



## ALITALIA – COMPAGNIA AEREA ITALIANA S.P.A.

### ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

#### CODE OF CONDUCT

Under the terms of Legislative Decree no. 231 of 8 June 2001 as subsequently amended or supplemented (hereinafter the “Decree”), the Italian legal system provides that a company may be held liable – and therefore be directly brought before a criminal court – following the mere perpetration by its agents or representatives of offences that are expressly stated in the Decree – provided they are committed in the interest of, or to the advantage of their company.

Such liability takes the form of administrative penalties (fines) and prohibitive sanctions (which, in the most serious cases, may affect corporate operation).

The Decree, however, envisages that the company’s liability, even when one such offence is committed, shall not apply when (in essence) the company has taken and effectively implemented suitable steps, which the Decree expressly identifies, for preventing such offences.

The effective implementation of such steps – which fundamentally consist in specific organisation, management and control models – shall also be ensured by a Supervisory Board with autonomous powers of initiative and control, which was instituted within Alitalia by a Steering Committee resolution dated 29 July 2009.

It is further to be noted that the adoption and effective implementation of a suitable Model is not merely a circumstance exempting the company from liability, but also contributes to improve the overall management of the internal control system, for the full corporate approach to be inspired by the principles of transparency, ethicalness, fairness and observance of regulations. This ultimately goes to the advantage of Alitalia’s image and increases the confidence placed in Alitalia by passengers and any party with which the company has established relations.

Alitalia adopted its own Organisation, Management and Control Model pursuant to the Legislative Decree no. 231 of 8 June 2001 (hereinafter the “**Model**”) by a Steering Committee resolution of 25 February 2010.

With the Alitalia Model, the Company ultimately intends to establish and disseminate a corporate culture inspired by:

~ lawfulness, transparency, ethicalness, fairness and observance of regulations while bearing in mind that, consistently with its adopted rigorous principles, no illicit behaviour will be allowed, albeit committed in the interest or to the advantage of the Company;

~ the control that needs to govern all decision-making and operational phases of the corporate activity, with the full awareness of risks arising from the possible perpetration of offences.



The achievement of the foregoing purposes is pursued through a consistent system of principles, and organisational, management and control procedures which underlie the Model established and adopted by the Company.

The main objectives of the Model are as follows:

- to raise the awareness of anyone collaborating, for any reason and on any account, with Alitalia (employees, advisors, suppliers, etc.), and, to that end, to request them to adopt fair and transparent behaviours in the context of activities performed in the interest of the Company, in line with the ethical values subscribed to by the Company in the pursuance of its corporate objects and intended to prevent the risk of perpetration of the offences contemplated by the Decree;
- to inform foregoing persons of the likelihood to incur disciplinary sanctions and/or contractual remedies, and to be inflicted criminal and administrative sanctions in case of breach of the instructions received from the Company;
- to institute and/or strengthen forms of control enabling the Company to prevent, or promptly react to prevent the perpetration of offences by executives/managers and persons subject to the management and/or supervision of the latter persons;
- to enable the Company, through the suitable monitoring of areas of activities exposed to risks, to promptly intervene in order to prevent or remedy the perpetration of offences and to sanction behaviours running counter to the Model;
- to ensure the Company's integrity by fulfilling the requirements expressly prescribed by art. 6 of the Decree;
- to improve effectiveness and transparency in the management of corporate activities;
- to cause the potential perpetrator of an offence to be fully aware that the perpetration of an offence is punished by laws and runs counter not merely to legal requirements, but also to the ethical principles which the Company has subscribed to as well as to the Company's interest, even when it seems that the Company may benefit from it.

The Model is comprised of a general part and ten special parts.

The general part includes a description of (i) the reference regulatory framework (i.e. the offence cases which the Decree envisages and purports to prevent), (ii) Alitalia's governance and organisational structure with the identification of missions and responsibilities associated with each corporate function, (iii) principles and methods used for compiling the Model and their intended purposes, (iv) the Supervisory Board's requirements and tasks, (v) the disciplinary system adopted by the Company for any instance of noncompliance with the measures as stated in the Model and (vi) the training and communication plan which the Company intends to implement to ensure full knowledge and awareness of the Model provisions by all persons that are required to observe them.

Special parts are compiled by grouping together the following offences by homogeneous categories: A- Offences committed in relations with the Public Administration; B-Offences against public confidence;

C- Corporate offences; D- Offences with a terrorist intent or the intent to subvert democratic order; offences associated with receiving, recycling and using money, properties or utilities of illicit origin; E- Personal offences; F- Cross-border offences; organised crime offences; and any instances of soliciting someone to refrain from making declarations or to misrepresent facts before a judicial authority; G- unintentional manslaughter and unintentional serious or very serious injuries committed in breach of the applicable regulations on health and safety at work; H- Computer abuses and illicit processing of data; I- Offences against industry and trade; and L- Intellectual property offences.

Such special parts therefore include, with reference to the various criminal events and cases therein considered, individual sensitive corporate activities – for each of which reference is made to the **system of controls to be adopted by the Company in order to prevent that such offences are committed.**

More specifically, the system of controls described in the Model is first and foremost based on the following general standards.

- **Existence of formal procedures:** i.e. existence of corporate instructions in the form of principles of conduct, working methods for the performance of sensitive activities, and ways and means for archiving relevant documentation.
- **Tracking and ex-post monitoring of transactions through suitable documental evidence in hard or soft copies:** for each transaction there will have to be suitable documental evidence for checks to be made at any time in order to certify the characteristics and motivations behind such transaction and to identify the person that authorised, performed, registered or verified such transaction; in any case, the cases and terms for a possible deletion or destruction of records made shall be stated in detail. The protection of data and procedures in the context of electronic processing can be ensured through the adoption of the security measures already prescribed by Legislative Decree no. 196/2003 (known as “Personal Data Protection Code”) for any data processed by electronic devices or media.
- **Task segregation:** the system needs to ensure the application of the functional segregation principle, whereby the authorisation to perform a transaction must be placed under the responsibility of a person other than the person that effectively performs or controls the transaction. In addition, i) powers and responsibilities need to be clearly defined and made known within the organisation; and ii) authorisation and signatory powers shall be consistent with any assigned responsibilities within the organisation. Such segregation shall be guaranteed by the intervention, within the same corporate macro-process, of multiple persons so as to ensure the independence and objectiveness of such processes. Functional segregation shall also be implemented through the use of IT systems in which only authenticated and authorised persons will be allowed to perform certain operations. Segregation shall be assessed by considering the sensitive activity in the context of the specific process to which it belongs as well as the degree of complexity of such activity.
- **Existence of a system of powers consistent with the assigned responsibilities within the organisation:** authorisation and signatory powers shall be: i) consistent with any assigned organisational and management responsibilities; and ii) clearly defined and known within the Company. The Company’s staff who are given the power to bind the Company in respect of any specific expense items are defined by specifying the limits and nature of the expenses that they are allowed to authorise. The deed of appointment to perform certain functions shall comply with any specific legal requirements (e.g. delegation of powers related to workers’ health and safety).



Next, for each sensitive corporate activity and with regard to the various types of offences, detailed control standards are envisaged with more specific terms of implementation as opposed to the general control standards mentioned above.

A document that is strictly related to the Model and incorporates **a further control standard (i.e. a set of principles that individual behaviours in each sensitive activity ought to observe) is the Code of Conduct**, equally adopted by the Steering Committee resolution of 25 February 2010, which identifies principles and values whose scope extends well beyond that of principles deriving from the mere adherence to regulations. Each person operating in or having relations with Alitalia – whether with Alitalia’s internal functions or with third parties – ought to act on the basis of such principles and values.

Alitalia contends that, in order to establish and maintain a trustful relationship between Alitalia and its stakeholders, conformity with the law is required at all times; however, as legal provisions may not suffice, they need to be flanked by a corpus of general and specific ethical principles that will guide individual and collective choices and behaviours for the best possible pursuance of the interests at stake. Ethics, therefore, are absolutely crucial as a means to channel the behaviours of corporate bodies, the management, managers, employees and contractors – *over and above* the requirements of the Legislative Decree no. 231 of 8 June 2001.

The set of ethical principles and values enshrined in the Code need to inspire the action of anyone that operates within Alitalia, given the significance of their roles, and the complexity of functions and responsibilities entrusted to them in the pursuance of the Company’s objects. An ethically oriented approach is indispensable for a reliable conduct of Alitalia vis-à-vis stakeholders and, more generally, towards the full civil and economic context in which the Company operates.

In such respect, Alitalia’s Code of Conduct defines the set of values that Alitalia recognises, accepts and shares and the set of responsibilities which it has assumed towards persons within and outside its organisation. The Code of Conduct therefore amounts to a set of rules whose observance by all of the Company’s agents and representatives is of utmost importance for the optimum functioning, reliability and reputation of the Company.

**Any breach of the provisions of the Model and of the Code of Conduct implies – as more thoroughly and accurately described therein – the infliction of sanctions or, in any case, the adoption of remedial measures even irrespective of the perpetration of an offence or the completion of a criminal proceeding initiated by the competent Judicial Authority and its related outcome - one of the reasons for this being that the obligation to comply with the foregoing provisions also amounts to the fulfilment of the duties of loyalty, fairness and diligence arising out of the legal relations which the Company has established with persons within and outside its organisation.**

In the light of the foregoing, it might be helpful to call the reader’s attention to the section of the general part of the Model, which covers the Supervisory Board’s requirements and tasks, and specifically envisages (under paragraph 4.8.2.) the obligation for all employees to notify the Supervisory Board of any fact or circumstance found in the fulfilment of their functions and worthy of reporting as prescribed by Legislative Decree 231/2001.

With special reference to the top management and individual area managers, they are required to notify the Supervisory Board in writing of any situations that are likely to expose the Company to the risk of an

offence, and to regularly and immediately notify any new circumstances that are likely to change or extend the areas that are exposed to the potential offences falling within the cases defined by the Decree. In particular, the following information shall promptly be notified to the Supervisory Board:

- any request for legal aid sent by the Managers and/or Employees against which the Judiciary will act following the assessment of offences prescribed by the Decree 231/2001;
- any committee of enquiry or internal report from which the instances of offences defined under the Decree 231/2001 may be inferred;
- any notices of disciplinary procedures for facts committed in breach of the provisions of the Model;
- any measures or information originating from criminal investigation departments or any other authority from which the current conduct of investigations on known or unknown persons - for the instances of offences under the Decree 231/2001 - may be inferred;
- any notices of change in the structure of the organisation, powers and delegations;
- any minutes and records of the meetings of Shareholders, the Board of Directors, the Steering Committee and the Auditing Board which may be relevant under the Decree 231/2001.

In addition, the following information shall be notified to the Supervisory Board every four months:

- any decisions related to a request, disbursement or utilisation of public financing;
- any tables or schedules summing up contracts awarded by national or European bidding procedures, or by private negotiation;
- any information on procurement contracts awarded by public bodies or entities performing functions of public interest;
- any information related to the implementation of the Model at all levels of the organisation, bearing reference to any enforced disciplinary procedures and inflicted sanctions or, conversely, dismissals of cases with related grounds;
- any periodical reports on health and safety at work.

Partners, advisors and other recipients of the Model outside the Company are requested to directly and immediately report to the Supervisory Board any request directly or indirectly received from one of the Company's employees or representatives to the effect of causing behaviours that are likely to determine a breach of the Model.

Any and all reports of noncompliant behaviours made to the Supervisory Board shall be covered by secrecy, save for any mandatory legal requirements.

**Whistle-blowing referrals or reports may be sent to the Supervisory Board's email address: [odv.231@alitalia.it](mailto:odv.231@alitalia.it).**

The full text of the general part and of the special parts of the model, and the text of the Code of Conduct are published on Alitalia's website in section "about us/corporate governance", and in the Company's intranet for Alitalia's personnel. Such documentation may also be requested directly from the Supervisory Board's secretariat.

The full text of the special parts shall be sent by the immediate subordinates of the President and of the Managing Director to all persons concerned in a given activity.



All of the companies of the Group have agreed to prevent offences, pending the adoption of their own Model, by adopting and complying with the same control principles as those prescribed by Alitalia's Model and have further agreed to take up the values of Alitalia's Code of Conduct by adopting a resolution to that effect.

Subsequently, Air One (by resolution of 30 July 2010), Alitalia CityLiner S.p.A., C.A.I. FIRST S.p.A. and C.A.I. SECOND S.p.A. (by resolution of 29 July 2010) adopted its own Model that complies with the same objectives and principles of Alitalia's Model.

Air One's Model is published on its website ([www.flyairone.it](http://www.flyairone.it), in section "chi siamo") and in intranet for Air One's personnel. Such documentation may be requested directly from the Supervisory Board's secretariat ([odv.231@flyairone.it](mailto:odv.231@flyairone.it)).

The Models of Alitalia CityLiner, C.A.I. FIRST and C.A.I. SECOND (published by abstract in intranet for Company's personnel) may be requested directly from the respective Supervisory Board's secretariat at the following addresses:

Alitalia CityLiner S.p.A.:	Piazza Almerico da Schio, Pal. RPU, 00054 Fiumicino, Roma ( <a href="mailto:odvCT.231@alitalia.it">odvCT.231@alitalia.it</a> )
C.A.I. FIRST S.p.A.:	Via Pierpaolo Racchetti, Pal. NPU, 00054 Fiumicino, (Roma ( <a href="mailto:odvXM.231@alitalia.it">odvXM.231@alitalia.it</a> )
C.A.I. SECOND S.p.A.:	Via Pierpaolo Racchetti, Pal. NPU, 00054 Fiumicino, (Roma ( <a href="mailto:odvVE.231@alitalia.it">odvVE.231@alitalia.it</a> )

This disclosure document concisely illustrates the more detailed contents of Model and Code of Conduct of Alitalia and of the companies of the Group and is therefore intended **for all recipients to gain a full understanding of the obligations and duties binding them.**