

**ORGANIZATION MODEL,
MANAGEMENT AND CONTROL
EX D. LGS. Bulletin 231/2001**

of

DoveVivo S.p.A.

(Abstract)

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History of the Model 231

REVISION	DATE	DESCRIPTION OF MAIN CHANGES
1	November 2019	First Issue
2	June 2020	Tax Offences Update
3	October 2020	Update of new offences: art.24, 24 bis, 25, 25 quinquiesdecies, 25 sexiesdecies (amendments to the Cybersecurity Decree and Legislative Decree 75/2020)

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1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

Legislative Decree no. 231 of 8 June 2001 introduced into the Italian legal system the "administrative liability of legal persons, companies and associations, including those without legal personality" following the commission of an offence.

The decree is applicable following the commission of the following crimes:

- Article 24: "Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or for the achievement of public disbursements, computer fraud to the detriment of the State or a public body and fraud in public supplies"
- Article 24-bis: "Computer crimes and unlawful processing of data"
- Article 24-ter: "Organised crime offences"
- Article 25: "Embezzlement, bribery, undue inducement to give or promise benefits, corruption and abuse of office"
- Article 25-bis: "Forgery of coins, public credit cards, revenue stamps and instruments or signs of identification"
- Article 25-bis 1: "Crimes against industry and commerce"
- Article 25-ter: "Corporate crimes"
- Article 25 quarter: 'Offences with the aim of terrorism or subversion of the democratic order'
- Article 25-quarter-1: "Practices of mutilation of the female genital organs"
- Article 25 quinquies: 'Offences against the individual'
- Article 25 sexies: 'Offences of market abuse'
- Article 25-septies: "Offences of manslaughter and serious or very serious negligent injuries, committed in violation of accident prevention regulations and on the protection of hygiene and health at work";
- Article 25-octies: "Receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin, as well as self-laundering"
- Article 25-novies: "Offences relating to copyright infringement"
- Article 25-decies: "Inducement not to make statements or to make false statements to the judicial authority"
- Article 25-undecies: "Environmental crimes"
- Article 25k: 'Employment of illegally staying third-country nationals'
- Article 25-terdecies: 'Xenophobia and racism'
- Article 25-quaterdecies: "Fraud in sports competitions, abusive exercise of gaming or betting and games of chance carried out by means of prohibited machines"
- Article 25-quinquiesdecies: "Tax offences"

- Art. 25e: 'Smuggling'
- "Transnational crimes"

Pursuant to art. 5 of Legislative Decree 231/2001, in order for administrative liability to be contested and imputed to an entity, it is necessary that a natural person functionally connected to the entity itself has committed (or attempted to commit) one of the crimes just mentioned (so-called predicate crimes) and that the crime has been committed "in his interest or to his advantage", providing as an exemption the hypothesis that the perpetrator has "acted in his own exclusive interest or in the interest of third parties".

In order for the administrative liability of the entity to arise, in parallel with the criminal liability of the offender (natural person), it is also necessary that the crime has been committed by persons who hold a top position within the entity or by persons in a subordinate position. More precisely, again pursuant to art. 5, 'An entity shall be liable for offences committed in its interest or to its advantage:

- a) by persons who hold representation, administration or management functions of the entity or of one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same (so-called apex subjects);
- b) by persons under the direction or supervision of one of the persons referred to in point (a) (so-called subordinates).

According to a well-established jurisprudential orientation, administrative liability deriving from a crime also applies in the presence of a Group, albeit with some significant limitations and conditions, when, for example, it is one of the subsidiaries that commits an offence that is a prerequisite for the liability itself (so-called liability escalation).

In the event of ascertained liability, the Company incurs one of the following sanctions: fines, disqualification sanctions, confiscation (always ordered with the sentence of conviction of the entity) and publication of the judgment.

With reference to the pecuniary penalty, a system of calculation by quotas has been established, to be determined by quantity and value, in order to better adapt the amount of the sanction to the reality of the case. Each share ranges from a minimum value of about 258.00 euros, to a maximum of about 1,550.00 euros; A total number of quotas not less than one hundred (100) nor more than one thousand (1000) may be applied. Therefore, the financial penalties range from a minimum of €25,823.00 to a maximum of approximately €1,549,360.00.

The disqualification sanctions, on the other hand, are: disqualification from carrying out the activity; the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence; the prohibition of contracting with the Public Administration, except to obtain the performance of a public service; exclusion from concessions, loans, contributions or subsidies and the possible revocation of those already granted; the prohibition of advertising goods or services.

Disqualification sanctions shall last for a period of not less than three months and not more than two years.

In determining the type of sanction and the duration, the judge must take into account: the seriousness of the offence, the liability of the entity, the activity aimed at preventing or mitigating the consequences, as well as the suitability of the individual sanctions to prevent offences of the type committed.

Art. Article 6 of the Decree therefore provides that where the crime has been committed by persons in a top position, the entity is not administratively liable if it provides proof that:

- the management body adopted and effectively implemented, before the offence was committed, organisational and management models suitable for preventing offences of the kind that occurred;
- the task of supervising the functioning and observance of the models and of ensuring that they are updated has been entrusted to a body of the entity with autonomous powers of initiative and control;
- the persons committed the offence by fraudulently circumventing the organisational and management models;
- there has been no omission or insufficient supervision by the body referred to in point (b).

In this sense, the profound objective of Legislative Decree 231/2001 is to encourage companies to adopt an organizational, management and control model that, in harmony with the "culture of prevention", aims at the pursuit of a "new culture of doing business".

In order to be effective, the organization and management model must meet the need to:

- identify activities in the context of which offences may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the crimes to be prevented;
- identify the methods for managing financial resources suitable for preventing the commission of crimes;
- provide for information obligations towards the body responsible for supervising the functioning and compliance with the models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

2. GENERAL INFORMATION ABOUT THE COMPANY

2.1 The Company

DoveVivo S.p.A. is the first and largest co-living company in Europe.

Since 2007, the Group has managed a portfolio of thousands of homes and residences in various Italian cities, with an imminent expansion project abroad. It offers owners a service for real estate

investment, enhancement and management that maximizes value in the long term, minimizing risks and burdens. At the same time, it guarantees end customers, who make up a community of thousands of students and young workers, a professional, transparent and safe response to their need for off-site life. DoveVivo is now present in numerous squares including Milan, Rome, Bologna, Turin, Padua, Trento, Florence, Como, Parma, Trieste and Siena.

In order to strengthen its position on the co-living market, DoveVivo has made a series of acquisitions of companies active in the management of residential properties intended for shared living. These include H4U s.r.l. in 2018, and Place4You s.r.l. and Easyroom s.r.l. in 2019 and Finlibera S.p.A. in 2020. In addition, in 2019 it acquired a company that deals with student housing: Rtmliving s.r.l.

DoveVivo S.p.A. has also recently established subsidiaries in France and Spain respectively.

In recent years, DoveVivo has received several important awards that have confirmed its leadership and reputation in the sector in Italy.

For three consecutive years, 2017, 2018 and 2019, it achieved an excellent result in the Financial Times "FT1000: Europe's Fastest Growing Companies" ranking, ranking among the companies with the fastest growth rate in Europe and Italy.

In 2017 he received the "Le Fonti Innovation Awards®" in the special category "Excellence of the Year / Innovation & Leadership" and in 2018 the "CEO of the Year" award in the category "Real Estate Management".

It has been recognized by Sole24Ore as a "Leader of Growth", being one of the 350 Italian companies that have distinguished themselves in the various industrial sectors thanks to their performance.

It was also admitted to the prestigious Elite program of Borsa Italiana S.p.A. selected on the basis of its track record of positive results, solid competitive positioning and convincing growth project.

The Company is particularly attentive to the dissemination of the culture of legality and it is in this regard that it has decided to comply with the provisions of Legislative Decree 231/2001 and, therefore, to implement a system for the prevention of the risk of crime.

3. THE ORGANIZATION, CONTROL AND MANAGEMENT MODEL

3.1 Objectives and purposes pursued in the adoption of the Model

DoveVivo is sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, to protect its position and image, the work of its employees and the expectations of stakeholders, and is aware of the importance of having an internal control system suitable for preventing the commission of unlawful conduct by its directors, employees, collaborators and business partners. The Company adopts the organization and management model with the awareness that an efficient and balanced organization of the company, suitable for preventing the commission of crimes, is pursued by intervening, mainly, on the processes of

formation and implementation of the Company's decisions, on controls, preventive and subsequent, as well as on the flows of information, both internal and external.

Through the adoption of the Model, DoveVivo aims to pursue the following main objectives:

- sensitize all those who operate in the name and on behalf of the Company to a business culture based on legality and make them aware that in the event of violation of the provisions contained therein, they may incur the commission of offences punishable by criminal sanctions that may be imposed on them and administrative sanctions that may be imposed on the Company;
- reiterate that such forms of unlawful conduct are strongly condemned by the Company, as they (even if the Company were apparently in a position to take advantage of them) are in any case contrary not only to the provisions of the law, but also to the ethical principles to which the Company intends to comply in the implementation of its corporate mission;
- allow the Company to intervene promptly to prevent or combat the commission of the crimes themselves through the dissemination of a culture of control aimed at governing all the decision-making and operational phases of the company's activities and the provision of monitoring action on the areas of activity at risk.

The Model and the principles contained therein apply to corporate bodies, employees, collaborators, consultants, suppliers, partners and, more generally, to all those who, in any capacity, operate in the field of sensitive activities on behalf of or in the interest of DoveVivo (hereinafter "Recipients").

4. Characteristics and structure of the internal control system

4.1 The principles of the Internal Control System

The internal control system is defined as the set of tools aimed at providing a reasonable guarantee of the achievement of the objectives of operational efficiency and effectiveness, reliability of information, compliance with laws and regulations, as well as safeguarding assets also against possible fraud or offences.

As defined by the Confindustria Guidelines, the elements characterizing the control system are:

- formalization of the control system in specific company documentation aimed at defining and regulating the methods and timing of the activities relating to the controls themselves, as well as the performance of controls, including supervisory ones;
- traceability in order to make it possible to document and verify the performance of the controls certifying the characteristics and reasons of the individual operations and in order to allow, moreover, to clearly identify who authorized, carried out, registered, verified the operation itself;
- segregation in order to ensure the separation of functions, i.e. avoiding that the management of the entire process is carried out autonomously by a single person;
- attribution of authorization powers (proxies and powers of attorney), where it is possible and appropriate to distribute them in a manner consistent with the company organization in order

to avoid the attribution of unlimited powers and, above all, the clear knowledge of powers and responsibilities inside and outside the organization.

4.2 The sources of the Internal Control System

The Company's Internal Control System has its sources in:

- Code of Ethics: a document that illustrates the Company's guiding values by recommending, promoting or prohibiting certain behaviours and, if necessary, dictating specific prohibitions and prescriptions in relation to the offences considered; it must be considered as the essential foundation of the Model, since the provisions contained in the second presuppose compliance with the provisions of the first, together forming a systematic body of internal rules aimed at spreading a culture of ethics and corporate transparency;
- DoveVivo's organisation and management model, which describes the prevention and control measures aimed at preventing the offences provided for by Legislative Decree 231/01 and its regulatory principles;
- Internal operational documentation, in particular the set of organizational procedures, as well as contractual documentation that defines the general principles of reference in the management of business processes.

The Company has adopted a modulated control system at the following levels:

- Level I controls are represented by the so-called "line controls" and are carried out by department heads or through the use of external professional figures; These include:
 - the moments of verification and control defined by the company's operating procedures;
 - internal audits on compliance with operational processes.
- Level II controls normally aimed at monitoring the risk management and control process; These include, for example, the monitoring of KPIs or SLAs on internal audit processes and activities.
- Level III controls, aimed at providing assurance and carrying out independent assessments on the design and functioning of the overall Internal Control System (e.g. audits by the Board of Statutory Auditors, Independent Auditors, Supervisory Body and independent third parties).

5. Risk exposure

5.1 Methodological premise

The processes defined within DoveVivo for the effective and efficient provision of the service may be exposed to the risk of committing the offences provided for by Legislative Decree 231/2001 in three distinct ways:

- **direct exposure**, if the execution of the activities within the process is itself exposed to the risk of committing an offence. For example, the request for permits, authorizations and/or

qualifications, involving direct contact with the Public Administration, exposes the personnel in charge directly to the crimes of fraud, corruption or undue receipt of funds;

- **instrumental exposure**, if the process itself is not exposed to the risk of committing an offence but its result is. Think, for example, of the hiring of employees linked to officials of the Public Administration which can constitute the "donation" through which the crime of corruption is perfected for the exercise of the function or for an act contrary to official duties or, again, the stipulation of consultancy contracts which, if carried out without particular attention or caution, can constitute the way through which to constitute funds to be used for purposes of an illegal nature.
- **no exposure**, if the activity or process does not present a significant exposure to the risk of committing any of the so-called predicate crimes.

6. The Supervisory and Control Body

6.1 Generality

The legislative decree includes in art. 6, among the conditions under which the Entity is not liable for any predicate offences committed within it, is to have entrusted a Body of the Entity with autonomous powers of initiative and control with the task of supervising the functioning and compliance with the organization and management model prepared, as well as taking care of its updating¹.

In accordance with this requirement, the Company has a Supervisory Body of a collegial nature and appointed directly by the administrative body.

The complete execution of its duties by the SB is an essential element for the exemption provided for by the Decree.

6.2 Nomination and composition

The SB is a collegial body and is composed of two standing members, one of whom acts as Chairman.

The members of the SB are chosen from among qualified and highly professional individuals in possession of the requisites of integrity to be understood as referred to in Article 4, Decree no. 516 of 30 December 1998.

The criteria that inspire the Company for the establishment of the SB are:

- Multi-subjective composition,
- Internal and external professional resources,
- Competencies of individual members.

The members of the SB are appointed by the Board of Directors with a resolution indicating the duties and powers of the SB, the duration of the mandate and the remuneration due to each member, as well as the budget allocated to the appointed Body.

From 1/1/2012, the task of supervising the functioning and observance of the models and of ensuring that they are updated (functions previously entrusted to the SB) may also be carried out, in joint-stock companies, by the Board of Statutory Auditors, the Supervisory Board or the Management Control Committee. This is established by art. 14, paragraph 12 of Law 183/2011 (2012 Stability Law) which introduces paragraph 4-bis to art. 6 of Legislative Decree 231/01.

The appointment resolution shall be communicated promptly by appropriate means of communication.

6.3 The requirements of the Supervisory and Control Body

Autonomy and independence

DoveVivo is committed to guaranteeing the SB full autonomy of initiative and to protecting it from any form of interference or conditioning. To this end, it is envisaged that:

- its members are deprived, if possible, of directly operational tasks, taking into account the degree of exposure to the risk of crime in the function in which they operate and do not have the possibility of interfering in the Company's operations or that the heterogeneous multi-subject composition is able to guarantee the aforementioned non-interference, although there is also an internal resource;
- the Body, in the performance of its function, is not subject to the hierarchical and disciplinary power of any corporate body or function;
- reports directly to the administrative body;
- the adoption of its decisions as well as the determination of its activity are final. **Professionality**

To ensure the proper performance of its tasks, it is essential that the Body guarantees adequate professionalism. In this respect, the following are relevant:

- knowledge of legal matters (in particular of the structure and methods of committing the predicate crimes, as well as of the Decree as a whole);
- an in-depth knowledge of the Company's organizational structure;
- adequate competence in auditing and control (risk analysis and assessment techniques).

Integrity and absence of conflict of interest

This requirement should be understood as follows:

- the members of the SB are chosen from among qualified and highly professional individuals in possession of the requisites of integrity to be understood as referred to in Article 4, Decree no. 516 of 30 December 1998.
- the SB must protect the business from any situation that may generate a conflict of interest.

Continuity of action

The continuity of the SB's action is guaranteed through the duration and the possibility of revocation only for just cause in the terms described above.

6.4 Duties and powers of the Supervisory Body

In accordance with the provisions of art. 6, paragraph 1 of the Decree, which entrusts it with the task of supervising the functioning and observance of the Model and of taking care of its updating, the Company's SB is responsible for the following tasks:

- verify the adequacy of the Model, i.e. its suitability to prevent the occurrence of unlawful conduct, and to highlight any commission or attempt;
- supervise the effectiveness of the control of the model;
 - planning the audit activity, and reviewing the results of previous audits;
 - carrying out checks on the activities or operations identified in the areas at risk (e.g. updating of procedures, system of delegations in terms of consistency between powers conferred and activities carried out, knowledge of the Model);
 - holding periodic meetings with DoveVivo's top management and with the Board of Statutory Auditors, in order to discuss, verify and report on the progress of the organisation and management model;
 - promoting meetings with the administrative body, whenever it deems it appropriate to examine or intervene to discuss matters relating to the functioning and effectiveness of the organization and management model;
- verify the effectiveness of the model, i.e. the correspondence between the concrete behaviors and those formally provided for by the Model itself;
- set up an effective and efficient internal communication system in order to obtain the reporting of relevant information pursuant to the decree (reporting of possible violations and/or non-compliance with the model);
- carry out a complete, timely, accurate, accessible and continuous training and information activity aimed at the Company's employees and collaborators, in particular by promoting and defining initiatives for the dissemination of knowledge about the decree and the consequences deriving from its application (organization and management model, risk analysis, etc.);
- Supervise the updating of the model:
 - evaluating, with the collaboration of the competent departments, the initiatives, including operational ones, to be taken, necessary to update the model, or evaluating the organizational/managerial changes and legislative adjustments to the mandatory rules, in terms of their impact on the organization and management model, or proposing to the administrative body the changes to the model, made necessary by significant violations of the provisions, by changes in the

organization, by legislative interventions that require its adaptation or by the actual commission of crimes;

- ensure a flow of information to the Company's top management.

6.5 Reports and communications to the Supervisory Body

Whistleblowing

In accordance with the legislation on Whistleblowing (Proposal of Law no. C. 3365-B definitively approved on 15 November 2017) and the newly introduced Article 6 paragraph 2 bis) of Legislative Decree 231/2001, the Company recognizes and protects the right of top management and, likewise, of subordinate persons, to submit reports of unlawful conduct or violations of this Organization Model, management and control, of which they have become aware by reason of the functions performed.

The Company provides for reporting channels reserved for reporting alleged violations of rules of professional conduct and/or principles of ethics referred to in current legislation - internal and external - and/or illicit or fraudulent conduct attributable to employees, members of corporate bodies, group companies and third parties (customers, suppliers, consultants, collaborators), which may determine, directly or indirectly, economic, patrimonial and/or reputational damage to the Company.

All employees, members of corporate bodies or third parties (customers, suppliers, consultants, collaborators) having business relations with the Company have the right to submit detailed reports of unlawful conduct, relevant pursuant to this decree and based on precise and agreed facts, or violations of the organization, management and control model, addressing the same to the Supervisory Body.

Reports can be submitted:

- by ordinary mail to be addressed to DoveVivo S.p.A., Viale Monte Nero 6, 20139 Milan, reserved for the attention of the DoveVivo Supervisory Body
- by sending it to the mailbox managed by the SB **odv@dovevivo.it**
- by sending it to the dedicated mailbox **segnalazionidovevivo@gmail.com**

In both cases, the recipient of the report must guarantee the confidentiality of the whistleblower, however in the second case, it is ensured and guaranteed by a series of specifically provided IT control measures.

The Company ensures the confidentiality and anonymity of the whistleblower in order to exclude the hypothetical risk of retaliation and/or discrimination against the whistleblower.

Any form of retaliation or discrimination affecting working conditions for reasons related to the complaint is not allowed against the whistleblower, meaning any unjustified disciplinary action, harassment in the workplace and any other form of retaliation that leads to intolerable working conditions.

Any form of abuse of the report is also prohibited, such as, by way of example, the intention to defame or slander, the improper use or intentional exploitation of the institution. In this regard, the Company reserves the right to prosecute the distorted use of the instrument (abuse of rights) by imposing a disciplinary sanction proportionate to the seriousness of the case.

7. The disciplinary system

7.1 Purpose of the disciplinary system

DoveVivo considers compliance with the Model essential and, therefore, in compliance with art. 6, paragraph 2, letter e), and 7, paragraph 4, letter b) of Decree 231/01, has adopted an adequate sanctioning system to be applied in the event of non-compliance with the rules set out in the Model itself, since the violation of these rules and measures, imposed by DoveVivo for the purpose of preventing the crimes provided for by Decree 231, damages the relationship of trust established with the Company.

For the purposes of DoveVivo's application of the disciplinary sanctions provided for therein, the initiation of any criminal proceedings and their outcome are not necessary, since the rules and measures provided for in the Model are adopted by DoveVivo in full autonomy, regardless of the crime that any conduct may cause.

Under no circumstances shall any conduct that is unlawful, illegitimate or in any case in violation of the Model be justified or considered less serious, even if carried out in the interest or to the advantage of DoveVivo, even if the action does not take place or the event does not occur for any reason.

Specific sanctions are provided for: employees, managerial staff, directors, other recipients and for the violation of Whistleblowing regulations.