



FERROVIE DELLO STATO ITALIANE S.p.A.

Organisation, Management and Control Model

pursuant to Italian Legislative Decree

no. 231 of June 8, 2001

GENERAL SECTION

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GLOSSARY

ANTI-BRIBERY & CORRUPTION MANAGEMENT SYSTEM (ABC SYSTEM)	a management and control tool for the prevention of corruption “in a broad sense”, meaning actions and behaviors that deviate from the internal rules and procedures, and are inconsistent with the principles of fairness, legality and integrity, even if they do not constitute specific crimes and regardless of whether they are committed in the interests/to the benefit of the company or to the detriment of the same.
JUDICIAL AUTHORITIES	the bodies holding ordinary legal jurisdiction, including both the adjudicating and investigatory bodies.
BUSINESS PARTNERS	third-party companies or other legal entities (grouping of companies, consortia, etc.) with which FS intends to participate in a commercial or business development initiative in international markets through the creation of associative or collaborative models for joint or complementary projects (e.g. contractual or corporate joint ventures, temporary business partnerships, consortia, etc.).
CONTROL, RISK AND SUSTAINABILITY COMMITTEE (CRSC)	A committee made up of three to four non-executive, and, by majority at least, independent Directors, tasked with supporting the assessments and decisions of the BoD regarding the following: i) approval of periodic financial and non-financial reports; ii) internal control and risk management system; iii) sustainability for matters relating to the exercise of FS’s business dealings and the dynamics of its interactions with its stakeholders.
CODE OF ETHICS	the document that represents the fundamental values and the “charter of rights and duties”, through which FS Group states and clarifies its ethical/social responsibilities and commitments in relation to its

	<p>internal and external stakeholders, and establishes its standards of conduct and the relative penalty system, even for the purpose of preventing and combating potential crimes.</p> <p>It constitutes an integral part of this Model.</p>
COLLABORATORS	<p>natural persons who collaborate with FS by virtue of an independent, coordinated, and ongoing collaboration relationship, or in other similar and non-subordinate forms of collaboration.</p>
ETHICS COMMITTEE	<p>an in-house Company body that serves to provide advice and guidance on matters relating to the standards and rules contained in the FS Italiane Group CODE OF ETHICS, consisting of the Chief Audit Officer pro tempore, as Coordinator, the Chief Corporate Affairs Officer pro tempore, the Chief Legal Officer pro tempore, and the Chief Administration, Planning & Control Officer pro tempore. It is responsible for:</p> <ul style="list-style-type: none">i) providing advisory opinions to clarify the meaning and application of the CODE OF ETHICS;ii) examining the reports and news received, and promoting the most appropriate checks to be carried out;iii) guaranteeing the utmost confidentiality of the whistleblower, the subjects, and the facts reported, using information and document management criteria and methods suitable for protecting the identity and integrity of the aforementioned subjects, without prejudice to the legal obligations;iv) helping the competent corporate structures define the relative communication and/or staff training initiatives;

	<p>v) evaluating the need for any changes/additions to the CODE OF ETHICS;</p> <p>vi) coordinating and maintaining the information flows with the Company's SUPERVISORY BOARD appointed pursuant to Italian Legislative Decree no. 231/2001 for aspects of mutual interest;</p> <p>vii) periodically informing the company's Board of Directors about the activities carried out, with particular regard to the management of the reports received.</p>
ORGANIZATIONAL COMMUNICATIONS (CO)	<p>An Organisational Communication (CO) is an internal Company document used to formally announce and communicate: 1. Corporate guidelines and policies; 2. Corporate procedures; 3. The establishment, modification, or termination of corporate bodies and Committees; 4. The establishment of strategic inter-departmental corporate working groups; 5. The attribution of process or statutory roles; 6 Corporate statements.</p> <p>Organisational Communications are divided into Corporate organisational communications (CO);</p> <ul style="list-style-type: none"> - Group Organisational Communications (CO/G); - Inter-Company Organizational Communications (CO/I); - Operational Communications (COp).
COMMERCIAL CONSULTANT	<p>a natural or legal person who provides commercial consultancy services for FS in support of policies, strategies or business activities abroad (e.g. geopolitical studies, market surveys for commercial initiative, assistance with the market strategies in the geographical areas of reference), in relation to a single operation/project or multiple operations/projects within a specific country or geographical area.</p>

CORPORATE GOVERNANCE	the set of criteria, processes and management, organisation and control rules adopted by the Company, which express its corporate governance activities.
DECREE	means Italian Legislative Decree no. 231 of June 8, 2001, as amended.
RECIPIENTS	The MODEL's recipients are the members of the Corporate Bodies and the Supervisory Board, the Employees, the Collaborators, the auditors, the Suppliers, the Business Partners, the Commercial Consultants and Promoters, and, more generally, all those who maintain direct or indirect relationships with FS, whether on a temporary or permanent basis.
EMPLOYEES	all those who have employment relationships with the Company.
FINANCIAL REPORTING OFFICER	the manager in charge of preparing the corporate accounting documents for Ferrovie dello Stato Italiane S.p.A., appointed internally by FS in accordance with the provisions of art. 154- <i>bis</i> of Italian Legislative Decree no. 58/1998.
GROUP (DdG)	DIRECTIVE an internal Group document used to formally announce and communicate: i) the Group's guidelines and policies and general rules of Governance; ii) process guidelines/policies and operating models.
ORGANISATIONAL PROVISIONS	an internal company document used to formally announce and communicate changes to the Company's organisational structure, roles and locations
ENTITY	means an entity with legal personality, and companies and associations, even without legal personality, to which the provisions of the DECREE apply, <i>i.e.</i> joint stock companies, partnerships, associations, foundations, consortia with external activities, etc.

RELEVANT ENTITY	PRIVATE	Private entities, even without legal personality, that operate independently in the general interest and whose professional/institutional activities result in assessments/decisions/certifications that can affect the business dealings and/or externally influence the appreciation of FS SpA and/or of FS Italiane Group companies, or whose failure to perform such activities could benefit FS SpA and/or FS Italiane Group companies (e.g. rating agencies, financial analysts, compliance certification and assessment bodies, etc.).
SUPPLIERS		the natural or legal persons who perform work activities and/or provide goods and/or services for the Company, as well as their collaborators (to be understood as subjects who assist the supplier in carrying out the work activities and/or supplying the goods or services).
FS (COMPANY OR HOLDING COMPANY)		means Ferrovie dello Stato Italiane S.p.A., with registered offices at no. 1 Piazza della Croce Rossa - 00161 Rome (RM) Italy, and all of its organizational structures.
GROUP		Ferrovie dello Stato Italiane S.p.A. and the other companies directly and indirectly controlled by the same, pursuant to art. 2359, paragraph 1, numbers 1) and 2) of the Italian Civil Code.
PUBLIC OFFICERS	SERVICE	a person who, although not a Public Official vested with the powers associated with this status (certification, authorization, decision-making), performs a public service in any capacity, even for a national or international agency, as defined by the individual national laws to which the public service belongs. Pursuant to art. 358 of the Italian Penal Code, <i>"a public service officer is any subject who provides a public service, in any capacity. Public service means an activity</i>

regulated in the same manner as the public function, but in the absence of the powers typical thereof, and does not include routine tasks and purely manual work"

– even a private individual can be qualified as a Public Service Officer when he/she carries out activities objectively aimed at achieving public objectives (e.g. the members of the commission for a public tender launched by FS, by which they are employed) - these also include members of international Courts, European Community bodies, international parliamentary assemblies, international organisations, and officials of the European Communities and of foreign States with functions similar to those of a public service officer, if they exercise corresponding functions, pursuant to art. 322-*bis* of the Italian Penal Code.

**ANTI-CORRUPTION
POLICY GUIDELINES**

a document containing the inspiring principles and guidelines for the FS anti-corruption policy; within the context of the guidance and coordination activities, these principles and guidelines serve as a reference and guide for the subsidiaries as well.

**CONFINDUSTRIA
GUIDELINES**

means the Guidelines issued by Confindustria for the preparation of the organization, management and control models referred to in the Decree, which were drawn up in 2002 and were most recently updated in June of 2021.

**ORGANIZATION,
MANAGEMENT AND
CONTROL MODEL
(MODEL)**

means this document (including its annexes), which illustrates the Organisation, Management and Control Model pursuant to the DECREE currently in force at FS.

CORPORATE BODIES

the Board of Directors (also the "BoD") and the Board of Statutory Auditors, and their members.

SUPERVISORY BOARD (SB)	the body envisaged by art. 6 of the DECREE, which is vested with independent powers of initiative and control, and is tasked with supervising the functionality, efficacy and observance of the MODEL, as well as ensuring its updating.
FS ITALIANE GROUP ANTI-CORRUPTION POLICY	A mandatory policy for all the Group's companies in Italy and abroad, which standardizes and incorporates the existing rules and safeguards for preventing and combating corruption within a single framework, indicating the general principles and rules of conduct that all recipients are required to observe, including any third parties outside the Group with whom professional and business relationships are established.
ADMINISTRATIVE ACCOUNTING PROCEDURES (AAP)	the administrative-accounting procedures (issued by the Financial Reporting Officer pursuant to Italian Law no. 262/2005) regulating the administrative-accounting activities and process controls associated with economic and financial reporting, in order to avoid the risk of erroneous/incorrect representation in the financial statements, the consolidated financial statements, and any other economic and financial disclosures intended for the stakeholders.
COMMERCIAL PROMOTER	a natural or legal person who assumes the task of promoting FS's commercial interests abroad for a specified period of time within a specific country or geographical area, whether in relation to a single operation/project or multiple operations/projects, including activities aimed at obtaining a contract.
PUBLIC ADMINISTRATION	For the purposes of the MODEL, the Public Administration includes: A) National, central and local subjects, whether in Italy or abroad, supranational and international, including

legal persons, who work for the pursuit of public interests and are legally empowered and authorized to carry out legislative, judicial or administrative activities;

B) Supervisory, Regulatory and Control Authorities, or independent administrative authorities, established by law, vested with autonomy, independence and impartiality, whose mission is to protect public and community interests in specific economic and social sectors (e.g. the ART, the AGCM, the ANAC, the personal data protection authority, etc.);

C) Public Officials;

D) Public Service Officers.

All subjects that can be qualified as belonging to the Public Administration based on the legislation in force and the current regulatory and legal interpretations are considered for the purposes of these Group Provisions.

PUBLIC OFFICIALS

a person who exercises a public legislative, administrative or judicial function, regardless of whether the function derives from appointment, election or succession, as well as assimilated parties in accordance with the applicable national legislation.

Pursuant to art. 357 of the Italian Penal Code, "*A public official is any subject who performs a public legislative, judicial or administrative function. For these purposes, an administrative function is public when it is governed by provisions of public law and provisions laid down by authorities. It is reflected in the forming and manifestation of the will of the public administration or by the fact that it is carried out through authoritative or certification powers*". These also include the members of the international Courts, the bodies of the European Communities, international parliamentary assemblies or

	international organizations, and officials of the European Communities and of foreign States who act as public officials, if they exercise corresponding functions, pursuant to art. 322- <i>bis</i> of the Italian Penal Code.
STAKEHOLDER	a subject (or group of subjects) who directly or indirectly holds interests in the company and, as such, can influence the Company's activities or can be influenced by it.
INTERNAL CONTROL AND MANAGEMENT SYSTEM (IRCMS)	The internal control and management system is the set of tools, organizational structures, company rules and regulations aimed at allowing the company to operate in fair, sustainable and healthy manner, consistent with the business objectives defined by the BoD, through an adequate process of identifying, measuring, managing and monitoring the main risks, as well as through the establishment of adequate information flows designed to ensure the circulation of information.
231 TEAM	<p>An inter-departmental team established by FS and coordinated by the Compliance functional unit (within the context of Legal Affairs), tasked with:</p> <ul style="list-style-type: none"> – updating the 231 Model at the initiative or on the recommendation of the Supervisory Board following any changes to the reference legislation and/or organizational and process changes made by the Company; – promoting and monitoring the implementation of any corrective and/or improvement actions that may be rendered necessary during or following the updating of the 231 Model; – proposing and managing the communication and training initiatives on the 231 Model, in coordination

with the competent Corporate Affairs and Communication structures.

TOP MANAGEMENT

the Chairman of the BoD and the Chief Executive Officer.

1. ITALIAN LEGISLATIVE DECREE NO. 231/2001

1.1 THE ADMINISTRATIVE LIABILITY REGIME ENVISAGED FOR LEGAL ENTITIES

Italian Legislative Decree no. 231 of June 8, 2001 – “*Administrative liability of legal persons, companies and associations, even without legal personality*” (hereinafter also the “**DECREE**”) established a regime of administrative liability for legal entities, companies and associations, even without legal personality⁽¹⁾ (the “**ENTITY**”), which is in addition to the liability of the natural person who physically committed the individual crime, and is aimed at involving the Entities, in whose interests or to whose benefit the crime was carried out, in the punishment of the same. Therefore, once the decree became effective, Legal ENTITIES became subject to criminal proceedings, and could be punished with financial and prohibitive penalties, just like natural persons.

Ferrovie dello Stato Italiane S.p.A. (“**FS**”) is among the recipients of the regulations envisaged by the DECREE.

The administrative liability envisaged by the DECREE may arise as a result of certain subjects committing specific offenses indicated by the DECREE, in the interests of or for the benefit of the ENTITY, either in Italy or abroad⁽²⁾.

The reasons for which the Entity may be held liable pursuant to the DECREE include the following:

- A. a crime expressly envisaged within the catalog of so-called *predicate offenses* specified in the Decree itself (articles 24 et seq.) has been committed. In the years since the Decree was first issued, the catalog of predicate offenses has been supplemented with new offenses introduced into the DECREE itself or through special legislation⁽³⁾.

⁽¹⁾ With the exception of the State, public territorial entities, entities that perform constitutional functions, and other non-economic public entities.

⁽²⁾ Under certain conditions, art. 4 of the DECREE states that entities with headquarters in Italy are also liable for crimes committed abroad, provided that they are not prosecuted in the State in which the crime was committed. In order for the company to be held liable for crimes committed abroad, it is necessary that:

- a) the crime be committed by a person functionally associated with the company (senior management or subordinate);
- b) the company must have its legal headquarters within Italy;
- c) the company may only be held liable in the cases and under the conditions established by Italian law;
- d) the State with jurisdiction over the place where the crime was committed does not prosecute the crime independently.

It should be noted that these rules only apply if the offense was committed entirely abroad, since, based on the principle of territoriality pursuant to art. 6 of the Italian Penal Code “*the crime is considered to have been committed on Italian soil when the action or omission constituting it has taken place there, either in whole or in part, or when the event that is the consequence of the action or omission has occurred there.*”

⁽³⁾ The types of offenses currently covered by the DECREE are summarized below:

- crimes committed in dealings with the Public Administration and/or to the detriment of the Public Administration (e.g. corruption, bribery, fraud against the State or a public body or for the purpose of obtaining public funds, undue receipt of funds, computer fraud to the detriment of the State or a public body, undue inducement to give or promise benefits, influence peddling, etc.), pursuant to articles 24 and 25 of the DECREE;

Annex [A] contains the complete list of all the crimes for which the ENTITY may be held liable, indicating the types of crimes deemed applicable to FS, as well as the text of each of the relevant articles of Italian Legislative Decree no. 231, followed by the text of the various predicate offenses relating to FS, as indicated in the Special Section of the MODEL.

B. A crime has been committed by persons pertaining to or functionally associated with the ENTITY. In particular, these might consist of i) subjects in **senior management** positions, or rather a person who exercises representation, administration, or management functions for the ENTITY or one of its organizational units having financial and functional independence, or who exercises the relative management and control, even on a de facto basis; ii) subjects in **subordinate** positions, or rather those who are subject to the management or supervision of the senior managers. The DECREE does not require there to be a subordinate employment relationship between the entity and the natural person. In fact, subjection to the management and coordination of a senior management figure

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- so-called "computer crimes", pursuant to art. 24-*bis* of the DECREE;
 - organised crime offences, pursuant to art. 24-*bis* of the DECREE;
 - crimes involving forgery of money, credit cards, revenue stamps, and signs or instruments of identification, pursuant to art. 25-*bis* of the DECREE;
 - crimes against industry and commerce, pursuant to art. 25-*bis*.1 of the DECREE;
 - so-called corporate crimes, pursuant to art. 25-*ter* of the DECREE;
 - crimes committed for purposes of terrorism and subversion of the democratic order, pursuant to art. 25-*quater* of the DECREE;
 - mutilation of female genital organs, pursuant to art. 25-*quater*.1 of the DECREE;
 - Crimes against individual freedom, pursuant to art. 25-*quinqies* of the DECREE;
 - crimes of so-called "market abuse" (e.g. the offences envisaged by the Consolidated Finance Act, Italian Legislative Decree no. 58 of 1998), pursuant to art. 25-*sexies* of the DECREE;
 - crimes of manslaughter and serious personal injury or grievous bodily harm, committed in violation of the accident prevention and occupational health and safety laws, pursuant to article 25-*septies* of the DECREE;
 - crimes of receiving, laundering and using money, goods or profits derived from illegal activities, pursuant to art. 25-*octies* of the DECREE;
 - crimes relating to non-cash means of payment, pursuant to art. 25-*octies*.1 of the DECREE;
 - crimes related to copyright infringement, pursuant to art. 25-*novies* of the DECREE;
 - crimes detrimental to the administration of Justice (i.e. the crime of inducement not to make statements or to make false statements to the Judicial Authorities), pursuant to art. 25-*decies* of the DECREE;
 - environmental crimes, pursuant to art. 25-*undecies* of the DECREE;
 - so-called transnational crimes (envisaged by articles 3-10 of Italian Law no. 146 of March 16, 2006, for which art. 10 of the aforementioned law introduces administrative liability for legal entities, pursuant to the DECREE);
 - the crime of employment of third-country nationals staying in the country illegally, pursuant to art. 25-*duodecies* of the DECREE;
 - crimes of racism and xenophobia, pursuant to art 25-*terdecies* of the DECREE;
 - crimes of fraud in sporting competitions, exercise of illegal gambling or betting operations, and games of chance operated by means of prohibited gaming machines, pursuant to art. 25-*quaterdecies* of the DECREE;
 - tax crimes, pursuant to art. 25-*quinqiesdecies* of the DECREE;
 - crimes of smuggling, pursuant to art. 25-*sexiesdecies* of the DECREE;
 - crimes against cultural heritage, pursuant to art. 25-*septiesdecies* of the DECREE;
 - crimes of laundering of cultural assets and destruction and looting of cultural assets and landscapes pursuant to art. 25-*duodevicies* of the DECREE.

Other types of crimes may be included in the Decree by the legislature in the future.

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is sufficient, which can also easily occur with numerous categories of external collaborators, including agents, distributors, business partners, etc.

Finally, the entity may also be held liable in the event that the employee who committed the crime contributed to its commission in conjunction with other subjects unrelated to the organization of the entity itself. The risk of employee complicity can easily be present in various business sectors and occasions, thus meeting the requirements concerning the interests and/or benefit of the entity. In particular, the relationships associated with public contracts and, more generally, partnership contracts, are to be considered relevant.

However, complicity in the crime may also be relevant for the purposes of the entity's liability in the event of so-called extraneous involvement in a "direct" crime. In this case, liability for complicity may arise in the event that a company representative who is aware of a counterpart's specific subjective qualification (e.g. public official, auditor, etc.) contributes to the conduct attributable to the latter (e.g. abuse of office). In this case, the extraneous party is liable for complicity in the same crime with which the qualified person is charged.

- C. In order to be attributable to the ENTITY as well, the criminal conduct must be carried out in the interests or to the benefit of the ENTITY itself. The ENTITY is therefore not liable for the offense if the persons indicated under point B above have only acted in the interests of themselves or of third parties.

With regard to the aforementioned criteria of interests and benefits, the law specifies that a crime is committed in the interests of the ENTITY when the agent has committed the predicate offense with the aim of favoring the ENTITY to which it pertains, regardless of whether that goal has been achieved. This criterion is to be assessed prior to the time at which the illegal conduct is carried out. While the interests of the offender may coincide with those of the ENTITY, the liability of the same may nevertheless remain if, in pursuing their own independent interests, the agent objectively achieves (or their illegal conduct appears beforehand to be capable of achieving) the interests of the ENTITY.

The benefit, on the other hand, has an essentially objective connotation, and consists of the benefit that the ENTITY has obtained from the crime (above all of a financial nature - always to be assessed after the crime is carried out).

With regard to unintentional crimes included within the DECREE's catalog of predicate offenses, the absence of intent on the part of the agent with respect to the event resulting

from the criminal conduct (i.e. the lack of intent with respect to the offense, which on its own precludes the commission of a criminal offense), is implicit in the offense itself, and is somewhat inconsistent with the aforementioned criteria for the indictment of Legal ENTITIES, i.e. the pursuit of goals in the interests or to the benefit of the ENTITY itself. In addition to the ongoing legislative arguments, the Court of Cassation has also issued a ruling on this topic ⁽⁴⁾, stating that, in cases of unintentional crimes, the criteria for objective indictment represented by the interests and benefits of the ENTITY must refer to the conduct of the agent (offender/natural person), and not to the event (where applicable to the criminal case). They must therefore refer to the factual circumstances that gave rise to the aforementioned event. The attribution of liability to the company pursuant to the DECREE will only occur when, in carrying out the unintentional conduct, the perpetrator of the offence *"violated the precautionary legislation with the conscious intent of obtaining cost savings for the entity, regardless of whether this was effectively achieved* (criterion of the Entity's interest), *and/or if the offender has violated (...) the law (...) objectively obtaining some sort of benefit for the entity, in the form of cost* (and/or time) *savings or production maximisation, regardless of the intent to obtain the benefit itself* (criterion of the Entity's benefit)."

The DECREE also establishes the principle of the autonomy of the ENTITY's liability from that of the natural person, specifying that the ENTITY is also liable when:

- a) the perpetrator has not been identified or cannot be charged;
- b) the crime is quashed for a reason other than amnesty.

1.2 THE PENALTIES IMPOSED BY THE DECREE

The penalties imposed upon the ENTITY by the DECREE consist of:

- financial penalties (fines);
- prohibitive penalties;
- confiscation of the profit that the ENTITY obtained from the crime (even in equivalent form);
- publication of the sentence (ordered when a prohibitive penalty is imposed upon the ENTITY).

⁽⁴⁾ Court of Cassation Pen., Sec. IV, ruling of 9/12/2019, no. 49775. *Ex multis*, regarding the liability of entities resulting from involuntary event crimes in violation of the accident prevention regulations, see Court of Cassation, Pen., section IV, 28/10/2019, no. 43656, Court of Cassation, Pen. Sec. IV Ruling, 23/05/2018, no. 38363 and Court of Cassation Pen. Sec. IV Ruling, 16/04/2018, no. 16713.

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Pursuant to art. 10 of the DECREE, financial penalties are always applied, and are determined using a "quota" based system.

In fact, a unit is established in relation to each crime, which must fall within the minimum and maximum amount (ranging from 100 to 1,000 units), each of which, in turn, can have a value ranging from € 258 to € 1,549.

The judge must therefore determine a penalty that is commensurate with the specific case, determining both the number of units to be applied and the value of each individual unit, for each hypothesis of liability on the part of the company, with the effective possibility of scaling the penalty from a minimum of € 25,800 to a maximum of € 1,549,000.

In calculating the penalty, the judge determines the number of quotas taking into account the severity of the event, the ENTITY's degree of liability, the measures taken by the entity to eliminate or mitigate the consequences of the event and to prevent further offenses from being committed.

With regard to the amount to be attributed to each unit, on the other hand, in order to ensure the effectiveness of the penalty applied, the economic and financial conditions of the entity are of particular importance.

The penalty is reduced by one half (and, regardless, by no more than € 103,291) if:

- the offender has committed the offense mainly in his/her own interest or in the interest of a third party, and the company has not gained or has only gained a minimal advantage from the crime;
- The resulting financial loss is not particularly serious.

In addition, the penalty is reduced by one third to one half if:

- the company has entirely compensated for the damage caused and has eliminated the harmful or dangerous consequences of the crime, or has otherwise taken effective measures in this regard;
- an organizational model suitable for preventing the types of crimes that occurred has been adopted and implemented.

If both of the above conditions are met, the penalty is reduced by one half to two thirds. Whatever the case, the financial penalty cannot be less than € 10,329.

The main prohibitive penalties consist of:

- the prohibition to conduct business activities;
- the suspension or revocation of the authorisations, licenses or concessions necessary for the commission of the offence;

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- the prohibition to deal with the Public Administration, except for dealings required to obtain the services of a public service officer;
- exclusion from benefits, funding, grants or subsidies, and/or the revocation of those already conceded;
- the prohibition to advertise goods or services.

Unlike financial penalties, prohibitive penalties are applied only in relation to the crimes for which they are expressly envisaged, provided that at least one of the following conditions apply:

- a) the ENTITY has obtained a considerable profit from the crime and the crime was committed by senior management figures or by individuals subject to the management and supervision of others, and the commission of the crime was determined or facilitated by serious organisational shortcomings;
- b) in case of repeated instances of the crime being committed.

Prohibitive penalties can be applied jointly, and regard the specific activity associated with the ENTITY's offence. The judge determines the type and duration of the penalty (ranging from three months to two years, with the exception of certain offenses envisaged by art. 25 paragraph 5 of the DECREE for which prohibitive penalties can be applied for a maximum duration of seven years) based on the criteria indicated for the financial penalties, taking into account each individual penalty's suitability for preventing offenses of the type committed.

As previously mentioned, pursuant to art. 25 of the DECREE (concerning the crimes of embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office, amended by Law no. 3 of January 9, 2019), for cases involving convictions for one of the crimes indicated under paragraphs 2 and 3 of the same article (i.e. articles 317, 319, 319-ter, paragraph 1, 319, aggravated pursuant to article 319-bis when the entity obtained a significant profit from the event, 319-ter, paragraph 2, 319-quater and 321, 322, paragraphs 2 and 4 of the Italian Penal Code), the prohibitive penalties envisaged by the DECREE apply for a term of "no less than four years and no more than seven years" if the predicate offense was committed by a top management figure, or for a term of "no less than two years and no more than four years" if the predicate offense was committed by an individual subject to the management and control of a top management figure. Pursuant to the revised art. 25 of the DECREE, on the other hand, if prior to the ruling of the court of first instance the ENTITY has effectively made efforts to prevent further consequences arising from criminal activity, to secure evidence of the crimes, and to identify the perpetrators, or rather to seize the sums or other

The Present English version shall be understood as a courtesy translation of the Italian language original 16 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

utilities transferred, and has eliminated the organizational shortcomings that led to the crime being committed by adopting and implementing organizational models suitable for preventing the types of crimes that occurred, the prohibitive penalties shall have the duration established under article 13, paragraph 2 (i.e. no less than three months and no more than two years).

Pursuant to art. 16 of the DECREE, the penalties prohibiting the conduct of business activities, dealings with the Public Administration, and the advertising of goods or services can be applied definitively in some cases ⁽⁵⁾.

In lieu of applying a disqualification measure that entails the interruption of the activity, the judge can appoint a judicial commissioner pursuant to art. 15 of the DECREE for a period equal to the duration of the measure that would have been applied, if the entity subject to the proceeding performs a public service whose interruption could cause serious damage to the community, or if the interruption itself could have significant repercussions in terms of employment.

If there is considerable evidence of guilt or there are well-founded and specific elements that make the risk of the crime's recurrence appear concrete, the judge can even order the aforementioned prohibitive measures to be applied as a precaution.

Article. 17 of the DECREE, on the other hand, establishes that the prohibitive penalties shall not apply (or shall be revoked if already applied on a precautionary basis) if the following conditions are met before the first instance hearing is declared to be in session:

- a) the ENTITY has entirely compensated for the damage caused and has eliminated the harmful or dangerous consequences of the Crime, or has otherwise taken effective measures in this regard;
- b) the ENTITY has eliminated the organisational shortcomings that determined the crime by adopting and implementing organisational models suitable for preventing crimes of the type that occurred;
- c) the ENTITY has rendered available the profit obtained for the purposes of confiscation.

Under art. 23, the DECREE also envisages a specific offence related to possible non-compliance with a prohibitive penalty imposed upon the ENTITY, or rather the infringement of the obligations

⁽⁵⁾ If the Entity has obtained a significant profit from the crime and/or has already been sentenced to the same penalty at least three times over the past seven years and/or the Entity itself or one of its organizational units is habitually used for the sole or prevailing purpose of allowing or facilitating the commission of offenses for which it can be held liable. The Present English version shall be understood as a courtesy translation of the Italian language original 17 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

or prohibitions inherent to such penalties or measures. If this offence is committed by a company representative in the interests or to the benefit of the ENTITY, the DECREE provides for the administrative liability of the ENTITY itself, with the application of administrative fines and possible prohibitive penalties.

Once again, upon conviction, the DECREE always requires the confiscation of the price or profit that the ENTITY has obtained from the crime (with the exception of the portion that can be returned to the injured party). In the event that the confiscation of the price or profit of the crime is not possible, sums of money, assets, or other utilities of an equivalent value may be confiscated (so-called confiscation by equivalent).

As a precautionary measure, it is possible to order the seizure of any items that, constituting the price or profit of the crime, are liable to confiscation, or their monetary equivalent.

Finally, the publication of the conviction sentence may be ordered when a prohibitive penalty is imposed upon the company.

1.3 CONDITIONS FOR EXEMPTION FROM ADMINISTRATIVE LIABILITY

The DECREE envisages specific types of exemptions from administrative liability for the ENTITY for crimes committed in its interests or to its benefit. The possibilities for the ENTITY's exemption from liability vary depending on whether the predicate offense was committed by a subject holding top a management position or by a person subject to the management and supervision of others (a subject holding a subordinate position).

In particular, when crimes are committed by subjects holding top management positions, article 6 states that the ENTITY may be exempted if it proves that:

- a. the management adopted and effectively applied an *organisation and management model* suitable for preventing crimes of the type that occurred before the offence was committed;
- b. the duties of supervising the functionality and observance of the MODEL and the updating of the same were entrusted to a SUPERVISORY BOARD of the legal ENTITY, vested with autonomous powers of initiative and control;
- c. the persons who committed the crime did so by fraudulently evading the aforementioned MODEL;

The Present English version shall be understood as a courtesy translation of the Italian language original 18 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

- d. there have not been any omissions or instances of insufficient supervision on the part of the SUPERVISORY BOARD.

With regard to subjects holding subordinate positions, art. 7 only provides for liability on the part of the ENTITY in the event that the commission of the offence was made possible by the failure to comply with the management or supervision obligations. Non-compliance with the management or supervisory obligations is not a factor if the Organisation adopted and effectively implemented an **organisation, management and control model** suitable for preventing crimes of the type that occurred prior to the commission of the offence.

Furthermore, in outlining the minimum content of the *organisation, management and control model*, the DECREE states that this document must:

1. identify the activities that could give rise to the commission of predicate offences;
2. provide for specific protocols for the ENTITY's decision making and implementation processes in relation to the crimes to be prevented;
3. identify methods for managing the financial resources that are suitable for preventing such crimes from being committed;
4. establish specific obligations in terms of providing information to the SUPERVISORY BOARD;
5. establish one or more channels for reporting illegal conduct, one of which must be suitable for guaranteeing the confidentiality of the whistleblower's identity using IT methods;
6. provide for the prohibition of any acts of direct or indirect retaliation or discrimination against the whistleblower for any reasons directly or indirectly associated with the report;
7. to introduce an internal disciplinary system for punishing any non-compliance with the measures contained within the MODEL, and that includes penalties against those who violate the whistleblower protection measures, as well as those who, with malice or gross negligence, submit reports that are determined to be unfounded.

Based on the nature and size of the organization, as well as the type of activity carried out, the MODEL must also establish suitable measures for ensuring the conduct of the business activities in compliance with the law and for promptly identifying and eliminating any risks.

Provided that the above requirements are guaranteed, the same DECREE states that the *models* can be adopted taking into account the codes of conduct drawn up by the representative trade associations and communicated to the Ministry of Justice in this specific case by Confindustria, in the "Guidelines for the preparation of organisation, management and control models pursuant to Italian Legislative Decree no. 231/2001" (the "**Confindustria Guidelines**").

Moreover, as a result of the regulatory changes enacted with Italian Law no. 179 of November 30, 2017 ("*Provisions for the protection of anyone who reports a crime or irregularity of which they have come to have knowledge within the context of a public or private employment relationship*"), the MODELS must expressly contain the Whistleblowing regulation, as laid out by the aforementioned law. In particular, some additional requirements of the Model include the following:

- 1) the establishment of one or more channels that will allow senior management figures and their subordinates to submit, in order to protect the integrity of the entity, detailed reports of unlawful conduct (relevant for the purposes of the DECREE and based on precise and consistent facts), or of violations of the Organization and Management Model itself, of which they have become aware due to the functions performed;
- 2) the establishment of at least one alternative reporting channel suitable to guarantee the confidentiality of the whistleblower using IT methods;
- 3) the prohibition of any acts of direct or indirect retaliation or discrimination against the whistleblower for any reasons directly or indirectly associated with the report;
- 4) the establishment of penalties for those who violate the measures intended to protect the reporting party, as well as for those who, with malice or gross negligence, submit reports that are determined to be unfounded.

The mere adoption of a MODEL is not sufficient to exempt the Entity from liability, as the MODEL must be effectively implemented as well. In particular, in addition to the strict application of the disciplinary system, the MODEL's effective implementation also requires periodic checks to be carried out upon the MODEL itself, as well as the updating/modification of the same if any significant violations of its requirements are discovered, or whenever any changes are made to the ENTITY's organisation or activities.

2. THE COMPANY

FS is the Holding Company for a Group of Companies operating in Italy and abroad, which pursues sustainable success with the aim of creating long-term value for its shareholders, also taking the interests of other stakeholders relevant to the Company into account. As expressly required by the articles of association, the Company pursues its business purpose through actions of general strategic direction and definition and coordination of execution and financial implementation of the business plan for the parent Company and for the companies in which it holds or acquires shareholdings or of which the Company is able to promote their constitution.

Its business purpose consists of the acquisition and management of shareholdings and other interests in Italian or foreign companies operating:

- in the sectors of design, manufacture and management of rail, road and motorway transport infrastructure networks for by rail, road, and motorway, in Italy and abroad;
- in the sectors of freight transport activity, even by air, both domestically and abroad, including the promotion, implementation and management of initiatives and services in the field of transport;
- in the sector of logistics and transport, even by air, both domestically and abroad, including the promotion, implementation and management of initiatives and services in the field of logistics, mobility and transport of freight;
- in the sector of urban regeneration and intermodality and logistics solutions in urban areas for the first and final phase of the supply chain.

The Company may also operate, through the establishment or acquisition of shareholdings or the conclusion of commercial agreements with specialized operators, in other complementary sectors, connected or instrumental to the activities carried out in the sectors referred under the previous points to better employ and enhance, also from an economic standpoint (i) structures, resources, knowledge and skills employed in the sectors considered above or (ii) the assets owned or employed to perform the activities described above.

The activities in the sectors mentioned under points a), b), c) and d) above are mainly owned by separate Sector Parent Companies and/or subsidiaries subject to management and direction of the Sector Parent Companies, which have completed technical-operational, organizational and risk management decisional powers.

Under the FS Italiane Group Governance Model, the Holding Company is assigned the role of steering and coordinating the Sector Parent Companies and the other Subsidiaries listed in Annex 1 of the Group Regulations, has a general strategic and implementation role, and financially coordinates the Group's common business plan⁶. With regard to transversal or Staff processes, the Holding Company exercises its role also through management by "Job Families", identified by common organizational mission and expertise, which assigns its departments direct responsibility at Group level for the effective and efficient operation of the relevant function, with the aim of encouraging the development and optimization of synergies and to supervise the development of skills and knowledge in a unified and homogeneous way, also through the sharing of work models and experiences and the orderly sharing of know-how available within the Group.

The senior managers of the holding company's corporate divisions, identified as Group Process Owners (⁷) (hereinafter also referred to as "Process Owners"), are in charge of the guidance and coordination of their respective professional families.

⁶ For these purposes, the Holding Company's management and coordination activities electively cover the following areas:

general business and investment strategies; finance; supervision and development of foreign markets; changes in business perimeters; innovation and technological and digital development; governance and corporate structures; methodological guidelines for internal control and risk management models; organizational macro-designs; institutional relations; regulatory compliance models (non-technical/operational or environmental), budget, control, planning and administrative processes and reporting models; Group human resources management/development policies; communication and image.

Whatever the case, the Holding company's management and coordination activities do **not** concern the following matters (for which the individual Companies, as well as the persons in charge pursuant to the regulations and provisions in force, retain full and exclusive control in terms of decision-making, management, and operational autonomy), since, according to the governance model adopted by FS Italiane Group, they are extraneous to the functions and responsibilities of the Holding Company itself:

health and safety, including those provided for by Italian Legislative Decree no. 81/2008, as amended; infrastructure, transport and traffic safety; technical/operational regulatory compliance; environmental regulatory compliance; technical/operational coordination and control of the subsidiaries' activities; design, execution and construction management; planning, implementation, and control of ordinary or extraordinary maintenance activities on machinery, plants, infrastructures; execution of obligations arising from licenses, program or service contracts, and applicable laws, rules and regulations; drafting of the corporate accounting documents required by law.

(⁷) To be understood as the Managers who report directly to the Chairman/CEO of the Holding Company, as identified in the relative organizational provisions. The Managers of the underlying FS SpA structures are referred to as Group process managers for their respective areas of competence. The Managers of the corresponding Company structures, on the other hand, are the Company process managers.

The Present English version shall be understood as a courtesy translation of the Italian language original 22 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

With reference to the foreign area, the Holding Company, through its INTERNATIONAL structure, ensures the management and coordination of the Group's foreign activities, guaranteeing consistent and correct implementation of international strategies, outlined in the various transversal or staff processes, together with the other Group Process Owners.

The Holding Company's organizational structures may also provide the Group Companies, within the framework of transversal processes, with services also in the form of centralized supervision in areas of specific interest, without prejudice to the need for dedicated supervision at corporate level in the case of sensitive staff processes requiring the separation of roles and responsibilities between infrastructure and transport activities. The Holding company provides these services under special intra-group contracts, with the aim of pursuing scale economies, pooling skills and experience, and fostering organizational and procedural efficiency and optimization.

FS is a company controlled entirely by the State through the Ministry of Economy and Finance (MEF), based in Rome, as its sole shareholder, which exercises its powers in concert with the Ministry of Infrastructure and Sustainable Mobility, and with its financial management being controlled by the Court of Auditors.

FS has adopted a corporate governance structure based on the traditional system: The governance system requires the Shareholders' Meeting to appoint a Board of Directors (currently made up of seven directors) and a Board of Statutory Auditors (made up of three standing and two alternate auditors). The Shareholders' Meeting also appoints an independent auditing firm, which plays a statutory auditing role. In addition to the application of the governance system, the Judge of the Court of Auditors in charge of the company's financial management also attends the meetings of the Board of Directors and the Board of Statutory Auditors, in accordance with art. 12 of Italian law no. 259/1958.

Annex [B] contains a graphical representation of the FS governance structure.

In accordance with the provisions of the law and the articles of association, the Board of Directors: appoints a CEO; can grant proxies to the Chairman, by resolution of the Shareholders' Meeting, on matters that can be delegated pursuant to the law; establishes intra-board committees with advisory and propositional functions, where deemed appropriate; appoints the Financial Reporting Officer in charge of the preparation of the corporate accounting documents.

FS is an issuer of bonds listed on regulated markets of the European Union, with Italy as its home Member State. It is therefore subject to the relative regulatory obligations in Italy (8) and in the country where the loan is placed. With regard to the DECREE, in cases where FS is called upon to manage activities/processes on behalf of its subsidiaries on a service basis, the safeguards for the prevention of the crime risks defined in the Group-wide organizational documents only regard the activities carried out by FS, without prejudice to the process phases falling under the jurisdiction and management of the subsidiaries, over which the latter maintain autonomous powers of decision-making and control, even with regard to the prevention of the crime risks pursuant to the aforementioned DECREE.

It remains understood that, in the presence of crime risks pursuant to the DECREE, in exercising their decision-making and control autonomy, the subsidiaries are required to regulate their activities by establishing the necessary controls in their Model 231 documents.

The Companies of the Group transpose the Group's guidelines and governance rules into their internal regulatory system, adopting their own organizational communications on the subject.

The Company has entered into service contracts regulating its relations with other companies that provide services for the same, even companies belonging to the Group. Among other things, these contracts include:

- the precise definition of the activities provided, the methods for carrying them out, and the relative fees;
- the appointment of a contact person responsible for managing the contract;
- the requirement that the supplier must properly carry out the outsourced activities in compliance with current legislation and the Company's provisions;
- the requirement that the supplier must promptly inform the Company of any development that could significantly affect its ability to perform the outsourced activities in accordance with current legislation and in an efficient and effective manner;
- the requirement that the supplier must guarantee the confidentiality of the Company's data.

With regard to these relationships, the verification of the fulfillment of the contractual obligations and the proper exercise of any relative powers delegated remains the responsibility of the client - in accordance with the applicable law and the provisions of this MODEL. It remains understood

(8) FS SpA falls under art. 154 bis of the Consolidated Finance Law, following the issuance of bonds listed on the Irish market (EMTN Euro Medium Term Notes Program), as a result of which it became a Public Interest Entity (PIE) pursuant to art.16 of Italian Legislative Decree no. 39/2010, as an "Issuer of Listed Financial Instruments".

The Present English version shall be understood as a courtesy translation of the Italian language original 24 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

that, in the presence of crime risks pursuant to the DECREE, in exercising their decision-making and control autonomy, the subsidiaries are required to regulate their activities by establishing the necessary controls in their Model 231 documents.

In this context, the content of the Special Section of this MODEL refers to the sensitive activities and the general and specific control principles specific to the Company, as resulting from the precise crime risk mapping carried out on the Ferrovie dello Stato Italiane organizational structures and processes pursuant to the DECREE and the relative inter-company reports, including the process of managing intra-group relations and transactions.

Even in cases where, in addition to executive support activities alone, decision-making and control powers relating to the total or partial performance of the FS processes are also attributed to the outsourcer, either on a general basis or through special powers of attorney, where necessary, the verification of the fulfillment of the contractual obligations and the proper exercise of any relative powers delegated remains the responsibility of the client - in accordance with the applicable law and the provisions of this MODEL.

Ferrovie dello Stato Italiane S.p.A. has also signed a business branch rental contract, whereby it transferred the economic, administrative and technical management of its own Real estate assets⁹, as well as all active and passive contractual relationships associated with the same, including the employees, to FS Sistemi Urbani S.r.l.¹⁰, due to its specific technical and professional skills.

In the above circumstances, the subsidiaries are required to regulate the parts of the process that have remained within their respective areas of responsibility, for example by identifying one or more contact persons for the activity in question, even where not expressly required, and by establishing the necessary independent controls in the presence of crime risks pursuant to the DECREE.

(⁹) The real estate assets belonging to FS consist of various properties, including housing, roadside houses, large areas, land, former workshops, unused lines, and ferrotels, which, following FS Group's industrial reorganizations, have been and/or will soon be declared abandoned, or are undergoing disposal, technical coordination, ongoing maintenance, and/or environmental management activities

(¹⁰) Among other things, FS Sistemi Urbani S.r.l., a company wholly owned by FS, carries out activities on behalf of FS Group companies for the valorization of available assets, integrated urban services for both business and community service purposes, maintenance coordination for buildings and areas of public and private use, and, finally, promotion services for intermodal transport programs and the development of economic and social projects to strengthen the voluntary sector.

With regard to the prevention of the risks pursuant to Italian Legislative Decree no. 231/2001, FS Group's Italian and foreign companies ⁽¹¹⁾ (i) have adopted and guarantee the effective implementation of autonomous organization, management, and control models, (ii) ensure the effective implementation and updating of the same, (iii) have established a supervisory board vested with autonomous powers of initiative and control tasked with overseeing the functionality and observance of the models and ensuring and/or promoting their updating, (iv) and have established reporting channels in compliance with the applicable legislation and the internal regulations on the Management of Whistleblower Reports.

In this regard, the FS Holding company has adopted an organizational document, which, as a management and coordination document applicable to the entire Group, lays out the general criteria for the adoption of the Organization, Management, and Control Model pursuant to Italian Legislative Decree no. 231/2001, and for the appointment and operation of the Supervisory Board.

FS Group's current corporate structure is shown on the Company's website, indicating the companies directly controlled by FS, through which the Group continuously operates, even on the foreign market.

The system of proxies and powers of attorney

The Administrative Body is responsible for formally granting and approving the proxies and powers of signature assigned in accordance with the established organizational and managerial responsibilities, with a precise indication of the expenditure approval limits.

Within the context of its organizational system, FS has adopted a system of proxies and powers of attorney aimed at structuring the conduct of its corporate activities in an analytical fashion, and in a manner that's consistent with the Group's organizational reality.

Among other things, the proxies and powers of attorney currently in force identify and establish the following, in a manner that's consistent with the organizational positions and hierarchical levels of their recipients:

- level of autonomy,
- power of representation,
- assigned expenditure limits,

to the extent necessary for the performance of the delegated tasks and duties.

⁽¹¹⁾ Foreign companies to which, due to the activity carried out, the legislation on administrative liability of legal entities provided for by Italian Decree 231 applies. In fact, in accordance with the consolidated jurisprudential guidelines, the protocol established by the Decree is applied to foreign companies operating in Italy for any crimes committed there, regardless of whether they have established an office in Italy, or whether there are laws that regulate such matters in the same manner in their countries of origin.

The Present English version shall be understood as a courtesy translation of the Italian language original 26 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

3. THE MODEL ADOPTED BY FS

3.1 THE ADOPTION OF THE MODEL

In order to continuously improve the conditions of fairness and transparency in the conduct of its business and corporate activities, and with an awareness of the corporate compliance needs, in 2003 FS deemed it to be consistent with its business policies to adopt an ORGANIZATION AND MANAGEMENT MODEL pursuant to Italian Legislative Decree no. 231/2001, and to constantly update it over time based on any changes to the Group's organization and activities, the legislation in force, the latest legal developments, and the national and international best practices on the subject.

The MODEL is inspired by the most advanced principles and best practices for the prevention of corporate crime, and is consistent with the control principles contained in the Confindustria Guidelines.

In this document, FS has updated the MODEL in order to ensure that it is consistent with FS's current business situation, the most recent legislative developments, the latest legal developments, and the domestic and international best practices.

This MODEL becomes effective on the date of its approval by the FS Board of Directors.

The MODEL is intended for all of the RECIPIENTS, and any violations thereof may result in the application of specific disciplinary measures, as indicated in Chapter 5 of this General Section.

3.2 METHODOLOGY

The creation of this MODEL was divided into the following phases:

1. **Analysis of activities** potentially relevant for the purposes of the DECREE, identification of hypothetical methods of committing the crimes, and simultaneous identification of the processes in which each Organizational Structure is involved that are at risk of crimes being committed, following a preliminary analysis and understanding of the Company's governance, organizational and operational structure, as well as the entity's prior history. In particular, these activities were carried out by examining the corporate documentation (organization chart, function chart, processes, internal regulatory body, powers of attorney, internal administrative procedures, organizational provisions, group provisions, organizational communications and operational communications), as well as by conducting interviews with the company reference contacts and the internal FS figures relevant for the purposes of the analysis. Specifically, the interviews involved all the Organizational Structures, and were carried out within the context of multiple meetings/workshops with the respective Managers and contact persons.

The analysis took into account all the predicate offenses entailing administrative liability for legal entities pursuant to the DECREE (hereinafter also the "offenses"), including all the legislative changes introduced to the DECREE after the last update to the Company's MODEL.

The activity was also carried out in consideration of the organizational changes that have taken place, particularly with regard to the newly established Organizational Structures. These documentary analyses and interviews allowed for the identification of the types of offenses relevant to the Company, with the simultaneous analysis of the corporate context in order to identify the areas and sectors of activity, which, due to the nature and characteristics of the activities effectively carried out, are potentially at risk of some of the offenses contemplated by the DECREE being committed. The possible concrete methods of carrying out the crimes within the context of the various company processes were also taken into consideration, in order to determine the types of conduct that could potentially compromise the objectives indicated by the DECREE.

The risk analysis included an assessment of the ways in which the types of crimes could be carried out with respect to the internal (organizational structure, territorial structure, size, etc.) and external (economic sector, geographical area, naturalistic context, etc.) operational contexts in which the Company operates, as well as a verification of the individual crimes that can potentially be associated with the specific Company activities considered to be at risk.

2. **Mapping of the crime risks**, with the aim of identifying the specific behaviors and activities at risk, which, in the case of an offense committed in the interest or to the advantage of the legal entity, entail administrative liability pursuant to Italian Legislative Decree 231, with the identification of the sensitive activities/instrumental processes associated with each crime risk, and the identification of the corporate structures who oversee and are responsible for the operational activities in these areas.

For the sake of completeness, the methodological steps followed in order to conduct the mapping of the crime risks and the risk assessments are indicated below:

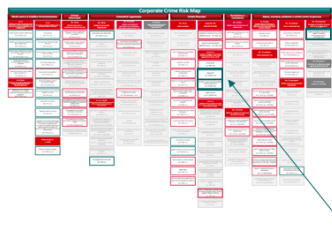
- analysis of all the individual types of relevant offenses pursuant to the DECREE, with identification of those potentially applicable and the explanation of the reasons for any exclusions;

Famiglia di reato	Articolo ex D.Lgs. 231/2001 / reato presupposto		Titolo del reato	Applicabilità a Ferrovie dello Stato Italiane
Reati contro la PA Indebita percezione di erogazioni, truffa in danno dello Stato o di un E.P. o per il conseguimento di erogazioni pubbliche e frode informatica in danno dello Stato o di un E.P.	Art. 24	Codice penale	art. 316 bis Malversazione a danno dello Stato	✓
			art. 316 ter Indebita percezione di erogazioni a danno dello Stato	✓
			art. 640, comma 2 Truffa in danno dello Stato o di altro Ente Pubblico o della Comunità Europea	✓
			art. 640 bis Truffa aggravata per il conseguimento di erogazioni pubbliche	✓
			art. 640 ter Frode informatica in danno dello Stato o di altro ente pubblico	✓
Delitti informatici e trattamento illecito dei dati	Art. 24 bis	Codice penale	art. 451 bis Falsità in un documento informatico pubblico o avente efficacia probatoria	✓
			art. 615 ter Accesso abusivo ad un sistema informatico o telematico	✓
			art. 615 quater Detenzione e diffusione abusiva di codici di accesso a sistemi informatici e telematici	✓
			art. 615 quinquies Diffusione di apparecchiature, dispositivi o programmi informatici desti a danneggiare o interrompere un sistema informatico o telematico	N/A in quanto la condotta prevista dal reato presupposto si realizza in attività distanti dal business e dalle caratteristiche della Società (ex. società informatiche).
			art. 617 quater Interceettazione, impedimento o interruzione illecita di comunicazioni informatiche o telematiche	✓
			art. 617 quinquies Installazione di apparecchiature atte ad intercettare, impedire o interrompere comunicazioni informatiche o telematiche	N/A in quanto la condotta prevista dal reato presupposto si realizza in attività distanti dal business e dalle caratteristiche della Società (ex. società informatiche).
			art. 635 bis Danneggiamento di informazioni, dati e programmi informatici	✓
			art. 635 ter Danneggiamento di informazioni, dati e programmi informatici utilizzati dallo Stato o da altro ente pubblico o comunque di pubblica utilità	✓
			art. 635 quater Danneggiamento di sistemi informatici o telematici	✓
			art. 635 quinquies Danneggiamento di sistemi informatici o telematici di pubblica utilità	✓
			art. 640 quinquies Frode informatica del certificatore di firma elettronica	N/A in quanto all'atto della inserzione non è ammesso che la Società voglia attualizzare il processo al rilascio di dispositivi di firma elettronica, la stessa non si qualifica per

- formal preparation of a summary document, upon the completion of the interviews and the documentary analyses, providing succinct and graphic evidence of the families and types of offenses relevant pursuant to the DECREE, and explaining those identified as potentially applicable to the specific corporate context;

[illegible]

- identification and detailed analysis of the sensitive activities associated with the crimes risks for each of the types of offenses considered potentially relevant, with the indication of the corporate Organizational Structures responsible for the operational activities in these areas. This analysis is included within the specific Risk Assessment documents prepared for each Organizational Structure.



Famiglie / fattispecie di reato applicabili ed attività sensibili		
Famiglia di reato	Reato	Attività sensibili
Art 25-duodecies Impiego di cittadini di Paesi terzi il cui soggiorno è irregolare	• Art. 22, comma 12-bis, T.U. sull'immigrazione – Impiego di cittadini il cui soggiorno è irregolare	• Assunzione e gestione di personale dipendente extra-comunitario, in particolare con riferimento alle seguenti attività: - richiesta e verifica del permesso di soggiorno; - monitoraggio e rinnovo del permesso di soggiorno; - verifica dei limiti di età; - verifica delle condizioni di lavoro.
Art 25-octies Ricettazione, riciclaggio e impiego di denaro, beni o utilità di provenienza illecita, nonché autoriciclaggio	• Art. 648-bis c.p. – Riciclaggio; • Art. 648-ter c.p. – Impiego di denaro, beni o utilità di provenienza illecita.	• Approvvigionamenti di beni, servizi e consulenze.

3. **Gap analysis** of the internal control system through (i) the **analysis of the existing control system's design** ("as is") to oversee the identified areas/activities at risk, (ii) the **evaluation** of the existing control system with respect to the requirements identified in the applied methodology and in the reference Guidelines/Best Practices, and the simultaneous assessment of their adequacy, and (iii) the establishment of an **action plan to be implemented** to strengthen the internal control system, with the aim of ensuring the continuous improvement of the MODEL for the prevention of the crime risks referred to in the DECREE, even through the modification, supplementation and/or updating of the corporate regulatory body.

In particular, the mapping of the sensitive activities and crimes associated with the forms of illegal conduct that could potentially be experienced by the Company has led to the identification of so-called "sensitive" processes, or rather processes in which the means or conduct for the commission of the offenses envisaged by the DECREE that are potentially applicable to the Company could arise.

For each of these sensitive processes, the body of internal regulatory documents was examined, and the information obtained from the interviews conducted with the company's reference contacts was utilized, in order to analyze the design of the control measures in place within the Company.

All the analyses and assessments carried out, even with regard to areas of improvement for the internal control system and the preventive measures to be included in the Model, were formally documented within specific "Gap Analysis and safeguards" documents for

each Organizational Structure, or, in some cases, applicable to all the Organizational Structures, which were extensively discussed in-depth with the PROCESS OWNERS and the reference contacts for the Companies concerned for validation purposes.

For each sensitive corporate process analyzed, the applicable preventive control measures were identified, in order to be subsequently integrated within the Special Section of the Model, in correlation to the internal regulatory instruments of reference. Any potential improvement measures were also identified, with the aim of further bolstering the controls.

3.3 STRUCTURE OF THE MODEL

The FS MODEL is based on a structured and coherent system of principles, procedures and control activities, which essentially:

- identifies the areas and processes at risk of crime among the company's activities, i.e. the activities in which it is believed there is a possibility of the offences envisaged by the DECREE being committed (so-called "sensitive areas");
- establishes an internal regulatory system aimed at regulating the processes through which FS decisions are adopted, and dictating rules of conduct aimed at preventing the risk of crimes through:
 - a) a CODE OF ETHICS, which establishes the reference values and principles;
 - b) Protocols containing prevention and control principles associated with the processes mapped as "at risk";
 - c) formal procedures, aimed at regulating the specific operational procedures in sensitive areas;
 - d) a system of corporate proxies and powers of signature that ensures a clear and transparent representation of the company's decision making and implementation process;
 - e) The Ferrovie dello Stato Italiane Group ANTI-CORRUPTION POLICY, the "Anti-Corruption Policy Guidelines", and the FS SpA "Anti-Bribery & Corruption management system" - which constitute an organic set of tools and behavioral rules for the prevention and containment of the risk of corruption.
- establishes a coherent organizational structure aimed at inspiring and monitoring the correctness of the conduct, ensuring a clear and systematic assignment of tasks, applying

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the segregation of duties principle, and ensuring that the organizational structure's desired configurations are actually implemented;

- identifies the processes of managing and controlling the financial resources in activities at risk;
- assigns the SB the task of supervising the functionality and observance of the MODEL, and proposing and handling the updating of the same.

Therefore, in addition to the adoption of the MODEL, FS has also defined and adopted an internal regulatory system that identifies the main controls/procedures, provisions and rules of conduct for the sensitive areas and processes, which have been adopted by FS in order to prevent and minimise the risk of crimes being committed, and are aimed at regulating and verifying the relevant phases of the sensitive processes identified in relation to the relevant crimes pursuant to the DECREE.

These documents are adequately disseminated throughout FS using specific internal communication mechanisms, including publication on the Group's intranet, forwarding via e-mail to lists of interested RECIPIENTS, and specific educational/training programs, in order to guarantee a full knowledge and understanding of the same.

In order to ensure the efficacy and effective implementation of the provisions of the MODEL, FS has also adopted a system of disciplinary or contractual penalties for the RECIPIENTS.

The MODEL is divided into a General Section and several Special Sections for the various types of crimes envisaged by the DECREE.

The **General Section** contains a brief initial reference to the regulations contained within the DECREE, followed by a description of the nature, methodology and structure of the MODEL itself, its fundamental elements, the annexes, including the CODE OF ETHICS, and the RECIPIENTS, as well as the internal control and risk management system adopted by FS, of which this MODEL is an integral part, and, finally, the essential components of the MODEL, with particular regard to the SB (indicating its structure and functionality), the disciplinary system, the measures to be adopted for failures to comply with the provisions of the MODEL, staff training, and the dissemination of the MODEL throughout the company.

Within each of the MODEL's **Special Sections**, which are broken down by the categories of offenses covered by the DECREE, the following are analyzed: (i) the offences potentially applicable

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to the Company in relation to the specific family of crimes; *(ii)* the sensitive activities in which the risk of the crimes envisaged by the DECREE being committed was encountered, even with reference to any associated instrumental/functional processes; *(iii)* the general and specific prevention principles, which include the general rules of conduct and the specific prevention protocols aimed at regulating the formation and implementation of the entity's decisions in relation to the crimes to be prevented.

In particular, with regard to the categories of crimes pursuant to Italian Legislative Decree no. 231/2001, the following Special Sections deemed potentially applicable have been adopted:

Special Section A.	Crimes committed in dealings with the Public Administration (articles 24 and 25 of the Decree)
Special Section B.	Computer crimes (article 24-bis of the Decree)
Special Section C.	Crimes against industry and commerce (25-bis 1 of the Decree)
Special Section D.	Organized crime offenses (art. 24-ter of the Decree) and so-called "transnational" crimes (pursuant to art. 10 of Italian law no. 146 of 16 March 2006)
Special Section E.	Forgery of money, credit cards, revenue stamps, and signs or instruments of identification (art. 25-bis of the Decree)
Special Section F.	Corporate crimes and crimes of corruption between individuals (art. 25-ter of the Decree)
Special Section G.	Crimes committed for purposes of terrorism or subversion of the democratic order (art. 25-quater of the Decree)
Special Section H.	Crimes against persons and individual freedom (art. 25-quinquies of the Decree)
Special Section I.	Market abuse (art. 25-sexies of the Decree)
Special Section J.	Manslaughter and serious personal injury or grievous bodily harm, committed in violation of the workplace health and safety laws (art. 25-septies of the Decree)

Special Section K.	Receiving, laundering and using money, goods or profits derived from illegal activities, as well as self-laundering (art. 25- <i>octies</i> of the Decree)
Special Section L.	Crimes relating to non-cash means of payment (art. 25- <i>octies</i> 1 of the Decree)
Special Section M.	Crimes related to copyright infringement (art. 25- <i>novies</i> of the Decree)
Special Section N.	Inducement not to make statements or to make false statements to the judicial authorities (art. 25- <i>decies</i> of the Decree)
Special Section O.	Environmental crimes (art. 25- <i>undecies</i> of the Decree)
Special Section P.	Employment of third-country nationals staying in the country illegally (art. 25- <i>duodecies</i> of the Decree)
Special Section Q.	Tax crimes (art. 25- <i>quinquiesdecies</i> of the Decree)
Special Section R.	Crimes against cultural heritage (art. 25- <i>septiesdecies</i> of the Decree) and crimes of laundering of cultural assets and destruction and looting of cultural assets and landscapes (art. 25- <i>duodevicies</i> of the Decree)

3.3.1 CODE OF ETHICS

The CODE OF ETHICS (Annex [C]), constitutes an integral part of this MODEL. It represents the fundamental values and the “charter of rights and duties” through which FS Group states and clarifies its ethical/social responsibilities and commitments in relation to its internal and external stakeholders, and establishes the principles, values and standards of conduct, even for the purpose of preventing and combating potential crimes. The conduct of the MODEL’S RECIPIENTS should be guided by the CODE OF ETHICS.

The CODE OF ETHICS clearly and explicitly highlights the fact that engagement in non-compliant behavior will result in the personal assumption of responsibility by the perpetrator. The CODE OF ETHICS has been widely distributed on FS’s intranet and internet sites, and is referred to in the contracts stipulated by the company.

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3.4 THE ANTI-CORRUPTION FRAMEWORK

FS Group is committed to preventing and combating all forms of corrupt practices during the performance of its business activities, in compliance with the “zero tolerance for corruption” principle, the Group’s CODE OF ETHICS, and the United Nations Global Compact, which commits companies to working against corruption in all its forms.

In keeping with the pathway undertaken, for self-regulation purposes FS has adopted a set of organizational documents, which serve as the basis for the Company’s entire anti-corruption system, and meet the need to approach corruption prevention activities in a systematic and united manner, promoting synergies between the various anti-corruption safeguards. This system of documents also supports the Company in its commitment to sustainable development, and helps reinforce a solid and credible corporate reputation externally, even through internal regulations that are compliant with specific anti-corruption standards and in line with the international best practices.

This system of documents consists of:

- The Ferrovie dello Stato Italiane Group ANTI-CORRUPTION POLICY, which must be adopted by all the Group’s companies in Italy and abroad, and standardizes and incorporates the existing rules and safeguards for preventing and combating corruption within a single framework, indicating the general principles and rules of conduct that all recipients are required to observe, including any third parties outside the Group with whom professional and business relationships are established;
- The Guidelines on the Anti-Corruption Policy, which define the objectives, the recipients, and the guiding criteria for its preparation and implementation;
- The MODEL, for corruption offenses committed in the interests or to the advantage of the legal entity;
- The Anti-Bribery & Corruption management system (the ABC system), for crimes of corruption “in the broad sense”, meaning actions and behaviors that deviate from the rules and procedures, including the internal ones, and are inconsistent with the principles of fairness, legality and integrity, even if they do not constitute specific crimes, and regardless of whether they are committed in the interests/to the benefit of the company or to the detriment of the same.

The aforementioned concept of corruption “in a broad sense” relevant to the ABC system reinforces the corporate anti-corruption safeguards (the MODEL), and expands their range of action by promoting “good conduct” and raising awareness of a culture of integrity. Furthermore,

given the “common matrix”¹² of the “risk” behaviours taken into consideration by the MODEL and the ABC system, the latter contributes to the prevention of the offences referred to in the Model. The effectiveness of FS's anti-corruption strategy is ensured thanks to adequate coordination between the MODEL and the ABC system, without prejudice to their specific respective features and legal prerogatives.

This coordination is guaranteed by pursuing functional-operational integration between the two documents, especially in the three areas below:

PREVENTION MEASURES: the MODEL's contents are integrated with the ABC system's principles and rules of conduct.

The ABC system's prevention measures were considered during the Gap Analysis phase prior to preparing the Special Sections of the MODEL. Consequently, like the other corporate directives, the corporate regulation through which the ABC system was issued is also included among the internal regulatory references listed in Annex [D].

SUPPORTING ELEMENTS: the optimization of the information flows envisaged in the MODEL and the ABC system, the verifications of their functionality, the processes for identifying, assessing and monitoring the risks, and the training and communication initiatives will allow for a reduction in redundancies and will streamline the conscious application of the corruption prevention rules.

ORGANIZATIONAL SYNERGIES: coordination between the MODEL and the ABC system is facilitated by the participation of the Head of the Anti-Corruption OS (within the context of the Security & Risk area) on the 231 Team, as well as by the establishment of specific information flows between the FS S.p.A. Supervisory Board (SB) and the Anti-Corruption OS.

3.5 THE FS INTERNAL RISK CONTROL AND MANAGEMENT SYSTEM (IRCMS)

The IRCMS is the set of instruments, organizational structures and company rules and regulations aimed at allowing the company to operate in fair and sound manner consistent with the business objectives defined by the BoD, through an adequate process of identifying, measuring, managing and monitoring the principal risks, and also through the establishment of adequate information flows designed to ensure the circulation of information. An effective IRCMS favors well-informed decision-making and helps to ensure the protection of corporate assets, the efficiency and effectiveness of business processes, the reliability of financial reporting and compliance with laws and regulations, and with the Articles of Association and internal regulatory measures.

¹²The concept of corruption in a “broad sense” relevant to the ABC system therefore also includes the aspects of “criminal law”, or rather the phenomena of both “active corruption” and “passive corruption”.

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The IRCMS currently consists of the following 3 levels of control:

1. Control level I: aimed at ensuring the proper performance of operations and an adequate response to relative risks. This activity also includes the periodic verification of the effectiveness and efficiency of the design and the actual functionality of the controls, in order to: i) ensure that they act according to the objectives assigned to them, ii) verify that they are adequate with respect to any changes in the operational circumstances, iii) seize upon and promote any possibilities for improvement. The responsibility for defining and carrying out these controls lies with the management, is effective at every level of the organisation, and is carried out within the framework of the current management structure.
2. Control Level II: aimed at monitoring the main risks in order to ensure the effectiveness and efficiency of their handling, as well as to monitor the adequacy and functionality of the controls (established to protect against the main risks). This level also supports the first level in defining and implementing adequate management systems for main risks and relative control procedures. It is carried out by the management and by other specific offices, including the Risk Management, Compliance departments, and the Financial Reporting Officer.
3. Control level III: designed to provide independent and objective assurance in relation to the adequacy and effective functionality of the first and second control levels and, in general, the IRCMS as a whole. It is carried out by independent units, other than the operational ones, such as the Internal Auditing unit.

3.5.1 TASKS AND RESPONSIBILITIES

Descriptions of the tasks and responsibilities of the main subjects involved in the IRCMS are provided below.

Internal Audit

The FS Internal Auditing unit reports to the Chairman of the Board of Directors and the Chief Executive Officer, and performs an independent and objective assurance and consultancy role aimed at improving the organization's efficiency and effectiveness.

With regard to the risks and consequent objectives of ensuring the effectiveness and efficiency of company processes, the reliability of financial reporting, compliance with the applicable laws and regulations, the articles of association and the applicable legislation, and the safeguarding

of the corporate assets, all the departments, structures, corporate IT systems, and processes and/or sub-processes are subject to Internal Auditing.

The Internal Auditing unit therefore has the task of: (i) verifying the functionality and adequacy of the IRCMS, both on an ongoing basis and in relation to specific needs, and to provide assessments and recommendations in order to promote its efficiency and effectiveness; (ii) providing specialised support to the management with regard to the IRCMS, in order to promote the effectiveness, efficiency and integration of the controls in the company processes, and to promote the constant improvement of the company's governance and risk management.

Throughout the Group, the Internal Auditing unit's organizational and operational structure coordinates the Group's Internal Auditing functions, carried out by FS Audit, through: i) the establishment and updating of audit guidelines and methodologies; ii) the management of the Internal Auditing unit's job family, in its capacity as the Group's Process Owner.

The Internal Auditing unit also supports the SB in its supervisory activities.

Risk Management

Without prejudice to the central role played by the management and the specialized control structures in the risk management and monitoring activities (such as the line monitoring or "first control level" managers), FS Italiane Group has, over time, structured various controls that support the management in defining and implementing adequate management and monitoring systems for the main risks and controls (e.g. Risk Management, the Financial Reporting Officer, the Anti-Corruption Unit, Compliance and Data Protection).

In this sense, within the context of the FS SpA Security & Risk area, the Group's Risk Management structure coordinates the overall management of the Group's risk governance process, ensuring the planning, implementation and governance of the Management Framework, and the measurement of all company risks and the relative integrated monitoring process, by linking strategies, policies, processes and operating mechanisms regarding the identification, assumption, management, mitigation, monitoring and reporting of the main risks to which the company is exposed, and methodologically coordinating the Group's various risk management safeguards.

The Framework established by the Parent Company provides for the presence of Risk Management structures/safeguards among the subsidiaries, which are required to report directly to the Chief Executive Officer. This organizational structure recognizes the Risk Management structures/safeguards as "partners" of the business, and allows the specific aspects of the individual companies to be taken into consideration. The companies' Risk Management

structures/safeguards ensure the application of the methodologies and operating procedures established within the Group Framework.

The Risk Management Framework of FS Italiane Group defines areas, responsibilities, methodologies and tools for an effective management of the process of identification, assessment, measurement, management and monitoring of real and prospective business risks, to support business decisions from a risk-based perspective. The adoption of a single Framework at the Group level allows:

- the scope of application of the risk management process to be established, identifying the areas of action and the decision-making processes in which this process is applied;
- the tools and models for the assessment and management of unequivocal and consistent risks for the Group to be identified, defining the responsibilities for their management and use between the Parent Company and the Group Companies, based on the type of activity and the field of action in which these activities are carried out;
- the methods of interpretation, analysis and representation of the results of common risk management activities to be established;
- for the promotion of a more widespread corporate culture with a greater focus on risk management;
- for the growth of the business family to be promoted, through the dissemination of a common "language" and the adoption of pathways aimed at guaranteeing the development of the skills and professionalism of the resources involved in the risk management process.

Data Protection Officer

In compliance with the provisions of Regulation (EU) 2016/679 (the General Data Protection Regulation - "GDPR"), FS Italiane Group has adopted its own personal data protection management model (the Data Protection Framework). This framework establishes the set of internal rules, methodologies, roles, and responsibilities assigned to all the structures involved in the processing of personal data.

The "Personal Data Protection Management Model" establishes the fundamental principles regarding Data Protection. It also describes the implementing roles within the context of FS Italiane Group and the structure of their main responsibilities, as well as the information flows to and from the Board of Directors, the senior management, the structures that participate in Data Protection Framework, and those involved in the processing of personal data, with the aim of ensuring maximum protection for data subjects.

In accordance with Regulation (EU) 2016/679, the Data Protection Officer is required to monitor compliance with the Regulation and the other legal provisions relating to data protection, acting, for all intents and purposes, as an element of the Internal Control and Risk Management system. The "Personal Data Protection Management Model" includes a "Personal data protection management model implementation" document, which lays out specific guidelines regarding the activities to be carried out in order to ensure compliance with the provisions of the Regulation. The Organizational Communication guidelines govern all aspects relating to data protection by design and by default, the data protection impact assessment process, the management of third parties, the management of data breaches, the implementation of the data erasure time frames, and the management of the rights of the data subjects.

Compliance

The Compliance functional unit, within the context of Legal Affairs:

- monitors the legislation and national and international best practices with which the system of corporate and Group rules must comply, assuring and providing the concerned structures with the support necessary to determine the actions to be taken in order to ensure compliance with the new legal provisions and regulations, as well as the consequent organizational, strategic and business implications;
- verifies that the corporate and Group guidelines, provisions and procedures are consistent with the legislation, and formulates proposals for any adjustments necessary to ensure their correct legal orientation;
- ensures specialized support, in coordination with the other competent company structures, for the implementation and management of the internal control models and compliance programs relating to the Anti-Bribery & Corruption Management System and the Antitrust Compliance Program, within the context of which the Head of the Compliance Organizational Structure and the Head of the Antitrust Structure (Corporate Affairs – Regulatory Affairs and Antitrust) serve as the "Body Responsible for the Program's Execution";
- ensures, through the coordination of the 231 Team, the updating of the FS 231 Model with respect to any changes to the reference legislation and/or any organizational and process changes that may have occurred;
- supports the business decision-making processes through the analysis of the business and trade compliance profiles relating to the commercial development initiatives abroad (business partners, consultants, and commercial promoters), M&A operations, sponsorships, and other strategic initiatives.

The "FS Italiane Group Compliance Model", which describes the Group's organizational aspects and the processes that regulate its operations, had been established and disseminated as of 2019.

Consistent with the organizational solutions adopted by the other second and third level control offices that make up the more general IRCMS, a "decentralized" Group Compliance Model is envisaged, which includes a Group Department Manager for Compliance in the Parent Company and Compliance departments/units in the subsidiaries. This organizational structure allows an adequate specialization by type of business, to enhance the closeness to the business units as well as to enhance the organizational and operational specificities of the individual companies, while ensuring the definition and adoption of a single Compliance Governance Model, consistent at the Group level.

This Compliance Model has been incorporated into the internal regulatory system by the Group companies, which, for this purpose, have adapted its contents to their respective corporate situations. The Compliance departments/units of the Group's subsidiaries, based on their organizational and business specificities as well as the operational complexity of the activities, ensure the application of operating practices and methods consistent with those represented in the context of the Group Compliance Model.

To this end, the Compliance functional unit provides specialized and methodological support to the subsidiaries' Compliance structures/units on issues relating to the implementation of the Group Compliance Model.

Financial Reporting Officer

Italian Law no. 262 of December 28, 2005, "Provisions for the protection of savings and the regulation of the financial markets," introduced art. 154-*bis* of Italian Legislative Decree no. 58/1998 (the so-called "Consolidated Finance Act" or "CFA"), which requires issuers of listed bonds with Italy as their home Member State to appoint a "*Financial Reporting Officer in charge of preparing their corporate accounting documents*" (the "Financial Reporting Officer"). At FS, the introduction of the figure of the Financial Reporting Officer, which was instituted on a voluntary basis in 2007, became legally mandatory in every respect in 2013 following the issuance of bonds listed on the Irish market (EMTN Euro Medium Term Notes Program), which fell fully within the scope of application of art. 154-*bis* of the CFA, as a result of which it became a Public Interest Entity (PIE) pursuant to art.16 of Italian Legislative Decree no. 39/2010, as an "Issuer of Listed Financial Instruments".

In compliance with the statutory provision (art. 16 "*Financial Reporting Officer in charge of the preparation of the corporate accounting documents pursuant to art. 154 bis of the CFA*"), the FS

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Board of Directors, with the mandatory non-binding opinion of the Board of Statutory Auditors, resolved to appoint a Financial Reporting Officer, who is currently the Chief Administration, Planning & Control Officer. The Financial Reporting Officer Regulations, approved by the FS Board of Directors, establish the functional guidelines for determining the role, functions, powers, means and responsibilities of the Parent Company's Financial Reporting Officer, in accordance with the statutory and legal provisions, and regulates this figure's relationships – and reporting flows – with the Corporate Bodies, the Top Management, the control and supervisory bodies/committees, the independent auditing firms, the various company departments and the Group's companies.

The Holding Company's Financial Reporting Officer prepares a Report on the activities carried out during the reference period, which is submitted to the Board of Directors upon the approval of the draft financial statements, and, together with the CEO, issues the jointly signed Certifications regarding the financial statements and the consolidated financial statements pursuant to article 154 bis, in accordance with the Consob formats. In particular, this certifies:

- the adequacy of the administrative and accounting procedures for the preparation of the financial statements and the consolidated financial statements;
- the effective application of the procedures during the period to which the financial statements refer;
- the financial statements' correspondence with the results of the books and accounting records;
- the financial statements' suitability for providing a true and fair representation of the economic and financial situations of the company and the subsidiaries included within the scope of consolidation;
- that the management report includes a reliable analysis of the management performance and results, as well as the situation of the issuer and the group of companies included within the scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed.

The Financial Reporting Officer also prepares a written declaration certifying that the Company's acts and communications disseminated on the market and relating to the accounting disclosures (even interim) correspond to the results contained in the company's documents, books, and accounting records.

In consideration of FS Group's organizational and operational complexity, in order to improve and streamline the application of the legislation, as well as the Group's internal control and risk management system, the FS Board of Directors deemed it appropriate from the outset to promote the appointment of Financial Reporting Officers among the main subsidiaries as well.

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The Parent Company's Financial Reporting Officer defines and updates the Group's financial reporting control model (the so-called "262 Model") in accordance with the provisions of the aforementioned article 154-*bis* of the Consolidated Finance Act, and based on the international reference standards ("Internal Control – Integrated Framework", also referred to as the CoSO Report, published by the Committee of Sponsoring Organizations of the Treadway Commission). The cited 262 Model includes the following main phases:

- Identification of so-called "262 area" companies and processes;
- Process mapping;
- identification and assessment of 262 risks and controls (Risk & Control Assessment); issuance/revision of the administrative/accounting procedures (AAP);
- self-certification of the adequacy and effectiveness of the controls by the Control Owner/Process Owner (Self Assessment);
- independent tests;
- gap assessment and action plan management;
- issuance of the Certificates.

It should also be noted that 262 Model supplements and coordinates with the other risk control and management models implemented within FS and throughout the Group, with the aim of ensuring an IRCMS that's increasingly integrated, such as, by way of example, with the so-called TCF (Tax Control Framework) or ABC (Anti Bribery&Corruption) models. In fact, the 262 controls that also oversee tax or ABC risks are classified as such, and fall within certain phases of the 262 process, which is consequently enriched with new information flows and engaged actors.

Finally, it should be noted that, in addition to the Model 262 described above and, more generally, in order to improve the Group's internal control system, the "SoD – Segregation of Duties" and "ITGC – Information Technology General Controls" Group models have been implemented.

Tax Compliance

Following its adherence to the collaborative fulfillment regime pursuant to articles 3 et seq. of Italian Legislative Decree no. 128⁽¹³⁾ of 5 August 2015, FS implemented the Tax Control

⁽¹³⁾ In particular, during its meeting held on December 19, 2018, the FS Board of Directors resolved "to authorize the adoption of the control model for the detection, measurement and management of the tax risk, and the submission of

Framework as a system for detecting, measuring, managing, and controlling the tax risk inherent to its business activities. Adherence to this regime allows a new method of constant and preventive dialog to be established with the Italian Revenue Agency, with the aim of reaching a common assessment of situations likely to generate tax risks prior to the fulfillment of the company's tax obligations. In order to economize and streamline its processes, within the context of the more complex Tax Control Framework, FS Group has decided to adopt a control model for the detection, measurement and management of the tax risk, which, despite having legal and functional autonomy, is expected to be supported by the Group's financial reporting control model, thus benefiting from the safeguards and processes already effectively implemented for the purposes of Italian Law 262/2005, which have been appropriately integrated to guarantee the proper fulfillment of the tax obligations.

In particular, this model provides for the integration of the Financial Reporting Officer's administrative and accounting procedures with precise specifications and tax appendices (so-called tax-related AAPs) and the issuance of additional procedures (so-called tax AAPs) to oversee the previously unregulated corporate processes of a purely fiscal nature.

The Tax Control Framework is supplemented by the guidelines for the identification, measurement, management, and control of the tax risk associated with the correct interpretation of the tax law (so-called Interpretation Risk).

The Interpretation Risk refers to tax issues of a purely interpretative/evaluative nature that are subject to different interpretation by the taxpayer and the Revenue Agency, and is typically applicable to transactions which, by their very nature or frequency, go beyond the company's ordinary activities (so-called non-routine transactions), but can also be encountered within the ordinary processes aimed at fulfilling tax obligations, and in the tax consultancy activities provided to the other corporate functions, especially when applying new regulations or processes.

The Tax Control Framework, with respect to which the FS Board of Directors performs a governance and guidance function, is managed by the Tax Director, in collaboration with the Tax Compliance unit, which is part of the Tax structure belonging to the Administration, Planning & Control division.

Anti-Corruption

the application for adherence to the collaborative fulfillment regime pursuant to Italian Legislative Decree no. 128/2015" and, following this resolution, the Company submitted an application for adherence to the aforementioned regime on December 27, 2018.

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The Anti-Corruption structure, which falls within the purview of the FS Security&Risk area, provides methodological coordination for the corruption prevention process as a whole, ensuring:

- the establishment, management, monitoring, implementation control, and updating of the FS ABC system, in keeping with any changes to the regulatory and organizational structure and the company's strategic plan. For these purposes, among other things, it preventively verifies the provisions implemented by the company with respect to the anti-corruption safeguards laid out in the ABC system, and supports the Group Process Owners in identifying the risks of corruption and determining the relative prevention tools;
- the establishment and updating of the "Anti-Corruption Policy Guidelines" and the provision of specialized and methodological support to the subsidiaries' competent structures/safeguards;
- the reporting, review, and proposals for adaptations and updates to the Anti-Corruption Policy, with regard to any changes to the business, the best practices, and the reference legislation, or in the event of any gaps or critical issues, even at the recommendation of the Supervisory Board, upon the indication of the other players within the internal control and risk management system, and based on any needs expressed by the Group Companies.

Essential prerequisites for the conscientious application of the rules for the prevention of corruption include knowledge of the system of rules set up to oversee corporate conduct for the purpose of preventing corruption, and the dissemination of a culture of integrity. To this end, in coordination with the other competent structures, the Anti-Corruption structure identifies the staff's training needs and determines the appropriate training procedures, even based on the positions held, and with a risk-based approach, planning the relative training and communication events.

Independent auditing firm

Based on the applicable special provisions envisaged by Italian Legislative Decree no. 39/10 (articles 16 et seq.), once FS acquired the status of public-interest entity following the issuance of the listed bonds traded on an EU regulated market starting in 2013, the statutory auditing of the accounts was entrusted to an external company for a term of 9 years (2014-2022).

In order to preserve the independence of the auditing firm in accordance with the provisions of Regulation (EU) no. 537/14 and Italian Legislative Decree no. 135/2016 concerning the statutory auditing of the accounting records, a specific procedure was established in support of the duties of the Board of Statutory Auditors in its capacity as the "Internal Control and Auditing

The Present English version shall be understood as a courtesy translation of the Italian language original 45 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

Committee”, which, among other things, defines the principles and the operating procedures relating to the assignment of non-auditing jobs to the independent auditing firm and/or to the companies belonging to the relative network. The FS SpA Board of Statutory Auditors expresses a prior binding opinion on the assignment by Group companies of additional jobs (other than the main auditing job) to the independent auditor or to entities belonging to the relative network.

3.5.2 *MANAGEMENT AND CONTROL SYSTEMS FOR SPECIFIC RISKS*

On a more operational level, the various Management and Control Systems for specific risks adopted by the company cannot be ignored, as they are fundamental prevention tools used by the MODEL for its own precautionary purposes: the Financial Reporting Control Model implemented pursuant to Italian law no. 262/2005 and the Tax Control Framework, previously referred to in section 3.5.1, the Occupational health and safety management model adopted pursuant to Italian Legislative Decree no. 81/2008 and drawn up based on the UNI-INAIL Guidelines, and the Environmental Management System adopted in accordance with the current version of the ISO 14001 standard and certified by a third party (for details on these management systems, please refer to Special Section of the Model).

These systems, which deal with broader risk categories than the MODEL shown here, constitute a fundamental control matrix aimed at preventing the crime risks associated with the specific relative processes. For this reason, a special area in the relevant parts of the Special Section will be dedicated to briefly illustrating the architecture and functionality of these Systems.

3.6 OTHER SAFEGUARDS - BOARD COMMITTEES AND OTHER INTERNAL COMMITTEES

In accordance with the statutory provisions, the Board of Directors has established two Committees with advisory and propositional functions: the Control, Risk, and Sustainability Committee, and the Governance, Appointment, and Remuneration Committee.

3.6.1 *THE CONTROL, RISK AND SUSTAINABILITY COMMITTEE (CRSC)*

The Control, Risk and Sustainability Committee is a Board Committee made up of three to four non-executive, and, by majority, independent Directors, tasked with supporting the assessments and decisions of the BoD regarding the following:

- approval of periodic financial and non-financial reports;
- the internal control and risk management system;
- sustainability for matters relating to the exercise of FS’s business dealings and the dynamics of its interactions with its stakeholders.

3.6.2 *THE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE (GARC)*

This Board Committee is made up of three to four non-executive, and, by majority, independent members, tasked with supporting the assessments and decisions of the BoD regarding the following:

- Governance (including: board reviews; independence of directors; composition of the Group companies' boards of directors; assumption of multiple offices and non-competition);
- appointments (including: co-optation of directors; designation of the subsidiaries' bodies; succession plans for executives with strategic responsibilities);
- remuneration (including: remuneration for executive directors and directors holding particular offices; remuneration policies and incentive systems for executives; human resource development policy).

3.6.3 *OTHER INTERNAL COMMITTEES*

Internal (non-board) committees have been established within the organization, as indicated in Annex [E].

3.7 UPDATES, MODIFICATIONS AND INTEGRATIONS OF THE MODEL AND ITS IMPLEMENTATION

Article 7, paragraph 4, sub-section a) of the DECREE states that the MODEL's effective implementation requires "periodic checks and the possible modification of the same if any significant violations of its requirements are discovered, or whenever any changes are made to the Entity's organization¹⁴ or activities."

In addition to these two cases, the MODEL must also be updated whenever any changes are made to the DECREE (e.g. when the legislature introduces new predicate offences or changes certain provisions of the DECREE) or in the case of any developments in the case law marking new interpretative guidelines for the legislation covered by the MODEL.

Finally, the MODEL must be reviewed in the case of verified inadequacy (e.g. in the event that the MODEL is found not to be fully effective, or if any inconsistencies are encountered between the MODEL and the actual conduct of the RECIPIENTS).

¹⁴ The alteration of the reference business context may also result from extraordinary financial transactions or changes in strategies that open up new fields of activity for FS.

The Present English version shall be understood as a courtesy translation of the Italian language original 47 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

Since this MODEL is an “act issued by the managing body” (in accordance with the provisions of article 6, paragraph 1, sub-section a) of the DECREE), its adoption and any subsequent modifications and integrations are subject to review by the Supervisory Board and approval by the FS Board of Directors.

In particular, the FS Board of Directors is responsible for:

- verifying the need to update the MODEL;
- modifying or supplementing the MODEL itself, following the aforementioned verification or, in any case, following the reporting of any proposals and/or need to adapt or update the MODEL by the SUPERVISORY BOARD, or at the proposal of the 231 TEAM.

Changes of a merely formal nature to the MODEL and its annexes are approved by the Chief Executive Officer.

Within the context of the updating activities, the 231 TEAM is tasked with updating the 231 Model at the initiative or on the recommendation of the Supervisory Board following any changes to the reference legislation and/or organizational and process changes made by the Company.

In order to carry out its duties, the 231 Team may make use of the consultancy support of experts in the field, in accordance with the company regulations in force, identified based on the specific needs.

All the changes and integrations mentioned above will be promptly communicated to the RECIPIENTS.

In order to ensure the MODEL’s concrete implementation and constant alignment with the organisational and operational context of reference, as well as the adaptation and updating of the applicable risk control and prevention measures pursuant to the DECREE, each PROCESS OWNER is tasked with defining and updating the organizational documents that regulate the processes for which they are responsible, in collaboration with the structure responsible for the organization and processes, which must ensure the evaluation of the organizational effects, the guidance of the consequent actions, the adoption of a common language and methodological approach, and consistency with the organizational structure, with the current or forthcoming regulatory documentation, and with the current system of powers of attorney and proxies.

The PROCESS OWNERS are also required to compile and periodically transmit the information flows to the SB, through which they can report any problems encountered in implementing the MODEL and possible areas for improvement.

The Present English version shall be understood as a courtesy translation of the Italian language original 48 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

4. SUPERVISORY BOARD

In compliance with the provisions of the DECREE, the FS Board of Directors has appointed a SUPERVISORY BOARD tasked with monitoring the functionality and observance of the MODEL and ensuring its updating.

The SB's structural aspects (e.g. appointment methods, terms of office, meetings, votes and resolutions, etc.) are specified in a charter approved by the FS Board of Directors. The operational aspects are governed by regulations approved autonomously by the Board.

The SB carries out its tasks with the operational support of FS Audit, which also provides the relative secretarial activities.

The SB can make use of the operational support of the Company's other Organizational Structures for any checks/in-depth analyses deemed necessary.

The Board may also decide to delegate one or more specific duties to its individual members based on their respective competences, with the obligation for the delegates to operate within the limits of the powers and the budget assigned, and to report back to the Board. Whatever the case, the collegial responsibility of the Board itself remains, even in relation to the functions delegated by the Board to its individual members. The main aspects relating to the Board's establishment and functionality are described below.

4.1 REQUIREMENTS OF THE SUPERVISORY BOARD

The members of the SUPERVISORY BOARD appointed by FS meet the following requirements:

- I. **autonomy.** A fundamental requirement in order to guarantee the absence of any form of interference or conditioning by FS representatives (on a financial or personal level). The SB is not involved in the exercise of operational activities, is excluded from management decisions, has effective powers of inspection and control and adequate resources, and, under its direct supervision and responsibility, can avail itself of the assistance and operational support of any corporate structure, or of external consultants (provided that they are compatible with the SB's autonomy and independence requirements). It remains understood, however, that the SB carries out its functions in full autonomy and that the activities it performs cannot be syndicated by any other corporate body or structure - without prejudice to the verification of the adequacy of its work by the FS Board of Directors.

The notion of "autonomy" must therefore be understood as the power of self-regulation and financial self-management (through the provision of a budget);

- II. independence. The members of the SUPERVISORY BOARD must not find themselves in a position of conflict of interest with FS (even potentially) or perform any executive functions for the same; in the case of subjects within the corporate structure, these individuals must also occupy an organisational position of an adequate level, must not perform executive functions, must have independent powers of initiative and control, and must possess a suitable level of professionalism for the position held;
- III. integrity. Although the DECREE does not contain any explicit indications regarding the integrity requirements for the members of the SB, in light of the best practices and guidelines on the topic, as well as the latest applicable case law, FS has established specific integrity requirements, which, if violated, could result in ineligibility or the forfeiture of the members' positions on the SB;
- IV. professionalism. The members of the FS SB have proven technical and professional skills suitable for the functions they are called upon to perform, and are able to rely on the support of external professionals. The SB is appointed by the FS Board of Directors from among legal experts, as well as subjects with expertise on matters of economics, finance, internal control, business organization, and risk management;
- V. continuity of action. The SB continuously carries out the activities necessary for the supervision of the MODEL.

In order to ensure the requirements of autonomy, independence and integrity, the following constitute motives for ineligibility and the forfeiture of a member's position on the FS SB:

- a) having relationships of marriage, kinship or affinity up to the fourth degree, or civil union with the directors of the Company and/or of the Companies of the Group;
- b) holding or having held positions with FS and/or Group companies within the past three years;
- c) with the exception of the performance of auditing functions and/or serving as a member of the Board of Statutory Auditors, being associated, in any way or in any capacity, with the Company or persons holding top management positions for the Company by economic interests or relationships deemed relevant by the BoD (e.g. shareholdings, supply relationships, consultancy relationships), or having met the aforementioned conditions during the three years prior to the appointment;

- d) being linked to companies controlled by economic interests or relationships deemed relevant by the BoD;
- e) being a member of a Supervisory Board for a Subsidiary;
- f) exercising or having exercised authoritative or negotiating powers in relation to FS and or Group Companies on behalf of and as an employee of the public administration;
- g) being legally prohibited, disqualified, bankrupt or convicted, even with a non-definitive sentence, to a penalty that entails the prohibition from holding public offices or disqualification from holding managerial positions, even temporarily; for these purposes a plea bargain sentence is to be considered equivalent to a conviction;
- h) having been convicted, even if not definitively, for one of the crimes envisaged by the Decree; for these purposes a plea bargain sentence is to be considered equivalent to a conviction;
- i) having been subjected to individual pre-emptive, coercive or disqualifying measures for one of the crimes envisaged by the Decree;
- j) having been subjected to personal or property prevention measures, pursuant to Italian Legislative Decree no. 159/2011, as amended;
- k) having been sentenced, even if not definitively, to imprisonment for a crime against property, the Public Administration, the public trust, the public order, or the public economy, for an intentional crime against personal freedom, for a corporate, tax, banking, or financial crime, or for one of the crimes envisaged by R.D. no. 267 of March 16, 1942; for these purposes a plea bargain sentence is to be considered equivalent to a conviction.

4.2 COMPOSITION, APPOINTMENT, COMPENSATION, FORFEITURE AND WITHDRAWAL

The FS SB is a collegial body made up of three members, of which (i) at least two are individuals from outside the Group, one of whom – with specific knowledge of the DECREE – is appointed chairman, and (ii) the third is another person from outside the Group or, alternatively, the current head of the Internal Auditing functional unit. A member from outside the Group who does not hold the office of chairman can be identified as a member of the Board of Statutory Auditors.

The non-Group members must have the expertise (of a legal and/or economic/business nature) needed to carry out the assignment. At least one of them must have the necessary legal expertise.

If the SB is made up exclusively of external members, the same SB, in order to promote integration and synergy between the players in the internal control system, with its own

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resolution establishes whether (i) the head of the Internal Auditing functional unit in office regularly participates as an auditor in the meetings of the same with consultative and support functions, or if (ii) the aforementioned manager is summoned on a timely basis when needed by the SB to participate in individual meetings or in the discussion of specific topics, always with consultative and support.

Once the possession of the subjective requirements laid out in section 4.1 of this MODEL has been verified, the SB and its chairman are appointed by the Board of Directors.

The Board of Directors determines the SB members' annual remuneration for the entire duration of their term in office. The members of the SB are also reimbursed for any out-of-pocket and documented expenses incurred in carrying out their assignments. The annual budget for the SB's operations and the performance of its activities remains unchanged, as indicated in section 4.3 of this MODEL.

The appointment is finalised with the SB member's formal acceptance of the position. At the time of appointment, each individual appointed as a member of the SB must issue a declaration attesting to the absence of any reasons for their ineligibility.

The members of the SB remain in office for three years and can be re-appointed for no more than three consecutive terms. The term of office does not coincide with that of the Board of Directors.

When a member of the SUPERVISORY BOARD's term of office comes to an end, they continue to perform their interim functions until their successor is appointed by the Board of Directors, with the exception of cases of forfeiture and withdrawal. The appointment may also be terminated by way of forfeiture, withdrawal or relinquishment.

In the event of the Chairman's termination for whatever reason, the position will be assumed by the most senior member, who will remain in office until the Board's new Chairman is appointed. The members of the SUPERVISORY BOARD may relinquish their positions at any time by notifying the Board of Directors in writing and specifying the relative reasons.

The members of the SB must notify the Board of Directors (and the other members of the SB) of any reasons for ineligibility and/or forfeiture that may subsequently arise, even beyond those listed in section 4.1, which may become relevant for the purposes of their appointment or term in office. If even one of the subjective requirements referred to in section 4.1 of the MODEL should lapse, or if it is ascertained that one of the members of the SB did not possess one or more requirements at the time of their appointment, the FS Board of Directors will immediately declare the forfeiture of the relative SB member's position and appoint a new member.

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In the event of an SB member's termination for any reason, including a reason for ineligibility and/or forfeiture, the FS Board of Directors shall appoint a new SB member without delay. The term of the member thus appointed shall expire at the same time as those already in office at the time of their appointment.

The Board of Directors may also rescind an SB member's appointment at any time, after consulting the Board of Statutory Auditors, for just cause (e.g. serious breach of the SUPERVISORY BOARD's duties). In this case, the Board of Directors shall immediately appoint a new member.

4.3 FUNCTIONS, POWERS AND BUDGETS

In order to perform the functions indicated by the DECREE, the FS SUPERVISORY BOARD:

- oversees the functionality and application of the Model in relation to the different types of offenses contemplated by the Decree and its effectiveness (i.e. the consistency between the Model itself and the actually conduct of the RECIPIENTS);
- verifies the MODEL's actual efficacy and suitability for preventing the commission of the crimes referred to in the DECREE in relation to the FS corporate structure;
- reports proposals and/or the need to adapt or update the MODEL;
- handles the relevant information flows;
- promptly reports to the Chairman of the FS Board of Directors and the FS CEO on an ongoing basis regarding any ascertained or urgent violations of the Model of which it has come to have knowledge through reports submitted by the RECIPIENTS or that it has ascertained itself during the performance of its activities.

On an operational level, the SB's duties include the following:

- periodically verifying the map of the sensitive areas (areas "*at risk of crimes*") in order to report and/or propose any adaptations needed following changes to the regulations, the business activities and/or the company's structure;
- examining the adequacy of the Model or its suitability for preventing illegal conduct over time;
- verifying the functionality and observance of the Model;
- reporting proposals and/or the need to adapt or update the Model;
- managing the information provided by the process owners, the top management and the Corporate Bodies, as well as the information flows from other company departments useful for the SB's activities;
- managing the reports submitted to the SB;

- monitoring and/or reporting proposals for initiatives aimed at disseminating knowledge and understanding of the Model;
- handling the periodic reporting to the subjects to which the SB is required to report.

The SB is granted the following prerogatives:

- it can access any information or data deemed necessary for the performance of the functions attributed to the Board pursuant to the Decree;
- it may make use of external consultants of proven professionalism – provided that they are compatible with the SB’s autonomy and independence requirements – in cases where this is deemed necessary, in accordance with the internal procedures for the assignment of consultancy assignments. Any cases of incompatibility are formally identified by the Board;
- it can order the heads of the corporate structures to promptly provide the information and/or data requested of them needed to carry out the SB’s institutional activities;
- it may arrange for unplanned inspections if deemed appropriate for the performance of its duties.

The SB carries out its functions in full autonomy, and the activities it performs cannot be syndicated by any other corporate body or structure.

All RECIPIENTS are required to collaborate upon receiving requests from the SUPERVISORY BOARD.

The SB has autonomy in the form of adequate financial and logistical means, which guarantee its ability to carry out its functions in complete autonomy. To this end, at the SB’s proposal, the FS Board of Directors provides the same with an adequate annual fund, which is approved along with the company’s budget and can be utilised by the SB independently for any need associated with the proper performance of its duties and functions – including consultancy – by preparing a specific report.

4.4 THE SB’S INFORMATION FLOWS

The SB submits the supervisory plan to the FS Board of Directors and the Board of Statutory Auditors on an annual basis.

Every six months, the SB sends the FS Board of Directors and the Board of Statutory Auditors a report illustrating all the activities and checks carried out by the SB during the reference period, complete with the relative operational methods utilised, any critical issues encountered, and any other information deemed relevant.

In addition to these periodic reporting obligations, the SB also promptly reports to the Chairman of the FS Board of Directors and the FS CEO on an ongoing basis regarding any ascertained or

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urgent violations of the MODEL of which it has come to have knowledge through reports submitted by the RECIPIENTS or that it has ascertained itself during the performance of its activities.

The SB meets with the Board of Statutory Auditors, the Financial Reporting Officer, and the Compliance Officer (even in their capacity as Coordinator of the 231 Team) at least once a year to exchange information on matters of mutual interest.

If it deems it necessary, the SB may meet with the independent auditing firm to discuss matters of interest to the same, and may request information pertinent to the performance of its own activities from the aforementioned firm at any time.

The SB coordinates with the ETHICS COMMITTEE and the 231 TEAM on matters of common interest. The SB can be convened by the Board of Directors, the Chief Executive Officer and the Board of Statutory Auditors, or, in turn, may submit a request to do so, in order to report on the MODEL's functionality or specific situations.

The ABC system also provides for specific flows of coordination and information exchange between the SB and the Anti-Corruption OS for the areas of its competence.

4.5 INFORMATION FLOWS TO THE SB

The information flows to the SB are aimed at facilitating its supervisory activities or reporting events that have resulted in or could result in violations or attempted evasions of the MODEL or the FS CODE OF ETHICS of potential significance for the purposes of the DECREE.

Any information of any kind relevant to the MODEL's implementation in sensitive areas, as well as any information useful for assessing the adequacy and effectiveness of the MODEL itself, even obtained from third parties, must be brought to the SB's attention.

The RECIPIENTS must notify the SB of any facts and/or circumstances that could result in liability pursuant to the DECREE.

The RECIPIENTS guarantee that the reports are detailed and based on precise and consistent factual elements.

Violations of the reporting obligations to the SB could result in the application of the disciplinary sanctions referred to in section 5 below.

4.5.1 PERIODIC INFORMATION FLOWS

The periodic information flows with the PROCESS OWNERS are indicated in the Procedure for the Management of Information Flows to the FS SpA Supervisory Board, which serves to regulate their content, timing, and methods of transmission.

Finally, the delegation system adopted by FS and any subsequent changes thereto must be communicated, or otherwise rendered available, to the Supervisory Board.

The Present English version shall be understood as a courtesy translation of the Italian language original 55 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

4.5.2 REPORTING - WHISTLEBLOWING

The RECIPIENTS are required to promptly notify the SB of any violations or alleged violations of the principles referred to in the MODEL and/or any conduct not in consistent with the provisions of the MODEL.

The ETHICS COMMITTEE and SUPERVISORY BOARD will exchange any reports received as relevant. In particular, the ETHICS COMMITTEE will send any reports concerning FS, even if involved together with other Group companies, to the FS SUPERVISORY BOARD for evaluation pursuant to Italian Legislative Decree 231/2001 and to decide the relative competence.

After closure, reports concerning FS relevant for the purposes of the ABC system are sent, together with the relative preliminary documentation, to the FS Anti-Corruption OS for analysis aimed at determining any further prevention measures and/or adjustments to the ABC system, in accordance with the provisions of the ABC system itself. For any further information in this regard, please refer to the "Whistleblowing procedure".

Pursuant to art. 6, paragraph 2-*bis* of the DECREE (as amended by Italian Law no. 179/2017), FS:

- a) has established dedicated reporting channels that allow the subjects referred to under art. 5, paragraph 1, sub-sections a) and b) of the Decree to submit detailed reports, for the protection of the Entity's integrity, regarding illegal conduct contemplated by the Decree or violations of this Model, of which they have come to have knowledge by virtue of the functions performed;
- b) has established at least one reporting channel suitable for guaranteeing the confidentiality of the whistleblower's identity using IT methods, even during the report's subsequent management;
- c) prohibits any acts of direct or indirect retaliation or discrimination against the whistleblower for any reasons directly or indirectly associated with the report;
- d) imposes penalties on those who violate the whistleblower protection measures, as well as those who, with malice or gross negligence, submit reports that are determined to be unfounded.

In particular, FS has equipped itself with a whistleblowing portal/IT platform accessible via the institutional website and the FS intranet, as a reporting channel designed to guarantee adequate IT security measures, as well as the protection of the whistleblower and the reported party, and has also implemented the alternative channels specified below and in the "*Whistleblowing Procedure*."

The Present English version shall be understood as a courtesy translation of the Italian language original 56 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

FS also undertakes to ensure that whistleblowers will be protected against any direct or indirect form of reprisals, discrimination, or penalisation¹⁵ for any reasons directly or indirectly associated with the report, likewise ensuring the confidentiality of the whistleblower's identity (without prejudice to compliance with the legal requirements), and the protection of the rights of any persons accused maliciously and/or in error. In this regard, the disciplinary sanctions referred to in section 5 below are applied to those who violate the measures taken to protect the whistleblowers (e.g. the measures taken to protect the confidentiality of their identity) or those who, with malice or gross negligence, submit reports that are determined to be unfounded. The personal data collected within the context of the reporting process is processed in full compliance with the personal data protection legislation, and in compliance with the provisions of the Whistleblowing legislation.

If the reports received are properly detailed in accordance with the "Whistleblowing procedure", a preliminary investigation will be initiated through internal checks, as required by the specific "Whistleblowing procedure" in force at the time, so that, where necessary, appropriate corrective actions can be taken, disciplinary proceedings can be initiated, or other appropriate initiatives can be undertaken, depending on the case. Whatever the case, the results must be communicated to the SB, which will make the necessary observations, where deemed appropriate.

The reports, which can also be made anonymously and must be properly detailed, can be submitted:

- through the *IT platform*: accessible from the FS SpA website - www.fsitaliane.it - or via the company intranet. This should be considered as the preferential channel as it is more suitable to immediately guarantee, by means of IT modalities, confidentiality with regard to the identity of the whistleblower and adequate information security measures;
- by *ordinary mail*, by writing to the following address: FS S.p.A., Secretary for the Ethics Committee c/o FS S.p.A. Audit - Piazza della Croce Rossa, 1 - 00161 Rome, Italy, or else to the Supervisory Board c/o FS S.p.A. Audit - Piazza della Croce Rossa, 1 - 00161 Rome, Italy;
- by *email*, by writing to the following email address: comitatoetico@fsitaliane.it or Segnalazioni.231@fsitaliane.it;

¹⁵ Art. 6 paragraph 2-*quater* of the DECREE prohibits *retaliation against or discriminatory dismissal of the whistleblower. It is also prohibited to change the whistleblower's duties, pursuant to article 2103 of the Italian Civil Code, as well as to take any other retaliatory or discriminatory measures against them.* Furthermore, pursuant to paragraph 2-*ter* of the same article, any discriminatory or retaliatory measures adopted against the whistleblower can be reported to the National Labour Inspectorate.

- *Verbally*, by means of a statement made by the whistleblower at a specific hearing to the FS SpA ETHICS COMMITTEE/SUPERVISORY BOARD, being recorded in the minutes and signed by the whistleblower.

4.6 RELATIONS BETWEEN THE FS SB AND THE SBS OF THE OTHER FS GROUP COMPANIES

In carrying out its functions, the FS Supervisory Board operates in full compliance with the principles of autonomy, segregation of duties, and independence of all the Group Companies' SUPERVISORY BOARDS, with which it can coordinate to exchange experiences and conduct in-depth studies on methodological, legal and technical/operational matters relating to the management and prevention of the crime risks contemplated by the DECREE.

To this end, the FS SB has the faculty to promote an annual meeting among the main FS Group companies' Supervisory Boards.

4.7 COLLECTION AND RETENTION OF INFORMATION

The SUPERVISORY BOARD must ensure the traceability and retention of the documentation regarding the activities carried out (minutes, reports, information flow sheets, whistleblower reports, reports sent and received).

The SB retains copies (paper and/or electronic) of the documents relating to its operational activities.

In compliance with the personal data protection legislation, the reports received and all the documentation relating to the activities carried out by the SUPERVISORY BOARD are kept in a special archive that can only be access by members of the SB and its secretarial staff. Access by any other parties must be authorised beforehand by the SB, and must take place in accordance with the procedures established by the same.

5. DISCIPLINARY AND PENALTY SYSTEM

5.1 GENERAL PRINCIPLES AND VIOLATIONS

In order to ensure the MODEL's effectiveness, it is essential to have an effective disciplinary system for any violations of the provisions contained in the MODEL itself.

In this regard, in fact, article 6, paragraph 2, sub-section e) of the DECREE states that *organisation and management models* must "[...] *establish a disciplinary system suitable for punishing any failures to observe the measures indicated in the model [...].*"

In and of itself, the failure to comply with the rules and provisions contained within this MODEL and the CODE OF ETHICS harms the relationship established with FS, and entails the application of penalties and disciplinary measures, regardless of whether the violation constitutes a crime, and whether the perpetrator is ultimately convicted.

In general, the following constitute the "violations" of this MODEL:

- actions or omissions that are non-compliant with the law and the provisions contained within this MODEL and the CODE OF ETHICS, regardless of whether they constitute one of the crimes contemplated by the DECREE, or whether they constitute a risk of one of the crimes contemplated by the DECREE being committed;
- in the case of whistleblower reports (as indicated in section 4.5.2):
 - o actions or omissions that are non-compliant with the law and the provisions contained within this MODEL and that compromise the whistleblower's protection, even in terms of the confidentiality of their identity, as well as the confidentiality of the subjects and/or facts indicated in the report;
 - o taking or threatening to take retaliatory and/or discriminatory measures (e.g. dismissal, bullying, demotion, etc.) against the whistleblower, whether directly or indirectly, for reasons directly or indirectly linked to the report submitted;
 - o the submission of reports by the MODEL'S RECIPIENTS, with malice or gross negligence, which are determined to be unfounded;
 - o the voluntary failure to note or report any violations of one or more rules or provisions of the MODEL.

The list of possible violations, in order of increasing severity, is as follows:

- i. violations of one or more rules or provisions of the MODEL that constitute minor instances of non-compliance;
- ii. violations of one or more rules or provisions of the MODEL that constitute serious or potentially habitual instances of non-compliance;

The Present English version shall be understood as a courtesy translation of the Italian language original 59 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

- iii. violations of one or more rules or provisions of the MODEL that constitute the commission of one of the crimes contemplated by the DECREE.

For the purposes of assessing the severity of the violations, the following are taken into consideration: the concrete methods used to commit the violation; the intentionality of the conduct and the degree of guilt; the perpetrator's functions/duties within the context of the company; the perpetrator's conduct before and after committing the violation; whether the violation caused serious damage to the Company or exposed it to an administrative liability procedure pursuant to the DECREE; any other particular circumstances surrounding the violation.

5.2 MEASURES AGAINST EMPLOYEES

The conduct adopted by the worker in violation of the provisions of the DECREE, this MODEL, the relative CODE OF ETHICS, and all the company protocols/procedures referred to in the MODEL, are to be considered as shortcomings pursuant to the current National Collective Labour Agreement applied by FS.

With regard to the penalties applicable to these workers, these are applied according to the procedures envisaged by art. 7 of Italian law no. 300 of May 20, 1970.

In particular, the EMPLOYEES (non-managers) are subject to the penalties envisaged by the current National Collective Labour Agreement for the Mobility - Railway Sector, in compliance with the principle of the scaling and proportionality of the penalty based on the severity of the offence.

These consist of:

- a) verbal or written reprimand;
- b) fine;
- c) suspension from duty without pay;
- d) termination with or without notice.

The penalties referred to under letters a) and b) can be applied for the violations indicated under point (i) of section 5.1 above.

The penalty referred to under letter c) can be applied for the violations indicated under point (ii) of section 5.1 above.

The penalties referred to under letter d) can be applied for the violations indicated under point (iii) of section 5.1 above.

The disciplinary procedure is governed by the rules of the applicable National Collective Labour Agreement, and is enforced by the human resources functional unit.

5.3 MEASURES AGAINST MANAGERS

The Present English version shall be understood as a courtesy translation of the Italian language original 60 text. In case of conflict or discrepancies between the Italian language original text, and the English language translation, the Italian text shall prevail.

If a Manager should commit a violation of the rules contained in the DECREE, the MODEL, the relative CODE OF ETHICS, or the company protocols/procedures referred to in the MODEL, the following penalties can be applied, in compliance with the principle of proportionality, based on the severity of the offence:

- a) reprimand: for the violations of the Model referred to under point (i) of section 5.1 above;
- b) termination with notice: for a violation referred to under point (ii) of section 5.1 above, of a severity such as to compromise the relationship of trust;
- c) termination without notice: for a violation referred to under point (iii) of section 5.1 above, of a severity such as to irreparably compromise the relationship of trust and requiring the immediate discontinuation of the employment relationship.

The procedure for the application of the penalties is governed by the rules of the National Collective Labour Agreement for the Mobility/Railway Sector, based on the reference made by art. 27 of the National Collective Labour Agreement for Managers of Companies that Produce goods and services, and is enforced by the human resources functional unit.

5.4 MEASURES AGAINST CORPORATE BODIES

Any violation of the rules contained within the DECREE, the MODEL, the relative CODE OF ETHICS or the company protocols/procedures referred to in the MODEL by the Directors or members of the Corporate Bodies must be immediately reported to the SB by the subject who observed the violation.

In the event of a violation of the MODEL by one or more Directors, the SB notifies the Board of Directors and the Board of Statutory Auditors.

After hearing the mandatory opinion of the Board of Statutory Auditors, the Board of Directors (absent the subject involved) takes one of the following initiatives, taking into account the severity of the violation, in accordance with the powers provided by law and/or the Articles of Association:

- statement recorded in the minutes of the meetings;
- formal warning;
- revocation of the powers delegated by the Board of Directors or the mandate entrusted;
- convocation of the Shareholders' Meeting with an agenda item for adequate measures to be taken against the subjects responsible for the violation, including legal action aimed at recognising the relative director's liability to the Company and compensating for the damage caused. If the violations of the MODEL are considered such as to have compromised the relationship of trust with the director, or if any serious consequences have been suffered in terms of the protection of the Company's interests and/or image,

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the Board of Directors convenes the Shareholders' Meeting to deliberate on the director's possible termination.

This is without prejudice to the possibility of the director's forfeiture of their position for just cause, without the right to seek compensation for damages, pursuant to art. 10, paragraph 6, sub-section 3, of the FS Articles of Association.

If one or more Auditors should commit a violation of the rules contained within the DECREE, the MODEL, the relative CODE OF ETHICS or the company protocols/procedures referred to in the MODEL, with the exception of cases in which the relative verifications have been carried out following a report submitted by the Board of Statutory Auditors itself or by the Board of Directors pursuant to the internal reporting procedure, the SB informs the Board of Directors and the Board of Statutory Auditors, which, with the abstention of the person involved, proceeds to carry out the relative verifications and to ensure that the shareholders' meeting is promptly convened, in accordance with the provisions of the law and the Articles of Association, which in turn may adopt the appropriate resolutions, including termination for just cause, in compliance with the provisions of art. 2400, paragraph 2, of the Italian Civil Code.

5.5 MEASURES AGAINST THE MEMBERS OF THE SB

If a violation of this MODEL is committed by one or more members of the SB, the other members of the SB, or any member of the Board of Statutory Auditors or the Board of Directors, shall immediately notify the Company's Board of Statutory Auditors and the Board of Directors. Once the accused party has had the opportunity to dispute the violation and any defensive arguments have been made, these Bodies will take the appropriate measures, which, if warranted by the conditions, may include the revocation of the assignment.

5.6 MEASURES AGAINST OTHER RECIPIENTS

Any violation and/or failure to comply with the principles and provisions referred to in the DECREE and the MODEL, including the CODE OF ETHICS, by the other RECIPIENTS (e.g. Collaborators, Suppliers, Business Partners, Consultants and Commercial Promoters), as indicated in the specific clauses included in the relative contracts, may constitute a breach of their contractual obligations and could lead to the termination of the contract and, regardless, will grant the Company the right to seek compensation for damages, in accordance with the contractual clauses that the competent corporate departments will draw up, update and insert within the contracts, assignment letters, or partnership agreements.

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In all the contracts, the counterparty must also agree to compensate, indemnify, and hold harmless FS in relation to any costs, expenses, losses, liabilities or charges sustained and demonstrably would not have been incurred if the representations and warranties made by the counterparty in the contract had been true, complete, correct and accurate, and the commitments described above had been duly fulfilled.

5.7 MEASURES RELATED TO WHISTLEBLOWER REPORTS

Article 6, paragraph 2-*bis*, sub-section d) of the DECREE states that, in the *organisation and management models*, *"the disciplinary system adopted pursuant to paragraph 2, sub-section e) must provide for penalties against those who violate the whistleblower protection measures, as well as those who, with malice or gross negligence, submit reports that are determined to be unfounded."*

The measures and penalties indicated under the previous points therefore also apply to any RECIPIENTS who violate the whistleblower protection measures and those who submit unfounded reports with malice or gross negligence (see sec. 5.1 above).

Any discriminatory action taken against subjects who submit whistleblower reports pursuant to section 4.5.2 of this MODEL may be reported to the National Labor Inspectorate by the whistleblower themselves, or by the trade union organization indicated by them, for the application of the measures falling within its competence.

6. COMMUNICATION, DISSEMINATION AND TRAINING

The Company is aware of the importance of the dissemination and communication of the MODEL and the CODE OF ETHICS, as well as the training activities, and undertakes to broadly disseminate the principles and rules of conduct contained within this MODEL and the CODE OF ETHICS, by taking the most appropriate steps to promote and disseminate knowledge of the same.

The SB monitors the initiatives aimed at promoting the communication and dissemination of the MODEL, as well as the relative training activities.

6.1 DISSEMINATION

The competent company departments will ensure that the contents of the MODEL and the CODE OF ETHICS are disseminated to the RECIPIENTS.

The RECIPIENTS are expected to have a full knowledge of the contents of the MODEL and of the CODE OF ETHICS, the goals of fairness and transparency that these documents are aimed at pursuing, and the ways in which FS intends to pursue them, and are likewise expected to observe them and help ensure their effective implementation.

COLLABORATORS, BUSINESS PARTNERS, Suppliers and business counterparts can access and consult the CODE OF ETHICS and an excerpt from the MODEL at any time on the FS website.

All EMPLOYEES and members of the Corporate Bodies are required to read this MODEL and the CODE OF ETHICS posted on the company's intranet and internet sites. A disclosure concerning the adoption of the MODEL and the relative CODE OF ETHICS, and containing the latest versions of these documents adopted by FS, is included in all of FS's new recruitment contracts, and is provided at the time of each new member's appointment to the Corporate Bodies; these subjects are also made to sign a specific statement certifying their knowledge and acceptance of the CODE OF ETHICS, the MODEL, the ANTI-CORRUPTION POLICY, and the ABC SYSTEM, and their agreement to comply with their contents.

The current internal procedures have been posted and rendered easily accessible on the FS intranet site, and in the 231 Administrative Liability section of the FS intranet site.

Finally, the FS intranet site ensures the dissemination of the company's principles and values, as well as the most important changes to the laws, the regulations and the company's internal organization.

6.2 TRAINING

For the purposes of implementing the MODEL and ensuring its proper functionality, FS disseminates knowledge of the legislation referred to in the DECREE, and promotes its staff's awareness and training on the principles and the contents of the MODEL.

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The training activities are mandatory, widespread, effective, authoritative, clear, detailed, and periodically repeated, and are aimed at teaching, consolidating and updating knowledge of the MODEL and the internal procedures.

The training is provided to all the staff, and its contents and implementation methods are differentiated based on the types of recipients for whom it is intended, their qualifications and organisational roles within the Company, and the risk levels of the areas in which they operate. The 231 TEAM proposes initiatives for continuously strengthening the MODEL (e.g. training and communication initiatives), and monitors their implementation.

Within the context of preparing the FS training plan, the competent structure of the Corporate Affairs Department prepares a specific annual training plan on the DECREE itself, based on the training requirements collected and the proposed training initiatives submitted by the 231 TEAM. The Corporate Affairs Department's training unit also sends the training plan to the 231 TEAM and the SB, so that the latter will be able to monitor the relative training activities. Any updates to the plan are also communicated to the SB.

The training methods adopted consist of the following:

- mainly e-learning courses, which are provided on the Group's IT platform via the company's intranet;
- classroom training sessions/seminars, based on the indications contained in the annual plan.

In particular, with regard to the training needs indicated in the annual plan, the following training activities are envisaged.

- All FS staff: e-learning courses on the main contents of the reference legislation – with a particular focus on the predicate offences associated with the administrative liability of legal entities – and the general elements of the MODEL and the CODE OF ETHICS;
- Managers and middle managers who work in particularly sensitive areas and whose roles entail involvement in activities exposed to crime risks: classroom/seminar training on the most relevant aspects of the DECREE and the MODEL, even with regard to the specific activities managed by the same. The classroom training session involve discussions on topics subject to periodically scheduled updates.

These subjects provide for their continuous updating, even, for example, by participating in workshops on the specific topics.

6.2.1 PARTICIPATION, REGISTRATION, VERIFICATION AND MONITORING

Participation in the training is mandatory, and requires verification of participation in the classroom, whether face-to-face or remotely. The training documentation is kept on file by the competent company departments and is made available to the SB.

Unjustified absence from the training sessions constitutes a disciplinary offence, and entails the application of the disciplinary sanctions referred to in section 5 above.

Regardless of the method selected, the traceability of the training is ensured through the individual's registration in the "training booklet", which is stored on the company's IT system.

Learning assessments are carried out via the administration of specific tests at the end of the training courses or the individual training modules.

The Corporate Affairs training unit verifies that the training course (whether e-learning or in-classroom) is attended by all the staff concerned, and provides the SB with evidence of the activities carried out, participation in the courses, and the outcomes of the learning verification tests.

Individuals who do not pass the learning verification tests are required to undergo new training cycles.