the proposal for the measures to be adopted for individual activities not performed during the processes.

The individual units shall communicate the activities performed and those not performed during the processes falling within their remit to the Compliance & Business Controls Area (control area) to permit any additional second- and third-level controls to be performed. In particular, the results of the line controls shall be forwarded to the administrative body and Supervisory Body.

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In this context, the units responsible for the processes, or part of these processes, shall indicate, with respect to the activities that were not performed, the reasons for the failure to perform the same and shall formulate proposals for measures, possibly indicating the planned time periods for implementing such measures.

Both the reasons and the proposals for measures shall be forwarded to the Compliance & Business Controls Area, to the Supervisory Body and to the administrative body. The aforementioned proposals are examined and assessed by the aforementioned area and by the said Supervisory Body and the administrative body, who then establish, moreover, the related implementation times. Finally, subject to prior approval by the administrative body, the control area and the Supervisory Body monitor the aforementioned proposals in terms of implementation of the same within the preset deadlines. In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. communication of the activities performed to the control area and to the Supervisory Body;
- b. communication of the activities not performed to the control area, to the Supervisory Body and to the administrative body;
- c. communication of the reasons relating to the activities that were not performed to the control and support area;
- d. communication of the proposals relating to the measures to be adopted to the control and support area.

5.2 Compliance control process

The model of the compliance control process, tested by the Supervisory Body in order to prevent the commission of crimes and in order to perform its role and, in particular, the auditing activities, outlines the activities to be performed according to the criteria (protocols) defined by statutory provisions and by internal, secondary regulatory sources, with reference to the individual phases of the said process.

According to the aforementioned process, compliance controls are second-level controls. Such controls are intended to:

- audit the regulatory compliance of the processes through a comparison between internal regulatory sources and the statutory provisions that govern the processes. The opinion as far as

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concerns regulatory compliance is therefore based on the significance of any discrepancies identified as the result of the aforementioned comparison. This audit is performed at the time of definition of the regulations governing the processes, based on what is set out in the regulations governing the compliance organization process;

- audit the operational compliance of the processes through a comparison between the activities actually performed during the processes and those provided for by external provisions. Therefore, the opinion as far as concerns operational compliance is based on the significance of any discrepancies identified as the result of the aforementioned comparison.

The planning for the operational compliance audits (comparison between the activities performed during the processes and the related external provisions) shall be different depending on the procedures for performing the said audits, i.e.:

- remote audits, performed also based on the results of the line controls conducted on the individual processes;
- *on site* audits, to assess the reliability of the results of the line controls and, therefore, the operational compliance of the processes.

The annual planning for the aforementioned controls is done with reference to the data and information available in terms of previously identified shortcomings, to complaints submitted by customers and/or to specific requests.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. examination of the data and information available in relation to previous assessments;
- b. examination of complaints submitted by customers;
- c. examination of complaints handling and the related results;
- d. examination of previously approved measures;
- e. examination of specific requests for assessment.

Having approved the annual audit plan, arrangements shall be made to implement the said plan. In particular, the operational compliance audit concerns the processes that make up the individual models which, taken together, constitute the organization model 231/2001. The aforementioned audit is performed by the Supervisory Body. It is understood that additional controls at levels higher than those so far outlined may be conducted by the Parent Company's Corporate Audit areas:

- remotely, based on the results of the line controls;
- *on site*, and this at the organizational units responsible for the processes to assess the reliability of the information concerning the results of the line controls.

An opinion is formulated, based on any discrepancies identified between the activities performed and the activities provided for by external provisions:

- as far as concerns operational compliance, for each individual process, for each individual system and for the Company's organizational system as a whole;
- as far as concerns the effectiveness of the unit, with reference to opinions on compliance given by the processes relating to the said units;
- as far as concerns the effectiveness of the area, with reference to opinions on effectiveness given by the units that make up the said area.

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In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. indication of the activities performed during the individual processes compared with those provided for by external provisions;
- b. determination of discrepancies between the activities performed and those provided for in external provisions;
- c. formulation of an opinion on the operational compliance organization risk of the individual processes;
- d. formulation of an opinion on the operational compliance organization risk of the individual systems;
- e. formulation of an opinion on the compliance organization risk of the Company's organizational system;
- f. audit of the operational compliance of the processes relating to the individual organizational units;
- g. formulation of an opinion on the effectiveness of the individual organizational units;
- h. formulation of an opinion on the effectiveness of the individual areas.

The proposals for measures that are made shall be examined with reference to the results of the audits performed. Such proposals may be confirmed, supplemented and/or amended. There shall be an indication, for every measure proposed, of the deadline for its implementation.

In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. examination of the measures proposed;
- b. assessment of the measures proposed;
- c. supplementing and/or amending the measures proposed;
- d. formulation of the proposal of the measures for the individual processes;
- e. indication of the time needed to implement the measures proposed.

We need to check, on an ongoing basis, that the approved measures are effectively implemented within the times provided for and examine the reasons that have led to delays in these times and/or delays in taking decisions. In this context, the measures and related implementation times are redefined.

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In summary, for the application of the aforementioned criteria, the following activities need to be performed:

- a. identification of the content of the measure proposed;
- b. identification of the date of implementation of the measure;
- c. identification of measures that have not been implemented;
- d. examination of the reasons for the failure to implement the measures;
- e. revisiting the measures and the related implementation times.

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1 Introduction

Those who work at Daimler¹ know that we strive to always be the best. We want to develop advanced technologies, build amazing vehicles and offer intelligent mobility solutions. This **commitment to excellence** also applies to how we deal with each other, our customers and our business partners. We also want to fulfill our social responsibility in an exemplary manner.

As a founding member of the United Nations **Global Compact**, we are committed to respecting human rights, respecting the rights of employees and their representatives, protecting the environment, enabling fair competition and fighting against **corruption**.

However, the only way for us as a company to set an example on a global scale is if we work responsibly at the local level – on every shop floor and in every office. We do not tolerate any unlawful or inappropriate conduct, which conflicts with this Integrity Code. Accordingly, the provisions of this Code are **binding** for all employees² of Daimler AG as well as all employees at controlled Group companies of the Daimler Group.

The foundation of our work at Daimler is built on our four corporate values: respect, passion, discipline and integrity. We show **respect** for our employees, customers and business partners. Our **passion** enables us to do our best every day; it is the basis of our success. For us, **discipline** means taking on challenges and achieving our goals while taking various interests into account. Our **integrity** makes us successful over the long term and contributes to a functioning society. These values lay the foundation for the corporate values at all our Group companies.

2 What We Stand For: Our Understanding of Integrity and Our Corporate Principles

Integrity plays a central role at Daimler and shapes how we perceive ourselves. This Integrity Code cannot anticipate every situation in which we have to make a decision. We also take responsibility in situations for which there are no clear rules or in which they can be interpreted in different ways.

Integrity means doing the right thing by **living our values**. In other words, we adhere to internal and external rules, we act according to our corporate values and we listen to our inner compass. In this context, we orient ourselves using our **five corporate principles**, which should be shared and practiced by all of us.

At Daimler, we strive to always be the best.

Daimler is a founding member of the UN Global Compact and is committed to its global responsibility.

We expect all of our employees to act with integrity.

Our corporate values of respect, passion, discipline and integrity are the foundation of our work.

Integrity plays a central role at Daimler.

¹ When this Integrity Code mentions "Daimler," it refers to Daimler AG and controlled Group companies of the Daimler Group.

² To make this Code easier to read, the text uses only the male forms of pronouns for natural persons. The words "he," "his" and "him" are always intended to include all individuals, regardless of gender identity. The term "employee" also includes managers at all levels and members of managing bodies.

OUR INTEGRITY CODE, IC

Integrity and Legal Affairs (IL)

We are profitable and are committed to people and the environment

We produce fascinating vehicles and offer innovative mobility services in order to be successful and profitable. After all, we can only offer future prospects if we are economically successful. The most important asset of our company are the people who work for Daimler and the passion with which they do so. Accordingly, we invest in the personal development of our employees. Sustainable treatment of the environment is important to us, which is why we protect it and use our resources responsibly. Our aspiration is to strike a balance between profitability, people and the environment.

When working, we aim to strike a balance between profitability, people and the environment.

We act responsibly and respect the rules

At Daimler, we take responsibility for our actions and decisions and we also follow the rules. This means we comply with laws as well as internal and external rules, agreements with employee representatives, voluntary commitments and this Integrity Code. We make decisions conscientiously. Everyone is urged to reflect this in their own behavior.

We follow laws and rules and take responsibility.

We address issues openly and stand for transparency

The foundations for our actions and behavior – internally and externally – are honesty, openness and transparency. This enables us to establish trust. We learn from the past and rise to new challenges. We encourage every one of us to stand up and contribute their opinion when something is not right or does not feel right (*Speak-up culture*). To that end, we create an atmosphere in which we can tell it like it is without the fear of negative consequences. Different opinions are respected, and people are encouraged to question the decisions of others.

Honesty, openness and transparency are the foundations of our behavior.

Fairness and respect are the foundation of our collaboration

At Daimler, we treat one another with fairness and respect. Team spirit, mutual trust and a respectful attitude are important to us. This applies for our employees and also for our customers, all business partners and everyone else.

Our collaboration is based on trust, fairness and respect.

We practice diversity

At Daimler, *diversity* is not simply a matter of complying with legal requirements. At Daimler, our strength lies in the differences between our employees, which are a key factor in our success. Their varied skills, perspectives and experiences form the basis of innovation and help us to understand the needs of our customers worldwide. Our corporate culture is characterized by respect, tolerance and team spirit.

The diversity of our workforce is one of our strengths.

3 How We Work: Our Behavior Guidelines

3.1 Principles for Working Together

3.1.1 Diversity and equal opportunity

At Daimler, we appreciate the differences between our employees. This is why **diversity** and **inclusion** are part of our corporate strategy, which addresses the **conscientious leveraging of diversity and individuality**. As we are a global company, this is crucial to our success.

The conscientious leveraging of diversity and individuality is part of our corporate strategy.

In accordance with our **corporate principles**, we treat each other openly and with an attitude of mutual respect, tolerance and fairness. **Equal opportunity** for all is our goal. **Discrimination** of any kind is not tolerated. We do not discriminate against the following:

Discrimination is not tolerated – our goal is to achieve equal opportunity.

- sex, race, origin and nationality
- religion or ideology
- political, social or union affiliation
- gender identity or sexual orientation
- physical and/or mental disability
- age.

At Daimler, we respect the individual rights of our employees. We establish a culture of **tolerance**, in which we can express ourselves as individuals in order to live up to our full potential at work. Any form of **discrimination**, harassment or **bullying** goes against who we are and has no place at Daimler. It is our shared duty to create a fair, tolerant, respectful and friendly working environment.

We establish a culture of tolerance – bullying has no place in our company.

3.1.2 Representing Daimler

It is everyone's business to handle corporate information responsibly. Therefore, Daimler follows a policy intended to ensure coordinated and uniform representation of the company (**One Voice Policy**).

We coordinate external publications with the communications unit.

Consequently, **external publications and statements** in all forms of media (online, print, TV, radio and **social media**) as well as during speeches, lectures, interviews and panel discussions are to be coordinated with Corporate Communications.

Daimler employees have the right of freedom of expression. When stating our opinions in public, at events, in public online forums or on **social media** networks where we can be recognized as Daimler employees, we ensure that we identify our **personal views** as such.

When appearing in public, we ensure that our personal views are designated as such.

3.1.3 Health and safety

One of Daimler's top priorities is the health, safety and well-being of its employees. We create a working environment in which everyone can perform to the best of their ability while maintaining their physical and mental **health**.

Safe working conditions are one of our top priorities.

OUR INTEGRITY CODE, IC

High technical and workplace **safety standards** are crucial to our work. Their purpose is to prevent work-related accidents and illnesses. We trust our employees to do their part to achieve this goal.

At Daimler, we comply with industrial safety regulations and use the required **safety equipment**. We take individual responsibility for ensuring safe working conditions and report any potential health and safety risks. We do not work under the influence of alcohol and drugs if, by doing so, we endanger our own safety or the safety and well-being of others.

Daimler offers country-specific programs designed to promote health and aimed at **prevention**, and Daimler counts on the active participation of its employees. The programs cover areas such as the following:

- occupational safety and medicine
- health promotion in the workplace
- ergonomics
- reintegration
- counseling service.

3.1.4 Work-life balance

Our **workplace culture** is based on trust and respect. Daimler creates general conditions that support our employees in their **personal life situations**, as well as help them to give their best and remain productive. In doing so, we enable all our employees to contribute as much as possible to our success. To assist, we offer on the basis of company regulations a variety of country-specific options and programs for maintaining a work-life balance.

3.1.5 Conflicts of interest

Daimler respects the personal interests and the private lives of its employees. Every employee has to make sure that personal and private financial interests do not influence business decisions.

Therefore, we avoid situations in which personal or private financial interests conflict with the **interests of our company** or business partners. If such **conflicts of interest** arise, we disclose them and seek a solution with the respective manager which does not harm the interests of the Daimler Group.

Conflicts of interest can arise, for instance, if employees encounter any of the following situations:

- accept, offer or grant gifts or invitations
- are members of the governing bodies of other companies
- pursue sideline activities
- invest in competitors.

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We want to prevent work-related accidents and illnesses.

We all bear responsibility for occupational health and safety at work.

Daimler offers its employees prevention programs for their health.

Daimler creates conditions that support a work-life balance.

We carefully weigh personal interests against the interests of the company.

If conflicts of interest arise, we disclose them.

3.1.6 Working with employee representatives

We are committed to our **social responsibility**. We work with all employees, employee representatives and unions in a spirit of respect and trust. We are dedicated to achieving a fair balance between the economic interests of the company and the interests of the employees. Even in cases of conflict, the shared goal will be to lay and preserve a firm foundation for **constructive collaboration**.

We engage in constructive collaboration with employee representatives.

3.1.7 Use of resources

We use resources carefully and sustainably. We do so because of our social and environmental responsibility, out of respect for and as an obligation to our shareholders and because it is in our **own interest** to work in a company that operates sustainably.

We use resources carefully and sustainably.

As a rule, we use the company's materials, intellectual property, assets and other resources only for official purposes. Exceptions apply when company regulations allow the **personal use** of company resources. **Wastefulness** in the use of resources diminishes the company's assets and may also cause **reputational damage**. We therefore make sure that we ourselves and those around us use resources responsibly and economically.

We use company resources only for official purposes.

We also treat information responsibly because it is one of our most important assets. Information security and data backups are therefore extremely important to Daimler. Regardless of whether we are meeting with business partners or attending private events, we make sure that we do not disclose information about Daimler that gives people outside of Daimler unauthorized insight into our business processes. We take responsibility for the information we handle by applying general conditions for **information security**.

We protect information because it is valuable.

Trade secrets, for example, inventions, new products or vehicle designs, secure our advantage over our competitors. We therefore protect this information to a particularly high standard. We comply with laws and internal regulations for protecting business secrets and respect the business secrets of our competitors, business partners and customers.

Special protection is given to business secrets.

3.2 Compliance with Laws

3.2.1 Product safety and compliance with technical regulations

The quality of our products has a high priority for us at Daimler. Throughout our company's history, we have repeatedly set new standards of vehicle safety. Even today, we are doing our utmost at every level within our company **to make the mobility of the future as safe as possible**.

We are designing the mobility of the future to be as safe as possible.

Through the technological advancement of our products, we are pursuing the goal of **reducing emissions** in order to continuously improve air quality. Moreover, we are making efforts to continually lower the output

We use technological advancements to reduce emissions and greenhouse gases.

OUR INTEGRITY CODE, IC

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of greenhouse gases in order to continue our contribution to protecting the climate.

Throughout the **product life cycle**, we ensure the legal and **regulatory conformity** of our processes and products. When doing so, we take into account the fundamental spirit of the relevant laws and regulations. In cases of unclear legal framework conditions, our employees find guidance in our **corporate principles** as well as established and communicated structures and procedures.

As employees, we play a central role. **From initial conception to end of life and disposal** of our products, we as experts contribute to meeting legal and internal requirements as well as the expectations of our customers and society, helping to strengthen their confidence in our products.

We know the regulations that affect our areas of responsibility and ensure that our level of knowledge is always up to date. In every phase of our products' life cycle, we think about the possible impact of our actions. We openly address **potential risks** in our areas of responsibility (**speak-up culture**).

3.2.2 Tax and customs regulations

At Daimler, we comply with the provisions of **tax and customs laws**, which include regulations on corporate tax, income tax and value-added tax, as well as the customs duties and excise tax to be paid on imports of goods.

Correct and timely declaration of taxes and duties is a basic principle for Daimler. We do not use aggressive or even illegal **tax avoidance schemes**. Aggressive anti-tax policy does not reflect our aspirations of sustainable corporate policy.

3.2.3 Antitrust law

Well-functioning and free **competition** is one of the fundamental pillars of our social and economic system. It creates growth and employment and ensures that as consumers we can all buy modern products at affordable prices.

Daimler, too, benefits from functioning competition because the laws also protect us from **unlawful agreements** and excessive prices. We are committed to ensuring fair competition in our markets and to following applicable antitrust and competition laws.

Antitrust risks occur in a wide variety of situations, for example:

- when exchanging information and benchmarking with competitors
- as part of investments in shareholdings and during cooperation
- in connection with customer service and sales
- regarding the permissibility of sales incentives

We ensure the **regulatory conformity** of our products.

As experts, we strengthen the **confidence** in our products.

We consider the possible **impact** of our actions in everything we do.

We comply with applicable **tax and customs** regulations.

We reject aggressive **tax avoidance** schemes.

Well-functioning competition is a **fundamental pillar** of our economy.

We are committed to protecting **fair competition**.

OUR INTEGRITY CODE, IC

- when engaging in trade association activities.

Each of us plays an important role in complying with laws and internal regulations. Compliance with regulations requires that every employee knows and follows the rules which are relevant to their business unit.

3.2.4 Foreign trade legislation

Strict compliance with regulations of foreign trade legislation is a basic principle for global companies like Daimler. Foreign trade regulations must always be observed when exporting both tangible and intangible goods as well as services. Fundamental restrictions are placed on **military goods** and civil products that can also be used for military purposes.

Furthermore, certain goods and countries fall under special restrictions, such as **arms or luxury goods embargoes**. Every employee ensures strict compliance with regulations under foreign trade laws applicable to their area of responsibility.

3.2.5 Economic sanctions and money laundering prevention

As a global corporation, we comply with national and international **economic sanctions** and support the community of states to **fight against money laundering and terrorism financing**. Daimler complies with all requirements in these areas.

Employees of the involved units are required to always keep up to date on current **sanctions lists**. The employees responsible for the business processes are obligated to design these in such a manner that they prevent all forms of financial crime.

3.2.6 Intellectual property protection

Daimler AG owns numerous **patents** and other property rights, such as **trademarks** and **designs**. They are among the company's most important assets and enable us to stay competitive and react to the market. We therefore ensure that they cannot be misused by third parties. It is equally important to ensure that we avoid the unauthorized use of third-party intellectual property by Daimler.

3.2.7 Insider trading legislation and ad-hoc announcements

Misuse of inside information is prohibited. Our company is committed to fair **securities trading**. We take all necessary and appropriate actions to prevent **insider trading** at our company.

As a stock listed company, Daimler is under a legal obligation to publish Daimler-related inside information without delay in the form of an **ad hoc announcement**. As long as the announcement has not been published, the respective information may not be shared without authorization or used for securities transactions.

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Every employee knows the rules that apply to their unit.

We comply with all regulations under foreign trade laws.

We act with strict compliance regarding embargoes.

We observe sanctions and support the fight against money laundering and terrorism financing.

We design our business processes so that they prevent financial crime.

Our patents are some of our most important resources and must be protected.

We are committed to fair securities trading and guard against insider trading.

Information that could have a significant effect on our share price is promptly disclosed by us in the form of an ad-hoc announcement.

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Examples of possible **inside information** include surprising:

- financial results
- changes in earnings projections or order situation
- changes in dividend
- planned mergers, partnerships or takeovers
- significant technical innovations
- important changes in management organization
- changes in important business relations.

All employees help ensure that inside information is published **without delay** and in a legally prescribed manner. Until such time, the information may only be made available to individuals who require the information to perform their duties. Those persons who possess inside information are prohibited from trading, either personally or via third parties, in securities that could be affected by the confidential information.

We do not use confidential information to gain an advantage in stock trading.

3.2.8 Corruption prevention

At Daimler, we have a clear understanding of **what kind of business we will or will not do**. We do not give or take bribes. We impress our business partners and customers with our products and services and not through undue influence. We also do not allow others to exert undue influence on us. Instead, we make decisions for objective and verifiable reasons.

We do not give or take bribes.

Daimler **does not tolerate corrupt behavior** by its employees, business partners or customers. Decisions involving corruption distort competition, harm the company's assets and reputation, and go against the common good. To prevent possible harm to Daimler, we avoid even the mere appearance of undue influence.

We do not leave any room for corruption because it is detrimental to competition and the common good.

We also act in accordance with our corporate principles when in contact with government agency employees, public officials, politicians and employees of government-owned enterprises. **We avoid even the mere appearance** of undue influence, for example, through monetary payments, non-cash rewards and other benefits. We follow this rule even when such gifts are expected or supposedly customary for official business.

When dealing with government authorities, we avoid the mere appearance of an undue influence.

Through regular training and audits, we ensure that corrupt behavior is prevented, detected and punished.

3.3 Dealing with Business Partners

3.3.1 Gifts and invitations

When dealing with business partners and customers, gifts and invitations (collectively referred to as "rewards") are common practice and permitted **within appropriate limits**. To prevent Daimler from suffering reputational damage or financial loss, we base our decisions on objective and verifiable reasons and are not influenced by inappropriate rewards.

Gifts and invitations are permitted within appropriate limits.

OUR INTEGRITY CODE, IC

As employees, we may not **encourage, ask for or demand** gifts, invitations, personal services or favors for ourselves or others from business partners. We reject rewards when they can give rise to even the mere appearance of undue influence. When granting or receiving discounts and rebates, we take care to ensure they are appropriate.

Advertising items and occasional gifts given voluntarily can be accepted if of reasonable value and scope. We accept **invitations** from business partners to dinners or events only if they are freely given, serve a business purpose, do not occur with excessive frequency and if the invitation is appropriate for the occasion.

As an **amount** that can be seen as appropriate, we have set a reference value of **50 euros** for gifts from third parties and a value of **100 euros** for invitations from third parties. In case of doubt whether a gift or an invitation is appropriate, we consult with our manager.

If we receive rewards that exceed our reference values, we disclose them and document that we have received them. **Reporting obligations** pursuant to legal requirements, such as tax law, still apply.

Also when giving **gifts and invitations to our business partners and customers**, we follow the principle that even the mere appearance of **undue influence** must be avoided. Rewards are permitted only when they have an appropriate value and are given in the context of ordinary business activities. We are cautious and especially critical when determining whether it is appropriate to give gifts and invitations to government agency employees, public officials, politicians and employees of government-owned enterprises.

3.3.2 Choosing business partners

Daimler expects its employees to comply with our Integrity Code and laws. Daimler also expects its **business partners**, such as **suppliers and sales intermediaries**, to do the same.

Depending on the specific risk, we conduct an **integrity check** on our business partners before entering into any contracts. The employees responsible for choosing the business partners are obligated to screen them to the extent allowed by law using a **transparent selection process**. This process ensures that potential business partners fulfill the requirements and standards of this Integrity Code.

Even after entering into contracts, we expect our business partners to comply with these requirements. They undertake to base their actions on these values and continuously reflect upon them.

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We reject inappropriate rewards from business partners.

Invitations must serve a business purpose and be appropriate for the occasion.

When receiving rewards from third parties we orient ourselves to defined reference values.

We document the acceptance of rewards above the reference values.

Rewards given to business partners and customers must be appropriate.

Daimler also expects ethical conduct from its business partners.

We subject potential business partners to a risk-based integrity check.

Our business partners are required to comply with our Integrity Code.

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Our business partners are urged to communicate the Integrity Code and the resulting obligations to their employees. Furthermore, our business partners are obligated to share these principles with their **suppliers** as well and to ensure compliance.

In the event of potential **violations** of the requirements of this Integrity Code by business partners, the responsible employees must work together with the business partner to resolve the situation.

3.3.3 Sideline activities and governing body memberships

Paid sideline activities (in particular, outside employment) by our employees must be disclosed to the responsible manager before employment starts. The manager will examine whether there could be a **conflict of interest**. In the event of a **conflict of interest**, the sideline activity can be prohibited to protect the company's legitimate interests.

The **assumption of an office** on the management board, **supervisory board**, advisory board or other governing body of any other company could lead to **conflicts of interest**. For that reason, employees are permitted to assume such duties only after they have been approved.

3.3.4 Shareholdings

As employees, we can acquire and hold shares and interests in business partners or competitors only if it is a **small-scale investment** and the possibility of a **conflict of interest** or the appearance of a **conflict of interest** has been ruled out. This rule may not be circumvented by having a third party hold the shares on behalf of the employee.

Before **joining our company**, potential employees who already hold larger than small-scale investments in business partners or competitors are required to disclose them to the responsible manager. This also applies to shares acquired by an employee through an inheritance.

3.4 Sustainability and Social Responsibility

3.4.1 Respect for human rights

Daimler respects the internationally recognized human rights and bases its actions on the **United Nations Guiding Principles on Business and Human Rights**. We place special importance on the rights stated in the International Bill of Human Rights and the **core labor standards of the International Labour Organization (ILO)**.

Daimler rejects all forms of **discrimination** in hiring and employment, slavery, child labor, threats against people who defend human rights and other human rights violations. The protection of the fundamental labor rights is important to Daimler.

We work towards ensuring that also our business partners, especially **suppliers and their subcontractors**, also observe these principles. We

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Our business partners are also urged to require their suppliers to comply with our Integrity Code.

We engage in sideline activities only if they do not result in a conflict of interest.

The assumption of offices for other companies requires approval.

Owning shares in business partners or competitors must not result in a conflict of interest.

Shares held in business partners or competitors must be disclosed.

We respect human rights and the core labor standards of the ILO.

We place special emphasis on the protection of fundamental labor rights.

We also pay close attention that our business partners respect human rights.

take appropriate action and responsibility for due diligence concerning human rights in accordance with the [United Nations Guiding Principles](#).

3.4.2 Environmental protection

We do our best not only in the manufacturing of our products but also in our efforts to protect the environment. Around the world, it is our ambition to achieve an **exemplary ecological and energy balance**, rising to the increasing demands of consumers as well as current and future ecological challenges.

Our ambition is to develop products that are **particularly environmentally friendly and energy-efficient** in their respective market segments. Our approach to environmentally friendly and energy-efficient design covers the entire product spectrum of the Daimler Group, taking into account the **product life cycle** from **design** to production to disposal or recycling.

We design every stage of production to be as eco-friendly and energy-efficient as possible in order to minimize our environmental impact and energy consumption. We take internal and external measures to ensure transparency concerning our environmental impact.

3.4.3 Representation of political interests

As a company that does business worldwide, we are part of the global political and social environment. We therefore take part in political and public processes of forming opinions as a trustworthy and dependable business partner. We engage in reliable and fact-based communication with governments, trade associations and organizations as well as social interest groups and incorporate their suggestions into our actions. When doing so, we take into account society's interest in **transparency and openness**.

3.4.4 Donations and sponsorship

For us, business success and social responsibility go hand in hand. Through **Daimler WeCare**, we contribute to the advancement of society and create recognizable benefits. Our approach is based on the motto of "With our employees - for our communities - around the world."

In our communities, Daimler supports a wide variety of initiatives aimed at furthering the advancement of society and promoting equal **opportunity** at the local level. **We strengthen communities**, promote social issues, education, science, art and culture, sports, traffic safety and also nature conservation. We support and encourage our employees' participation in Daimler-sponsored volunteering activities.

Donations are made only to organizations that have been recognized as charitable institutions. We do not make donations in the pursuit of self-serving financial interests; we neither demand nor expect anything in return. By contrast, our **sponsorship** activities are conducted in order to

We strive to achieve an exemplary ecological and energy balance worldwide.

Our ambition is to develop products that are particularly environmentally friendly and energy-efficient along the entire value chain.

We conduct a reliable dialogue with governments and organizations.

For us, business success and social responsibility go hand in hand.

Daimler contributes to the advancement of society and promotes equal opportunity.

When making donations, we do not expect anything in return.

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positively promote the reputation and public perception of our company through advertising.

We follow the laws and internal regulations governing donations, sponsorships and charity activities. Donations and other contributions, sponsorships and monetary benefits that Daimler gives to **political organizations** (e.g. political parties and governmental institutions) require special approval. Party donations are subject to a decision by the Daimler Board of Management. Political contributions must also undergo a special approval process.

Donations to and sponsorships involving political organizations require approval.

3.4.5 Volunteering

Volunteering strengthens society. As a company that takes its responsibility to society seriously, we encourage and support the **volunteer activities** of our employees. We do so regardless of whether those activities are in support of democratic institutions, social activities or charitable giving.

We support volunteering by our employees.

3.5 Digitalization

3.5.1 Handling data

The digital revolution is creating new work processes, business areas and mobility concepts. Data enables innovative services that offer added value for our customers and employees. The principles of our **Data Vision** describe how we want to exploit future opportunities and focus on the needs of our customers and employees:

- Business Potential
- Consumer and Employee Benefit
- Data Quality
- Transparency
- Choice
- Data Security
- Data Ethics.

Digitalization is creating new opportunities that we want to exploit responsibly.

We create trust among our employees, business partners and customers by respecting data protection as a personal right. That is why we process and use **personal data** only to the extent permitted by laws, regulations, our own **Data Vision** principles and the data subjects themselves.

We use personal data only to the extent allowed by law and permitted by data subjects.

These principles extend beyond data protection. They describe the responsible and legally compliant handling of data as a whole, even if the data are not personal. Our aim is to consider data protection from the very beginning, analyze data intelligently and store, share and use it responsibly. We are **transparent** with our employees, business partners and customers about how we handle their data, and we provide them with the choice of whether and how we use their data.

Our employees, business partners and customers should be able to trust that their data is safe with us.

OUR INTEGRITY CODE, IC

Those who entrust us with data should be able to count on it being safe with us. All employees bear responsibility for protecting **personal data** against unauthorized access by third parties and take the measures necessary to prevent unauthorized usage.

3.5.2 Social media

Social networks like Facebook, LinkedIn, Instagram and Twitter are playing an increasingly important role in public dialogue. We, too, use social networks and **social media** channels to communicate with our employees, business partners, customers and the public.

We are an open-minded, global organization. As described in our **corporate principles, tolerance and respect** are important for us. This also applies to protecting the privacy of our employees. We do not tolerate any hate-filled, derogatory or discriminatory posts on **social media**.

Examples of other unacceptable posts include those which:

- convey subversive content
- offend the dignity of other users
- threaten harmony within the company
- discredit our reputation and the reputations of our employees
- harm our relations with key stakeholders.

3.5.3 Artificial intelligence

Artificial Intelligence (AI) comprises various methods used to attempt to automate intelligent skills. Today, the broadly defined term "AI" is often used in a more narrow sense of current progress in the field of machine learning. AI has already been implemented in some of our products and processes and will have greater and greater impact on our products, working methods and employees in the future.

To sustainably leverage the opportunities afforded by **artificial intelligence** to our benefit, we follow our demanding AI principles. These include ethical principles for the development and use of **artificial intelligence**. They address responsible deployment of **artificial intelligence**, explainability, privacy protection as well as security and reliability.

4 Complying with the Integrity Code

4.1 Scope

This Integrity Code applies to all employees. All employees are required to familiarize themselves with this Integrity Code, know it and comply with its provisions. If specific policies or other regulations have been enacted, then they are binding.

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We protect the data of our employees, business partners and customers from being accessed by third parties.

Social networks are having stronger and stronger influence in shaping public dialogue.

We do not tolerate any hate-filled, derogatory or discriminatory posts on social media.

Artificial intelligence is used to attempt to automate intelligent skills.

All employees are required to know the content of the Integrity Code and act accordingly.

OUR INTEGRITY CODE, IC

We also expect our **business partners** to know and comply with this Integrity Code. Anyone who does not share the principles described in this Integrity Code cannot do business with us.

4.2 What we expect of our managers

Responsible conduct requires responsible managers. Daimler therefore expects managers at every level to fulfill their duty to **set an example** by behaving ethically, thereby giving employees guidance. Our managers are committed to excellent performance. At all times, they observe our **corporate principles and behavior guidelines** and the provisions of this Integrity Code. As they do, they serve as inspirational examples to their team members.

Our managers behave with **respect** toward their staff and promote team spirit within their units. They provide their staff with the appropriate knowledge and enable them to act responsibly. Managers explain the reasons for their decisions to their staff members in order to enlist their support for objectives. Managers promote a culture of respectful interaction.

4.3 Managing errors

Part of who we are involves **learning from mistakes** as individuals and as an organization. Our approach to managing errors is therefore transparent and open, and we share our experiences in order to enable progress and innovation.

This requires shaping our corporate culture in such a way that wrong decisions are recognized, discussed and corrected. It is up to every one of us to take responsibility and create – or demand – a work environment in which employees have no concerns about speaking up about possible errors. We treat employees who disclose their mistakes with fairness and responsibility.

4.4 Treatment of violations

Violations of laws, policies and other regulations can cause **massive financial losses**, involve the risk of fines being imposed on Daimler and its employees, do **damage to our image and reputation**, result in permits not being granted and cause us to be excluded from local markets. For these reasons, violations must be detected in a timely manner in order to prevent Daimler and its employees from suffering harm, thereby ensuring fair treatment of one another. If we as employees observe rules or regulations being violated or have reason to suspect that a violation of a rule or regulation has been committed, we do not hesitate to address it.

The **whistleblower system BPO** (Business Practices Office) is open to all employees, business partners and third parties who wish to report violations of rules or regulations that pose a serious threat to the company and its employees. If employees wish to report violations posing

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Our business partners are also expected to follow the Integrity Code.

Daimler expects its managers to set an example for others.

Managers promote a culture of respectful interaction.

As individuals and an organization, it is our desire to learn from mistakes.

Our error management culture leads to openness, fairness and trust.

If we observe a violation of rules or regulations, we do not hesitate to address it.

Our whistleblower system BPO is open to all employees, business partners and third parties.

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a minor risk, the company has [other contact points](#) available for them to contact.

The BPO accompanies the processing of tip-offs until the case has been closed. While doing so, the BPO strives to maintain the highest possible level of **confidentiality**. Moreover, our whistleblower system places value on fairness – in dealing with both whistleblowers and employees affected by an allegation. The BPO always applies the principle of proportionality. We examine each case individually to determine what consequences are suitable, necessary and appropriate.

[Confidentiality and fairness](#) are the most important principles of the BPO.

If you have **evidence of violations**, please contact the BPO at bpo@daimler.com.

4.5 Support and assistance

This Integrity Code cannot provide specific answers to every question and situation. If you are unsure and need guidance for your daily activities at work, you can find more detailed information and points of contact as an employee on our **website "Our Integrity Code"** on the intranet.

[Employees can find additional information about the Integrity Code](#) on our intranet.

If you have questions about acting with integrity or this Integrity Code, please feel free to contact the Infopoint Integrity. You can reach the **Infopoint Integrity** at info.integrity@daimler.com.