

**ALGEBRIS INVESTMENTS (IRELAND) LIMITED
- MILAN BRANCH**

**ORGANISATION, MANAGEMENT
AND CONTROL MODEL**

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

GENERAL PART

**Approved by the Board of Directors of
Algebris Investments (Ireland) Limited
on 10/11/2023**

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1. Definitions and abbreviations

Algebris Investments Group (hereinafter also “**Algebris Group**”): is a Group founded in 2006 that operates through asset management companies, with offices in London, Milan, Rome, Zurich, Dublin, Boston, Singapore and Tokyo.

Algebris Investments (Ireland) Limited (hereinafter also “**Algebris Investments**” or the “**ManCo**”): an asset management company incorporated in Dublin, Ireland, Sir John Rogerson’s Quay 33, authorised and regulated by the Central Bank of Ireland (“CBI”). Algebris Investments is enrolled in the register under Article 35 of the Italian Consolidated Law on Finance (TUF) kept by the Bank of Italy as an EU management company and EU AIF manager, and it operates in Italy through the Branch.

Algebris Investments (Ireland) Limited - Milan Branch (hereinafter also “**Algebris Milan Branch**” or the “**Branch**”): this is the branch of Algebris Investments based in Corso Vittorio Emanuele II 1, 20122, Milan.

Sensitive activities: these are company activities that are vulnerable to or “at-risk” of the commission of offences under the Decree i.e. activities that could potentially be the occasion for, or contain the conditions and means for, the commission of offences.

Supervisory authorities: these are the public authorities (pursuant to Article 2638 of the Italian Civil Code) that carry out supervisory activities in relation to the Branch, such as e.g. the Bank of Italy, CONSOB (Stock Exchange Regulatory Authority), the Italian Data Protection Authority, the Italian Competition Authority (AGCM) etc.

CCNL: the National Collective Labour Agreement for Commerce, Tertiary sector, Distribution and Services applicable to Algebris Milan Branch employees.

Code of Ethics: the Code of Ethics of Algebris Milan Branch which defines the principles of conduct governing its activities and which directors, employees, suppliers, consultants and non-company collaborators are obliged to observe.

Non-company collaborators and/or Consultants: persons who have an independent collaborative relationship with the Branch, taking the form of a non-subordinate professional activity that is continuous or occasional in nature, and also persons who represent the Branch with third parties based on specific mandates and powers of attorney.

Board of Directors: the Board of Directors of Algebris Investments (Ireland) Limited of Algebris Milan Branch.

Legislative Decree 231/2001 or the “Decree”: Legislative Decree no. 231 of 8 June 2001, on the “Regime of administrative liability attributable to legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000”, as amended and updated.

Anti-money-laundering Decree or Legislative Decree 231/2007: Legislative Decree no. 231 of 21 November 2007 on the “Implementation of Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money-laundering and financing of terrorism

as well as Directive 2006/70/EC laying down implementing measures thereof”, as amended.

Recipients: those to whom the provisions of this Model apply.

Employees: natural persons subject to the management or supervision of those holding representation, administration or management positions at the Branch, i.e. all persons with an employment relationship of any kind with the Branch.

Mutual investment fund: a UCI established in the form of independent assets collected from multiple investors, divided into units, set up and managed by a fund manager.

Suppliers: those who provide goods or services to Algebris Milan Branch.

Public service officer: a person who “in any capacity performs a public service” i.e. an activity regulated in the same way as a public function, but without the powers typical of the latter (Article 358 of the Penal Code).

Confindustria guidelines: guideline document of the Italian Employers’ Federation (*Confindustria*) (approved on 7 March 2002 and subsequently updated) for the elaboration of Organisation, Management and Control Models referred to in the Decree.

Organisation, Management and Control Model (also “Model”): this Organisation, Management and Control Model adopted pursuant to Articles 6 and 7 of Legislative Decree 231/2001.

Undertaking for Collective Investment (UCI): an undertaking established to provide collective asset management services, whose assets are collected from multiple investors through the issue and offer of units or shares, managed upstream in the interest and independently of investors, and also invested in financial instruments, receivables, including those disbursed to non-consumers from the assets of the UCI, equity interests or other movable or immovable assets, based on a predetermined investment policy.

Supervisory Body: the Body of the entity or company endowed with independent powers of initiative and control, and tasked with supervising the operation of, and compliance with, the Model, as well the Model’s updating.

Procedures: procedures, policies, organisational provisions, service orders and all other provisions, measures and acts of the Branch that implement the control principles contained in this document.

Public Administration, PA or Public Bodies: the Public Administration, including its officials and public service officers.

Public official: a person who “exercises a public legislative, judicial or administrative function” (Article 357 of the Penal Code).

Offences: the offence categories that are subject to the legal regime pursuant to Legislative Decree 231/2001, as amended and supplemented.

Fund Rules: the management rules regulating participation in the common fund. The Fund Rules define the characteristics of the fund, regulate its operation, indicate the SGR (the asset management company) and the custodian, define the allocation of tasks among these parties and regulate dealings between them

and the fund participants.

Senior Managers: persons who hold representation, administration or management functions in the Branch or in one of its organisational units with financial and functional autonomy, as well as persons who manage and control the Company, *de facto* or otherwise.

Subordinates: persons subject to the management or supervision of one of the persons referred to in the previous paragraph.

Italian Consolidated Law on Finance (TUF) or Legislative Decree 58/1998: Legislative Decree no. 58 of 24 February 1998, containing the "*Consolidated Law on Financial Intermediation, pursuant to Articles 8 and 21 of Law no. 52 of 6 February 1996*", as amended and supplemented.

Whistleblower: a person who reports conduct, acts or omissions that are detrimental to the entity's interest or integrity and that consist of: administrative, accounting, civil or criminal offences; unlawful conduct of relevance for the purposes of Legislative Decree 231/2001 or infringements of the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001; offences falling within the scope of European Union acts relating to the following areas (without limitation): public procurement, services, financial products and markets, prevention of money-laundering and financing of terrorism, product safety and compliance; acts or omissions that harm the financial interests of the European Union and/or that concern the internal market.

2. Legislative Decree No. 231 of 8 June 2001

2.1 General Principles

Legislative Decree 231 of 8 June 2001 (hereinafter the “Decree” or “Legislative Decree 231/2001”) introduced into the Italian legal system the regime of administrative liability attributable to legal persons, companies and associations, including those without legal personality (hereinafter “Entities”) in the event of the commission or attempted commission of certain types of administrative offences in the interest or for the benefit of the Entity by:

- persons holding representation, administration or management functions in the Entity or in one of its financially and functionally independent organisational units, or by persons exercising management and control functions in the entity, *de facto* or otherwise (“Senior Managers”);
- subordinates who are subject to the management or supervision of one of the persons referred to in the previous paragraph.

This form of liability has a number of features in common with criminal liability (despite being defined legislatively as “administrative” liability), since such liability:

- follows the commission of criminal offences;
- is ascertained by a criminal court (during proceedings in which the procedural provisions relating to the defendant are applied to the Entity, where compatible).

Legislative Decree 231/2001 aimed to bring domestic rules on the liability of legal persons into line with a number of international conventions to which Italy had long since acceded.

The Entity’s administrative liability, under the Decree, supplements rather than replaces the (criminal) liability of the perpetrator of the offence: both the natural person and the legal person will therefore be subject to criminal proceedings.

2.2 The “catalogue” of offences and of administrative offences relevant for the purposes of the Decree

Liability attaches to the Entity only in respect of offences (committed or attempted) that the legislature has specifically provided for.

The following offences and administrative offences are of particular relevance here:

Crimes against the Public Administration and its assets (Articles 24 and 25 of the Decree)

- Embezzlement of public funds (Article 316-bis of the Penal Code);
- Unlawful receipt of public funds (Article 316-ter of the Penal Code);
- Fraud in public procurement (Article 356 of the Penal Code);
- Fraud to the detriment of the State or another public body or the European Union (Article 640(2)(1) of the Penal Code);
- Aggravated fraud to obtain public funds (Article 640-bis of the Penal Code);
- Computer fraud (Article 640-ter of the Penal Code) if committed to the detriment of the State, another public body or the European Union;

- Fraud to the detriment of the European Agricultural Guarantee Fund or to the European Agricultural Fund For Rural Development (EAFRD) (Article 2 of Italian Law 898/1986);
- Embezzlement (Article 314 of the Penal Code) if the act compromises the financial interests of the European Union;
- Embezzlement by exploiting another’s error (Article 316 of the Penal Code), where the act compromises the financial interests of the European Union;
- Extortion by a public official (Article 317 of the Penal Code);
- Acceptance of bribes in return for the exercise of official functions (Article 318 of the Penal Code);
- Acceptance of bribes in return for an act contrary to official duties (Article 319 of the Penal Code);
- Aggravating circumstances (Article 319-bis of the Penal Code);
- Acceptance of bribes in judicial proceedings (Article 319-ter of the Penal Code);
- Unlawful inducement by an official to give or promise a benefit (Article 319-quater of the Penal Code);
- Acceptance of bribes by a public service officer (Article 320 of the Penal Code);
- Penalties for the briber (Article 321 of the Penal Code);
- Incitement to bribery/corruption (Article 322 of the Penal Code);
- Embezzlement, extortion by a public official, unlawful inducement by an official to give or promise a benefit, bribery/corruption and incitement to bribery/corruption of members of International Courts or of European Union bodies or of international parliamentary assemblies or of international organisations and of officials of the European Union and of foreign States (Article 322-bis of the Penal Code);
- Abuse of office (Article 323 of the Penal Code) if the offence compromises the financial interests of the European Union;
- Trading in influence (Article 346-bis of the Penal Code).

Computer crimes and unlawful processing of data (Article 24-bis of the Decree)

- Computer documents (Article 491-bis of the Penal Code);
- Unauthorised access to a computer or electronic communications system (Article 615-ter of the Penal Code);
- Unauthorised possession, dissemination and installation of equipment, codes and other means to access computer or electronic telecommunications systems (Article 615-quater of the Penal Code);
- Unauthorised possession, dissemination and installation of computer equipment, devices or programs for the purpose of damaging or disrupting a computer or electronic telecommunications system (Article 615-quinquies of the Penal Code);
- Illegal interception, blocking or disruption of computer or electronic communications (Article 617-quater of the Penal Code);
- Unauthorised possession, dissemination and installation of equipment and other devices intended to intercept, block or disrupt computer or electronic communications (Article 617-quinquies of the Penal Code);
- Damaging information, data and computer programmes (Article 635-bis of the Penal Code);
- Damaging information, data and computer programmes used by the State or other public bodies or which are provided as a public service (Article 635-ter of the Penal Code);

- Damaging computer or electronic telecommunications systems (Article 635-quater of the Penal Code);
- Damaging computer or electronic telecommunications systems provided as a public service (Article 635-quinquies of the Penal Code);
- Computer fraud by persons providing electronic signature certification services (Article 640-quinquies of the Penal Code);
- Violation of National Cybersecurity Perimeter Rules (Article 1(11) of Decree-Law 105/2019).

Organised crimes (Article 24-ter of the Decree)

- Criminal association (Article 416 of the Penal Code);
- Domestic or foreign mafia-type criminal associations (Article 416-bis of the Penal Code);
- Vote-trading between politicians and Mafia (Article 416-ter of the Penal Code);
- Kidnapping for extortion/ransom (Article 630 of the Penal Code);
- Criminal association for the purpose of illegal traffic of narcotics or psychotropic substances (Article 74 of Presidential Decree no. 309 of 9 October 1990);
- All offences, if committed by availing of the circumstances indicated in Article 416-bis of the Penal Code in order to facilitate the activities of the associations provided for in the same Article (Law 203/91);
- Illegal manufacture, introduction into the State, offer for sale, transfer, possession and carrying in a public place or place open to the public of weapons of war or similar weapons, or parts thereof, explosives, illegal weapons as well as common firearms except those provided for by Article 2(3) of Law No. 110 of 18 April 1975 (Article 407(2)(a) no. 5 of the Italian Code of Criminal Procedure).

Crimes of falsification of currency, public credit notes, official stamps and identification instruments or marks (Article 25-bis of the Decree)

- Falsification of currency, spending and bringing falsified currency into the State in association with others (Article 453 of the Penal Code);
- Alteration of currency (Article 454 of the Penal Code);
- Spending and bringing falsified currency into the State without association with others (Article 455 of the Penal Code);
- Spending falsified currency received in good faith (Article 457 of the Penal Code);
- Falsification of official stamps, bringing into the State, acquiring or holding or placing in circulation falsified official stamps (Article 459 of the Penal Code);
- Falsification of watermarked paper used to make public credit notes or official stamps (Article 460 of the Penal Code);
- Manufacture or possession of watermarks or of equipment used to forge currency, official stamps or watermarked paper (Article 461 of the Penal Code);
- Use of falsified or altered official stamps (Article 464 of the Penal Code);
- Falsification, alteration or use of trademarks or distinguishing marks or patents, models and designs (Article 473 of the Penal Code);
- Bringing into the State and selling products bearing falsified marks (Article 474 of the Penal Code).

Crimes against industry and commerce (Article 25-bis.1 of the Decree)

- Obstructing the freedom of industry or commerce (Article 513 of the Penal Code);
- Unlawful competition using threats or violence (Article 513-bis of the Penal Code);
- Fraud against national industries (Article 514 of the Penal Code);
- Fraudulent trading (Article 515 of the Penal Code);
- Sale of non-genuine food as genuine (Article 516 of the Penal Code);
- Sale of industrial products with false marks or signs (Article 517 of the Penal Code);
- Manufacture and sale of goods made by usurping industrial property rights (Article 517-ter of the Penal Code);
- Falsification of geographical indications or denominations of origin of agricultural food products (Article 517-quater of the Penal Code).

Corporate offences (Article 25-ter of the Decree)

- False corporate reporting (Article 2621 of the Italian Civil Code);
- Minor acts (Article 2621-bis of the Italian Civil Code);
- False corporate reporting of listed companies (Article 2622 of the Civil Code);
- Obstruction of auditors in the course of their duties (Article 2625(2) of the Civil Code);
- Illegal repayment of contributions (Article 2626 of the Civil Code);
- Illegal distribution of profits and reserves (Article 2627 of the Civil Code);
- Unlawful dealing in the stocks or shares of the company or of its parent company (Article 2628 of the Civil Code);
- Transactions to the detriment of creditors (Article 2629 of the Civil Code);
- Failure to disclose conflicts of interest (Article 2629-bis of the Civil Code);
- Fictitious capital formation (Article 2632 of the Civil Code);
- Improper distribution of corporate assets by liquidators (Article 2633 of the Civil Code);
- Bribery/corruption among private individuals (Article 2635 of the Civil Code);
- Incitement to bribery/corruption among private individuals (Article 2635-bis of the Civil Code);
- Unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code);
- Manipulation of stock market transactions (Article 2637 of the Civil Code);
- Obstructing public supervisory authorities in the exercise of their functions (Article 2638, paragraphs 1 and 2, of the Civil Code);
- False or omitted declarations for the issuance of preliminary certificates (Article 54 of Legislative Decree 19/2023).

Criminal offences of terrorism and subversion of the democratic order (Article 25-quater of the Decree)

- Subversive associations (Article 270 of the Penal Code);
- Association for purposes of terrorism, including international terrorism, or of subversion of the democratic order (Article 270-bis of the Penal Code);
- Assistance to associates (Article 270-ter of the Penal Code);
- Recruitment for the purposes of terrorism, including international terrorism (Article 270-quater of the Penal Code);
- Organisation of trips for purposes of terrorism (Article 270-quater(1) of the Penal Code);
- Training in activities for purposes of terrorism, including international terrorism (Article 270-

quinquies of the Penal Code);

- Financing of conduct for purposes of terrorism (Article 270-quinquies(1) of the Penal Code);
- Stripping of seized monies or goods (Article 270-quinquies(2) of the Penal Code);
- Conduct with terrorist aims (Article 270-sexies of the Penal Code);
- Attack for purposes of terrorism or subversion (Article 280 of the Penal Code);
- Terrorist attack with lethal or explosive devices (Article 280-bis of the Penal Code);
- Acts of nuclear terrorism (Article 280-ter of the Penal Code);
- Kidnapping for purposes of terrorism or subversion (Article 289-bis of the Penal Code);
- Incitement to commit any of the criminal offences provided for by the first and second Chapters (Article 302 of the Penal Code);
- Political conspiracy by agreement (Article 304 of the Penal Code);
- Political conspiracy by association (Article 305 of the Penal Code);
- Armed gang: formation and participation (Article 306 of the Penal Code);
- Assistance to participants in a conspiracy or armed gang (Article 307 of the Penal Code);
- Appropriation, hijacking and destruction of an aircraft (Article 1 of Law 342/1976);
- Damage to ground installations (Article 2 of Law 342/1976);
- Sanctions (Article 3 of Law 422/1989);
- Active withdrawal from a criminal offence (Article 5 of Legislative Decree 625/1979);
- New York Convention of 9 December 1999 (Article 2).

Crimes of infibulation (female genital mutilation) (Article 25-quater no. 1 of the Decree)

- Infibulation (female genital mutilation) (Article 583-bis of the Penal Code).

Crimes against personal dignity (Article 25-quinquies of the Decree)

- Enslavement (Article 600 of the Penal Code);
- Child prostitution (Article 600-bis of the Penal Code);
- Child pornography (Art 600-ter of the Penal Code);
- Possession of or access to pornographic material (Article 600-quater of the Penal Code);
- Online pornography (Article 600-quater no. 1 of the Penal Code);
- Sex tourism involving child prostitution (Article 600-quinquies of the Penal Code);
- Trafficking in human beings (Article 601 of the Penal Code);
- Purchase and sale of slaves (Article 602 of the Penal Code);
- Unlawful intermediation and exploitation of labour (Article 603-bis of the Penal Code);
- Solicitation of minors (Article 609-undecies of the Penal Code).

Market abuse offences (Article 25(sexies) of the Decree)

- Misuse or unlawful communication of inside information. Recommending or inducing others to commit insider trading (Article 184 of Legislative Decree 58/1998, the Italian Consolidated Law on Finance - TUF);
- Market manipulation (Article 185 of Legislative Decree 58/1998);
- Administrative offences (Article 187-quinquies of the Consolidated Law on Finance):
 - Prohibition of insider trading and of unlawful disclosure of inside information (Article 14 of EU Regulation 596/2014);
 - Prohibition of market manipulation (Article 15 of EU Regulation 596/2014).

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Crimes of manslaughter and of serious or grievous culpable injury committed in violation of workplace health and safety rules (Article 25-septies of the Decree)

- Manslaughter (Article 589 of the Penal Code);
- Culpable personal injury (Article 590 of the Penal Code).

Crimes of receiving stolen goods, money-laundering, use of money, goods or assets of illicit origin and self-laundering (Article 25-octies of the Decree)

- Receiving stolen goods (Article 648 of the Penal Code);
- Money-laundering (Article 648-bis of the Penal Code);
- Use of money, goods or assets of illegal origin (Article 648-ter of the Penal Code);
- Self-laundering (Article 648-ter(1) of the Penal Code).

Crimes involving non-cash payment instruments (Article 25-octies(1) of the Decree)

- Misuse and falsification of non-cash instruments (Article 493-ter of the Penal Code);
- Possession and distribution of computer equipment, devices or programs in order to commit offences involving non-cash payment instruments (Article 493-quater of the Penal Code);
- Computer fraud in the aggravated case of transfer of monies, monetary value or virtual currency (Article 640-ter of the Penal Code);
- Any other criminal offence against the public trust or against property pursuant to the Penal Code, when non-cash payment instruments are involved.

Copyright infringement offences (Article 25-novies of the Decree)

- Criminal protection of rights to economic and moral use (Article 171(1)(a-bis) and (3) of Law 633/1941);
- Criminal protection of software and databases (Article 171-bis (1) and (2) of Law 633/1941);
- Criminal protection of audiovisual works (Article 171-ter of Law 633/1941);
- Criminal liability related to media (Article 171-septies of Law 633/1941);
- Criminal liability related to authorised access audiovisual transmissions (Article 171-octies of Law 633/1941).

Inducement not to make statements, or to make false statements to the judicial authorities (Article 25-decies of the Decree)

- Inducement not to make statements, or to make false statements to the judicial authorities (Article 377-bis of the Penal Code).

Environmental offences (Article 25-undecies of the Decree)

These are offences provided for by the Penal Code and by special laws.

- Environmental pollution (Article 452-bis of the Penal Code);
- Environmental disaster (Article 452-quater of the Penal Code);
- Unpremeditated offences against the environment (Article 452-quinquies of the Penal Code);

- Trafficking and abandoning highly radioactive material (Article 452-sexies of the Penal Code);
- Aggravating circumstances (Article 452-octies of the Penal Code);
- Killing, destruction, capture, removal, keeping of specimens of protected wild animal or plant species (Article 727-bis of the Penal Code);
- Destruction or degradation of habitats within a protected site (Article 733-bis of the Penal Code);
- Import, export, possession and use for profit, purchase, sale, display or possession for sale or for commercial purposes of protected species (Law 150/1992, Article 1, Article 2, Article 3-bis and Article 6);
- Discharge of industrial waste water containing hazardous substances; discharge to ground, subsoil and groundwater; discharge into the sea by ships or aircraft (Article 137 of Legislative Decree 152/2006);
- Management of unauthorised waste (Article 256 of Legislative Decree 152/2006);
- Illegal burning of waste (Article 256-bis of Legislative Decree 152/2006);
- Pollution of soil, subsoil, surface water or groundwater (Article 257 of Legislative Decree 152/2006);
- Violation of obligations of notification and keeping of mandatory registers and forms (Article 258 of Legislative Decree 152/2006);
- Illegal trafficking of waste (Article 259 of Legislative Decree 152/2006);
- Organised activities for the illegal trafficking of waste (Article 452-quaterdecies of the Penal Code);
- False information on the nature, composition and chemical-physical characteristics of waste when drawing up a waste analysis certificate; submission of a false waste analysis certificate; omission or fraudulent alteration of the hard copy of documents used for waste traceability (Article 260-bis of Legislative Decree 152/2006);
- Sanctions (Article 279 of Legislative Decree 152/2006);
- Pollution with premeditation caused by ships (Article 8 of Legislative Decree 202/2007);
- Pollution without premeditation caused by ships (Article 9 of Legislative Decree 202/2007);
- Cessation and reduction of the use of ozone depleting substances (Article 3 of Law 549/1993).

Crime of recruitment of undocumented third country nationals (Article 25-duodecies of the Decree)

- Measures to combat illegal immigration (Articles 12(3), (3-bis), (3-ter) and (5) of Legislative Decree 286/1998);
- Recruitment of undocumented third country nationals (Article 22(12-bis) of Legislative Decree 286/1998).

Criminal offences of racism and xenophobia (Article 25-terdecies of the Decree)

- Propaganda and incitement to commit crimes based on racial, ethnic and religious discrimination (Article 604-bis of the Penal Code).

Fraud in sports competitions, illegal gaming, betting and gambling using prohibited devices (Article 25-quaterdecies of Legislative Decree 231/2001)

- Fraud in sports competitions (Article 1 of Law 40/1989);

- Unlawful gaming or betting activities (Article 4 of Law 401/1989).

Tax offences (Article 25-quinquies of the Decree)

- Fraudulent tax declaration using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree 74/2000);
- Fraudulent tax declaration using other stratagems (Article 3 of Legislative Decree 74/2000);
- False tax declaration (Article 4 of Legislative Decree 74/2000);
- Failure to make a tax declaration (Article 5 of Legislative Decree 74/2000);
- Issuance of invoices or other documents for non-existent transactions (Article 8 of Legislative Decree 74/2000);
- concealment or destruction of accounting documents (Article 10 of Legislative Decree 74/2000);
- Illegal offsetting of tax credits (Article 10-quater of Legislative Decree 74/2000);
- Fraudulent evasion of tax payments (Article 11 of Legislative Decree 74/2000).

The criminal offences of false tax declaration, failure to make a tax declaration and of illegal offsetting of tax credits - punished respectively by Articles 4, 5 and 10-quater of Legislative Decree 74/2000 - are predicate offences pursuant to Article 25-quinquiesdecies of Legislative Decree 231/2001 introduced by Legislative Decree no. 75 of 14 July 2020, as amended by Legislative Decree no. 156 of 4 October 2022, in “Implementation of the EU Directive 2017/1371 on combating fraud to the detriment of the financial interests of the Union through the criminal law” (the “PIF” Directive). These tax offences constitute predicate offences for the administrative liability of entities if they are committed in order to evade value added tax in the context of cross-border fraudulent schemes linked to the territory of at least one other EU Member State, which leads or may lead to an overall loss figure of Euro 10 million or more.

Crimes of smuggling (Article 25-sexiesdecies of the Decree)

These offences are provided for in Title VII “Customs violations” of Presidential Decree no. 43 of 23 January 1973.

- Smuggling of goods across land borders and customs areas (Article 282 of Presidential Decree 43/1973);
- Smuggling goods across border lakes (Article 283 of Presidential Decree 43/1973);
- Smuggling goods across seas (Article 284 of Presidential Decree 43/1973);
- Smuggling of goods by air (Article 285 of Presidential Decree 43/1973);
- Smuggling in non-customs areas (Article 286 of Presidential Decree 43/1973);
- Smuggling for illegitimate use of goods imported with special customs reliefs (Article 287 of Presidential Decree 43/1973);
- Smuggling in customs warehouses (Article 288 of Presidential Decree 43/1973);
- Smuggling by coastal navigation and by “circulation” (Article 289 of Presidential Decree 43/1973);
- Smuggling in the exportation of goods eligible for duty drawback (Article 290 of Presidential Decree 43/1973);

- Smuggling in temporary import or export operations (Article 291 of Presidential Decree 43/1973);
- Smuggling of foreign processed tobacco (Article 291-bis of Presidential Decree 43/1973);
- Aggravating circumstances of the offence of smuggling foreign processed tobacco (Article 291-ter of Presidential Decree 43/1973);
- Criminal association aimed at smuggling tobacco processed abroad (Article 291-quarter of Presidential Decree 43/1973);
- Other cases of smuggling (Article 292 of Presidential Decree 43/1973);
- Smuggling: aggravating circumstances (Article 295 of Presidential Decree 43/1973).
- Crimes against cultural heritage assets (Article 25-septiesdecies of the Decree)
- Theft of cultural heritage assets (Article 518-bis of the Penal Code);
- Misappropriation of cultural heritage assets (Article 518-ter of the Penal Code);
- Receiving stolen cultural heritage assets (Article 518-quater of the Penal Code);
- Falsification in a private deed relating to cultural heritage assets (Article 518-octies of the Penal Code).
- Illegitimate disposal of cultural heritage assets (Article 518-novies of the Penal Code);
- Illegal importation of cultural heritage assets (Article 518-decies of the Penal Code);
- Illegal removal or export of cultural heritage assets (Article 518-undecies of the Penal Code);
- Destruction, dispersion, impairment, defacement and unlawful use of cultural or landscape heritage assets (Article 518-duodecies of the Penal Code);
- Forgery of works of art (Article 518-quaterdecies of the Penal Code).

Laundering of cultural heritage assets and depredation and looting of cultural and landscape heritage assets (Article 25-duodecies of the Decree)

- Laundering of cultural heritage assets (Article 518-sexies of the Penal Code);
- Depredation and looting of cultural and landscape heritage assets (Article 518-terdecies of the Penal Code).

Liability of entities for administrative offences arising from the commission of a criminal offence [These are a prerequisite for entities operating in the virgin olive oil chain] (Article 12 of Law 9/2013)

- Adulteration and falsification of foodstuffs (Article 440 of the Penal Code);
- Trade in falsified or adulterated food substances (Article 442 of the Penal Code);
- Trade in harmful food substances (Article 444 of the Penal Code);
- Falsification, alteration or use of distinguishing marks of copyright-protected works or of industrial products (Article 473 of the Penal Code);
- Bringing into the State and selling products bearing falsified marks (Article 474 of the Penal Code);
- Fraudulent trading (Article 515 of the Penal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Penal Code);
- Sale of industrial products with false marks or signs (Article 517 of the Penal Code);
- Falsification of geographical indications or denominations of origin of agricultural food products (Article 517-quater of the Penal Code).

Cross-border crimes (Article 10 of Law 146/2006)

The following criminal offences, if committed cross-border, are a basis for the administrative liability of entities:

- Criminal association (Article 416 of the Penal Code);
- Domestic or foreign mafia-type criminal association (Article 416-bis of the Penal Code);
- Criminal association aimed at smuggling tobacco processed abroad (Article 291-quater of the Consolidated Law pursuant to Presidential Decree no. 43 of 23 January 1973);
- Criminal association for the purpose of illegal traffic of narcotics or psychotropic substances (Article 74 of the Consolidated Law pursuant to Presidential Decree no. 309 of 9 October 1990);
- Measures to combat illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, of the Consolidated Law pursuant to Legislative Decree 286/1998);
- Inducement not to make statements, or to make false statements to the judicial authorities (Article 377-bis of the Penal Code);
- Aiding and abetting (Article 378 of the Penal Code).

The criminal offences and administrative offences referred to above may also give rise to the Entity's administrative liability if, despite having its head office in Italy, they were committed abroad.

2.3 The system of sanctions provided for by the Decree

The Decree provides for the following sanctions against Entities are: i) monetary penalties, ii) disqualification sanctions; iii) confiscation of the proceeds or profits of the criminal offence, iv) publication of the criminal sentence.

Monetary sanctions are applied whenever the legal entity is held to be liable, and the criminal court applies them based on a system of "quotas". The court determines the number of quotas taking into account the seriousness of the offence, the degree of the company's liability and also any actions it took to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences; the amount of the quota is set, however, based on the entity's economic and financial circumstances.

Disqualification sanctions: these may be applied in addition to monetary sanctions, only if specifically provided for in respect of the offence for which the entity is convicted, and only if at least one of the following conditions is satisfied:

- the entity has significantly benefited from the commission of the offence and it was committed by a senior manager or by a subordinate, but only if the commission of the offence was made possible or facilitated by serious organisational shortcomings;
- in the event of repeat offences.

These sanctions take the form of disqualification from carrying out company activities, suspension or revocation of authorisations, licences or concessions functional to the commission of the offence, prohibition from contracting with the public administration, except in order to receive a public service, exclusion from funding, from favourable terms, from contributions or subsidies and possible revocation of those already granted, prohibition on the advertisement of goods or services.

Disqualification sanctions shall not be applied (or shall be revoked, if already applied provisionally) if the Entity, before the opening of the first instance hearing, has:

- compensated or made good the loss;
- eliminated the harmful or dangerous consequences of the offence, or endeavoured to do so;
- made available to the judicial authorities the profit from the offence, for confiscation;
- eliminated the organisational shortcomings that led to the offence by adopting and implementing organisational models suitable for preventing the commission of offences in the future.

Confiscation means that the State acquires the price or profit of the offence or sums of monies, goods or other benefits of equivalent value: confiscation does not, however, include that part of the price or profit of the offence which can be restored to the injured party. Confiscation is always ordered with a criminal conviction.

Publication of the criminal sentence may be ordered if the entity is subject to a disqualification sanction. Publication involves posting in the municipality where the entity has its head office, and publication on the Ministry of Justice website.

2.4 Organisation, Management and Control Models as providing exemption from liability under the Decree

If the offence is committed by persons performing representative, administrative or managerial functions on behalf of the entity or of a financially and functionally independent organisational unit thereof, or by persons who manage and control the entity (de facto or otherwise), the Entity will not be liable if it can prove:

- **that the governing body adopted and effectively implemented - prior to the commission of the offence - a Model suitable for preventing offences of the type that were committed;**
- that an internal Supervisory Body exists with independent powers of initiative and control, tasked with supervising the operation of the Model, compliance with the Model and the updating of the Model;
- that the persons committing the offence did so while fraudulently circumventing the provisions of the Model;
- that the audit body was not guilty of any failure or lack of supervision in relation to the Model.

If, however, the offence is committed by persons under the management or supervision of one of the aforementioned persons, the Entity will be liable if the commission of the offence was made possible by the non-fulfilment of management and supervisory obligations. If the entity can demonstrate that it adopted and effectively implemented a Model suitable for preventing offences of the kind that in fact were committed, then it will not be held liable for such non-fulfilment or infringement.

The Decree, therefore, provides that the entity shall not be liable for sanctions if it proves that it has adopted and effectively implemented **organisation, management and control Models suitable for preventing the commission of offences that were committed**, without prejudice to the personal liability of the perpetrator of the offence.

The legislature, therefore, deliberately provided for exemption from liability for entities that have adopted Organisational Models, but provided that those Models are suitable for preventing offence risk and have been adopted and effectively implemented. The Decree also states that Models must satisfy the conditions indicated below,

more specifically, they must:

- identify the activities within the context of which the offences provided for in the Decree may be committed;
- establish specific protocols that can guiding the process of formulating and implementing the entity's decisions in relation to the offences to be prevented or averted;
- define procedures for managing financial resources to prevent such offences from being committed;
- establish reporting obligations to the Supervisory Body responsible for monitoring the Model's operation and compliance;
- introduce a disciplinary system with penalties for failure to implement the measures indicated in the Model;
- contain suitable measures to ensure that activities are performed in compliance with law and that vulnerabilities are promptly identified and eliminated, based on the nature and size of the organisation and on the type of activities carried out.

3. Algebris Investments (Ireland) Limited – Milan Branch

Algebris Investment (Ireland) Limited - Milan Branch (hereinafter also the “Branch”) is part of the Algebris Investments Group (also the “Group”, below), which was founded in 2006 and operates through the medium of various asset management companies, with offices in London, Milan, Rome, Zurich, Dublin, Boston, Singapore and Tokyo.

Through the Branch, Algebris Investments (Ireland) Limited (hereinafter also “Algebris Investments” or the “ManCo”) - enrolled in the register under Article 35 of the Italian Consolidated Law on Finance (TUF) kept by the Bank of Italy as an EU management company and EU AIF manager - is authorised to operate in Italy, as of 21 December 2020 by providing the following services:

- investment advisory services;
- reception and transmission of orders;
- UCITS collective management services (also under the regime of free provision);
- portfolio management services;
- non-UCITS collective management services.

The Branch, based in Milan on Corso Vittorio Emanuele II 1, 20122, commenced operations on 1 January 2021.

In relation to the organisational and operational structure of the Algebris Group, the Branch’s current and potential clients are professional clients; by contrast, retail clients subscribe to products managed by the ManCo through the placing banks.

3.1 The Organisational Structure of Algebris Milan Branch

Algebris Milan Branch has the following organisational structure.

The **Board of Directors of Algebris Investments (Ireland) Limited** is the strategic oversight body pursuant to the laws in force from time to time, and is vested with the widest powers for the extraordinary management of the Branch.

The **Branch Manager** is the Legal Representative and is vested with the widest powers for the ordinary management of the Branch and has the authority to carry out any acts deemed necessary or appropriate in order to implement and achieve purposes set by the Board of Directors of Algebris Investments (Ireland) Limited, in compliance with applicable regulations.

3.2 Internal System Controls of Algebris Milan Branch

When drafting the Model of Algebris Milan Branch, account was taken of the instruments of governance of the Branch’s organisation that ensure its operation, more specifically of:

- **The Articles of Association**, which contain a wide variety of corporate governance provisions aimed at ensuring that management activities are carried out properly;
- **The organisational system**, comprising the organisational structures/positions and areas of responsibility, which is represented in the company organisation chart and is an integral part of this Model;

- **The Code of Ethics**, comprising a set of rules of conduct and general principles required to be observed by all persons working inside and outside the company who have a direct or indirect relationship with Algebris Milan Branch, and whose infringement entails the application of sanctions under this Model’s sanctions system;
- **Internal System Controls**: these are the global system of company policies and procedures that are customised to the Branch in view of its specific activities and corporate control functions (permanent and independent) established pursuant to applicable supervisory provisions.

The internal system controls may be broken down as follows:

- **first-level controls (“line” controls)**, which are carried out in order to ascertain that daily operational activities are properly performed. These “line” controls, as provided for under applicable rules, are conducted by the operating units themselves and consist of routine checks by persons who carry out the given activity and also by those who have supervisory responsibility within the same organisational unit or function;
- **second-level controls**, which cover the different types of risk to which the Algebris Group is or may be exposed in the context of its activities (e.g.: operational, regulatory compliance, legal, reputational). These controls are entrusted to the following functions:
 - the **Group Risk Management Function and the Branch Risk Officer**, tasked with identifying, measuring, controlling and managing all risks associated with the activities, processes and systems of the ManCo and of the Branch in accordance with the strategies and risk profile defined by the Board of Directors of Algebris Investments (Ireland) Limited;
 - the **Group Compliance & Anti-money-laundering Function and the Branch Compliance Officer**, who, within their respective remits, are responsible for:
 - verifying compliance with rules linked to obligations concerning the provision of collective asset management and individual portfolio management services and in order to prevent non-compliance risk;
 - identifying rules applicable to the Branch in order to avert and manage risks of money-laundering and financing of terrorism, and assessing their impact on internal processes and procedures;
 - collaborating in identifying internal system controls and procedures aimed at preventing and combating the risks just mentioned;
 - verifying the suitability of internal system controls and procedures adopted, and proposing such organisational and procedural changes as are necessary or advisable in order to adequately manage risk;
 - carrying out checks, in conjunction with the Suspicious Transactions Reporting Manager, on the functionality of the Branch’s reporting process and on the suitability of the first-level checks on client operations;
 - establishing and maintaining safeguards to ensure compliance with customer due diligence obligations, according to a risk-based approach that provides that such obligations should be graduated according to the money-laundering risk profile attributed to the client; providing advice and assistance to the corporate bodies and to senior management; carrying out pre-assessments within its remit where new products and services are offered;
 - checking the trustworthiness of the IT system for the fulfilment of obligations related to customer due diligence, data retention and suspicious transaction reporting;

- collaborating in defining governance policies for money-laundering risk and the various stages in the process of managing that risk;
- overseeing the Branch's monthly transmission to the Financial Information Unit of aggregated data related to entries in the Centralised Computer Database (AUI);
- ensuring that an adequate training plan is drawn up in collaboration with other corporate functions responsible for training, so that employees and non-company collaborators will receive professional refresher training on an ongoing basis;
- arranging information flows to the corporate bodies and to senior management, ensuring that a report is submitted on an annual basis;
- conducting, in liaison with the other corporate functions concerned, the annual self-assessment of money-laundering risks to which the ManCo and the Branch are exposed, and whose results are included in the annual Report;
- collaborating with the supervisory authorities on anti-money-laundering issues.

The Anti-money-laundering Function is also tasked with performing enhanced customer due diligence activities in any case in which the money-laundering risk appears significant due to objective, background and/or subjective circumstances.

- **third level controls**, which are entrusted to the Branch's Internal Audit function.

The **Internal Audit Function** is tasked with:

- adopting, implementing and maintaining an audit plan for examining and evaluating the adequacy and effectiveness of the Branch's systems, processes, procedures and mechanisms of control;
- formulating recommendations in relation to the system of processes and of controls, and verifying compliance with that system;
- reporting immediately to the Branch Manager if it discovers or encounters irregularities;
- drawing up and submitting reports on its activities to the corporate bodies, at least once a year.

3.3 The Algebris Group and the ESG Commitment

The Algebris Group promotes the inclusion of environmental, social and governance factors (ESG) as well as sustainable investment factors in its activities (beyond mere investment activities), in order to ensure that these principles are integrated into its strategies and business operations, ethos, culture and corporate social responsibility.

In line with this governance system, the Algebris Group:

- ✓ encourages sustainable governance practices that contribute to the creation of long-term value for clients and investors;
- ✓ has appointed an ESG Committee, tasked with identifying and overseeing risks and opportunities related to the development and implementation of ESG factors in all business strategies;
- ✓ is committed to making investment choices based on a sustainable approach, in conformity with the transparency requirements provided for in the EU regulation on sustainability disclosure in financial services - the Sustainable Finance Disclosure Regulation (SFDR).

In this context Algebris Milan Branch is committed, by means of this Model and the Code of Ethics, to achieving the sound management of company operations, also contributing to the development and

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integration of ESG principles defined at Group level.

4. The Organisation, Management and Control Model of Algebris Milan Branch

The Board of Directors of Algebris Investments (Ireland) Limited approved the first version of its Organisation, Management and Control Model on 3/08/2023.

Amendments and additions to this Organisational Model, also based on information received from the Supervisory Body which is responsible for updating it, are made by the Board of Directors of Algebris Investments (Ireland) Limited.

The Branch Manager takes decisions regarding the implementation of the Model, by evaluating and approving the actions required in order to implement its constituent elements.

4.1 Algebris Milan Branch's purpose in adopting and updating its Organisational Model

The Branch's purpose in adopting the Organisation, Management and Control Model, and subsequently updating it, is as follows:

- to inform all those who work in the name of and on behalf of the Branch, particularly those who operate in the so-called “sensitive areas”, that if they should infringe the Model's provisions they could become liable to criminal sanctions and the Branch could have “administrative” sanctions imposed upon it as a result;
- to make them aware that the Branch condemns unlawful conduct in the strongest possible terms, as being absolutely illegal and also in violation of its corporate culture and of the ethical principles that it has adopted as a guide to its business activities;
- to permit the Branch to promptly intervene to prevent or counteract the commission of offences, or at least to significantly reduce the harm produced by them;
- to improve corporate governance and the image of the Branch.

The drafting of this Model was inspired by the Guidelines issued by the Italian Employers' Federation (**Confindustria**), as amended and updated over time.

4.2 The “Recipients” of the Organisational Model of Algebris Milan Branch

The principles and provisions of this document must be observed and respected:

- by the Branch Manager and by senior managers;
- by employees;
- by consultants, non-company collaborators, suppliers and by any third parties if they are involved in the performance of activities vulnerable to the commission of one of the predicate offences referenced in the Decree (so-called “sensitive activities”);
- by those acting under the management or supervision of senior managers within the scope of their assigned tasks and functions.

The persons thus identified are referred to below as “Recipients”.

4.3 The preparation of the Organisational Model of Algebris Milan Branch

The work of drawing up the Algebris Milan Branch Model required the following activities:

- the identification of sensitive sectors/activities/areas relevant to the offences referenced in the Decree, from an analysis of key company documents (e.g. Articles of Association, Chamber of Commerce company search record etc.);
- a detailed analysis of the individual sensitive activities and areas, prefiguring all the ways in which the offences listed in the Decree could potentially be committed by the company, its administrative bodies, its employees and, more generally, by those referenced in Article 5 of the Decree (information gleaned also through meetings and interviews with the relevant personnel and persons);
- the identification of existing internal rules and protocols - formalised or otherwise – that reference exclusively those areas identified as being “sensitive” i.e. vulnerable to the risk of commission of offences;
- the definition of conduct and control standards for activities which, it was agreed with the Branch, required regulation;
- the identification of actions to “reinforce” the existing control system (processes and procedures);
- the regulation of ways of managing financial resources so as to assist in preventing the commission of offences;
- the identification of an agent(s) entrusted with supervising the concrete application of this Model (hereinafter, the “Supervisory Body”), concurrently installing a system of reporting to and from the Supervisory Body;
- the introduction of a disciplinary system with penalties for non-compliance with the provisions of the Model and of the Code of Ethics.

4.4 The structure of the Organisational Model of Algebris Milan Branch

The Model consists of a General Section and of Special Sections that regulate the principles of conduct to be followed by Recipients in the context of sensitive activities.

Below are the main corporate activities which were identified during the risk assessment phase as being vulnerable to, or providing occasion for, the commission of offences of relevance to the Branch for the purposes of the Decree (so-called “sensitive” or “at-risk” activities):

- *Management of dealings with clients;*
- *Provision of portfolio management services (UCITS) and Segregated Mandates;*
- *Provision of portfolio management services (FIAs) - NPL;*
- *Provision of portfolio management services (FIAs) - Green;*
- *Management of marketing activities, of gifts and freebies;*
- *Management of dealings with public entities and supervisory authorities;*
- *Management of administrative obligations and related inspection activities;*
- *Management of complaints, litigation and of dealings with the judicial authorities;*
- *Management of human resources;*
- *Management of purchases of goods and services (including consultancy);*
- *Management of accounting, taxation and of special transactions;*

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- *Management of financial flows;*
- *Management of IT activities;*
- *Office Management;*
- *Management of the prevention and protection system.*

In compliance with the provisions of the Decree and in the manner outlined above, the Branch's "sensitive" activities were identified while taking into account Algebris Milan Branch's current operations and its existing organisational structure.

4.5 Offences of potential relevance for Algebris Milan Branch

In view of the Branch's current activities, the offences listed below were identified as being of potential relevance:

- offences committed in dealings with the Public Administration or against its assets (Articles 24 and 25 of Legislative Decree 231/2001);
- computer crimes and unlawful processing of data (Article 24-bis of Legislative Decree 231/2001);
- organised crimes (Article 24 of Legislative Decree 231/2001);
- crimes against industry and commerce (Article 25-bis-1 of Legislative Decree 231/2001);
- corporate offences (Article 25 of Legislative Decree 231/2001);
- crimes linked to terrorism or subversion of the democratic order (Article 25-quater of Legislative Decree 231/2001);
- crimes against personal dignity (Article 25-quinquies of Legislative Decree 231/2001);
- market abuse (Article 25-sexies of Legislative Decree 231/2001);
- crimes of manslaughter or serious or grievous culpable injury committed in violation of workplace health and safety rules (Article 25-septies of Legislative Decree 231/2001 and Title XII of Legislative Decree 81/08, as amended);
- crimes of receiving stolen goods, money-laundering, use of money, goods or assets of illicit origin and self-laundering (Article 25-octies of Legislative Decree 231/2001);
- crimes involving non-cash payment instruments (Article 25-octies(1) of Legislative Decree 231/2001);
- copyright infringement offences (Article 25-novies of Legislative Decree 231/2001);
- crime of inducement not to make statements, or to make false statements to the judicial authorities (Article 25-decies of Legislative Decree 231/2001);
- environmental offences (Article 25-undecies of Legislative Decree 231/2001);
- crimes of recruitment of undocumented third country nationals (Article 25-duodecies of Legislative Decree 231/2001);
- tax offences (Article 25-quinquiesdecies of Legislative Decree 231/2001);
- crimes against cultural heritage assets (Article 25-septiesdecies of Legislative Decree 231/2001);

Based upon analyses carried out, no risk profiles appear to be associated with the groups of offences indicated below:

- cross-border crimes (Article 10 of Law 146/2006);
- crimes of falsification of currency, public credit notes, official stamps and identification instruments or marks (Article 25-bis of Legislative Decree 231/2001);
- crimes of infibulation (female genital mutilation) (Article 25-quater(1) of Legislative Decree 231/2001);
- criminal offences of racism and xenophobia (Article 25-terdecies of Legislative Decree 231/2001);
- fraud in sports competitions, illegal gaming, betting and gambling using prohibited devices (Article 25-quaterdecies);

- crimes of smuggling (Article 25-sexiesdecies of Legislative Decree 231/2001);
- criminal laundering of cultural heritage assets and depredation and looting of cultural and landscape heritage assets (Article 25-duodecies of Legislative Decree 231/2001).

Nonetheless, these offences are deemed to fall within the provisions of this Organisation, Management and Control Model and within the general safeguards provided for in the Code of Ethics.

4.6 Internal reporting (“whistleblowing”) channels - Article 6(2-bis) of Legislative Decree 231/2001¹

Article 6(2-bis) of Legislative Decree 231/2001 provides that the Organisation and Management Model pursuant to Legislative Decree 231/2001 adopted by the Branch must make provision for internal reporting channels within the meaning of Legislative Decree 24/2023, implementing the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on safeguarding persons who report breaches of EU law.

Pursuant to Legislative Decree 24/2023, conduct, acts or omissions that undermine the interest or integrity of the entity must be reported. In essence, these are the following:

- administrative, accounting, civil or criminal offences;
- unlawful conduct within the meaning of Legislative Decree 231/2001 or breaches of the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001;
- offences falling within the scope of European Union acts relating to the following areas (without limitation): public procurement, services, financial products and markets and the prevention of money-laundering and the financing of terrorism, product safety and compliance;
- acts or omissions that harm the financial interests of the European Union and/or that concern the internal market.

Reports will be managed in line with the Branch’s new whistleblowing policy (published on the company website in the Whistleblowing Section).

The reporting channels guarantee, also through the use of encryption tools, the anonymity of the whistleblower or reporting party and also the confidentiality of the content of the report and associated documentation.

The Branch guarantees that the whistleblower will be protected against any form of retaliation and/or discrimination.

Protection against retaliatory acts is extended to all persons broadly associated with the whistleblower or his/her organisation, as defined by Article 3 of Legislative Decree 24/2023.

Note that Article 17 of Legislative Decree 24/2023 forbids any retaliation against reporting parties or entities.

The measures to safeguard whistleblowers apply in conformity with the provisions of Chapter III of

¹ Please note that, until the implementation of the Policy and Procedures and of the local Whistleblowing Channels of the Branch, to occur no later than 17 December 2023, the Branch will apply the ManCo’s *Whistleblowing and Protected Disclosures Policy* in order to ensure that its employees have continuous access to a Whistleblowing Channel and to all the safeguards for whistleblowing activities.

Legislative Decree 24/2023.

Where reports are made by persons who have openly declared their personal details and who are in bad faith and/or where the reports prove to have slanderous/defamatory content, the measures provided for in Section 7 below (*"The disciplinary and sanctions system"*) will be activated, and suitable protective actions available in law will be assessed. Except in cases of liability for slander or defamation, the submission of a report under this procedure shall not constitute a breach of employment obligations.

Please refer to the ***Milan Branch Whistleblowing Policy and Procedure*** for full details of the reporting channels established by the Branch that are available to Recipients, and of the procedures for their use.

5. The Supervisory Body of Algebris Milan Branch

The Branch has tasked a special organ - the **Supervisory Body** - with overseeing the operation of and compliance with the Model. This special body must meet the requirements indicated below and its function and purpose is to ensure that the Model is effectively and efficiently implemented.

5.1 The requirements of the Supervisory Body of Algebris Milan Branch

Supervisory Body members must meet the criteria set out in the Italian Employers' Federation (Confindustria) Guidelines, particularly the following:

AUTONOMY AND INDEPENDENCE: the Supervisory Body must remain free from any form of interference and pressure from senior management, and must not be involved in operational activities and management decisions in any manner or form. The Supervisory Body must not be in any conflict of interest, and no operational tasks that could compromise the Supervisory Body's independence should be assigned to the Body as a whole or to its individual members.

The requirement of autonomy and independence also forbids connections with relatives and, in addition, forbids reporting lines to senior managers of the Branch or to persons holding operational powers inside the Branch.

The Supervisory Body is obliged to report to the company's senior operational management, and must be able to relate to the latter "on an equal footing".

PROFESSIONAL EXPERTISE: i.e. having the necessary tools and techniques in order to properly and effectively perform the assigned activity. The Supervisory Body's professionalism and authority are linked to the levels of professional experience within it. Accordingly, the Branch makes a point of carefully examining the curricula vitae of applicants and their previous experience, giving priority to profiles that have accrued specific professional competences in the field.

CONTINUITY OF ACTION: the Supervisory Body performs on an ongoing basis activities that are required in order to properly oversee the Model, with adequate commitment and with the necessary powers of investigation, and it meets at least quarterly.

PROFESSIONAL INTEGRITY: as indicated below, in relation to the causes of ineligibility, removal, suspension or disqualification from the Supervisory Body function.

The Board of Directors of Algebris Investments (Ireland) Limited must check and verify the requirements described above concurrently with the appointment.

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In conformity with the regulatory provisions of the Decree, the Branch's Supervisory Body is a collegiate body consisting of at least **three members**, selected from persons with special qualifications and experience in the areas of relevance for the purposes of Legislative Decree 231/2001, in order to ensure that it has adequate competence and expertise in systems of internal control, legal, accounting, risk assessment and internal auditing, and also satisfies the requisite criteria of professional integrity.

More specifically, in view of the organisational complexity of the Branch's operations, a Supervisory Body was appointed consisting of:

- two professional figures outside the Branch;
- one representative of the Branch's internal control system, namely the Compliance Officer.

5.2 Causes of ineligibility, revocation, suspension and disqualification

The Board of Directors of Algebris Investments (Ireland) Limited has established the following causes of **ineligibility** to hold office as a Supervisory Body member.

The following persons cannot be elected to the Supervisory Body:

- persons who have been sentenced - with a final or non-final conviction or a sentence applying punishment at the request of the parties pursuant to Article 444 of the Code of Criminal Procedure ("*patteggiamento*") even if the sentence has been conditionally suspended, subject to the effects of rehabilitation:
 1. to imprisonment for a term no less than one year for one of the offences provided for by Royal Decree 267/1942 and by Legislative Decree 14/2019;
 2. to a custodial sentence for no less than one year for one of the offences envisaged by the regulatory provisions governing banking, financial, securities and insurance activities and by the regulatory provisions governing markets, financial instruments and payment instruments;
 3. to imprisonment for a term no less than one year for a criminal offence against the public administration, against the public trust, against property, against the public economy, for a tax crime;
 4. to imprisonment for no less than two years for any premeditated offence;
 5. for any of the offences provided for in Title XI of Book V of the Civil Code;
 6. for an offence which involves and has involved a criminal conviction with a punishment that involves disqualification (including temporary disqualification) from public offices or temporary disqualification from executive roles in legal entities and companies;
 7. for one or more offences among those exhaustively listed in the Decree, even if sentenced to lesser penalties than those indicated in the previous paragraphs;
- persons against whom one of the prevention measures has been definitively applied, which are provided for by Law 575/1965, as amended, and by Title I of Legislative Decree 159/2011;
- persons who receive the ancillary administrative sanctions provided for by Article 187-quater of Legislative Decree 58/98.

Supervisory Body members must self-certify, by a declaration in lieu of affidavit, that none of the above-mentioned circumstances apply to them, expressly undertaking to notify any changes to the

content of such declarations.

The removal from office of Supervisory Body members must be approved by the Board of Directors of Algebris Investments (Ireland) Limited. They may be removed exclusively for serious contravention of their mandate, including breaches of the confidentiality obligations indicated below, and also for the supervening causes of disqualification or forfeiture of office indicated below.

Supervisory Body members shall also **forfeit their office** if, after their appointment:

- they have received a non-appealable sentence or a sentence applying punishment at the request of the parties, for any of the offences indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- they have contravened confidentiality obligations strictly related to the performance of their duties.

Supervisory Body members shall also be suspended from their functions if:

- they have received an appealable sentence for any of the offences indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- one of the punishments indicated in nos. 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above has been applied, at the request of the parties;
- a personal precautionary measure has been applied;
- one of the prevention measures laid down by Law 575/1965, as amended, and by Title I of Legislative Decree 159/2011, has been provisionally applied.

The Supervisory Body's term of office is three years, to expire on the date Algebris Investments (Ireland) Limited approves the financial statements for the third year, and they may be re-elected. The Board of Directors of Algebris Investments (Ireland) Limited decides upon the remuneration of Supervisory Body members at the time of their appointment, for the entire term of office.

5.3 Duties of the Supervisory Body of Algebris Milan Branch

The Board of Directors of Algebris Investments (Ireland) Limited allocates an annual expenditure budget to the Supervisory Body, to facilitate the performance of its tasks. However, the Supervisory Body may independently commit resources that exceed its spending powers, in compliance with corporate procedures, if such resources are required in order to deal with exceptional and urgent situations. The Supervisory Body shall promptly inform the Branch Manager in such cases, and the latter will notify the Board of Directors of Algebris Investments (Ireland) Limited.

The Supervisory Body avails of all the corporate functions in performing the tasks entrusted to it.

The Supervisory Body performs the following activities:

- it oversees the effectiveness of the Model, checking in particular that consistency exists between the Model's provisions and the concrete rules adopted in the at-risk areas;

- it periodically checks that all of the individual company units/areas that are vulnerable or “at risk” comply with the Model’s provisions, in order to ascertain that the rules and the safeguards put in place are followed as faithfully as possible and can prevent the risk of commission of the offences highlighted;
- it ensures that all those who work at the Branch, in any capacity, fully respect and comply with the Code of Ethics and all of its provisions;
- it informs the Branch Manager of any updates to and adaptations of the Model to ensure its conformity with legislative changes and changes in the case law, and also following any organisational changes within the company;
- it oversees the correct operation of the control activities particular to each sensitive area that is subject to offence risk, promptly reporting problematic areas of the Model, after discussion with the areas/functions involved;
- it examines and proposes the possibility of imposing disciplinary sanctions, subject to the requisite coordination with the competent function/department managers.

5.4 Reporting activity of Algebris Milan Branch’s Supervisory Body

In order to ensure full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Branch Manager, who liaises with the Board of Directors of Algebris Investments (Ireland) Limited and reports on the Model’s implementation and on the emergence of any critical issues, using two reporting lines for this purpose:

- I. the first is **an ongoing reporting line**;
- II. the second is **a half-yearly reporting line**, to the Branch Manager, submitting a written report which shall indicate the activities carried out during the year - i.e. the controls carried out as well as the results obtained - and indicating whether the Model needs to be updated. The Branch Manager, in turn, liaises with and informs the Board of Directors of Algebris Investments (Ireland) Limited.

The Supervisory Body shall also draw up an annual plan of activities (an “intervention plan”) envisioned for the following year, identifying the activities to be carried out and the areas that will require checks, as well as the timing and priority of the interventions.

The Supervisory Body may, however, carry out checks outside of the intervention plan (“spot checks”) where so-called sensitive or “at risk” corporate activities are concerned, and where it deems this necessary by reason of its functions and duties.

The Supervisory Body may request to be heard by the Branch Manager and by the Board of Directors of Algebris Investments (Ireland) Limited whenever it deems it necessary or appropriate to communicate with them; likewise, the Supervisory Body can request clarifications and information from the Branch Manager and, subsequently, from the Board of Directors of Algebris Investments (Ireland) Limited.

On the other hand, the Branch Manager and the Board of Directors of Algebris Investments (Ireland) Limited may convene the Supervisory Body at any time, to report on particular events or situations concerning the operation of and compliance with the Model.

Minutes of such meetings shall be taken, and the Supervisory Body (and other organs that may be involved) shall keep a copy of the minutes.

5.5 Obligations of reporting to the Supervisory Body of Algebris Milan Branch

The Supervisory Body is the recipient of any information, documentation and/or communication pertaining to compliance with the Model, whether received from third parties or otherwise.

All of this Model's Recipients are obliged to report to the Supervisory Body.

The Supervisory Body will determine, in its periodic control activities, what documentation needs to be submitted for its attention.

The Supervisory Body must be informed about any of the following:

- measures adopted by and/or information received from the Criminal Investigative Police or from any other authority indicating that investigations of offences relevant to the Decree and involving the Branch are being carried out, including against persons unknown;
- visits, inspections and assessments undertaken by competent bodies (supervisory authorities, state bodies, regions, regional bodies, local authorities, etc.) and any resultant findings or sanctions imposed;
- requests for legal assistance submitted by Branch personnel in the event that legal proceedings are instituted for offences pursuant to the Decree;
- reports drawn up by company functions within their respective control remits, which may reveal critical facts, factors or elements of relevance for the purposes of the Decree;
- periodically, information about the Model's effective implementation in all of the sensitive company areas/functions that are vulnerable to offence risk;
- periodically, information on compliance with the Code of Ethics at all company levels;
- information on the evolution of company activities that are vulnerable to offence risk;
- the system of delegated powers and powers of attorney adopted by the Branch and any changes made;
- administrative, regulatory or tax offence assessment notices.

The Supervisory Body must be immediately informed of any reports of and/or information concerning unlawful conduct of relevance for the purposes of Legislative Decree 231/2001 or concerning possible violations of the Model and of the Code of Ethics.

Information flows may be transmitted to the Supervisory Body using the communication channels indicated below:

- by physical post to the address:

Supervisory Body of Algebris Milan Branch
c/o Studio Carnà&Partners, Milano (MI), via De Togni 7, 20122

- by email to the address:

segnalazioniodv@algebris.it

The Supervisory Body keeps any information and news it receives **absolutely confidential, at the risk of revocation of its mandate** if this obligation is breached, without prejudice to any demands required by its mandate and duties and in line with applicable regulatory provisions.

The Supervisory Body stores its information flows in a special computerised or paper archive, in compliance with applicable personal data protection rules.

6. Training and information provision

6.1 General provisions

The Branch is committed to ensuring that persons working for the Branch are fully familiar with the provisions of the Model and with the content of the Decree, and with the obligations deriving therefrom.

The Branch will organise training sessions over time, in accordance with criteria of compulsoriness, reiteration and, as applicable, diversification.

At the end of the training activities, an assessment will be carried out of learning levels and of satisfaction levels amongst the training participants.

Training and information provision are managed by the Compliance Officer of Algebris Milan Branch, in close coordination with the heads of the areas/functions involved in the application of the Model.

6.2 Initial communication

This Model is communicated to all company resources by the Chief Executive Officer.

All employees and senior managers must sign a special form certifying that they are cognisant of and accept the Model, of which they have a hard copy or electronic copy in their possession.

All new recruits are provided with an information pack containing the Model and the Code of Ethics, to ensure that they receive all necessary knowledge in this area.

Any subsequent changes, and any information concerning the Model, will be communicated to company resources through official information channels.

6.3 Personnel training

It is mandatory to participate in training activities aimed at disseminating knowledge of the provisions of the Decree, of the Organisation, Management and Control Model and of the Code of Ethics.

The content and methods of delivery of training courses will take into account the qualifications of recipients, the level of vulnerability to offences of the areas in which they operate, and whether or not they have been allocated company representation functions.

Unjustified absence from training sessions is considered a disciplinary offence under the provisions of the disciplinary and sanctions system highlighted below.

Algebris Milan Branch will provide modular training courses on:

- the regulatory framework;
- the Code of Ethics and the Organisation, Management and Control Model adopted by the Branch, including the Special Parts;
- the role of the Supervisory Body and the tasks assigned to it by the Branch.

The Supervisory Body ensures that training programmes are adequate in terms of the quantity of courses, as well as effectively implemented.

The Branch will establish a special section of the company intranet devoted to this area; it will be periodically updated to enable interested parties to learn in real time about any amendments, additions to or implementations of the Code of Ethics and of the Model.

6.4 Notice to “Third Party Recipients”

The Branch requires “Third Party Recipients”, such as consultants, non-company collaborators, suppliers and other external parties operating on the Branch’s behalf to be fully familiar with and to comply with the provisions of the Model and of the Code of Ethics.

Notice to these persons will be effected by official communication or, alternatively, by having their contracts specifically reference the existence of the Model and of the Code of Ethics.

Algebris Milan Branch inserts specific clauses in contracts with third parties that provide for the termination of contractual obligations in the event of non-compliance with the principles of the Code of Ethics and, as applicable, with the provisions of the Model.

7. The disciplinary and sanctions system

7.1 General aspects

A key precondition imposed by Legislative Decree 231/2001 in order to exempt entities from administrative liability and guarantee the Model's effectiveness, is to ensure that a suitable system of sanctions is put in place to penalise non-compliance with the Model's provisions. This system also complies with the requirements of Legislative Decree 24/2023.

The Branch and its representatives are forbidden from engaging, directly or indirectly, in acts of retaliation or discrimination against reporting parties or whistleblowers for reasons associated directly or indirectly with the submission of a whistleblowing report. Note, in this context, that disciplinary sanctions under the Model will be imposed:

- for any non-compliance with the measures and principles set out in the Model;
- if retaliation is verified to have occurred, or if a report was obstructed or an attempt was made to obstruct it, or the reporting party's confidentiality or anonymity was violated;
- if reporting channels were not put in place, or procedures for making and managing reports were not adopted, or if the adoption of such procedures was not in conformity with the procedures indicated in Articles 4 and 5 of Legislative Decree 24/2023, and if it should transpire that reports received were not checked or analysed;
- on persons who, negligently or deliberately, make reports that turn out later to be unfounded.

The imposition of disciplinary measures for violation of the principles and rules of conduct provided for in the Organisational Model does not depend on whether criminal proceedings are instituted, or on the outcome of legal proceedings for the commission of any of the offences pursuant to the Decree.

After the Supervisory Body communicates a violation of the Model, an investigative procedure is initiated in compliance with the provisions of the employee's reference National Collective Labour Agreement (CCNL); this investigative procedure is conducted by the corporate bodies responsible for imposing disciplinary sanctions, and takes into account the seriousness of the misconduct, its possible recurrence and/or the degree of guilt.

Algebris Milan Branch shall therefore, through the functions and corporate bodies specifically appointed for this purpose, impose sanctions that are proportionate to the gravity of the infringements of the Model and that conform to applicable regulatory provisions on labour relations, and it shall do so in accordance with the principles of consistency, impartiality and uniformity.

7.2 Sanctions imposed on Employees

Employee conduct that results in:

- an infringement of individual rules of conduct pursuant to this Model, the Code of Ethics, company rules and to the protocols adopted by the Branch;
- an infringement of measures put in place to safeguard whistleblowers;
- the submission of reports, negligently or with fraudulent intent, that turn out later to be unfounded;

shall constitute a disciplinary offence.

Sanctions that may be imposed on employees are adopted in compliance with procedures provided for in applicable legislative provisions.

Specific reference is made to the categories of punishable acts or facts provided for by the existing disciplinary and sanctions system, namely the National Collective Labour Agreement for the Tertiary, Distribution and Services Sectors.

The following disciplinary sanctions are provided for, on a proportionality basis, depending on the seriousness of the infringement committed:

A **verbal caution** is issued for minor infringements of the principles and rules of conduct of this Model, such conduct being tantamount to a **minor infringement** of contractual obligations or of directives and instructions handed down by management or superiors.

A **written caution** is issued if the infringements referenced in the previous paragraph recur.

A **fine or suspension from duty and from pay** is imposed for failure to comply with the principles and rules of conduct of this Model, where the conduct in question **fails to comply with or is inadequate to** the requirements of the Model, in circumstances where such non-compliance is deemed relatively serious and/or is repeated. The offending conduct includes an infringement of one's obligation to inform the Supervisory Body of the commission of offences, attempted or otherwise, and of any breach of the Model.

The same sanction will be applied in the event of repeated failure to participate (either in person, or as requested by the Branch), without good reason, in training sessions that the Branch periodically provides on the Decree, on its Organisation Model or on related issues.

The fine shall not exceed the equivalent of three hours' pay. Suspension from duty and from pay shall not be ordered for more than ten days and shall be applied only for the most serious offences.

Dismissal for disciplinary reasons: this is imposed in cases of **deliberate contravention** of the provisions of this Model which, **even if it does not yet constitute an offence** sanctioned by the Decree, nevertheless undermines the relationship of mutual trust that characterises the employment relationship, or is too grave for the employment relationship to continue, even temporarily. The following deliberate conduct contravenes the provisions of this Model, thus justifying the aforementioned sanction:

- preparation of incomplete or false documentation (e.g. documents addressed to the Public Administration, accounting documents, etc.);
- failure to draft documentation required by the Model;
- contravention or circumvention, in any form, of the system controls provided for by the Model, including the removal, destruction or alteration of documentation relating to the procedure, the obstruction of controls, prevention of access to information and documentation by those in charge of implementing controls or taking decisions;

- contravention of the measures indicated in the Model and in applicable legal provisions safeguarding reporting parties (whistleblowers) pursuant to Legislative Decree 24/2023;
- submission, negligently or with fraudulent intent, of reports of unlawful conduct that prove to be unfounded;
- discriminatory measures against persons who report unlawful conduct pursuant to Legislative Decree 24/2023.

7.3 Sanctions imposed on senior managers

Sanctions are imposed on senior managers who have:

- infringed this Organisation Model;
- contravened measures put in place to protect whistleblowers;
- submitted reports, negligently or with fraudulent intent, that prove to be unfounded;

the Branch Manager – or in relation to any punishable conduct of the Branch Manager, the Board of Directors of Algebris Investments (Ireland) Limited – may, after having been promptly briefed on the matter together with the Supervisory Body, impose any appropriate measure permitted by law, including the following sanctions which shall be applied in proportion to the seriousness of the act or conduct and the degree of fault, as well as the consequences resulting therefrom:

- written caution;
- monetary penalty, depending on the seriousness of the act or conduct, equal to two to five times the amount of the offender’s pay calculated on a monthly basis;
- revocation of all or of some powers of attorney, if granted.

In the event that violations of the Model’s provisions constitute just cause for removal, the Branch Manager or the Board of Directors of Algebris Investments (Ireland) Limited assesses the appropriateness of imposing measures within their respective remits, and takes any additional steps required by law.

7.4 Sanctions imposed on “Third Party Recipients”

Any infringement of the Model’s provisions by consultants, non-company collaborators, suppliers and by persons who are “Recipients” from time to time, shall be sanctioned by the competent company organs based on internal company rules, by reference to the provisions of contractual clauses included in the relevant contracts, and applying any contractual penalties which may also include automatic contract termination (pursuant to Article 1456 of the Italian Civil Code), without prejudice to the entitlement to seek compensation for loss.