

Public Administration Relations Management

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1. Purpose

This procedure governs the conduct to be adopted in any relations that NH Italia spa ("NH Italia") might have with the Public Administration, in the various situations where it might come into contact with it. This shall prevent crimes described in Legislative Decree No. 231/2001 from being committed within NH Italia. 231/2001.

2. Objective scope of application

The procedure applies to all commercial, operational, technical, administrative and management activities carried out with or for public entities by NH Italia. These are defined as "sensitive processes" due to the implicit possibility of committing crimes against the Public Administration.

NH Italia's contacts and activities with the Public Administration are many and include:

1. Granting of concessions, authorisations, operating licences for hotel activities and related activities (e.g. appointment of the person in charge), for the stipulation of agreements, etc.,
2. Applications for national or EU public funding, including training funding,
3. Management of judicial and extra-judicial disputes with the Public Administration,
4. Financial administration relations management
5. Relations with institutions and supervisory authorities,
6. Management of Public Administration inspections,
7. Sale of goods and services to the Public Administration.

3. Subjective scope of application

The procedure must be applied by the "**Recipients**", as defined in the Code of Conduct of NH Hotel Group and by the following individuals or legal persons:

- NH Italia Employees, Trainees and Executives,
- NH Italia governing and supervisory¹ body members,
- NH Italia Customers, Suppliers, Shareholders and any other interest group (even if not mentioned by the Code of Conduct) which is directly linked to the centres or processes of NH Italia, to the extent that this document can be applied to them and if NH Italia can make it effective.

Except for Customers, Suppliers, Shareholders, all the subjects shown are defined as "**Liabile Subjects**".

¹ Board of Directors and Board of Statutory Auditors.

4. Regulatory reference

NH Italia's conduct with the Public Administration is based on full compliance with laws, rules and regulations. Such behavioural methods must comply with what is expressed in the Organisation System and integrate what is contained in the NH Group Code of Conduct.

Below is a brief description of the offences in relations with the Public Administration, shown in articles 24 and 25 of Legislative Decree. 231/2001. The articles show a group of offences that may be committed during relations that the company might have with the Public Administration. The following are the individual cases in Legislative Decree 231/2001 Articles 24 and 25:

- **Misappropriation of funds, fraud to the detriment of the State or a public body or to obtain public funds and computer fraud to the detriment of the State or a public body (Art. 24 of Legislative Decree no. 231/2001):**
 1. Misappropriation to the detriment of the State or other public body (Article 316-bis of the Criminal Code).
 2. Misappropriation of contributions, financing, or other disbursements by the State or other public body (Article 316-ter of the Criminal Code);
 3. Fraud against the State or another public body (Article 640, paragraph 2, no. 1 of the Criminal Code);
 4. Aggravated fraud to obtain public funds (Article 640-bis of the Criminal Code);
 5. Computer fraud against the State or other public body (Article 640-ter of the Criminal Code);
- **Extortion, or undue giving or promising other benefits and corruption (Art. 25, Legislative Decree no. 231/2001) [article amended by Law no. 190/2012]:**
 1. Extortion (Article 317 of the Criminal Code) (not applicable by NH Italia);
 2. Bribery of a public official (Article 318 of the Criminal Code);
 3. Corruption for an act contrary to office duties (Article 319 of the Criminal Code);
 4. Aggravating circumstances (Article 319-bis of the Criminal Code);
 5. Judicial corruption (Article 319-ter of the Criminal Code);
 6. Undue giving or promising benefits (Article 319-quater of the Italian Criminal Code);
 7. Corruption of those in charge of a public service (art. 320 of the Italian penal code);
 8. Penalty for bribery (Article 321 of the Criminal Code);
 9. Incitement to corruption (Article 322 of the Criminal Code);
 10. Embezzlement, extortion, undue giving or promising of benefits, corruption and incitement to corruption of members of the bodies of the European Communities and officials of the European Communities and foreign states (Article 322-bis of the Criminal Code)

5. Definitions and acronyms

Corporate: NH Hotel Group, Parent Company.

Public bodies: entities that carry out " State or Public Bodies activities" are considered as being "Public Administration."

Public service appointees are those who supply a public service. A public service is an activity regulated in the same way as a public function but has less powers than the latter and does not include public order or provide material work.

NH Hotel Group: Group of companies to which NH Italia Spa belongs.

NH Italia: NH Italia Spa.

OdV: Supervisory Body.

PA: Public Administration.

Public Official: a "public official for the purposes of criminal law" is a person who carries out "a public legislative, judicial or administrative function," or "an administrative function governed by rules of public law and by authoritative acts which carry out the will of the public administration by means of authoritative or certifying powers".

Sales employee: Commercial Department employee.

Company: NH Italia Spa.

Recipients: NH Italia Employees, Trainees, Executives, Governing and Supervisory body members, Customers, Suppliers, Shareholders and any other interest group bound by the Code of Conduct.

Liabe Subjects: Employees of NH Italia, Trainees, Executives, Members of its training and supervisory bodies, excluding Customers, Suppliers, Shareholders and any other interest groups.

Third Parties: Suppliers, Professionals, Freelancers, Agencies and Partners operating for NH Italia or on its behalf.

Benefits: these are elements that are necessary or instrumental in the commission of corruption offences, such as giving or promising money or other benefits. The term "benefit" means the offering or promise of gifts, presents, goods in kind, donations, employment and/or commercial opportunities (hiring, purchasing and assignment of tasks) not due to Public Officials or Persons in Charge of Public Services

6. NH Italia Reference Procedure

The following procedures are related to this procedure:

- Inspections by public supervisory bodies (procedure issued by the NH Italia Legal Department)
- Management of health and safety at work inspections,
- Copyright management,
- Donation management.

7. Code of Conduct - General Rules of Conduct

The provisions of the NH Group Code of Conduct on the general rules of conduct towards the Public Administration, which form an integral part of this procedure:

"Fight against private and public corruption."

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The NH Group rejects all forms of corruption, whether in the private or public sector

"Fight against public sector corruption "

Liabile Subjects shall not offer, promise or grant any undue benefit or advantage, whether pecuniary or otherwise, to bribe or attempt to bribe, on their own behalf or through a third party, any public authority or official for their own, third-party or NH Group's benefit, nor shall they accept their requests to obtain a competitive advantage.

Any act, conduct, behaviour, or practice constituting corruption or trafficking in illegal influences in our dealings with public authorities and officials is strictly and severely prohibited. Any practice of corruption or payment of commissions, whether through acts or omissions or through the creation and maintenance of irregular situations and favouritism with the aim of obtaining a benefit for themselves or the Group, is prohibited.

"Tax, social security and public funds obligations."

NH Group pursues and declares its strict commitment to supporting public spending through the implementation of good practices in tax and social security matters.

NH Group rejects any form of fraud against the tax authorities and social security bodies, including fraud involving public aid, funds and subsidies.

NH Group is committed to fulfilling its accounting, tax and social security obligations through a sound and prudent tax policy aimed at preventing and reducing tax risks

8. General information on Public Administration relations

The procedure in question identifies the **Liabile Subjects** (roles and responsibilities) who are entrusted with contacting the various public bodies, as described in the following paragraphs.

They must support control systems to ensure compliance with the standards of integrity, transparency, and correctness of the process in all sensitive matters. The following concepts must be considered during business processes:

- the segregation of the responsible functions and roles (more functions or roles are necessary as part of the sensitive processes):
- the drafting of forms or documents (traceability of activities related to sensitive processes),
- the presentation of the forms or documents (compliance according to the methods required by the public bodies)
- the management of relations with public bodies (assignment of powers and roles which interact with the Public Administration);

and the following operating methods:

- methods for checking and verifying the truthfulness and correctness of documents sent to the Public Administration (e.g. joint verification by the person in charge or delegated with sending the application and managing relations with the Public Administration);
- information flows between the functions/departments involved in the collaboration, mutual supervision, and coordination;

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- the power of attorney system which grants signatory powers for declarations/notifications on behalf of the Company for the activity;
- granting of special powers of attorney to the heads involved in inspections or assessments, to give them the power to represent the Company before the public authorities.

9. Relations with the Public Administration during granting of concessions, authorisations and operating licences for hotel and related activities (e.g. appointment of the person in charge), the stipulation of agreements, etc.

NH Italia Liable Subjects may come into contact, with the PA while carrying out administration. This includes requests, authorisations, declarations, concessions, etc.

Below are the reasons of most frequent contact of NH Italia with PA and the internal and external subjects responsible for each contact.

Application for concessions, authorisations, licences, applications, permits, agreements with public entities ("reason")	Appointed manager on behalf of NH Italia to conduct the related requests and fulfilments.
SIAE - Broadcasting permit or "background music in accommodation facilities" ("Annual subscription") and payment of fees.	Hotel manager or internal staff delegated by them.
SIAE - Permission for events promoted by the hotel where there is musical entertainment ("Fixed Fees") and payment of fees.	Hotel manager or internal staff delegated by them.
SIAE - Permit for events promoted by a NH Italia Department where there is musical entertainment ("Fixed Fees") and payment of fees.	Communication company in charge of the event organisation.
SIAE - Permit for events promoted by third-party customers in NH Italia facilities where there is musical entertainment ("Fixed Fees") and payment of the rights.	Third-party customers promoting the event. Communication company in charge of the event organisation.
Municipality - One-stop-shop SCIA (business start-up certified notification) and DIA (commencement notice).	Third-party professionals appointed by NH Italia (PC&E Department).
Fire Brigade - CPI (Fire Prevention Certificate).	Third-party professionals appointed by NH Italia (PC&E Department).

Municipality – Relevant office or tax collector - COSAP / TOSAP (Tax for the occupation of public spaces) and ICP (Municipal advertising tax).	Hotel manager or staff delegated by them.
Municipality - Tourist tax	Hotel manager or staff delegated by them. Finance Department.
Province - Hotel classification.	Hotel manager or staff delegated by them. Regional Director.

Personnel must behave courteously, openly, and collaboratively and carry out the related duties based on the applicable regulations whenever licences, authorisations or permits or declarations necessary for NH Italia's business are required. The requirements of the relevant public bodies must be followed.

If the above activities are carried out by NH Italia-appointed **Third Parties**, they shall follow the Code of Conduct and this procedure when dealing with public entities. The contractual contents that regulate these activities with Third Parties in Charge must include termination clauses or penalties if there are violations of the provisions and obligations under the Code of Conduct or this procedure.

Any corruptive action towards public officials involved in such activities, aimed at facilitating or carrying out a procedure, is prohibited and, must be promptly reported to a hierarchical manager and then to the Supervisory Body by Liable Subjects. The SB will urge NH Italia's Governing Body to implement the most appropriate measures in relation to the seriousness of the reported offences.

10. Applications for national or EU public funding, including training

NH Italia will use public funds, loans or financial incentives, where there are conditions to do so.

Whenever NH Italia receives public funds and financing, or projects financed and co-financed by national or international public bodies, the activities must comply with the law and regulations of the financing bodies or providers.

The Finance Department, the Legal Affairs Department and those Departments evaluated responsible for the development of the request for funding are responsible for the management of the above activities.

In the case of training loans, the HR and Finance Departments coordinate for the payment activities of the training bodies in charge of the financed training and, at the end of the training plan, for the issue of invoices receivable to the professional funds for the reimbursement of costs incurred.

The responsible NH Italia Departments must carry out the technical and economic-financial reports following the methods and timescales defined by the contract with the public body or the disbursing party. They must follow the protocols shown in the calls for funding proposals and in the requests of the disbursing party.

All control activities by the relevant public authority will be facilitated, and staff will be available to provide any information on the matter.

In addition, the Recipients of this procedure are prohibited from:

- Allow the Company to unduly obtain funds, contributions, loans or other similar disbursements by the Public Administration, through the use or presentation of false or misleading documents, or through the omission of information;
- use any contribution, subsidy, or financing destined to the Company for purposes other than those for which it was granted.

If the above activities are carried out by Third Parties in Charge, they must follow the Code of Conduct and this procedure in their relations with public bodies. The contractual contents that govern these activities with Third Parties in Charge must allow the inclusion of termination clauses or penalties if there are violations of the provisions and obligations under the Code of Conduct or this procedure.

11. Management of judicial and extra-judicial disputes with the Public Administration

The conduct and procedural provisions shown in this paragraph, refer to all disputes, as claimant or defendant, before all courts, at all stages and degrees, in civil, criminal, tax, administrative and labour matters to which NH Italia is a party.

Judicial and extrajudicial activity is delegated to the following Departments or Areas:

- **Legal Affairs** which, with the support of the Law Firm handling the matter and, in agreement with the corresponding function of Corporate Legal Affairs, takes care of the representation and defence of the Company in the judgements and in the litigation proceedings, as claimant or defendant, before all courts, including arbitration, at all stages and degrees,, in national civil, criminal and administrative matters.
- **Human Resources** which, with the support of the appointed Labour Law Department, collaborates in the definition of the labour litigation procedural strategy guidelines in agreement with the relevant Corporate functions and after having received their opinion, starts negotiations for the settlement of disputes.
- **Finance**, in agreement with the corresponding Parent Company function, it manages tax disputes, credit and related litigation, in cooperation with the Legal Affairs Department.

Management of litigation carried out by departments must follow legality, fairness, transparency, and other principles defined in the NH Group Code of Conduct.

In litigation management and in circumstances relating to the crime reports NH Italia Liable Subjects shall refrain from the following conduct (for example):

- give or promise money or other benefits to Public Officials or to Persons in Charge of a Public Service or to persons recommended by them to influence the impartiality of their judgement;
- send false documents, certify non-existent requirements, or provide untrue declarations;

12. Relations with institutions and supervisory authorities

Relations with the institutions and supervisory authorities are reserved exclusively for the company departments delegated for this purpose (see § 13 below).

NH Italia personnel shall not make formal or informal statements external to the company without the prior authorisation of the Chief Executive Officer or delegated Manager (§ 13).

When public Authorities make inspections, Liable Subjects, must maintain an attitude of maximum availability and cooperation with the inspection and supervisory bodies²

Transparent and responsible conduct is needed when preparing periodic reports and other communications to be sent to the authorities under the law and regulations.

It is forbidden to conceal information or supply false or untrue documentation from such persons, to prevent or obstruct the public supervisory authorities that contact the Company through their institutional functions.

13. Inspection Management - Delegated managers

There are many occasions when inspections by public authorities may be necessary in the various company departments. These include tax, contribution, health, environmental and occupational safety inspections.

The following are the company roles authorised to support relations and welcome public officials during inspections/verifications.

Delegated Manager to represent the Company during a site audit.	Public Authority performing verification
Chief Executive Officer ³ / Head of Legal Affairs /	Judicial authorities and police.
Head of Human Resources ⁴ / Head of Projects, Construction & Engineering.	Local Health Authority / Provincial Labour Office National Fire Brigade / Judicial Authority in occupational safety cases. For verifications for compliance with Legislative Decree no. 231/2001 81/08, the "Occupational safety and health inspections" procedure must be applied
Head of Human Resources	ARPA / INAIL / INPS, Labour and Job Placement Offices, Trade Unions ⁵ , Labour Inspectorate.

² In the case of inspections of public bodies concerning health and safety at work, the procedure "*Inspections on health and safety at work*" must be applied.

³ The Chief Executive Officer may delegate or be supported by Legal Affairs.

⁴ The Safety Manager may be delegated to carry out safety and health checks at work.

⁵ Included even if they do not carry out supervision and verification activities.

Head of Legal Affairs ⁶ / IT Manager	Privacy Guarantor.
Finance Manager	Guardia di Finanza (finance police), Revenue Agency.

Delegated Manager to represent the Company during the verification of a hotel facility	Public Authority performing verification
Hotel manager ⁷ or internal personnel delegated by them with the support of the Head of Legal Affairs from the NH office in Milan	Judicial authorities and police.
Hotel manager ⁸ or delegated internal staff with the support of the Safety Manager (HR Department) from the NH office in Milan.	Local Health Authority / INPS / INAIL, Labour and Job Placement Offices, Trade Union Organisations, Labour Inspectorate.
Hotel manager ⁹ or internal staff responsible for the internal maintenance of the hotel with the support of the Head of Projects & Construction from the NH office in Milan.	ARPA / INAIL / Labour and Job Placement Offices, Labour Inspectorate, Judicial Authority in Occupational Safety Cases, Privacy Guarantor, Fire Brigade.
Hotel manager ¹⁰ or internal delegated staff with the support, from the NH office in Milan, of the IT Manager and the Legal Affairs Office.	Privacy Guarantor.

⁶ Legal Affairs may delegate or be assisted by the IT Manager.

⁷ The "Delegated Manager" could be the Regional Director, as hierarchical manager and owner of the hotel licenses.

⁸ As above (See note 7).

⁹ As above (See note 7).

¹⁰ As above (See note 7).

Hotel manager ¹¹ or internal delegated staff with the support of the Administrative Manager from the NH offices in Valdagno,	Guardia di Finanza (finance police), Revenue Agency.
Hotel manager ¹² or delegated internal staff with the support of the IT Manager and the Legal Affairs Office, from the NH office in Milan,	Municipality (SCIA, professional and integrity requirements, IMU, ICIP, COSAP)

Each of the company managers responsible for answering public officials in the various fields represent the company and must provide all the information necessary for the visit or inspection to be successful.

If the Delegated Manager is absent or in case of need, the Chief Executive Officer shall appoint those intended to deal with the public inspectors in writing.

The NH Italia Chief Executive Officer may confirm the delegated managers during the first stages of an audit (see the table above) or later appoint in writing another Delegated Manager. The relevant documentation is filed at the Legal Department. For the ad hoc appointment of an internal manager; please refer to the attached template.

The CEO can grant special powers of attorney to other internal managers or to external professionally qualified subjects and give them the power to represent the Company before the public authorities during an inspection or assessment.

For inspections in the various areas listed in the table above, the relevant Manager may request the assistance of external professionals specialising in the subject under audit after consulting with the Chief Executive Officer and the Legal Affairs Department.

14. Inspection management - Non-delegated staff

"Non-delegated" personnel who enter relations with public supervisory body officials must agree on the behavioural methods and the roles to be played with the delegated people shown above or with those holding special powers of attorney. Undelegated staff or those without special power of attorney, are not allowed to make any statement to the Public Officials and must warn and align with the Manager shown in the table or with their hierarchical Manager.

15. Management of inspections - Relations with public inspectors

The NAS Carabinieri, ASL, Health Department, ISPEL, Fire Brigade, Labour Inspectorates, Fraud Repression Inspectorate, Forest Guard and the Police (State Police, Carabinieri and Guardia di Finanza¹³) may visit the hotels and request copies of data or documents, and take

¹¹ As above (See note 7).

¹² As above (See note 2)

¹³ All of them referred to here as "Public inspectors" or "Inspectors".

samples of substances and products such as food, drink and water, **after presenting an identification card and explaining the reasons for the visit.**

Delegated managers may receive and speak with public inspectors and represent NH Italia, as shown in the second table of the paragraph § 13.

Delegated Managers who receive inspectors must check whether there is any order authorising the inspection (except during a search where a report or warrant must be submitted).

At the start of the inspection, the delegated Managers must:

- Identify themselves and explain their role to the inspectors;
- examine the document authorising the inspection and obtain a copy;
- ensure that the inspectors supply information on the rights and obligations of the inspected persons;
- provide inspectors with a separate room that does not have confidential business documents;
- ask the inspectors for the reason for the visit and the subject of the inspection, the procedure they intend to follow and the documents they intend to examine or photocopy;
- based on the information gathered, decide whether to manage the visit independently or to set up a team to assist the inspectors, involving the department heads;
- with the Legal Affairs Department, the Prevention and Protection Service (HR) and the Projects, Construction & Engineering and Maintenance & Environment Departments assess the need for an external consultant or lawyer. This will be needed when the inspection is carried out as part of criminal proceedings (such as searches or seizures); the absence of an external lawyer or consultant does not, however, prevent the continuation of the inspection or affect its validity;

Verifications by public inspectors are normally **unannounced and shall always be justified** and proportionate to the objective being pursued. They may consist of one or more of the following operations:

- inspection;
- audits with staff;
- sampling;
- analysis of the samples taken;
- personal hygiene control;
- examination of various written material and documents;
- examination of any verification and control systems set up by the company and related results.

The delegated Managers during the visit, must:

- accompany with the Inspector. If the Inspectors are split up, each group is accompanied by a delegated and expert employee (if the Inspectors judge the presence of an employee to be an obstacle to their work, the Inspectors have the power to proceed with the activity on their own);
- take note of all the places visited and the material examined. Make photocopies of the requested documents and those seized by the public inspectors. The documents must be photocopied by the company personnel (not by the inspectors) twice, one of which is for internal use (see below);

- provide all the requested information, or identify the person best-placed to provide it;
- take note of all the information requested and the answers given;
- always ask for any clarifications, if necessary;
- make explicit any objections to the public inspectors' work,
- not use a business secret justification to avoid or hinder the audit and control.

Public inspection personnel must perform their duties impartially, objectively, efficiently, professionally, and transparently, and must comply with standards of honesty and integrity, and their work must not in any way be influenced by personal and financial interests. The Inspectors' activity may not be hindered unless they carry out manifestly illegitimate acts (e.g. the Inspectors may not carry out searches on persons on their own initiative, except in the case of flagrante delicto).

During the visit, all company personnel must:

- not remove, alter or hide any documents;
- maintain an attitude of calm, courtesy, availability, and cooperation with the inspectors;
- avoid being obstructive towards the Inspectors.

If there is an information request:

- all information relating to business processes, including measurements and analytical data, may be requested where available;
- only perfectly clear and comprehensible questions should be answered in a short and concise manner;
- it is absolutely essential to avoid giving incorrect or incomplete answers if they are unsure about the inspector's questions. Instead, it is better to ask for a written request for information to be issued;
- if the request is unclear, ask the inspector to reformulate it more precisely so that there is no doubt as to its interpretation;
- not to spontaneously supply unsolicited information.

If the inspectors request documents or other data:

- make documents in the company's archives available.
- ensure that public inspectors can obtain copies of the documents examined, by making available to them a staff member who will handle photocopying;
- make a further copy of each photocopied document for the inspectors, and attach it to the final report;
- indicate on any copy not intended for inspectors where the original was found;
- number the pages to help future correspondence;
- verify that all the photocopied documents for the inspectors correspond to all the copies kept in the archive;
- not to spontaneously supply unsolicited documents.

At the end of the inspection, the public inspectors issue a report in which they acknowledge the inspection visit. They can issue a report containing warnings or forbidding or requiring action (within a certain period). They can ask for copies of documents or material.

In the case of a product withdrawal, and an acquisition of documentation, the inspectors, must draw up a report which must refer to the regulation that allows the verification of the legitimacy of the inspection and compliance with the official method by the public inspection bodies involved.

Records of the documents copied and given to the public inspectors and product samples they took must be kept.

These records must be drawn in a complete and detailed manner and must contain the following:

- the date and place of the visit;
- the details of those responsible for the verification, the product owner or holder, the judicial police officer and any other person who may have been involved;
- reasons for a fine and the execution of any seizure;
- any observations made by the interested party (which in our case is the Hotel Manager);
- a statement of any refusal to sign;
- the signatures of the public inspectors and the Delegated Manager.

The records must be drawn up in two original copies, one of which must be issued to the person concerned, the Hotel Manager or another delegated Manager, who are authorised to sign the report in NH Italia's name.

A copy of the report must be sent to the relevant Department, and if it contains a warning, it must be evaluated by the department involved in the action to be taken. (Identifying the relevant Department can help you to find useful information).

It is good practice to have the name, telephone number and fax number of the Public Inspectors.

The public inspection personnel are authorised to:

- enter every Company room (hotels, offices, facilities, warehouses).
- request data, information, documents necessary for the performance of their duties;
- carry out inspections and audits;
- prepare evidence, descriptive, and photographic surveys;
- take samples;
- take copies of documents of interest;
- sanction any omission or act aimed at preventing or unequivocally hindering the supervisory activity.

Business secrets may not be used to prevent or hinder audit and control activities.

In the case of administrative checks, if the report is sent after the visit, it must be confirmed that the 90 day-period prescribed by the regulations has not expired.

16. Communications and sending of documentation to the Public Administration

Communications sent to bodies under mandatory law obligations (tax, administrative and accounting communications, financial statements, personal data according to the Privacy Code, etc.) are recorded and approved by the CEO. They are kept for the legally required periods by the Delegated Manager and copied to the managers shown in the table.

Any information or communication addressed to the Public Supervisory Authorities must be signed by the NH Italia CEO and the Delegated Manager (as shown in the above table) or by the person in charge of the special power of attorney who must guarantee the data correctness and legibility.

17. Relations with the media following Public Administration inspections.

External communications (statements, interviews, communications, dissemination of data, etc.) concerning the contents and events that occurred during Public Administration audits are prohibited unless authorised persons publicise them.

If Liable Subjects are contacted by media representatives, they should contact their line manager and the Marketing Department. Marketing is authorised to disclose information to the media after consulting Legal Affairs and the CEO.

18. Commercial relations with the Public Administration - General principles of conduct

The approach towards the Public Administration as an NH Italia customer must be open and follow transparent rules of commercial fairness.

Corruptive actions and illicit approaches should not be carried out to obtain benefits for the company, such as, for example, winning substantial supply contracts or becoming one of the public bodies' suppliers.

When any business negotiation is in progress, the personnel in charge must not seek to improperly influence the decisions of the other party, including those of officials who negotiate or make decisions on behalf of the Public Administration.

During business negotiations with the Public Administration, the following actions should not be taken, directly or indirectly:

- examine or propose employment and/or commercial opportunities that may personally benefit employees of the Public Administration;
- offer or supply gifts, unless of modest value or in the situations provided for by applicable sector regulations;
- request or obtain confidential information that could compromise the integrity or reputation of both parties.

19. Public Administration Sales

NH Italia's sales to Public Administration customers are carried out according to the following two methods:

- *individual events or stays* through direct channels.
- *agreements for group/individual stays* through public tenders.

20. Individual events or stays

Commercial Department sales personnel process offers through computer software using standard contract formats. The offer involves the Revenue Management commercial area for the determination of the price and the GSO area for the availability verification, reservations, and contract definition.

Standard business travel contracts apply to the Public Administration. The contracts contain the rates and conditions for the rooms and individual stays.

In this case, sales personnel come into direct contact with Public Administration staff. The public customer's request for an offer can be made by sending an email offer to the GSO, or directly to the hotel or the Milan office.

The entire process is coordinated by a sales employee responsible for the offer. This person coordinates with the other subjects shown above and draws up an offer to be submitted to the Public Administration. Before sending any offer to the Public Administration, the Sales Manager checks that it is correct and approves it.

21. Public tender - Participation process

The start of a tender can also be preceded by a request for listing by the Public Authority (or Contracting Authority or "Customer") for an acquisition of the service's prices. At this stage, the procedure described in the previous paragraph (§ 20) is followed with the identification of a "sales employee" responsible for the tender.

The Contracting Authority invitation to participate can be addressed, by an email or certified email (PEC) invitation sent to different NH Italia subjects: the hotels, Group Sales Office (GSO) and the Milan office.

For public calls for tender without an invitation, it is essential to know of its existence which is assumed by the Commercial Department by reporting external services or based on its own information.

If the Commercial Department Manager or the sales employee appointed in writing by the Manager for the call, in agreement with the other Departments and hotels concerned, are interested in participating, the appointed sales employee will send the application to the Contracting Authority. The sales employee in charge handles the participation process and drafting of documentation after downloading from the Customer's website the call for tenders with the request for the documentation necessary to participate (statements, specifications, technical and financial offers).

Several people are involved for the operational drafting of the tender offer. The Finance Department makes mandatory declarations, the Revenue Management Office (Commercial Department) sets price parameters, the Security Prevention and Protection Service (HR) and the Hotel Manager examine the services' technical aspects. Standard contracts are unusable because the contract contents are defined by the specifications.

The Commercial Department personnel must use PASSOE which is the program on the AVCP¹⁴ - ANAC¹⁵ site for the documentary requirements necessary to participate in the tender. This

¹⁴ Authority for the Supervision of Public Contracts for Works, Services and Supplies,

¹⁵ National Anti-corruption Authority.

allows participants to acquire documents issued by the Customers and to enter required documentation.

In its relations with the Contracting Authority, the sales employee in charge must apply and keep in mind the tender deadlines for prompt document submission and fulfilment of obligations.

This procedure recommends but does not require, the presence of an appointed sales employee or other NH personnel when opening the tender envelopes.

All the documents connected to the participation in public tenders are subject to review by the Commercial Manager and later must be signed by the Legal Representative for forwarding to the customer. The Commercial Department files all documentation related to tender participation.

22. Public tender or individual events / stays - Behaviour

Before the offer request to the Contracting Authority or Public Entity, special behaviour is required. The NH Italia Liable Subjects cannot:

- Improperly influence the Contracting Authority or Public Entity in defining the tender subject or market restriction by determining the tender technical and financial requirements indicated in the specifications to suit the NH Italia capacities and characteristics;
- Improperly influence the Contracting Authority or Public Entity in identifying the tool/institution for the contract award by circumventing the public procedure rules, through improper use of the direct award procedural system or negotiated procedure. Where the public procedure conditions are met, it may not influence the authority by artificially splitting the contract amount to avoid the public procedure obligation;

During the submission of bids. It is forbidden for NH Italia Managers, Employees and Partners to:

- make unregulated contact with the Project Manager or Managers or the Contracting Authority or Public Entity representatives, unless authorised in the tender specifications.
- contact and influence the members of the Selection Committee appointed by the Contracting Authority to favour the bid submitted.

Following the award of the tender, it is forbidden for NH Italia Managers, Employees and Partners to:

- improperly influence the Contracting Authority or Public Entity awarding the contract in the adoption of a measure to revoke the call for tenders for the cancellation of a tender, to avoid the award in favour of a different party or to create the conditions for compensation to be granted;
- Improperly and illegally influence the Project Manager to allow variations during the provision of services;
- Break down and entrust to third parties, services to be performed with its own resources through unqualified contracts such as subcontracting, during the provision of services, to be performed directly.

23. Free services for PA

Management of the free services is regulated by the "*Provision of Services in NH Hotel Group*" procedure.

In addition to the above, if the free services in favour of persons belonging to the Public Administration, or as part of a business relationship with those belonging to the Public Administration, and the free services are not contractually provided, their provision must be approved by the Commercial Manager, the Hotel Manager and the Regional Director following the Group's procedure.

24. Appointment of the delegate for relations with public authorities during inspections template

Mr/Mrs/Ms.....born in on employee / professional appointed by NH Italia spa is delegated by the NH Italia spa CEO..... by virtue of their powers, to represent NH Italia spa before.....in relation to the audit in progress at the hotelfor the following reasons.....

The Chief Executive Officer
of NH Italia Spa

25. Document control

Version	Approved by	Document type	Date
1	Management Committee BU Italy	Procedure	December 2016
	Internal Audit Director		