



FONDAZIONE MILANO CORTINA 2026

**ORGANISATION, MANAGEMENT AND CONTROL MODEL
PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001**

GENERAL SECTION

Updated following the BoD of 10 June 2025



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ITALIAN LEGISLATIVE DECREE 231/2001

1.1 The Administrative Liability of Legal Entities

Italian Legislative Decree of 8 June 2001, no. 231, implementing Italian Delegated Law of 29 September 2000, no. 300, introduced in Italy the “Discipline of the administrative liability of legal entities, companies and associations, including those without legal personality” (hereinafter, for brevity, also referred to as “Italian Legislative Decree 231/01” or the “Decree”), which is part of a broad legislative process to combat bribery and adapts Italian legislation on the liability of legal entities to certain International Conventions previously signed by Italy.

The Delegated Legislator has introduced an administrative liability of the legal entity in addition to the (criminal) liability of the natural person who materially committed the offence, both of which are subject to ascertainment before a criminal court.

Italian Legislative Decree 231/2001 therefore establishes a system of administrative liability (substantially comparable to criminal liability) for legal entities¹ (hereinafter referred to, for the sake of brevity, as “Entity(ies)”), which is in addition to the liability of the natural person (better identified below) who actually carries out the offence and which aims to involve, in punishment for the offence, the Entities in whose interest or to whose advantage the offence was committed. This administrative liability exists only for the offences exhaustively listed in the same Italian Legislative Decree 231/2001.

1.2 The Prerequisites for the Administrative Liability of Legal Entities

The individuals who, by committing an offence in the interest or to the advantage of the Entity, may determine its liability are listed below:

- a) natural persons in senior positions (those with powers of representation, administration or management of the Entity or of an organisational unit with financial and operational autonomy, or persons who effectively manage or control it in practice; hereinafter referred to, for brevity, as “Senior Management”);
- b) natural persons subject to the direction or supervision of one of the Senior Management (hereinafter, for brevity, referred to as “Subordinates”).

The distinction between the two categories of persons (Senior Management and Subordinates) is undoubtedly important, since it results in a different graduation of liability of the Entity involved, as well as a different allocation of the burden of proof.

It is also worth noting that Subordinates do not need to have an employment relationship with the Entity. This category also includes workers who, although not employees, are engaged under conditions that give rise to a duty of supervision on the part of the Entity’s senior management. Examples include collaborators, business partners, quasi-subordinate workers, distributors, suppliers and consultants.

In fact, according to the prevailing doctrine, those situations in which a particular task is entrusted to external collaborators, who are required to perform it under the direction or control of Senior Management, are relevant for the purposes of the Entity’s administrative liability.

It should nonetheless be emphasised that the Entity is not liable, as expressly provided by law (Article 5, paragraph 2, of the Decree), where the individuals in question acted exclusively in their own interest or in the interest of third parties. In any case, their conduct must be attributable to that “organic” relationship by virtue of which the actions of the natural person can be imputed to the Entity.

¹ Art. 1 of Italian Legislative Decree 231 of 2001 outlines the scope of the subjects covered by the legislation to “entities with legal personality, companies and associations, including those without legal personality”. In light of this, the regulation applies to:

- entities with private legal status, meaning entities with legal personality regardless of whether “or not” they have legal personality;
- entities with public legal status, meaning entities with public legal status but without public powers (so-called “public economic bodies”);
- entities with mixed public and private legal status (so-called “mixed-ownership companies”)



1.3 Predicate Offences

At the current date, the Decree refers to the following types of offences (hereinafter also referred to, for the sake of brevity, as “Predicate Offences”):

- **Offences against Public Authorities** (Article 24 – “*Undue receipt of funds, fraud against the State, a public body or the European Union, or fraud for the purpose of obtaining public funds, computer fraud against the State or a public body, and fraud in public procurement*” and Article 25 – “*Embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, and corruption*” of the Decree)
- **Computer crimes and unlawful processing of data** (Article 24-bis of the Decree);
- **Organised crime offences** (Article 24-ter of the Decree);
- **Crimes relating to the counterfeiting of currency, public credit instruments, revenue stamps, and identification tools or marks** (Article 25-bis of the Decree);
- **Crimes against industry and trade** (Article 25-bis.1 of the Decree);
- **Corporate offences** (Article 25-ter of the Decree);
- **Crimes for the purpose of terrorism or subversion of the democratic order** (Article 25-quater of the Decree);
- **Practices of female genital mutilation** (Article 25-quater.1 of the Decree);
- **Crimes against the individual** (Article 25-quinquies of the Decree);
- **Market abuse** (Article 25-sexies of the Decree);
- **Manslaughter or grievous or very grievous bodily harm committed in breach of the occupational health and safety regulations** (Article 25-septies of the Decree);
- **Receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering** (Article 25-octies of the Decree);
- **Offences relating to non-cash payment instruments and fraudulent transfer of assets** (Article 25-octies.1 of the Decree);
- **Copyright infringement offences** (Article 25-novies of the Decree);
- **Inducing someone to withhold statements or to provide false statements to the judicial authorities** (Article 25-decies of the Decree);
- **Environmental offences** (Article 25-undecies of the Decree);
- **Employment of third-country nationals with irregular immigration status** (Article 25-duodecies of the Decree);
- **Racism and xenophobia** (Article 25-terdecies of the Decree);
- **Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices** (Article 25-quaterdecies of the Decree);
- **Tax offences** (Article 25-quinquiesdecies of the Decree);
- **Transnational offences**, introduced by Italian Law 16 March 2006, no. 146, “*Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime*”;
- **Smuggling** (Art. 25-sexiesdecies of the Decree);
- **Crimes against cultural heritage** (Article 25-septiesdecies of the Decree);
- **Laundering of cultural property and devastation and looting of cultural and landscape property** (Article 25-duodevicies of the Decree).

It should be noted the Entity can also be held liable for **attempted commission** of the **mentioned intentional offences**.

1.4 The Penalties set out in the Decree

Italian Legislative Decree 231/01 provides for the following types of penalties applicable to entities covered by the legislation:

- a) administrative financial penalties;
- b) disqualifying penalties;



- c) confiscation of the price or profit of the offence;
- d) publication of the judgement.

a) The administrative financial penalty, governed by Articles 10 et seq. of the Decree, constitutes the “basic” penalty that must be applied. The Entity is liable for payment from its assets or common fund. The Legislator has introduced an innovative method for determining the financial penalty, requiring the Judge to carry out two distinct and successive assessments. This results in a penalty that is more closely tailored to the seriousness of the offence and the financial circumstances of the Entity.

The first assessment requires the Judge to determine the number of units (in any case not fewer than one hundred and not more than one thousand), taking into account:

- the seriousness of the act;
- the degree of responsibility of the Entity;
- the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offences.

In the course of the second assessment, the Judge determines, within the minimum and maximum values predetermined in relation to the offences penalised, the value of each unit, from a minimum of €258.00 to a maximum of €1,549.00. This amount is fixed “on the basis of the economic and patrimonial conditions of the Entity in order to ensure the effectiveness of the penalty” (Articles 10 and 11, paragraph 2, Italian Legislative Decree 231/2001).

As stated in section 5.1. of the Report on the Decree, “With regard to the methods for assessing the economic and financial conditions of the Entity, the judge may make use of financial statements or other records suitable for reflecting such conditions. In some cases, evidence may also be obtained by considering the size of the Entity and its market position. (...) The judge cannot avoid immersing themselves, with the assistance of experts, in the reality of the business, where they can also gather information regarding the economic, financial and asset solidity of the Entity.”

Article 12, Italian Legislative Decree 231/2001, provides for a number of cases in which the financial penalty is reduced. These are summarised schematically in the following table, showing the reduction applied and the conditions required for its application.

| Reduction | Prerequisites |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1/2 (and may in no case exceed €103,291.00) | <ul style="list-style-type: none"> • the perpetrator of the offence committed the act primarily in their own interest or that of third parties, <u>and</u> the Entity did not gain any benefit or gained only a minimal benefit; <p><u>or</u></p> <ul style="list-style-type: none"> • the financial damage caused is of minimal significance. |
| 1/3 to 1/2 | <p>[<u>Before</u> the declaration of the opening of the first instance hearing]</p> <ul style="list-style-type: none"> • the Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence or has in any event taken effective steps to do so; <p><u>or</u></p> <ul style="list-style-type: none"> • an organisational model suitable for preventing offences of the kind that have occurred has been implemented and made operational. |



| | |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1/2 to 2/3 | <p><u>[Before</u> the declaration of the opening of the first instance hearing]</p> <ul style="list-style-type: none"> • the Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence or has in any event taken effective steps to do so; <u>and</u> • an organisational model suitable for preventing offences of the kind that have occurred has been implemented and made operational. |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

b) The following **disqualifying penalties** are provided for by the Decree and apply only to the offences for which they are expressly prescribed:

- disqualification from carrying on the activity;
- suspension or revocation of authorisations, licences or permits necessary for the commission of the offence;
- prohibition from contracting with Public Authorities, except for obtaining public service provisions;
- exclusion from facilitations, financing, contributions and subsidies, and/or the revocation of those already granted;
- ban on advertising goods or services.

In order for disqualifying penalties to be imposed, at least one of the conditions set out in Article 13, Italian Legislative Decree 231/2001 must be met, namely:

- *“the entity has derived a significant profit from the offence and the offence was committed by persons in a senior position or by persons subject to the direction of others when, in this case, the commission of the offence was determined or facilitated by serious organisational deficiencies”*; or
- *“in case of repetition of offences”*².

In addition, disqualifying penalties may also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure, when:

- there are serious indications that the Entity is liable for an administrative offence;
- there is solid and specific evidence to suggest that there is a real danger that offences of the same nature as the one being prosecuted will be committed;
- the Entity has made a significant profit.

In any case, disqualifying penalties shall not be applied where the offence was committed in the predominant interest of the perpetrator or of third parties and the Entity obtained little or no benefit from it, or where the financial damage caused is of minimal significance.

The application of disqualifying penalties is also excluded by the fact that the Entity has carried out the remedial conduct provided for in Article 17, Italian Legislative Decree 231/2001 and, more specifically, when the following conditions are met:

- *“the Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence or has in any event taken effective steps to do so”*;
- *“the entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the kind committed”*;
- *“the Entity has made available the profit obtained for the purposes of confiscation”*.

Disqualifying penalties have a duration of no less than three months and no more than two years³ and the choice of the measure to be applied and its duration is made by the Judge on the basis of the criteria previously indicated for the commensuration of the financial penalty, *“taking into account the suitability of*

²Pursuant to Article 20 Italian Legislative Decree 231 of 2001, *“recurrence occurs when the entity, already definitively convicted at least once of an offence, commits another offence within five years of the final conviction”*.

³ Penalties may range from a minimum of two to a maximum of seven years for the commission of the offences referred to in Art. 25 of the Decree.



the individual penalties to prevent offences of the type committed” (Art. 14, Italian Legislative Decree 231/2001).

The Legislator has also made it clear that the prohibition from carrying on the activity is to be regarded as a residual measure compared to the other disqualifying penalties.

c) Pursuant to Article 19, Italian Legislative Decree 231/2001, the **confiscation** - also for equivalent value - of the price (money or other economic benefit given or promised to induce or determine another person to commit the offence) or of the profit (immediate economic benefit derived) of the offence is always ordered in the conviction judgement, except for the part that can be returned to the damaged party and without prejudice to the rights acquired by third parties in good faith.

d) The **publication of the conviction** in one or more newspapers, either in excerpts or in full, may be ordered by the Judge, together with posting in the municipality where the Entity has its head office, when a disqualification penalty is applied. The publication is carried out by the Clerk of the competent Court and at the expense of the Entity (pursuant to Article 18, Italian Legislative Decree 231/2001).

In cases where the Predicate Offences under the Decree are committed in **attempted** form, financial penalties (in terms of amount) and disqualifying penalties (in terms of duration) are reduced by between one third and one half. No sanctions are imposed where the Entity voluntarily prevents the completion of the act or the occurrence of the event (Article 26 of the Decree).

1.5 Offences Committed Abroad

In order to avoid easy circumvention of the entire regulatory framework, Art. 4 Italian Legislative Decree 231/2001 provides that in the cases and under the conditions laid down in Articles 7, 8, 9 and 10 of the Italian Criminal Code⁴, the Entity with its head office in the territory of the State may also be held liable in respect of offences committed abroad.

Such liability exists if the following conditions are met:

- the offence must have been committed abroad by a person functionally linked to the Entity;
- the Entity must have its head office in the territory of the Italian State;
- the Entity can only be liable in the cases and under the conditions provided for by the legislation;
- the State of the place where the act was committed does not independently prosecute the offence.

1.6 Administrative Liability of the Entity in cases of transformation, merger, demerger or transfer

Lastly, with regard to the penalty regime examined therein, it is worth mentioning the provisions of Articles 28-31 Italian Legislative Decree 231/2001 dedicated to regulating the administrative liability of the Entity in cases of transformation, merger, demerger or transfer.

In particular, in the event of **transformation**, liability for offences committed prior to the date on which the transformation took effect remains unaffected. In the event of a **merger**, including by incorporation, the resulting Entity is liable for the offences for which the merging Entities were liable. In the case of a partial **demerger**, the liability of the divided Entity remains unaffected for offences committed prior to the date on which the demerger took effect⁵.

⁴ Regulating, respectively, offences committed abroad (Art. 7 of the Italian Criminal Code); political crime committed abroad (Art. 8 of the Italian Criminal Code), common crime committed by a citizen abroad (Art. 9 of the Italian Criminal Code) and common crime committed by a foreigner abroad (Art. 10 of the Italian Criminal Code).

⁵ Art. 30 Italian Legislative Decree 231/2001, which governs this aspect, makes exception for the provision set out in paragraph 3, under which *“the disqualifying penalties relating to the offences referred to in paragraph 2 shall apply to the entities to which the business unit within which the offence was committed has remained or been transferred, even in part”*. The referenced paragraph 2 provides that *“the beneficiary entities of a demerger, whether total or partial, are jointly and severally liable for the payment of financial penalties owed by the demerged entity for offences committed prior to the date on which the demerger took effect. This obligation is limited to the actual value of the net assets transferred to each individual entity, except where the entity has received, even in part, the business unit within which the offence was committed.”*



1.7 Prerequisites for the exclusion of the Entity's administrative liability

The Decree in Articles 6 and 7 Italian Legislative Decree 231/2001, provides for specific forms of exemption from the Entity's administrative liability for offences committed in the interest or to the advantage of the Entity by both Senior Management and Subordinates (as defined in paragraph 1.2 above).

In particular, in the case of offences committed by **Senior Management**, Article 6 of the Decree provides for exoneration if the Entity proves that:

- a) the management body has adopted and effectively implemented, prior to the commission of the offence, an organisation, management and control Model capable of preventing offences of the kind committed (hereinafter, for the sake of brevity, also referred to as the "Model");
- b) the task of supervising the functioning of and compliance with the Model as well as ensuring that it is updated has been entrusted to an Entity board endowed with autonomous powers of initiative and control;
- c) the persons who committed the offence acted by fraudulently circumventing the Model;
- d) there has been no omission or insufficient supervision by the Board referred to in point b).

Therefore, in the event of an offence committed by Senior Management, there is a presumption of liability for the Entity due to the fact that such subjects express and represent the will of the Entity. This presumption, however, can be overcome if the Entity can prove the existence of the aforementioned four conditions of Art. 6 of the Decree. In such a case, although the Senior Management is personally liable, the Entity is not liable under the Decree.

The Entity's exoneration from liability is not however determined by the mere adoption of the Model, but by its effective implementation to be achieved through the implementation of all the protocols and controls necessary to limit the risk of the commission of the offences that Fondazione Milano Cortina 2026 (hereinafter in the document also referred to as the "Fondazione") intends to prevent. In particular, with reference to the characteristics of the Model, the Decree expressly provides, in Article 6, paragraph 2, for the following preparatory phases for its proper implementation:

- identification of activities within the scope of which there is a possibility of offences being committed;
- provision of specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the offences to be prevented;
- identification of methods of managing financial resources suitable for preventing the commission of such offences;
- provision of information obligations vis-à-vis the board entrusted with supervisory functions;
- Introduction of an appropriate disciplinary system to penalise non-compliance with the measures indicated in the Model.

With regard to the **Subordinates**, Article 7 of the Decree provides for the administrative liability of the Entity for offences committed by Subordinates, if their commission was made possible by failure to comply with management or supervisory obligations. In any case, non-compliance with these management or supervisory obligations is excluded if the Entity proves that it has adopted and effectively implemented, prior to the commission of the offence, an organisation, management and control Model capable of preventing offences of the kind committed. Therefore, in such a case, the adoption of the aforementioned Model by the entity constitutes a presumption in its favour, thus entailing the reversal of the burden of proof on the prosecution, which will therefore have to prove the failure to adopt and effectively implement the Model.

It should also be noted that, with regard to culpable offences relating to health and safety at work covered by Art. 25-*septies* of the Decree, Art. 30 of the Consolidated Act on health and safety at work provides that, in order to be considered suitable for exempting the Entity from liability, the organisation, management and control model must include specific components, be properly adopted and effectively implemented, and ensure that the organisational system includes internal procedures and provisions capable of guaranteeing compliance with all legal obligations established by the Consolidated Act itself.



1.8 The Guidelines

As expressly provided by the delegated Legislator, the Models may be adopted on the basis of codes of conduct drawn up by representative trade associations, which must be submitted to the Ministry of Justice. The Ministry, in agreement with the competent ministries, may issue observations within 30 days on the suitability of the Models to prevent offences.

The preparation of this Model is inspired by the Guidelines for the construction of Organisation, Management and Control Models pursuant to Italian Legislative Decree 231/2001, approved by Confindustria on 7 March 2002 and last updated on 25 June 2021.



CHAPTER 2. DESCRIPTION OF THE FONDAZIONE

2.1 Background, purpose and guiding principles of the Fondazione

The **Fondazione** was established on 9 December 2019 with the aim, within the framework of the development of the Olympic Movement, to take care of the organisation and holding of the XXV **Olympic Winter Games in 2026** and the subsequent **Paralympic Games**. The Fondazione operates in accordance with and in compliance with the provisions of the **Olympic Charter**, the **Code of Ethics** of the **International Olympic Committee** (“IOC”), the Agreement signed in Lausanne on 24 June 2019 between the **IOC**, **CONI**, the **Municipality of Milano** and the **Municipality of Cortina d’Ampezzo** (“Host City Contract”), and its Articles of Association, each with reference solely to the commitments undertaken and the guarantees provided as part of the candidature process, all in light of the so-called “**legacy objectives**” set out therein.

Therefore, in the framework of its activities relating to the organisation of the **Milano Cortina 2026 Olympic Games** and the **Paralympic Games**, the Fondazione bases its actions on respect for the Olympic and Paralympic spirit, universality and political neutrality, fairness, integrity and transparency in relations with public authorities, the promotion of the principle of autonomy, continuous and collaborative dialogue with local communities and territories, and a partnership philosophy in achieving its objectives.

Furthermore, the Fondazione undertakes to abide by the following rules of conduct, also set out in its Code of Ethics, which forms an integral part of this Model:

- prohibit any form of discrimination based on, among other factors, nationality, race, colour, sex, sexual orientation, language, religion, political opinion, origin or social background, economic status, birth or disability, operating in compliance with, and promoting the principles of diversity, inclusion and gender equality;
- protect and respect human rights and ensure that any breach of those rights is remedied in a manner consistent with national and international law, and in accordance with the principles and standards of internationally recognised human rights, including the “**United Nations Guiding Principles on Business and Human Rights**”, as applicable in Italy,
- refrain from any form of fraud and corruption, as provided for under national and international law, and in accordance with the standards applicable in Italy against corruption, including establishing and maintaining effective mechanisms for reporting and compliance;
- promote and operate in accordance with internationally recognised governance standards applicable in Italy, respecting the principle of gender equality;
- adhere to an integrated and strategic approach to sustainability and to commit, including through sponsors, partners and suppliers, to ensuring sustainable choices throughout the entire lifecycle of the Milano Cortina 2026 event, in accordance with the best international standards.

To achieve its purpose, the Fondazione has committed to carrying out all management, organisation, promotion and communication activities related to the **Milano Cortina 2026 Olympic Games** and **Paralympic Games**. These include, among others, determining the dates and venues of the individual Olympic and Paralympic sporting events; overseeing the preparation and closing ceremonies of the Games; arranging organisational and management structures to host the Olympic and Paralympic delegations and their athletes, organisational staff and team members; organising and conducting individual competitions and sporting events from both a technical-sporting and managerial-promotional perspective; selling tickets and all rights to exploit the sporting and Olympic events generally; as well as any other activities directly or indirectly connected with the organisation of the Milano Cortina 2026 Olympic Games and Paralympic Games.



2.2 The Fondazione's Governance Model

As stipulated in the Memorandum of Association, the Fondazione is a non-profit organisation and operates as a private law entity.

According to the provisions of the Articles of Association, the following are Boards within the Fondazione:

- a) **the Board of Directors;**
- b) **the Board of Statutory Auditors;**
- c) **the Statutory Auditor.**

Also relevant to the Fondazione's organisational structure are the positions of **Chair of the Board of Directors** and the **Chief Executive Officer**.

- The **Board of Directors** performs the function of policy-making and strategic supervision of the Fondazione. In accordance with the Articles of Association, the Board of Directors:
 - dismisses the Chair of the Fondazione's Board of Directors by means of a reasoned resolution;
 - dismisses the Board of Directors of the Fondazione by means of a reasoned resolution;
 - proposes the dismissal, by means of a reasoned resolution, of the Chief Executive Officer of the Fondazione;
 - approves amendments to the Articles of Association, including transformation, as well as the liquidation of the Fondazione, on the proposal of the Chair;
 - approves the Fondazione's guidelines, on the proposal of the Chair;
 - approves the annual and multi-year Budget Forecasts, along with any amendments, and the Final Accounts, on the proposal of the Chief Executive Officer;
 - defines the procedures and strategic documents for the issuance and/or amendment of which the Chief Executive Officer must request authorisation from the Board of Directors itself;
 - approves any amendments to the Master Plan and the Venues on the proposal of the Chief Executive Officer;
 - authorises individual transactions involving an investment and/or financing and/or expenditure commitment and/or disposal of assets and rights (excluding sponsorship contracts) amounting to €10,000,000 or more ("Passive Above-Threshold Transactions"), on the proposal of the Chief Executive Officer, and may also amend this threshold, upon proposal of the Chair, to apply to subsequent transactions without this constituting an amendment to the Articles of Association;
 - authorises sponsorship contracts amounting to €50,000,000 or more ("Active Above-Threshold Transactions"), on the proposal of the Chief Executive Officer;
 - takes any other resolutions provided for by law and/or the Articles of Association.
- The **Chair of the Board of Directors** is the **Chair of the Fondazione**. In accordance with the Articles of Association, the Chair:
 - handles internal relations between the Fondazione's Boards;
 - maintains relations with the IOC, the International Paralympic Committee ("IPC") and other national and international sporting bodies, and is empowered to deal with all other national and international institutions in accordance with the law and the Articles of Association;
 - convenes and chairs the Board of Directors;
 - implements the resolutions of the Board of Directors, where these do not involve the performance of management activities, which are the responsibility of the Chief Executive Officer;
 - proposes to the Board of Directors the adoption of resolutions within its competence, and in particular proposes amendments to the Articles of Association, the Fondazione's guidelines, strategic decisions, internal regulations for the functioning of the Fondazione and amendments to the thresholds for Passive Above-Threshold Transactions, also upon proposal of the Chief Executive Officer;
 - acts as the legal representative of the Fondazione and may appoint or dismiss attorneys for individual acts or categories of acts within the limits of their powers.



- The **Chief Executive Officer** is responsible for carrying out all managerial and operational activities necessary to achieve the Fondazione's institutional purpose, as well as implementing decisions made by the Board of Directors that do not fall within the exclusive powers of the Chair of the Fondazione. To this end, the Chief Executive Officer is vested with all powers of ordinary and extraordinary administration of the Fondazione other than those expressly vested in the Board of Directors. The Chief Executive Officer performs the following functions:
 - prepares the annual and multi-year Budget Forecast, and its amendments, and the Final Budget, to be submitted to the Board of Directors;
 - submits the procedures and strategic documents for the issuance and/or amendment of which the authorisation of the Board of Directors is required to the Board itself;
 - drafts and proposes strategic decisions to be submitted to the Board of Directors;
 - drafts and proposes any amendments to the Master Plan and Venues for submission to the Board of Directors;
 - instructs and approves individual Active and/or Passive Above-Threshold Transactions, subject to the necessary authorisation of the Board of Directors.

The **Chief Executive Officer** is vested with the power to represent the Fondazione and, according to the Articles of Association:

- defines the organisational structure of the Fondazione and acts as head of personnel with all associated powers and responsibilities, within the limits of the powers exercised and without prejudice to the responsibilities of those to whom such powers are delegated;
 - is responsible for the administrative regularity and legal compliance of the acts carried out by the Fondazione, within the limits of the powers exercised and without prejudice to the responsibilities of those to whom such powers are delegated;
 - may assign the power to represent the Fondazione to proxies ad negotia for individual acts or categories of acts, within the limits of their powers.
-
- According to the provisions of the Articles of Association, the internal control over the Fondazione's activities is entrusted to a **Board of Statutory Auditors**, composed of three Standing Auditors and two Alternate Auditors, appointed according to the provisions of the Articles of Association. Alternate Auditors attend the meetings of the Board of Statutory Auditors and the Board of Directors for resolutions of the respective boards.
 - Pursuant to its Articles of Association, the Fondazione is subject to statutory auditing, which is carried out by a registered auditing firm, pursuant to Italian Legislative Decree 39/2010 ("**Auditor**").



CHAPTER 3. THE FONDAZIONE'S ORGANISATION, MANAGEMENT AND CONTROL MODEL

3.1 The aims of the Model

The Model prepared by the Fondazione is created on the basis of the identification of the areas of possible risk in the organisation's activities within which the possibility of offences being committed is considered the highest, and has the following aims:

- integrate and strengthen the governance system of the Fondazione;
- set up a prevention and control system aimed at reducing the risk of commission of offences related to the activity carried out;
- ensure that everyone acting in the name and on behalf of the Fondazione, particularly those involved in "high-risk areas," is made aware that any breach of the provisions contained therein may constitute an offence punishable by criminal and administrative penalties, affecting not only themselves but also the Fondazione;
- inform all those who work with the Fondazione that breaching the provisions contained in the Model will result in the application of appropriate penalties or termination of the contractual relationship;
- confirm that the Fondazione does not tolerate unlawful conduct of any kind and for any purpose whatsoever and that, in any case, such conduct (even if the Fondazione were apparently in a position to benefit from it) is in any case contrary to the principles inspiring the Fondazione's activity.

3.2 The construction of the Model

This Model has been prepared and updated taking into account the types of offences currently covered by Italian Legislative Decree 231/2001 and considered relevant for the Fondazione. In particular, for the aforementioned purposes, the Fondazione has initiated a series of activities aimed at developing and drafting its own Model in accordance with the requirements set out in Italian Legislative Decree 231/2001 and in a manner consistent with the relevant legislative and regulatory framework, the principles already embedded in its governance culture, and the guidance set out in the applicable Guidelines.

The process of activities aimed at the study, development and drafting of its own Model by the Fondazione was carried out by a working group composed of Fondazione staff with the support of external consultants. Art. 6, para. 2, letter a) of the Decree expressly provides that the Model must "*identify the activities within the scope of which offences may be committed*".

Identifying activities more "risk-prone" to the commission of offences identified in Italian Legislative Decree 231/2001 was, therefore, the starting point for the definition of the Fondazione's Model.

For the purposes of preparing the Model, and in methodological alignment with the provisions of the Decree, the following steps were taken:

- analysing existing documentation at the Fondazione (articles of association, resolutions, organisational structure, powers of attorney, job descriptions, contracts, regulations and internal procedures, which are considered an integral part of this Model and to which reference should be made);
- identifying the persons who, on the basis of their functions and responsibilities, have knowledge of and oversee risk-prone activities/areas, as well as the Fondazione's control mechanisms, in order to determine the areas of intervention through a series of interviews and/or discussions with them;
- identifying risk-prone areas and activities within which one of the Predicate Offences could potentially be committed, including through a prior review of the organisational documentation. The analysis was aimed at identifying those behaviours that could give rise to criminal conduct. At the same time, a qualitative assessment was carried out of the existing "control safeguards", in order to identify, as part of the review of the "procedures" to be followed, the adjustments needed to ensure the effectiveness of the Model;
- to identify any shortcomings in the existing control system (so-called "gap analysis") in order to enhance its effectiveness and align it with the objectives pursued by Italian Legislative Decree 231/2001;
- to define rules of conduct, established and shared practices, and procedures to be followed in cases where



a potential risk scenario has been identified as theoretically applicable. To this end, the Special Section of the Model defines the general and specific principles of conduct to be followed in the activities of the Fondazione and the organisational structures that report to it. Together, these principles express the rules of conduct that have been deemed most appropriate to govern the identified risk profile.

At the end of the activity described above, the Fondazione, in order to fully implement the adoption of its Organisation, Management and Control Model, has taken the following actions:

- promotion, as part of its internal communication, of issues related to the area of personnel conduct and the dissemination within and outside the corporate structure of the principles contained in the Model (see also paragraph 3.4 “Dissemination of the Model”, and paragraph 3.4.2 with reference to personnel training);
- establishment of the Supervisory Board (hereinafter referred to as the “**Supervisory Board**” or “**SB**”), responsible for the care and updating of the Model (see Chapter 4 “Supervisory Board”);
- adoption and dissemination of the Code of Ethics, consistent with the Fondazione’s mission and activities.

3.2.1 The concept of acceptable risk

In the preparation of a Model, such as this one, the concept of acceptable risk cannot be overlooked. It is, in fact, imperative to establish, for the purposes of compliance with the provisions introduced by Italian Legislative Decree 231/2001, a threshold that makes it possible to establish the quantity and quality of the preventive measures that must be adopted in order to prevent the offence from being committed.

With specific reference to the penalty mechanism introduced by the Decree, the threshold of acceptability is represented by the effective implementation of an adequate preventive system that is such that it cannot be circumvented unless intentionally, i.e., for the purposes of the exclusion of the Entity’s administrative liability, the persons who committed the offence acted by fraudulently circumventing the Model and the controls adopted by the Fondazione.

3.2.2 The structure of the Model and the Predicate Offences relevant for its development

the Fondazione’s Model is made up of a “**General Section**”, which contains the main principles of the same, and a “**Special Section**”, in relation to the different categories of offences provided for by Italian Legislative Decree 231/2001 and considered applicable and relevant to the Fondazione.

The Special Section has been subdivided into “categories of offences”, also in consideration of the number of offences that currently constitute grounds for the administrative liability of Entities pursuant to the Decree, and, following an assessment of the activities actually performed by the Fondazione and its current structure and operations, the following offences have been considered relevant:

- a) bribery as well as other offences against Public Authorities referred to in Articles 24 and 25 Italian Legislative Decree 231/2001;
- b) counterfeiting of currency, public credit instruments, revenue stamps, and identification tools or marks as referred to in Art. 25-*bis* of the Decree;
- c) crimes against industry and trade referred to in Art. 25-*bis*.1 of the Decree;
- d) corporate offences referred to in Art. 25-*ter* Italian Legislative Decree 231/2001;
- e) crimes for the purpose of terrorism or subversion of the democratic order referred to in Art. 25-*quater* Italian Legislative Decree 231/2001;
- f) manslaughter or grievous or very grievous bodily harm committed in breach of the rules on health and safety at work referred to in Art. 25-*septies* Italian Legislative Decree 231/2001;
- g) receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering as referred to in Art. 25-*octies* Italian Legislative Decree 231/2001;
- h) computer crimes as referred to in Art. 24-*bis* Italian Legislative Decree 231/2001;
- i) employment of third-country nationals with irregular immigration status as referred to in Art. 25-*duodecies* Italian Legislative Decree 231/2001;



- j) crimes against the individual as referred to in Art. 25-*quinquies* Italian Legislative Decree 231/2001, limited to the offence referred to in Art. 603-*bis* of the Italian Criminal Code;
- k) inducement to withhold statements or to provide false statements to the judicial authorities, as referred to in Art. 25-*decies* Italian Legislative Decree 231/2001;
- l) organised crime offences, introduced by Art. 2, para. 29, of Italian Law of 15 July 2009, no. 94, which inserted into Italian Legislative Decree 231/2001 Art. 24-*ter*, subsequently supplemented by Italian Law 1 October 2012, no. 172, supplemented by Italian Law 11 December 2016, no. 236 and most recently by Italian Law no. 43/2019;
- m) transnational offences, introduced by Italian Law 146 of 16 March 2006, "*Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime*";
- n) copyright infringement offences, introduced by Art. 15, para. 7(c) of Italian Law of 23 July 2009, no. 99, which inserted into Italian Legislative Decree 231/2001 Art. 25-*novies*;
- o) environmental offences introduced by Italian Legislative Decree 121/2011, as amended by Italian Law no. 68/2015, by Italian Legislative Decree 21/2018 and by Italian Law no. 137/2023, which inserted into Italian Legislative Decree 231/2001 Art. 25-*undecies*;
- p) racism and xenophobia, introduced by Art. 5 of Italian Law of 20 November 2017, no. 167, known as European Law 2017, containing the "*Provisions for the fulfilment of obligations arising from Italy's membership of the European Union*", which inserted into Italian Legislative Decree. 231/2001 Art. 25-*terdecies*;
- q) tax offences, introduced by Italian Decree Law 124/2019 as amended by the Italian Law converting Decree Law 19 December 2019, no. 157, which inserted into Italian Legislative Decree 231 of 2001 Art. 25-*quinquiesdecies*;
- r) offences relating to non-cash payment instruments and fraudulent transfer of assets, introduced by Art. 3 Italian Legislative Decree 184/2021, which inserted into Italian Legislative Decree 231 of 2001 Art. 25-*octies.1*;
- s) crimes against cultural heritage, introduced by Art. 3 of Italian Law no. 22/2022, which inserted into Italian Legislative Decree 231 of 2001 Art. 25-*septiesdecies*, limited to the offence referred to in Art. 518-*duodecies* of the Italian Criminal Code;
- t) laundering of cultural property and devastation and looting of cultural and landscape property, introduced by Art. 3 of Italian Law no. 22/2022, which inserted into Italian Legislative Decree 231 of 2001 Art. 25-*duodevicies*.

For the categories of offence currently considered not applicable to the activities carried out by the Fondazione, the Fondazione promotes ongoing monitoring with a view to incorporating such offences into its Model should they become relevant in light of organisational developments and the activities it may be required to undertake.

3.2.3 Adoption of the Model and its updating

The Fondazione, mindful of the need to ensure fairness and transparency in the conduct of its business and activities, has decided to proceed with the definition of the Model, as well as the "Code of Ethics" which forms an integral part of it.

This initiative was undertaken in the belief that the adoption of the Model, beyond the provisions of the Decree, which regard it as optional and not mandatory, may serve as an effective tool for raising awareness among all those acting in the name and on behalf of the Fondazione, encouraging them to adopt proper and consistent conduct in the performance of their activities, so as to prevent the risk of offences being committed, with particular reference to those set out in the Decree.

This Model, as provided for by the Decree, was approved by the Management Committee (as established under the then-applicable Articles of Association) on 30 June 2020 and by the Board of Directors of the Fondazione on 21 July 2020. It was subsequently updated on 18 April 2023, on 11 July 2023, and most recently – with reference to the General Section only – on 27 February 2024.



The Model adopted at the Fondazione's inception has been and will continue to be updated in line with the evolution of its activities (i.e. transitioning from the initial planning phase to the subsequent phase of organising and managing the events). **Updating the Model** is considered necessary in cases of:

- intervention involving legislative amendments or reinterpretations of the rules on the administrative liability of entities that lead to the identification of new risk-prone activities;
- changes to the internal structure of the Fondazione and/or the methods of carrying out activities that result in the identification of new risk-prone activities (or modification of those previously identified);
- commission of one or more offences identified by Italian Legislative Decree 231/2001 by the Target Audience of the Model's provisions or, more generally, significant breaches of the Model, as identified within paragraph 5.2;
- detection of significant and serious deficiencies and/or gaps in the provisions of the Model following audits of its effectiveness.

The proposal for updating is approved in the form and manner used for the adoption of the Model, subject to any amendments concerning the contents of the risk profile analysis sheets and preventive control protocols, approved by the Chief Executive Officer and promptly notified to the Supervisory Board. Similarly, any additions or revisions to the information flows may also be reviewed in the same manner on the recommendation of the Supervisory Board.

3.3 Model Components

The following components form an integral and substantial part of the Model:

- the **Code of Ethics** containing the set of rights, duties and responsibilities of the Fondazione towards the target audience of the Model;
- the **system of Powers of Attorney and Proxies**, as well as all the documents aimed at describing and assigning responsibilities and/or tasks to those working within the Entity in areas at risk of offences (*i.e.* organisational structure, job description, etc.);
- the **system of procedures** and internal controls aimed at ensuring adequate transparency and traceability of decision-making and financial processes, as well as the conduct required of those subject to this Model operating in areas at risk of offences;
- the Fondazione's **financial management control system** in order to provide mechanisms for monitoring the management of resources that ensure, inter alia, the verifiability and traceability of expenditure;
- the Fondazione's **outsourced processes**, meaning those processes or parts thereof outsourced through outsourcing agreements, which in no way exempt the corporate bodies and senior management from their respective liability;
- the **disciplinary system** and related penalty mechanism to be applied in the event of breaching the Model (hereinafter, for brevity, the 'Penalty System').

It follows that the term Model should be understood not only as this document but also to include all other documents and procedures currently in place or subsequently adopted pursuant to its provisions and aimed at achieving the objectives set out therein.

3.3.1 The Code of Ethics

The Fondazione operates in implementation of and in compliance with the provisions contained in the Olympic Charter, the Code of Ethics of the International Olympic Committee ("IOC") and the Agreement signed in Lausanne on 24 June 2019 between the IOC, CONI, the Municipality of Milano and the Municipality of Cortina d'Ampezzo ("Host City Contract"). The adoption of a Code of Ethics inspired by these principles is therefore an essential point in order to guarantee high standards of conduct and, therefore, to fully implement the prevention of the offences referred to in the Decree. The adoption of the Code of Ethics also constitutes one of the prerequisites for the effective functioning of the Model.

The Code of Ethics applies to all the Fondazione's activities and in all relations with stakeholders. Members



of the management, administration and control bodies, employees, collaborators, as well as partners and sponsors with their collaborators, and suppliers with their collaborators are obliged to comply with the Code. The provisions of the Code of Ethics must be explicitly accepted by members of the Fondazione's governing, management and supervisory bodies upon accepting their appointment and/or subsequently upon its entry into force. They form an integral part of the employment contracts of employees and collaborators, including the obligations therein, as well as contracts with consultants and suppliers.

The Fondazione, its employees and all those acting in its name and on its behalf are inspired in the achievement of its objectives by the values of transparency, fairness and ethicality.

Breaches of the Code of Ethics in relation to matters concerning the Model may be reported to the Supervisory Board through the appropriate channels provided by the Fondazione in paragraph 4.4 below. Such breaches may lead to penalties, disciplinary or contractual consequences depending on the status of the individual committing the breach.

3.3.2 The Organisational System

To date, the Fondazione has defined its Organisational Model centred on *areas of competence and responsibility*, consistently represented in the organisational chart and focused on project governance and execution, implementing the directives of the two International Committees, Olympic and Paralympic (IOC and IPC). The macro-areas, as of 8 November 2024, are as follows:

- **Finance:** this area is in charge of administration, finance, budget and control functions, as well as the definition and implementation of the system for identifying, assessing, monitoring and communicating risks (risk management), and is also responsible for the management of all legal affairs and procurement activities.
- **Revenues:** this area is dedicated to the sale of sponsorship rights, licensing, ticketing, hospitality and the management of all product development, marketing and partner activation initiatives;
- **Strategy, Planning & Legacy:** this area is in charge of relations with the International Olympic Committee (IOC), the International Paralympic Committee (IPC), the Italian National Olympic Committee (CONI) and the Italian Paralympic Committee (CIP), as well as with the institutional bodies of the territories involved in the Games. In addition, the centre of expertise ensures the coordination of projects and the implementation of the Fondazione's own sustainability and legacy goals, the integration of the specific themes of the Paralympic Games within the project, as well as the themes of accessibility and knowledge transfer, the projects in the fields of Culture and Education and the strategic direction of the Human Capital functions;
- **Games Operations:** the centre of expertise is in charge of the operational and procurement activities related to the realisation of the Olympic and Paralympic Games with particular reference to the temporary infrastructure, venues, services for the different types of customers, technological services, medical services, security, media management and the competition program, as well as Operational Readiness activities;
- **Communications:** the centre of expertise is in charge of managing communications activities, as well as media relations and the management of digital channels, in addition to editorial and Brand Image & Look of the Games activities in the run-up to the Games.

In addition to the 4 macro-areas mentioned above, the following directorates report directly to the CEO of the Fondazione: Corporate Affairs, Compliance, **HSE**, **Infrastructure Monitoring**, **Ceremonies**, **Media Partnerships Integrations**.

In addition, there is the **Institutional Relations** function, reporting to both the CEO and the **Chair**, and the **Internal Audit** function reporting to the Chair.



Below in detail:

- **Corporate Affairs and Compliance:** the management guarantees and oversees the correct fulfilment of corporate obligations and formalities, assisting the Presidency and Corporate Boards in the management of the general affairs of the Fondazione Milano Cortina 2026, maintaining contact between the organisational structure and the management functions and taking care of the related fulfilments. In addition, the function provides support in the preparation and formalisation of resolutions, in the correct maintenance of corporate documentation and in the proper keeping of corporate books, and assists top management in relations with Member Entities. Management is also responsible for strengthening the Fondazione's organisational and operational safeguards to ensure full compliance with the legislation governing its activities and relationships with its stakeholders, thereby guaranteeing ongoing and consistent adherence to applicable laws and regulations.
- **Infrastructure Monitoring:** the directorate is responsible for monitoring the implementation of the permanent infrastructural works required for the organisation of the Games;
- **Health and Safety:** the management is responsible for overseeing all company activities to ensure compliance with Italian Legislative Decree 81/2008 and other relevant occupational health and safety regulations;
- **Ceremonies:** the centre of expertise is in charge of managing the opening and closing ceremonies of the Olympic and Paralympic Games, as well as organising the journey of the Olympic Torch and the Paralympic Torch;
- **Media Partnerships Integration:** management of relations with strategic Media Partners, also with a view to the activation of special projects to support the activities of Revenues and other areas;
- **Institutional Relations:** its is responsible for supporting the Fondazione's bodies and functions in institutional relations;
- **Internal Audit,** the centre of expertise is responsible for verifying the operativeness and suitability of the Internal Control System (hereinafter also referred to as "ICS"), by carrying out audits both on a scheduled basis and in relation to specific needs, providing assessments and recommendations in order to promote its efficiency and effectiveness and providing specialist support in the area of ICS for the effectiveness, efficiency and integration of controls in the processes of the Fondazione.

3.3.3 Powers of Attorney and Proxies

The system of proxies and powers of attorney adopted by the Fondazione is structured in compliance with the provisions of the law and the specific provisions of the Articles of Association and is in line with the Guidelines set out by Confindustria. Powers are assigned in accordance with the organisational and managerial responsibilities attributed, and include a precise indication of the spending approval thresholds. The Fondazione has also established a dedicated information flow concerning organisational changes, addressed to all functions and individuals within the Fondazione who may be concerned in any capacity, including the Supervisory Board, in order to ensure the timely communication of powers that have been assigned or delegated and/or any related changes (see paragraph 4.4.1 for further details on information flows to the Supervisory Board).

The level of autonomy, the power of representation and the spending limits assigned to the various holders of powers of attorney and delegations within the Fondazione are always defined and established in strict accordance with the hierarchical level of the individual concerned. In this way, decisions and responsibilities of greater significance for the Fondazione, or those involving the most substantial financial commitments, must always be reserved exclusively to the senior managers of the respective organisational functions or to delegated directors.

Powers of attorney within the Fondazione, in addition to being communicated to the relevant or jointly



involved functions through a specific notice, are also collected and made available to all interested parties upon request.

Proxies of a financial nature are managed, recorded and made available to all internal parties as well as to any interested third parties.

The system of proxies and signing powers is regularly and periodically monitored as a whole and, where necessary, updated in response to changes in the organisational structure, so as to reflect and align as closely as possible with the Fondazione's hierarchical and functional organisation.

Individual updates are provided for, to be carried out immediately following any change in an individual's function, role or duties, as well as periodic updates involving the system as a whole.

3.3.4 The Procedural System

The Fondazione has established a system designed to regulate the conduct of its activities, also setting out the controls to be carried out in order to ensure their correctness and effectiveness.

These procedural documents are appropriately communicated and promoted within the relevant areas through specific notifications and training, and are collected and made available to all employees.

3.3.5 General principles of control in all Offence Risk Processes

The Fondazione has initiated the implementation of specific general controls applicable in all Offence Risk Processes.

These are, specifically, the following:

- **Transparency:** every operation/transaction/action must be justifiable, verifiable, consistent and congruent;
- **Separation of Functions/Powers:** no one may independently manage an entire process and be endowed with unlimited powers; authorisation and signature powers must be defined in a manner consistent with the organisational responsibilities assigned;
- **Adequacy of internal rules:** the set of rules and procedures must be consistent with the operations carried out and the level of organisational complexity, and such as to guarantee the controls necessary to prevent the commission of the offences set out in the Decree;
- **Traceability/Documentability:** each operation/transaction/action, as well as the related verification and control activity must be documented and the documentation must be adequately filed or otherwise easily retrievable.

3.3.6 Management of Financial Resources

The Fondazione's management control system provides mechanisms for monitoring the management of resources that must ensure, inter alia, the verifiability and traceability of expenditure, with the following objectives:

- clearly, systematically and transparently define the resources – monetary and otherwise – available to individual functions and organisational units, as well as the scope within which such resources may be utilised, through planning and budget setting;
- identify any variances from the predetermined plans, analyse their causes and report the evaluation results to the appropriate hierarchical levels for necessary corrective actions, through the relevant reporting;
- promptly identify, through monitoring activities, any process anomalies in order to conduct appropriate investigations and implement any necessary corrective actions.

To achieve these objectives, the duly formalised planning process ensures:



- the involvement of multiple responsible parties in defining the available resources and spending scopes, aiming to ensure the continuous presence of controls and cross-checks over the same process/activity, as well as adequate segregation of duties and ongoing monitoring of any variances;
- the adoption of consistent and appropriate methods for the economic valuation of initiatives, thereby ensuring the ability to compare the economic values across the Fondazione's different organisational units;
- the adoption of any plans in order to identify the best corrective strategy.

Activities related to management control ensure ongoing verification of the consistency between the revenues generated, the actual expenses incurred and the commitments made during the planning phase.

If, during analyses and/or authorisation requests, deviations from the budget or unexplained spending anomalies emerge, the organisational unit responsible for management control must inform the senior management of the Fondazione and, where such issues are deemed significant in relation to the contents of the Decree, also the Supervisory Board (see also paragraph 4.4.1 concerning reporting obligations to the Supervisory Board).

For further details on the management of financial resources and budgets, please refer to the specific "offence risk areas" set out in the Special Section of the Model.

3.3.7 Outsourced Processes

With specific reference to processes or parts of processes outsourced by the Fondazione to external companies, formal criteria have been established for selecting the parties to whom operational functions/activities are to be outsourced, the management delegations involved, and the methods by which the Fondazione assigns such tasks and monitors their proper execution. In any case, responsibility for supervising the service levels provided in accordance with the relevant service contract remains with the Fondazione. The Fondazione and the external companies to which processes, or parts of processes, have been outsourced undertake to comply strictly with the provisions of Italian Legislative Decree 231/2001, with particular regard to the areas of risk related to the activities managed by means of the service contract, and the external companies also undertake to inform the Fondazione of any breaches that may occur and that may be relevant to the contract and/or its execution.

3.3.8 Relations with Event Delivery Entities

With regard to the organisation of the games, the Fondazione has adopted, at the proposal of the IOC, the so-called "Games Organisation Model with Territories", which envisages the involvement of territories with experience in the organisation of international sports events, managed by local operators/"Event Delivery Entities" (also "EDEs").

Under this model, the Fondazione will be responsible for planning and organising sports competitions, identifying the activities to be outsourced to the local operator, depending on the context. The latter will then be responsible for the provision of preliminarily identified goods/services and the provision of specific know-how for the organisation of sports competitions at local level.

The involvement of local operators, institutionally identified with the intervention of Regions/Provinces/Municipalities and the involvement of all stakeholders involved, is formalised through a Framework Agreement and subsequent Application Agreements.

With regard to such relationships, it remains the responsibility of the client, in compliance with applicable law and the provisions of this Model, to verify the fulfilment of contractual obligations and the proper exercise of any related powers that may have been delegated.

It is understood that the third parties in question are required to regulate their activities in compliance with the Olympic Charter and the Code of Ethics of the International Olympic Committee, with applicable legislation, and specifically with the provisions of Italian Legislative Decree 231/2001, establishing the necessary preventive measures within their own decision-making autonomy.



At the same time, the Fondazione adopts safeguards and procedures for engaging counterparties, managing and executing the relevant contracts, and monitoring/controlling performance by local operators, including with regard to the possible involvement of additional third parties by the EDEs, in compliance with applicable legislation and the provisions of this Model.

Even in cases where, in addition to merely executive support activities, a third party is granted its own decision-making and control powers relating to the full or partial performance of the Fondazione's processes, it remains the responsibility of the commissioning party, consistently with the provisions outlined in the previous paragraph, to verify compliance with contractual obligations and the proper exercise of any related delegated powers, in accordance with applicable law and the provisions of this Model.

3.4 Dissemination of the Model

3.4.1 Target Audience

In order to effectively implement the Model, the Fondazione intends to ensure proper dissemination of its contents and principles inside and outside its organisation. The Model therefore represents a valid tool for raising the awareness and information of its **Target Audience**, i.e. the members of the corporate bodies, managers and employees (hereinafter also "Personnel"), volunteers, as well as all those who have contractual relations with the Fondazione for the achievement of its purpose and objectives, including EDE, suppliers of goods and services, etc. (hereinafter also "Third Parties").

Communication and training activities will be tailored according to the target audience, but must in all cases be based on the principles of completeness, clarity, accessibility and continuity, in order to ensure that the various members of the target audience are fully aware of the provisions they are required to comply with and of the ethical standards that should guide their conduct.

Communication and training activities will be supervised by the Supervisory Board, which is assigned, among other duties, the tasks of promoting and defining initiatives to raise awareness and understanding of the Model, as well as providing staff training and fostering their commitment to adhering to the principles set out in the Model.

All of this aims to ensure that, in carrying out their activities, the Target Audience behaves correctly and transparently in line with the ethical and social values that guide the Fondazione in pursuing their corporate purpose, and in any case so as to prevent the risk of committing the offences set out in the Decree.

3.4.2 Personnel Training and Information

It is the Fondazione's objective to ensure that the Target Audience is properly informed of the contents of the Decree and the obligations arising therefrom.

The main methods for carrying out the training and information activities necessary to comply with the provisions of the Decree include specific briefings at the time of hiring and any additional activities deemed necessary to ensure the proper implementation of the Decree's requirements.

At the time of the first adoption of the Model, provision is made for formal adoption:

- an **initial communication**: the adoption of this Model is communicated to all the resources present in the Fondazione. It is also envisaged that new employees will be provided with the Model and the Code of Ethics and will be required to sign a form in which they undertake to comply with its contents;
- a **specific training activity**: the training activity will be compulsory and differentiated, in terms of content and delivery methods, according to the qualification of the Target Audience, the level of risk of the area in which they operate and whether or not they hold representative functions within the Fondazione.

In any case, the competent Fondazione functions shall ensure that the principles and rules of conduct contained in the Fondazione's Model and Code of Ethics are transposed into the Fondazione's Procedures.



3.4.3 Information to Third Parties and Dissemination of the Model

The Fondazione provides for the dissemination of the Model to individuals who have collaboration relationships with it without a subordinate employment relationship, consultancy agreements, agency relationships, representation agreements, and other relationships that constitute a professional service, whether continuous or occasional, not of a subordinate nature (including those acting on behalf of suppliers and partners, also in the form of temporary business associations), as well as volunteers (hereinafter referred to collectively as the “**Third Parties**”).

In particular, the relevant organisational functions involved on a case by case basis are required to provide Third Parties in general, and service companies with whom they interact, with appropriate information regarding the Fondazione’s adoption of the Model pursuant to Italian Legislative Decree. 231/2001. The Fondazione also invites third parties to read the contents of the Code of Ethics and the General Section of the Model on its website.

Specific clauses are included in their respective contracts to inform Third Parties of the Fondazione’s adoption of the Model. The Third Parties acknowledge having read and understood the consequences arising from non-compliance with the provisions set out in the General Section of the Model and the Code of Ethics. They also undertake not to commit, and to ensure that their senior or subordinate personnel refrain from committing, any of the Offences identified as Predicate Offences.



CHAPTER 4. SUPERVISORY BOARD

4.1 The Fondazione's Supervisory Board

In compliance with Art. 6, para. 1, letter b) Italian Legislative Decree 231/2001, taking into account the interpretative developments and the characteristics and size of its organisational structure, the Fondazione intends to identify its Supervisory Board in a collegial body, whose names are made known to all the Fondazione's employees, and in general to the stakeholders, also by means of publication on the institutional website.

The Fondazione has therefore set up the **Supervisory Board**, with the task of overseeing **Model 231** and the Code of Ethics.

This board is therefore responsible for verifying and guaranteeing that the Fondazione's mission is pursued with the utmost respect for the Olympic spirit, and for those principles of ethics and sporting morality that have always been the core value of the event.

According to the provisions of Italian Legislative Decree 231/2001 (Articles 6 and 7), as well as the indications contained in the Confindustria Guidelines, the characteristics of the Supervisory Board, such as to ensure the effective and efficient implementation of the Model, must be:

- autonomy and independence;
- professionalism;
- continuity of action.

Autonomy and independence

The requirements of autonomy and independence are fundamental so that the Supervisory Board is not directly involved in the management activities that are the subject of its control activities and, therefore, is not subject to influence or interference by the management body.

These requirements can be achieved by guaranteeing the Supervisory Board the highest possible hierarchical position and by providing for reporting to the Fondazione's top operational management. For the purposes of independence, it is also indispensable that the Supervisory Board is not assigned operational tasks, which would compromise its objectivity of judgement with regard to checks on the conduct and effectiveness of the Model.

Professionalism

The professionalism of the Board must be ensured not only by the specific competences laid down in the procedures for the appointment of the Supervisory Board, but also by the faculty to make use of the specific professionalism of the heads of the various functions of the Fondazione, as well as of external consultants.

The Board must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objectivity of judgement⁶.

Continuity of action

The Board must:

⁶ This refers, among other things, to: risk analysis and assessment techniques; measures to contain risks (organisational procedures, segregation of duties mechanisms, etc.); flow charting of procedures and processes to identify weaknesses; interview techniques and questionnaire development; fraud detection methodologies; and more. The Supervisory Board must possess inspection skills (to ascertain how a specific offence may have occurred and who committed it); advisory skills (to adopt, both when designing the Model and during subsequent updates, the most appropriate measures to reasonably prevent the commission of such offences); ongoing monitoring skills (to verify that daily behaviours effectively comply with the established protocols); and legal expertise. Italian Legislative Decree 231 of 2001 is a criminal law framework, and since the Supervisory Board's role is to prevent the commission of offences, a thorough understanding of the structure and methods by which such offences are committed is essential. This knowledge may be ensured through the use of the Fondazione's internal resources or external consultancy.



- carry out, on an ongoing basis and also through the involvement of the relevant organisational functions, the activities necessary to monitor the Model, with appropriate diligence and the necessary investigative powers;
- be a structure linked to the Fondazione, in order to ensure continuity in its monitoring activities, with adequate commitment and supervisory powers.

To ensure the effective fulfilment of the above requirements, it is essential that these individuals possess not only the necessary professional expertise but also formal personal requirements that further guarantee the autonomy and independence required for the role (for example, integrity, absence of conflicts of interest, and no family ties with corporate bodies or senior management).

4.1.1. Identification of the Supervisory Board

The Fondazione has decided to appoint a multi-member body composed of three members who meet both the professional and technical requirements needed to perform the role, as well as the personal requirements of integrity and independence, which are essential to ensure the necessary autonomy of action.

With regard to the composition of the Supervisory Board, it is envisaged that it shall consist of three full members (external professionals selected according to criteria of transparency and proven expertise) and two alternates, all of high ethical standing, in order to ensure the following competencies:

- competence in the field of Italian Legislative Decree 231/2001;
- legal and economic competencies, including in the area of good financial governance of entities and companies and knowledge of ethical values in the field of Olympic and Paralympic sport.

In line with the principles laid down in the Fondazione's Articles of Association, as well as those contained in the various international charters of rights, it is of fundamental and indispensable importance that the gender equality of the members of the Board be guaranteed.

With reference to the selection and appointment of the external members, upon expiry of the deadline for submitting applications, a Committee - consisting of the Deputy Chair of the Board of Directors, a member of the Board of Statutory Auditors and the former General Counsel - shall draw up a ranking list on the basis of the criteria set out in the selection notice.

The appointment procedure then provides that the Vice-Chair, on behalf of the Committee, submits the list of candidates and their ranking to the Board of Directors.

The Board of Directors then proceeds to appoint the three regular members of the Supervisory Board, including the Chair, as well as the two alternate members.

Once appointed, the Supervisory Board shall adopt its own internal regulations and define and update the plan of activities to be carried out.

4.1.2. Term of office and causes of termination

The members of the Supervisory Board are appointed by the Board of Directors and hold office for three years, with the possibility of reappointment on expiry. The Supervisory Board continues to perform its functions under the so-called *prorogatio* regime until new members of the Board are appointed.

Termination of membership of the Supervisory Board may occur for one of the following reasons:

- expiry of the term;
- revocation of the Board by the Board of Directors;
- resignation of a member, formalised by written notice sent to the Board of Directors;
- occurrence of one of the grounds for disqualification set out in paragraph 4.1.3 below.

Removal from office as a member of the Supervisory Board may only be ordered for just cause, and such cases include, by way of example, the following:

- where the member is involved in a criminal trial concerning the commission of a crime;
- a breach of the confidentiality obligations imposed on the Supervisory Board;



- gross negligence in the performance of the duties connected with the assignment;
- the potential involvement of the Fondazione in criminal or civil proceedings clearly related to the omission or insufficient supervision, including negligence, by a member of the Supervisory Board.

Removal is ordered by resolution of the Board of Directors. The Statutory Auditor and the Board of Statutory Auditors are informed of the decision.

In the event of expiry, removal or resignation of a member of the Supervisory Board, the member is replaced by one of the alternate members.

In the event of the absence or unavailability of the alternate members of the Supervisory Board, the Board of Directors shall activate a new appointment procedure without delay.

In the event of expiry or resignation, the member of the Supervisory Board remains in office until a new appointment (under the so-called “*prorogatio*” regime), while in the event of removal, the member ceases to hold office.

4.1.3. Cases of Ineligibility and disqualification

The following constitute grounds for ineligibility and/or disqualification as a member of the Supervisory Board:

- disqualification, incapacitation, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offences set out in the Decree or, in any case, to a penalty entailing disqualification, even temporary, from public offices or the inability to exercise executive offices;
- the existence of relationships of kinship, marriage or affinity up to the fourth degree with members of the Board of Directors or the Board of Statutory Auditors of the Fondazione, or with external auditors;
- the existence of patrimonial relationships and conflicts of interest between the member and the Fondazione such as to compromise the member’s independence;
- causes of incompatibility linked to the simultaneous holding of positions on the Board of Directors.

Should a cause for disqualification arise during the term of office, the member of the Supervisory Board must immediately inform the Board of Directors.

4.2 Functions, Tasks and Powers of the Supervisory Board

In accordance with the indications provided by the Decree and the Guidelines, moreover, the function of the Supervisory Board includes the following aspects:

- monitoring the effective application of the Model in relation to the different types of offences covered by it;
- verifying the effectiveness of the Model and its actual capacity to prevent the commission of the offences in question;
- identifying and proposing to the Board of Directors the need to update and amend the Model itself in relation to changes in legislation or organisational needs or conditions;
- managing any reports received concerning potential breaches of the Model and the Code of Ethics (so-called whistleblowing⁷), with the support of internal structures or functions or external consultants to carry out any activity deemed appropriate;
- verifying that the update and amendment proposals formulated by the Board of Directors have been effectively implemented in the Model and promptly notified to the Supervisory Board through the Legal and Compliance Function.

In addition, the Supervisory Board is entrusted with monitoring the Code of Ethics.

Within the scope of the function described above, the Supervisory Board is entrusted with the following tasks:

⁷Italian Legislative Decree 10 March 2023, no. 24 Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions for the protection of persons who report breaches of national laws.



- periodically checking the map of Offence Risk Areas and the adequacy of the control points in order to allow their adaptation to changes in the activity and/or organisational structure. To this end, the recipients of the Model, as better described in the special sections of the same, must report to the Supervisory Board any situations that could expose the Fondazione to the risk, even only potentially, of offences. All communications must be in writing and sent to the e-mail address set up by the Supervisory Board;
- periodically carrying out, on the basis of the Supervisory Board's activity plan established in advance, targeted checks and inspections on specific operations or acts carried out within the areas at risk of offences, also with the possible support of the Internal Audit Function and/or other functions of the Fondazione;
- collecting, processing and storing information (including the reports referred to in the following paragraph) relevant to compliance with the Model, as well as updating the list of information that must be mandatorily transmitted to the Supervisory Board;
- conducting, with the support of internal structures or functions or of external consultants to carry out any activity deemed appropriate, the preliminary investigation and internal enquiries to ascertain alleged breaches of the provisions of this Model brought to the attention of the Supervisory Board by specific reports or which have emerged in the course of its supervisory activities (see also the provisions of paragraph 4.4 with reference to so-called 'whistleblowing'), ensuring the necessary respect for the principle of cross-examination and confidentiality during the preliminary investigation;
- verifying that the elements provided for in the Model for the different types of offences (standard clauses, procedures and related controls, system of delegated powers, etc.) are actually adopted and implemented and meet the requirements of compliance with Italian Legislative Decree 231/2001, failing which it will propose corrective actions and updates;
- monitoring the existence of any conflict of interest situations, as well as compliance with the Code of Ethics;
- monitoring compliance with the ethical rules to which the Fondazione adheres and by which it is guided in its actions.

In order to perform the aforementioned functions and tasks, the Supervisory Board is granted the following powers:

- accessing the various organisational documents and, in particular, those concerning the Fondazione's contractual and non-contractual relations with third parties;
- making use of the support and cooperation of the various structures of the Fondazione and of the corporate bodies that may be interested, or in any case involved, in the control activities (e.g. by obtaining support in the activities from internal structures or functions or from external consultants).

4.3 Resources of the Supervisory Board

The Board of Directors allocates the financial resources deemed appropriate from year to year for the performance of the task assigned to the Supervisory Board.

In particular, the Supervisory Board is granted autonomous spending powers, within the limits of the approved annual budget, to enter into, amend and/or terminate professional appointments to third parties possessing the specific skills necessary for the best execution of the assignment (these appointments may also be assigned through the support of the competent functions of the Fondazione).

The Supervisory Board may, collectively, also make use of the organisational units present in the Fondazione by virtue of their respective competences, such as, for example, the Internal Audit Function.

4.4 Information Flows to the Supervisory Board

4.4.1 Information Obligations Towards the Supervisory Board



The proper and efficient performance of the Supervisory Board's duties relies on its access to all information relating to the offence risk areas, as well as all data concerning conduct potentially linked to the commission of an offence. For this reason, the Supervisory Board, collectively, must be given access to all necessary data and information.

The Decree, in Art. 6, para. 2, letter d) states that the Model must provide for information obligations vis-à-vis the Supervisory Board, so that the latter can perform its monitoring activities to the best of its ability.

The information obligation is therefore addressed to all members of the Target Audience of the Model.

To ensure maximum coordination and efficiency, **semi-annual hearings** with the compliance process managers are scheduled.

Additionally, the following is an illustrative, non-exhaustive list of information flows that must be transmitted to the Supervisory Board by representatives of the Fondazione or third parties (with the obligation to provide the relevant documentation to the Supervisory Board upon request, if available):

a) News that relates to **potential breaches of the Model, including, but not limited to:**

- measures (such as formal notices of investigation, notices of extension of investigations, notices of conclusion of investigations, indictments) issued after its entry into force and notified by the Judicial Authority to the Fondazione, the Board of Directors, or its executives or employees, from which it is clear that investigations are being conducted by the same Authority for administrative offences under Italian Legislative Decree. 231/2001 or for the relevant Predicate Offences;
- information of any origin concerning the probable commission of offences or in any case the breach of the Model, the Code of Ethics or, more generally, circumstances from which an organisational or procedural deficiency or a need to adapt the Model or the Code of Ethics may emerge;
- any requests for or offers of gifts or other benefits, exceeding a modest value, coming from or intended for public officials or persons in charge of a public service;
- any requests for or offers of gifts or other benefits, in excess of a modest value (meaning those customary in the circumstances), coming from or intended for private individuals;
- any orders received from a superior and deemed contrary to the law, internal regulations, the Model and the Code of Ethics;
- any significant and unjustified deviations from the budget or expenditure anomalies revealed by requests for authorisation at the Management Control stage;
- any material omissions, neglect or falsification in the keeping of accounts or in the preservation of documents on which accounting records are based;
- request for legal assistance forwarded by the Target Audience of the Model in the event of legal proceedings being commenced for the facts envisaged by Italian Legislative Decree 231/2001;
- any existence of situations of significant conflict of interest between one of the members of the Target Audience of the Model and the Fondazione;
- measures and/or news coming from judicial police bodies or any other authority from which it can be inferred that investigations are being carried out involving, even indirectly, the Entity or its employees;
- news about ongoing disciplinary proceedings and any penalties imposed or the reasons for their dismissal;
- any reports concerning significant deficiencies or inadequacies of the premises, work equipment or protective devices made available by the Fondazione, or any other dangerous situation related to health and safety at work;
- any significant anomalies found in the monitoring activity carried out by the competent organisational functions.

b) Information concerning the ordinary activities of the Fondazione by the organisational functions and bodies of the Fondazione, which may be of significant relevance with regard to the performance by the Supervisory Board of the **duties assigned to it, including but not limited to**

- news of changes in the Fondazione's organisation or procedures in force;



- updates to the system of powers and proxies;
- any communications from the auditing firm concerning matters indicating a significant deficiency in internal controls;
- any decisions concerning the application for, disbursement and use of public funding other than the initial endowment fund;
- the periodic findings of the control activity carried out by the Fondazione's control functions, within the scope of their respective competences pursuant to this Model (summary reports of the activity, monitoring, final indices, etc.);
- reports on health and safety at work and in particular the minutes of the periodic meeting referred to in Art. 35 Italian Legislative Decree 81/2008, as well as all data on accidents at work that occurred at the Fondazione's sites;
- information on the annual expenditure/investment budget prepared in order to carry out necessary and/or appropriate security improvements;
- any updates to the Risk Assessment Document pursuant to Italian Legislative Decree 81/2008;
- the reporting by the competent doctor of abnormal situations found during periodic or scheduled visits;
- the annual balance sheet, accompanied by the notes to the accounts, as well as the half-yearly balance sheet;
- any reports prepared by the heads of other bodies (e.g. Board of Statutory Auditors) and functions as part of their control activities and from which facts, acts, events or omissions with critical profiles with respect to compliance with the Decree might emerge;
- particularly significant transactions carried out in Offence Risk Areas.

In any case, the heads of the structures involved in the activities at risk shall communicate to the Supervisory Board any useful information to facilitate the performance of checks on the proper implementation of the Model and the Code of Ethics. Specifically, they must promptly report to the Supervisory Board any significant anomalies or irregularities detected in the course of their activities and any available information.

Without prejudice to what has been previously indicated, the Supervisory Board may identify and propose to the Board of Directors the establishment of specific periodic reporting flows, indicating the responsible parties, with the aim of obtaining information useful for monitoring the adequacy and effectiveness of the Model, as well as identifying any anomalies or irregularities found within the available information, and proposing the appropriate corrective actions. These specific flows are set out in the procedures adopted by the Fondazione.

4.4.2 Management of Reporting Obligations

Consistent with the provisions of Italian Legislative Decree no. 24 of 2023, the Fondazione has adopted the following dedicated internal channels for the management of reports, including computerised channels, which guarantee the confidentiality of the reporter's identity and personal data:

- a) an IT whistleblowing channel, accessible at <https://segnalazioni.milanocortina2026.org/#/>;
- b) an oral channel accessible at +39 0282901052;

in order to:

- ensure secrecy in the direction of the flows communicated to the Supervisory Board and facilitate their flow;
- ensure the confidentiality of the identity of the reporter also in the management of communications (with specific regard to reports under Art. 6 paragraph 2 bis letter a) Italian Legislative Decree 231/2001).

The Fondazione has appointed an expert - through the provider of the whistleblowing platform - as the person in charge of receiving and preliminarily examining all reports (pre-screening) and the Supervisory Board as the autonomous and independent body in charge of the subsequent handling of reports.



The Supervisory Board manages the reports transmitted and, where appropriate, plans the inspection activity to be carried out, using, for this purpose, internal resources, also resorting to the contribution of external professionals, if the inspections require specific and particular skills or to cope with particular workloads. In carrying out this investigation, the Supervisory Board operates in full accordance with regulatory provisions, emphasising the pursuit of a mission inspired by ethical, pedagogical and fraternal principles in sport and in institutions, formulating proposals for penalty measures in this logic.

If the Supervisory Board decides that no further investigation is necessary, it is obliged to record the reasons for its decision.

At the end of the preliminary investigation phase, the Supervisory Board assesses the merits of its findings and formulates its recommendations to the Board of Directors, in relation to their respective competences, for the purposes of the determination and application by those bodies of the relevant measures and penalties.

The Fondazione guarantees:

- that no acts of retaliation, discrimination or, in any case, penalisation are carried out against whistleblowers, ensuring the confidentiality of the whistleblower, unless otherwise provided for by law. The proper fulfilment of the obligation to inform by the employee cannot result in the imposition of disciplinary penalties;
- the utmost protection and confidentiality for the whistleblower, without prejudice to legal obligations and the protection of the rights of the Company or of persons wrongly accused and/or in bad faith, as well as the guarantee against any form of retaliation, discrimination or penalisation; the correct fulfilment of the reporting obligation by the Target Audience, moreover, cannot give rise to the application of disciplinary and/or contractual penalties;
- protection from defamatory reporting.

The Supervisory Board must promptly assess the reports received and any measures that may be necessary.

4.5 Information Obligations of the Supervisory Board

In carrying out its activities, the Supervisory Board reports at least annually to the Fondazione's Board of Directors and Board of Statutory Auditors. In particular, the Supervisory Board is responsible for:

- informing the Board of Directors, at the beginning of each financial year, the plan of activities it intends to carry out in order to fulfil its assigned tasks;
- reporting periodically on the progress of the program together with any changes made to it;
- promptly communicating any issues related to the activities, where relevant.

The Board may request to be convened by the aforementioned bodies to report on the functioning of the Model or on specific situations. Meetings with the corporate bodies to which the Supervisory Board reports must be minuted. Copies of these minutes will be kept by the Supervisory Board and the bodies involved in each case.

Without prejudice to the foregoing, the Supervisory Board may also communicate, in the light of individual circumstances:

- the results of its investigations to the heads of the functions and/or processes if the activities give rise to aspects requiring improvement. In such a case, it will be necessary for the Supervisory Board to obtain from the persons in charge of the processes a plan of actions, with a timetable, for the implementation of activities susceptible to improvement, as well as the result of such implementation;
- report to the Board of Directors and the Board of Statutory Auditors conduct/actions not in line with the Model in order to:
 - a) acquire all the elements to make any communications to the structures in charge of assessing and applying disciplinary penalties;
 - b) give directions for the removal of deficiencies in order to avoid a recurrence.

The Fondazione's Supervisory Board may also be convened by the aforementioned bodies whenever deemed appropriate, in order to report on specific facts or events or to discuss matters deemed particularly relevant in the context of the offence prevention function.



In any case, the Supervisory Board, in the presence of particular needs or in the event of urgency, reports to the Chair of the Board of Directors and the Chief Executive Officer, who take the most appropriate decisions.



CHAPTER 5. DISCIPLINARY SYSTEM

5.1 General Principles

Art. 6, para. 2, letter e) and Art. 7, para. 4, letter b) of Italian Legislative Decree 231/2001 indicate, as a condition for the effective implementation of the Organisation, Management and Control Model, the introduction of a disciplinary system capable of penalising non-compliance with the measures indicated in the Model.

Therefore, the definition of an adequate disciplinary system constitutes an essential prerequisite for the exempting value of the organisation, management and control Model pursuant to Italian Legislative Decree 231/2001 with respect to the administrative liability of entities. The Fondazione has adopted this disciplinary system by setting up an appropriate system of penalties that applies, in full compliance with current legislation, as well as with internal provisions, to breaches of the provisions, internal control measures, as well as the rules of conduct of the Code of Ethics, which together represent the Model adopted by the Fondazione pursuant to Italian Legislative Decree 231/2001.

Pursuant to Article 2106 of the Italian Civil Code, with reference to employment relationships of a subordinate nature, this penalty system supplements the provisions of the National Collective Labour Agreement for Employees of Companies in the Tertiary, Distribution and Services sectors (hereinafter “**CCNL Commercio**”), applied to non-managerial staff, and of the National Collective Labour Agreement for Managers of Companies in the Tertiary, Distribution and Services sectors (hereinafter “**CCNL Dirigenti Commercio**”), applied to managerial staff. Breaching the rules of conduct, of the measures envisaged by the Model and by the relative internal control measures, by employees - including Managers - of the Fondazione, constitutes a breach of the obligations deriving from the employment relationship, pursuant to the legislation in force and the contractual provisions. More specifically, failure to comply with the rules and provisions contained in the Model and in the relevant internal control measures is liable to damage, in itself, the relationship of trust existing with the Fondazione and entails disciplinary action. This is also in compliance with the principles of timeliness and immediacy of contestation and the imposition of penalties, in accordance with the relevant laws in force.

The penalties envisaged by the disciplinary system shall be applied by the Fondazione to any breach of the provisions contained in the Model regardless of whether or not an offence has been committed and regardless of the course and outcome of any criminal proceedings initiated by the Judicial Authorities in cases where the conduct to be censured constitutes an offence pursuant to Italian Legislative Decree 231/2001.

The disciplinary system is constantly monitored by the Supervisory Board.

5.2 Definition of “Breach” for the Purposes of the Operation of this Penalty System

By way of a general and illustrative example only, a “**Breach**” of this Model and of the relevant internal control measures constitutes:

- the implementation of actions or conduct that do not comply with the law and with the prescriptions contained in the Model and the Code of Ethics and in the relevant internal control measures, which entail a situation of risk of commission of one of the offences covered by Italian Legislative Decree 231/2001;
- the omission of actions or conduct prescribed in the Model and in the relevant internal control measures that entail a situation even of risk of commission of one of the offences covered by Italian Legislative Decree 231/2001;
- the implementation of actions or conduct that violate the measures for the protection of persons who, in order to protect the integrity of the Fondazione, make circumstantiated reports of unlawful conduct or breaches of the Model, relevant pursuant to Italian Legislative Decree 231/2001 through the channels provided for under Italian Legislative Decree no. 24/2023;



- the making of circumstantiated reports of unlawful conduct or breaches of the Model, relevant under Italian Legislative Decree 231/2001, made with wilful misconduct or gross negligence by the whistleblower and which prove to be unfounded following the required checks and controls;
- the omission of the checks and controls provided for in Italian Legislative Decree 231/2001 in the event that the persons identified as recipients of the report receive a circumstantiated report of unlawful conduct or breaches of the Model, relevant under Italian Legislative Decree 231/2001.

5.3 Employees

With reference to the type of penalties that may be imposed on these employees, they fall within those provided for by the National Collective Labour Agreements (hereinafter, for the sake of brevity, the “CCNLs”), in compliance with the procedures laid down in Article 7 of Italian Law no. 300 of 1970 (hereinafter, for brevity, the “Workers’ Articles of Association”) and any applicable special regulations.

Breaches by employees, pursuant to the previous paragraph of this Model, may give rise, depending on the severity of the breach, to disciplinary measures established in application of the principles of proportionality and the correlation between infraction and sanction, always respecting the form and procedures set out by current legislation. In the event of breaches by managers, the most appropriate disciplinary measures will be applied against those responsible in accordance with the provisions of the National Collective Labour Agreement for Managers.

5.4 Administrators

In the case of the breach of the rules described above by one or more of the Fondazione’s Directors, the Supervisory Board will inform the Chair of the Board of Directors and the Board of Statutory Auditors without delay, or, if these persons are personally involved, the Fondazione’s Acting Vice Chair (if appointed) or another person of similar rank for the appropriate communications to the various company bodies.

In the event that one or more of the Directors, alleged perpetrators of the offence giving rise to the Fondazione’s administrative liability, are indicted, the Chair of the Fondazione (or, in their place, the Acting Vice Chair if appointed) must convene the Board of Directors to decide on the revocation of the mandate.

5.5 Auditors

In the event of a breach of the rules described above by one or more members of the Board of Statutory Auditors, the Supervisory Board will inform the Chair of the Board of Directors without delay, for the appropriate evaluations and measures.

In the event of any breach of the rules described above by persons belonging to the organisation of the Statutory Auditor, the Supervisory Board shall inform the Chair of the Board of Directors and the Board of Statutory Auditors without delay, for the appropriate evaluations and measures.

5.6 Third Parties: External Collaborators and Consultants

In the event of breach of the rules referred to in the previous paragraph by collaborators, external consultants, or, more generally, Third Parties, the Fondazione, depending on the severity of the breach, will: (i) formally remind the individuals involved of the strict obligation to comply with the provisions set forth; or (ii) be entitled, according to the various contractual types, to terminate the existing relationship for just cause or to rescind the contract due to non-fulfilment by the aforementioned parties.

To this end, the Fondazione will include specific clauses in the aforementioned contracts to ensure: (a) that Third Parties are informed of the Fondazione’s adoption of the Model and the Code of Ethics, which they acknowledge having reviewed, undertaking to comply with their contents and to refrain from any behaviour



that could result in a breach of the law, the Model, or the commission of any of the Predicate Offences; (b) the Fondazione's right to terminate the relationship or rescind the contract (with or without penalties) in the event of non-compliance with these obligations.

Fondazione Milano Cortina 2026