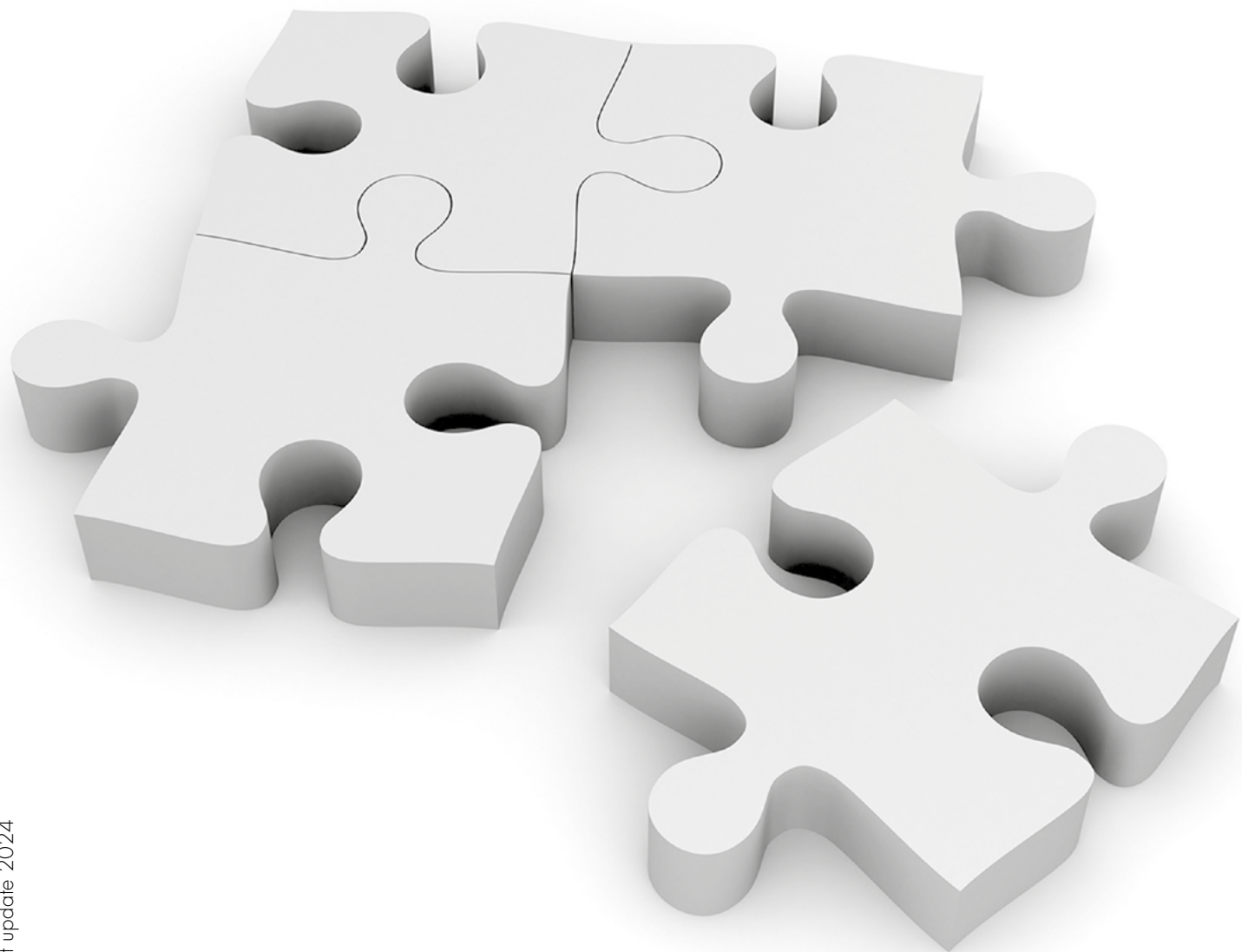


ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO.231/2001

Adopted on 22 May 2019



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BAIN & COMPANY 

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GENERAL SECTION

DEFINITIONS

Sensitive activities: the activities of BAIN & COMPANY ITALY, INC. which appear to be exposed to a not-merely-theoretical risk of the Offences.

Business Functions: the persons who have an employment relationship with BAIN & COMPANY ITALY, INC., and who perform support activities for the Company and/or its Consulting Staff.

Code of Conduct: the code of conduct adopted by BAIN & COMPANY ITALY, INC., containing the minimum standards that all Recipients are required to comply with in order to prevent situations that could compromise the Company's reputation and business.

Client: the party who requests the Company to provide consultancy activities.

Consulting Staff: persons having an employment relationship with BAIN & COMPANY ITALY, INC. who carry out consultancy work.

Contractors: parties who are not employed by the Company, with specific technical and professional expertise, who assist the Company in identifying and managing specific Clients.

Legislative Decree 231/2001 or the **Decree:** Legislative Decree No. 231 of 8 June 2001, as amended and supplemented.

Employer: the person who has employment relationships with the company's workers or, in any case, the person who, according to the relevant type and organisation of the employment relationships, is in charge of the company in their capacity of decision-makers and holders of spending powers.

Anti-Money Laundering Decree: Legislative Decree No. 231 of 21 November 2007, as amended and supplemented.

Safety Decree: Legislative Decree No. 81 of 9 April 2008, as amended and supplemented.

Recipients: Employees, Contractors and interns of BAIN & COMPANY ITALY, INC. and anyone working on its behalf.

Employees: Consulting Staff and Business Functions.

PPE or **Personal Protective Equipment:** any equipment intended to be worn and held by workers for the purpose of protecting them against one or more risks likely to threaten safety and health at work, as well as any complements or accessories that are intended for that purpose.

DUVRI or **Single Document for the Evaluation of Risks due to Interference:** the document prepared by the Employer in their capacity as principal in relation to works to be carried out by a contractor or self-employed workers working within the Employer's production unit, which includes an assessment of the risks and the measures to eliminate or, where this is not possible, minimize any risks arising from any interference in the contract for works or services, or in supply contracts.

DVR or Risk Assessment Document: the document that is drawn up by the Employer (i) assessing all occupational health and safety risks and the criteria for this assessment, (ii) setting out the prevention and protection measures and the PPE adopted as a result of this assessment, (iii) setting out the type of measures considered appropriate to guarantee the improvement of safety levels over time, (iv) identifying the procedures for the implementation of the measures to be carried out as well as the personnel within company organisation who are responsible for such measures, (v) specifying the name of the RLS, the RLS and the Competent Doctor who were involved in the risk assessment, as well as identifying the tasks that may expose workers to specific risks requiring recognised professional skills, specific experience, adequate training and instruction.

Supplier: the economic operator, whether a natural person, legal entity or grouping, potentially capable of meeting the procurement requirements for goods, works and services.

Group: the companies belonging to the BAIN & COMPANY, INC.'s network.

Model: the Organisational, Management and Control Model provided for in Article 6 of the Decree.

Supervisory Body: the control body in charge of supervising the functioning of the Model and compliance with it, as well as the updating of the Model.

Partners: persons having an employment relationship with BAIN & COMPANY ITALY, INC. who perform top management activities.

Public Administration or PA: the public administration, as defined in Article 1, paragraph 2 of Legislative Decree 30 March 2001, No. 165 and other relevant regulations.

Offences or Predicate Offences: the offences giving rise to administrative liability of companies, entities and associations, including those without legal personality, set forth in Articles 24 to 25-*duodevicies* of the Decree and Article 10, Law No. 146 of 16 March 2006, as amended and supplemented.

Company: BAIN & COMPANY ITALY, INC.

1. Regulations

1.1. Legislative Decree No. 231 of 8 June 2001

Legislative Decree No. 231 of 8 June 2001, implementing delegated Law No. 300 of 29 September 2000, Article 11, the implementation of which was assigned to the Government by means of the same Law, regulates the administrative liability of legal entities, companies and associations, including those without legal personality, outlining the general principles and criteria for attribution of liability.

The purpose of the Decree was to ensure that domestic legislation on the liability of legal entities complied with a number of international conventions¹, by introducing a system of administrative liability (which is largely comparable to criminal liability) of entities (meaning companies, associations, consortia, etc.) in the Italian legal system in relation to a number of offences committed in the interest of such entities or to their advantage by persons acting on their behalf.

On the other hand, entities will not be held liable if the perpetrator of a Predicate Offence acted solely in his own interest or that of third parties.

In that case, liability of the entity may be established – directly and on a standalone basis² – in addition to that of the natural person who materially committed the offence.

However, the relevant entity shall not be liable if it – *inter alia* – adopted and effectively implemented, prior to the commission of the Predicate Offences, Organisational, Management and Control Models that were capable of preventing them.

¹ In particular, the Brussels Convention of 26 July 1995 on the Protection of the European Community's Financial Interests, the Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, and the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

² Under Article 8 of Legislative Decree No. 231/2001: "Standalone nature of the entity's liability – 1. The entity may be held liable even when: a) the perpetrator of the offence has not been identified or no liability may be attributed to them; b) the offence is no longer punishable on grounds other than amnesty. 2. Unless otherwise provided for by legal provisions, no legal proceedings may be brought against the entity where (i) an amnesty was granted in relation to an offence for which the entity would be liable, and (ii) the accused person decided to waive the application of the amnesty to their benefit. 3. The entity may waive the amnesty".

1.2. Criteria for the attribution of liability

Under Article 5 of the Decree, the entity may be liable for offences committed in its interest or to its advantage:

- a. by natural persons who hold representative, administrative or management offices, including of one of the entity's organizational units with financial and functional autonomy, as well as by persons who exercise, even *de facto*, the management and control of the same (senior managers)³
- b. by natural persons subject to the direction or supervision of one of the persons referred to above (subordinates)⁴

The concepts of *interest* and *advantage* referred to in Article 5 of the Decree as criteria – which are alternative to each other – for the objective attribution of the offence to the entity, have different meanings.

“*Interest*” refers to the ultimate purpose of the relevant natural person's conduct, i.e., to secure gain to the entity, which is to be assessed on the basis of an *ex-ante* perspective (“upstream” of the event). This purpose must be reflected in the conduct being actually capable to produce the pursued gain or benefit for the entity; it is not, however, necessary that the same be actually achieved.

The “*advantage*” is the material result of the offence, which is to be assessed *ex post*: it therefore has objective features and is significant for the purpose of assessing liability even if the entity gained such advantage in circumstances where the natural person was not acting in its interest.

The two requirements of interest and advantage may coexist; however, only one of them is sufficient to trigger the liability of the Entity.

The inclusion of non-intentional offences (Article 25-*septies* of Decree 231 on health and safety at work and Article 25-*undecies* on the environment) in the list of Predicate Offences has raised doubts as to their compatibility with the criteria of the entity interest or advantage: non-intentional offences, in fact, are by definition unintentional and it is, therefore, difficult to portray them as being carried out in the pursuit of certain interests or advantages.

On this point, the Joint Divisions of the Italian Supreme Court, in its judgment No. 38343 of 24 April 2014 (so-called Thyssen), clarified that in non-intentional offences, the interest is to be referred to the non-intentional conduct and not the resulting event: thus, an offence that originated from a decision to save on the costs that would have been necessary to prevent it (e.g., a worker's injuries related to an accident that occurred due to a defect in the flooring that was never fixed to avoid bearing the related costs of intervention) is to be considered committed in the interest of the entity.

³ By way of example, the following are deemed to fall into this category: persons in top positions, i.e. the Chairman, Directors, General Managers, Director of branches or divisions, as well as the *de facto* director or the sole shareholder in charge of the company management.

⁴ All persons having a functional relationship with the entity are to be considered “subordinates” of senior management. Therefore, in addition to employees, this category also includes persons who have an agency or commercial representation relationship with the Company, or other collaborative and continuous relationships that are mainly personal and without the constraints typical of subordination (project work, temporary work, insertion, summer orientation internship), as well as any other relationship referred to by Article 409 of the Italian Code of Civil Procedure, and occasional workers.

1.3. The “exemption” from liability as a result of the Organisational, Management and Control Model

Articles 6 and 7 of Leg. 231/2001 govern the criteria for the subjective attribution of offences to the entity.

These criteria differ according to the function performed by the perpetrator within the organisation.

Where offences are committed by senior managers, the entity’s liability will follow by way of presumption; however, the entity may be exempt from liability if it can prove that:

1. the management body has adopted and effectively implemented, prior to the commission of the offence, **organisational, management and control models** that are capable of preventing the offences of the kind that were committed
2. the task of supervising the functioning, effectiveness, and compliance with the models and ensuring that they are updated was entrusted to a **body with autonomous powers of initiative and control**
3. the relevant offence was committed by **fraudulently** circumventing the internal organisational and management models
4. the Supervisory Body did not fail to or did not inadequately exercise **oversight**

If the offence has been committed by the company’s subordinates, the mechanism for the burden of the proof will be different: the prosecution must prove the entity’s liability, by demonstrating that the commission of the offence was made possible by senior managers failing to comply with the obligations of direction or supervision that they are bound by.

In short: if the perpetrator is a senior manager, the onus will be on the entity to demonstrate that there was no negligent failure on its part in the implementation of the Organisational, Management and Control Model (*colpa di organizzazione*), in accordance with the criteria set out in Article 6 of the Decree; on the other hand, if the perpetrator is a subordinate, the onus will be on the prosecution to demonstrate that the entity negligently failed to implement or ensure compliance with the Model.

In both cases, the adoption and effective implementation of the Model, while not giving rise to a legal obligation for the entity, are the key tools available to the entity to claim that there were no deficits within its organisation and, ultimately, to escape the liability provided for by the Decree.

However, the Decree fails to analytically specify the features and contents of the Model: it merely sets out some general principles and essential elements thereof.

In general, the Model must provide, in relation to the nature and size of the organization as well as the type of business that is carried out, suitable measures to ensure that the performance of business is in compliance with the law and to promptly discover and eliminate situations involving risk.

In particular, the Model must:

- identify the activities in the context of which the Predicate Offences may be committed

- provide specific protocols governing the formation and implementation of the entity's decisions regarding such activities
- identify methods through which financial resources are to be managed to prevent the commission of Predicate Offences
- impose obligations to inform the body charged with overseeing the functioning of and compliance with the Models
- introduce a disciplinary system to sanction noncompliance with the measures set forth in the Model

For the purposes of the effective implementation of the Model, the Decree also provides for the Model to be subject to periodic reviews and amendments, if appropriate, in the event of changes in the entity's organisation or business, or if any gaps that need fixing are identified.

In addition to these provisions, Law No. 179 of 30 November 2017 on «*Provisions for the protection of whistle-blowers reporting offences or irregularities of which they have become aware in connection with a public or private employment relationship*» added a number of additional provisions (specifically, Article 6, paragraphs 2-bis, 2-ter and 2-quater) to the Decree's content, which aim at ensuring protection to individuals who, while working within the entity, promptly report the commission of unlawful conduct that may lead to criminal liability under the Decree (*whistleblowing*).

In particular, under Article 6(2)*bis*(a), the Model shall provide for one or more channels that make it possible both for senior management and subordinates «*to submit, in order to protect the entity's integrity, detailed reports of unlawful conduct under the [...] decree and based on accurate and consistent factual elements, or of violations of the entity's organisational and management model, of which they have become aware in the performance of their functions*». These reporting channels must also ensure that «*the whistle-blower's identity is kept confidential in the procedures for handling the report*».

In addition, Article 6(2)-*bis*(b) specifies that the Model must also identify at least one alternative reporting channel «*suitable for ensuring the confidentiality of the whistle-blower's identity through IT procedures*».

Further, the new paragraph (2)-*bis* (under letter c) makes any retaliatory or otherwise discriminatory acts, whether direct or indirect, against the whistle-blower on grounds directly or indirectly linked to the report, unlawful.

Finally, letter d) of the same Article provides that the Model must identify, within the framework of the disciplinary system adopted pursuant to the Decree, sanctions «*against anyone who breaches the measures for protecting the whistle-blower, as well as anyone who makes reports on the basis of intent or gross negligence which prove to be unfounded*».

1.4. Criminal offences

The administrative liability of an entity may only arise from the commission of one of the offences set forth by law (the so-called “Predicate Offences”): most of these Offences are listed in Legislative Decree No. 231/2001 in Articles 24 to 25-*duodevices*; additional provisions are provided in Article 10 of Law No 146 of 16 March 2006.

At the time of approval of this Model, the Predicate Offences giving rise to entities’ liability can be grouped into the following categories: (A) offences committed in dealings with the Public Administration and to the detriment of the State or other Public Body’s assets; (B) computer crimes and unlawful data processing; (C) organised crime offences; (D) offences involving counterfeiting money, public credit cards, revenue stamps and identification instruments or signs; (E) offences to the detriment of industry and trade; (F) corporate offences; (G) offences for the purposes of terrorism and subversion of the democratic order; (H) female genital mutilation and offences against the individual; (I) insider trading and market manipulation; (J) offences committed in breach of accident prevention regulations and the protection of health and safety at work; (K) receiving stolen property, money laundering, use of money, goods or items of value of unlawful origin and self-laundering; (L) offences relating to non-cash payment instruments; (M) offences related to the breach of copyrights; (N) offences to the detriment of the administration of justice; (O) environmental offences; (P) offences related to immigration and the status of foreign nationals (employment of undocumented foreign nationals); (Q) racism and xenophobia offences; (R) frauds in sporting competitions; (S) tax offences; (T) smuggling offences; (U) offences against the cultural heritage; (V) offences of laundering of cultural heritage and disruption and looting of cultural and environmental heritage; (W) cross-border offences; (X) violations of disqualification measures.

Specifically, the offences falling within each category are as follows:

- A. Offences committed in dealings with the public administration and to the detriment of the State or other public body’s assets (Articles 24 and 25)**
1. misappropriation of public funds
 2. unlawful receipt of public funds
 3. fraud in public procurement
 4. fraud against the European Agricultural Fund
 5. false pretences to the detriment of the State, other public bodies or the European Union
 6. aggravated false pretences to obtain public funds
 7. computer fraud to the detriment of the State or another public body
 8. obstructed freedom of auctions
 9. obstructed freedom of a contractor’s section process

10. unlawful receipt of financial aids, premiums, allowances, refunds, contributions or other disbursements paid in full or in part from the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development, as amended by Legislative Decree no. 156/2022
11. misappropriation to the detriment of the European Union's financial interests
12. misappropriation by profiting from the error of others that is detrimental to the European Union's financial interests
13. malfeasance in office
14. taking bribes to perform official duties
15. taking bribes to perform actions contrary to official duties
16. bribery in judicial proceedings
17. improperly inducing [a person] to give or to promise to give anything of value
18. incitement to bribery
19. embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption, abuse of office, of/by members of international courts or bodies of the European Communities, or international parliamentary assemblies, or international organizations, and by officials of the European Communities and foreign states (Article 322-bis of the Italian Criminal Code)
20. misconduct in public office to the detriment of the financial interests of the European Union
21. influence peddling, as amended by Law No. 3 of 9 January 2019

B. Cybercrimes and unlawful data processing (Article 24-bis)

1. forgery of an electronic public document or a document having evidentiary effect
2. unauthorised access to an IT or telematic system
3. possession, dissemination and unauthorised installation of equipment, codes and other means of access to computer or telematic systems
4. possession, dissemination and unauthorised installation of computer equipment, devices or programs aimed at damaging or interrupting an IT or telematic system
5. unlawful wiretapping, blocking or disrupting computer or electronic communications
6. possession, dissemination and unauthorised installation of equipment and other means to wiretap, block or disrupt IT or telematic communications

7. harm to computer information, data and programs
8. harm to computer information, data and programs used by the Government or another public entity or that is of public benefit
9. harm to IT or telematic systems
10. harm to IT or telematic systems of public benefit
- 11) computer fraud on the part of an electronic signature certifier
- 12) offences relating to the perimeter of national cyber security introduced by law decree 21 September 2019, No. 105

C . Organised crime offences (Article 24-ter)

1. criminal conspiracy
2. criminal conspiracy for the purpose of enslavement or maintaining slavery, human trafficking, the purchase and sale of slaves and offences relating to violations of the provisions on illegal immigration
3. domestic and foreign mafia-type associations
4. political/mafia vote buying
5. kidnapping for purposes of extortion
6. criminal conspiracy aimed at the trafficking of narcotics or psychotropic substances
7. offences relating to the manufacture of and trafficking in war weapons, explosives and illegal weapons

D. Counterfeiting money, legal tender (*carte di pubblico credito*), revenue stamps and distinctive signs (Article 25-bis)

1. counterfeiting money, circulating counterfeit money and complicit introduction of counterfeit money into the national domain
2. alteration of currency
3. circulation and non-complicit introduction of counterfeit currency into the national domain
4. counterfeiting revenue stamps, introduction into the national domain, purchase, possession or circulation of counterfeit revenue stamps
5. counterfeiting watermarked paper used to produce legal tender or revenue stamps
6. manufacture or possession of watermarks or equipment intended to produce counterfeit currency, revenue stamps or watermarked paper

7. use of counterfeit or altered revenue stamps
8. counterfeiting, alteration or use of trademarks or distinctive signs or patents, models or designs
9. introduction into the national domain and trading in products with counterfeit trademarks

E. Offences to the detriment of industry and trade (Article 25-bis, paragraph 1)

1. disruption to industry or trade
2. unlawful competition with threats or duress
3. domestic industry fraud
4. fraud in the exercise of trade
5. sale of non-genuine foodstuffs as genuine
6. sale of industrial products with counterfeit marks
7. manufacture and trade of goods produced in violation of industrial property rights
8. falsifying the geographic origin or designations of origin of agricultural products

F. Corporate offences (Article 25-ter)

1. false corporate communications
2. false corporate communications by listed companies
3. false statements in prospectuses relating to takeover bids or the admission to listing (*"falso in prospecto"*) and false reports or communications on the part of auditing companies⁵
4. impaired control⁶

⁵ Article 34 of Law No. 262 of 28 December 2005 (setting out provisions for the protection of savings and rules on the financial markets, also known as the "Savings Law") added the offence of false statements in prospectuses relating to takeover bids or the admission to listing (*"falso in prospecto"*) in Article 173-bis of Legislative Decree No. 58/1998 (the Italian Consolidated Law on Finance ("TUF")), and simultaneously repealed Article 2623 of the Italian Civil Code. Article 37(34) of Legislative Decree 27 January 2010, No. 39 further added the offence of false reports or communications on the part of auditing companies in Article 27 of the same decree, and simultaneously repealed Article 2624 of the Italian Civil Code.

As a result of the aforementioned repeals, the offences of false statements in prospectuses relating to takeover bids or the admission to listing (*"falso in prospecto"*) and false reports or communications on the part of auditing companies have been removed from the list of predicate offences, and so has been the administrative liability of entities for such offences (Italian Supreme Court, Joint Criminal Divisions, judgment of 23 June 2011, No. 34476).

⁶ Article 37(35) of Legislative Decree 27 January 2010, No. 39, amended Article 2625(1) of the Italian Civil Code, by striking "auditing" off the list of activities for which the law sanctions impaired control on the part of directors; impairment of the control to be exercised by auditors is now governed by Article 29 of Legislative Decree 39/2010, which provides that "1. members of the board of directors who prevent or otherwise impair the performance of statutory audit activities by concealing documents or using other suitable means shall be fined up to EUR 75,000". 2. If the conduct referred to in paragraph 1 has caused damage to any shareholders or third parties, the penalty shall be a fine of up to EUR 75,000 and imprisonment of up to 18 months. 3. If statutory audits of public interest entities are involved, the penalties referred to in paragraphs 1 and 2 shall be doubled. 4. Legal action shall be taken by the authorities".

5. fictitious capital creation
6. improper repayment of capital contributions
7. unlawful distribution of profits or reserves
8. unlawful transactions involving the shares or quotas of the company or its parent company
9. transactions to the detriment of creditors
10. failure to disclose a conflict of interest
11. improper distribution of company assets by liquidators
12. undue influence on the shareholders meeting
13. stock manipulation
14. hindering public supervisory authorities in the performance of their functions
15. bribery between private parties
16. incitement to bribery among private individuals
17. false or omitted declarations for the issuance of the preliminary certificate

G. Offences for the purpose of terrorism or to subvert the democratic order (Article 25-*quater*)

H. Offences against the individual (Articles 25-*quater* and 25-*quinquies*)

1. female genital mutilation
2. enslavement or maintaining slavery or servitude
3. child prostitution
4. child pornography
5. possession of, or access to pornographic material
6. virtual pornography
7. tourism to exploit child prostitution
8. human trafficking
9. purchase and sale of slaves

10. unlawful workforce intermediation and labour exploitation

11. solicitation of minors

I. Offences of insider dealing and market manipulation (Article 25-sexies)

J. Manslaughter and grievous or very grievous bodily harm, committed in breach of the rules on accident prevention and protection of workplace hygiene and health (Article 25-septies)

K. Handling stolen goods, money laundering and use of money, goods or other items of value of illegal origin, as well as self-laundering (Article 25-octies)

L. Offences relating to non-cash payment instruments (Article 25-octies.1)

1. misuse and falsification of non-cash payment instruments

2. possession and dissemination of computer equipment, devices or programs designed to commit offences involving non-cash payment instruments

3. computer fraud aggravated by a transfer of money, monetary values, or virtual currency

4. fraudulent transfer of values

M. Copyright infringement offences (Article 25-nonies)

Offences in breach of the laws protecting copyright and other rights related to the copyright exercise

N. Offences to the detriment of the administration of justice (Article 25-decies)

Solicitation not to provide statements or to provide mendacious statements to the judicial authorities

O. Environmental offences (Article 25-undecies)

1. environmental pollution

2. environmental disaster

3. non-intentional offences to the detriment of the environment

4. fraud and abandonment of highly radioactive material

5. trafficking and abandonment of highly radioactive material

6. aggravating circumstances (criminal associations relating to the environment)

7. killing or possession of specimens of protected wild animal or plant species

8. destruction or degradation of habitat in a protected site

9. unlawful discharges of wastewater
10. unauthorised waste management activities
11. site remediation violations
12. violations of environmental reporting, registers and forms
13. illegal waste trafficking
14. organised activities for the illegal trafficking of waste
15. violations in relation to the «SISTRI» system (*Sistema di Tracciabilità dei Rifiuti Speciali*, Waste Tracking Control Information System)
16. violations concerning the prevention and limitation of air emissions
17. violations concerning the import, export and trade of protected species
18. violations concerning the use of ozone-depleting substances and the environment
19. intentional or negligent pollution caused by vessels
20. Violations of regulations regarding the cessation and reduction of the use of harmful substances

P. Crimes relating to immigration and the status of foreigners (Article 25-*duodecies*)

1. employment of undocumented foreign nationals
2. legal provisions against illegal immigration

Q. Racism and xenophobia (Article 25-*terdecies*)

Propaganda, incitement to racial discrimination based on the denial, minimisation or condoning of the Shoah, crimes of genocide, crimes against humanity and war crimes

R. Fraud in sports competitions, unlawful gambling and betting and games of chance using prohibited equipment (Article 25-*quaterdecies*)

1. fraud in sports competitions
2. unlawful gambling and betting
3. games of chance using prohibited equipment

S. Tax offences (Article 25-*quinguedecies*)

1. fraudulent tax return by using invoices or other documents for non-existent transactions

2. fraudulent tax return through other means
3. inaccurate tax return
4. failure to provide a tax return
5. issuing invoices or other documents for non-existent transactions
6. concealment or destruction of accounting documents
7. fraudulent failure to pay taxes
8. improper set-off

T. Smuggling offences (Article 25-*sexiesdecies*)

Offences and misdemeanours relating to the rules on customs set forth in Articles 282 et seq. of the Presidential Decree 23 January 1973, No 43

U. Offences against cultural heritage (Article 25-*septiesdecies*)

1. theft of cultural heritage
2. misappropriation of cultural heritage
3. handling of stolen cultural heritage
4. forgery of private deeds referring to cultural heritage
5. violations concerning the sale of cultural heritage
6. illicit import of cultural heritage
7. illicit exit or export of cultural heritage
8. disruption, dispersion, deterioration, defacement, soiling and illicit usage of cultural and environmental heritage
9. counterfeiting of works of art

V. Offences of laundering of cultural heritage and disruption and looting of cultural and environmental heritage (Article 25-*duodevicies*)

W. Cross-border offences

1. criminal conspiracy
2. mafia-type association

3. criminal conspiracy to smuggle foreign processed tobacco
4. criminal conspiracy for illegal trafficking of narcotics or psychotropic substances
5. legal provisions against illegal immigration
6. solicitation not to provide statements or to provide mendacious statements to the judicial authorities
7. aiding and abetting

The commission of so-called “cross-border” offences may only lead to entities’ administrative liability if: (i) the offence is punishable by imprisonment of not less than a maximum of four years; (ii) an organised criminal group is involved, and:

- a. the offence is committed in more than one State
- b. or is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State
- c. the offence is committed in one State but involves an organised criminal group engaged in criminal activities in more than one State
- d. or the offence is committed in one State but has substantial effects in another State

X. Violations of disqualification measures (Article 23)

1.5. Sanctions

The following types of sanctions are provided for the administrative offences related to and following a criminal offence:

1. fines
2. disqualification measures
3. confiscation
4. publication of the sanctioning decision

1. Fines

Fines shall always apply, even where the legal entity has made reparation for the consequences of the offence.

The amount of the fine shall be based on a two-step analysis:

- i. first, the Court shall work out the number of applicable “*quotas*” within the prescribed penalty range for each offence. In general, the number of quotas may not be less than 100 and more than 1,000; in determining the number of quotas, the Court shall take into account:
 - a. the seriousness of the offence
 - b. the entity’s degree of liability
 - c. the activities carried out to eliminate or minimise the consequences of the offence and to prevent further offences from being committed
- ii. secondly, the Court shall assign each individual quota a value ranging between a minimum of EUR 258,00 and a maximum of EUR 1,549.00. In fixing the amount of each quota, the Court shall consider the entity’s economic and financial conditions

In practice, fines may therefore range from a minimum of EUR 25,822.84 (which may be reduced pursuant to Article 12 of the Decree, by up to half) to a maximum of EUR 1,549,370.69.

2. Disqualification measures

Disqualification measures shall only apply to offences the governing provisions of which expressly provide for them, provided that (i) the entity gained significant profit from the relevant offence or (ii) in cases of repeated offences. These sanctions are intended to prevent re-offending and, when applied, are in addition to fines.

This category of sanctions includes the following measures:

- a. disqualification from the exercise of business activity

- b. suspension or revocation of the authorisations, licenses or concessions involved in the commission of the offence
- c. prohibition of entering into public sector contracts
- d. exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted, if any
- e. prohibition of advertising goods or services

Disqualification measures are generally only applied for a limited period of time (from a minimum of 3 months to a maximum of 2 years)⁷, save for certain mandatory cases in which these measures may apply on a permanent basis.

The entity shall not be subject to any disqualification measures, even if such measures are theoretically applicable, if:

- a. the perpetrator acted primarily in their own interest and the entity only gained a negligible benefit from the offence
- b. the damage caused is minimal

More generally, the entity may be exempted from the application of such sanctions if, prior to the opening of the hearing, it carries out the restorative conducts specified in Article 17 of the Decree.

3. Confiscation

This is an obligatory sanction in the event the entity is found liable; it consists in the appropriation of the price or profit of the offence, save for the part that can be returned to the injured party.

Where it is not possible to obtain the specific price or gain of the offence, this measure may relate to sums of money, goods or other valuable utilities equivalent to the price or the profit of the offence (so-called confiscation for equity or value).

The Decree provides for certain forms of confiscation to apply even where the entity is not found liable.

⁷ Following the entry into force of Law No. 3 of 9 January 2019 (so-called "Spazza-corrotti") the only exceptions are malfeasance in office, taking bribes to perform actions contrary to official duties (also in the aggravated circumstances under Article 319-bis of the Italian Criminal Code), bribery in judicial proceedings, improperly inducing [a person] to give or to promise to give anything of value, and incitement to bribery, bribery in judicial proceedings, for which the duration for the disqualification measure is set to "not less than four years and not more than seven" and "not less than two years and not more than four", depending on whether the offence is committed by a senior manager or a person subject to the direction of others, respectively.

However, the duration of disqualification measures is subject to the ordinary rules on duration laid down in Article 13(2) of the Decree (i.e., not less than three months and not more than two years) "if, prior to the judgement of the court of first instance the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and the identification of those responsible, or the seizure of sums of money or other items of value, and has eliminated the organisational shortcomings that led to the offence in the first place by adopting and implementing organisational models suitable for preventing offences of the type that have occurred".

The first instance is set out in Article 6(5): it provides for the mandatory confiscation of the profit that the entity has gained from the offence committed by senior managers, even if the entity is not held liable for the offence. In this case, confiscation has a compensatory function, necessary to restore the economic equilibrium that was altered by the commission of the predicate offence.

Under 15(4) of the Decree, confiscation of the profit deriving from the continuation of a business activity in circumstances in which such business activity was entrusted to a receiver shall apply.

Finally, Article 23(3) of the Decree provides for the confiscation of the profit gained by the entity from the continuation of its business activity in the event that the entity, having been subject to a precautionary sanction or disqualification measure, has breached the obligations or prohibitions it is subject to under such sanctions.

4. Publication of the sanctioning decision

Publication of the sanctioning decision shall be ordered if a disqualification measure is imposed on the entity.

An excerpt of or the entire decision shall be published at the entity's expense, in one or more newspapers specified by the Court in the decision, yet only once, and by posting in the municipality where the entity has its main office.

1.6. Attempted offenses

If commission of the offences referred to in Chapter I of Legislative Decree No. 231/2001 is attempted, the relevant fines (in terms of amount) and disqualification measures (in terms of duration) are reduced from one third to the half. However, no sanctions may be applied if the entity voluntarily prevented the criminal action from being carried out or the event from taking place.

1.7. Offences committed abroad

Under Article 4 of Legislative Decree No. 231/2001, the entity may be held liable in Italy for offences covered by the Decree that were committed abroad. The Explanatory Report on Legislative Decree 231/2001 emphasises – as the rationale for such legislative choice – the need to avoid that this type of offences, which are frequently committed, go unpunished and also to prevent the entire legislation in question from being easily avoided.

In order for an entity to be liable for offences committed abroad, the following requirements must be met:

- a. the offense is committed abroad by a person functionally linked to the entity, pursuant to Article 5(1), of Legislative Decree No.231/2001
- b. the entity has its main office in the territory of the Italian State
- c. the criteria laid down in Articles 7, 8, 9 and 10 of the Italian Criminal Code are met⁸
- d. no legal proceedings have been brought against the entity in the State in which the offence was committed
- e. if the predicate offence is punishable at the request of the Italian Minister for Justice, a claim is specifically brought to that effect against the entity itself

1.8. The procedure for establishing liability from administrative offences

Liability for administrative offences arising from a criminal offence shall be established in criminal proceedings. In this regard, Article 36 of Legislative Decree No. 231/2001 provides that *«The jurisdiction to hear administrative offences committed by the entity belongs to the criminal court having jurisdiction over the offences which they arose from. The provisions on the composition of the court and the related procedural provisions relating to the offences from which administrative offences arise shall apply in the proceedings for establishing the entity's administrative offence»*.

Entities shall take part in the criminal proceedings through their own legal representative, unless the latter is accused (or is under investigation, in relation to the investigative phase prior to the commencement of trial) of the offence from which the administrative offence may arise; if the entity's legal representative fails to file its entry of appearance, the entity, having filed its entry of appearance, shall be represented by its defence counsel (Article 39(1) and (4) of Legislative Decree No. 231/2001).

⁸ This reference is to be read in combination with the provisions of Articles 24 to 25-terdecies of Legislative Decree No. 231/2001, as – in compliance with the principle of legality under Article 2 of Legislative Decree No. 231/2001 – entities may only be liable for the series of offences referred to in Articles 7-10 of the Italian Criminal Code only where the entities' liability for such offences is specifically provided for by an *ad hoc* legal provision.

2. Bain & Company Italy, Inc.'s Governance Model and Organisational Structure

2.1. Bain & Company Italy, Inc.

BAIN & COMPANY ITALY, INC. is a company incorporated under the laws of the United States with its registered office in Boston, MA (U.S.A.), 02116 Dartmouth Street, 131. The Company is a wholly owned subsidiary of BAIN & COMPANY, INC., a company incorporated under the laws of the United States and head of the Bain & Company Inc. Group (hereinafter, "the Group").

The company operates in Italy through its operating office in Milan, Via Santa Maria Segreta 2 N.3; it also has an additional operating office in Rome, Via di San Basilio, 72.

The Group, which has been operating in Italy since 1989, is a world leader in the provision of strategic consulting services to companies and development projects and strategies planning. The Group is one of the most competitive and dynamic companies on the business consulting scene. It produced software and operating systems and provides advanced analytics, business & customer strategy, corporate finance, digital transformation and strategy, Full Potential Transformation, IT, marketing, M&A, operations, organisation, sustainable corporate responsibility and performance development services in the following areas:

- Aeronautics and Defence
- Agribusiness
- Automotive
- Consumer goods
- Chemical products
- Airlines and transport
- Energy and natural resources
- Industry 4.0
- Paper and packaging industry
- Metal and mining industry
- Infrastructure and construction
- Industrial machinery
- Media & Entertainment
- Oil and Gas

- Private Equity
- Retail
- Health
- Financial services
- Social and public sector
- Technology
- Telecommunications
- Utilities and renewables

2.2. The Company's institutional structure: bodies and persons

The Company's governance model is structured as follows:

(i) *Sole Director*

The Sole Director is the Company's legal representative as well as the Employer for the operating offices in Milan and Rome. It is the original holder of all powers of directors and management of the Company.

If such a role is *de facto* held by a person who is not directly involved in the Company's operating activity, powers shall be attributed to the Office Head and other persons based at the Company's operating offices.

(ii) *Office Head*

The Office Head shall be selected from among the Partners operating at the Company's operating offices and is responsible for managing and coordinating the Company's activities in Italy. The Office Head is granted a number of powers by means of a power of attorney, with associated control obligations. The power of attorney is one of the annexes to this Model.

(iii) *Finance Director*

The Finance Director is an employee of the Company, and is responsible for the financial management of the same. The Finance Director is vested with a number of powers by means of power of attorney, with associated control obligations. The power of attorney is one of the annexes to this Model.

(iv) *HR*

The Sole Director shall choose a delegated HR Partner from among those employed at the Company's operating offices, who will be granted powers of attorney in personnel management matters. The HR Partner shall rely on the HR Function based at the Milan office, which is responsible for any legal issues of the Company.

(v) *Legal*

A Legal Department is established at the Company's operating offices, which is also responsible for corporate compliance.

2.3. Internal regulatory and Governance systems

BAIN & COMPANY ITALY, INC., being part of the BAIN Group, shall comply with the policies governing the exercise – on a global level – of the company's business activities according to the principles of legality, appropriateness, professionalism, no conflicts of interest, confidentiality and diligence.

In this regard, the company has an extensive set of self-regulation rules – illustrated and communicated by an internal manager (the *Professional Standards Manager*) – which contributes, together with this Model, to the structuring of the Company's functioning.

The main regulatory instruments that are already in force and with which this Model is coordinated are:

- **Code of Conduct.** The *Code of Conduct* includes the ethics and conduct principles that BAIN & COMPANY ITALY, INC. recognises as essential to its business and which everyone who works towards achieving the Group's objectives shall comply with. Employees may have access to the Group policies referred to in the *Code of Conduct*, via hyperlinks.
- **Delegated powers and powers of attorney.** The powers to represent or bind the Company shall be formalised. The system of delegated powers and powers of attorney shall be updated when the Company's organisational structure is revised or changed.
- **Procedures, Policies, Guidelines, Professional Standards.** The Company shall adopt the Group's self-regulatory system that is aimed at clearly and effectively regulating the Company's relevant processes. The Policies, included in this Model, provide for a standard set of rules of conduct, at global level, which aim to ensure compliance, on a regular basis, with the highest standards of legality in the performance of work activities and that already cover numerous areas falling within the scope of Legislative Decree 231/2001. This Model, therefore, refers to the Policies already in force and, in particular, the following ones:
 - *Anti-Bribery and Corruption Policy*
 - Best Practices in the Public Sector, as well as any additional Group policies issued by the Public Sector Risk Team, which shall be applicable and form an integral part of this Model from the day on which they are adopted
 - *Client Contracts Policy*
 - *Client Service and Confidentiality Policy*
 - *Communication to Third Parties Policy*
 - *Data gathering Policy*

- *Global Gift Policy*
- *IT Acceptable Use and Information Security Policies*
- *Social Media Policy*
- *Records & Information Management Policy*
- *Stock Purchase and Insider Trading Policy*

In order to properly adjust the Company's overall regulatory framework to the specific features of Italian law, the following Policies shall be adopted together with this Model:

- *Addendum Italia to the Anti-Bribery and Corruption Policy*
- *Red Flag Policy*
- *Market Abuse Policy*
- *Whistleblowing Policy*
- **Rules for the protection of Workplace Health and Safety.** The Company has a comprehensive set of regulations for the protection of health and safety in the workplace (e.g. DVR, DUVRI, Company Information Handbook for the health and safety of workers, VDT Manual, Evacuation Plan, etc.). In addition, the Company has adopted the Group's policies in relation to any advisory activities performed abroad (e.g., alert and rapid rescue system).

2.4. External controls

BAIN & COMPANY ITALY, INC. shall entrust an external company with the auditing of the "receivables" and "turnover" segments of its financial statements. In addition, the Company shall engage a different auditing company with auditing its accounting records from a tax compliance perspective.

3. The Organisational, Management and Control Model of Bain & Company Italy, Inc.

3.1. Preamble

The Company shall adopt an Organisational, Management and Control model pursuant to Legislative Decree No.231/2001 as evidence that would allow it to avoid being held liable for negligently failing to set up a proper internal organisational system (colpa di organizzazione) and therefore avoid incurring any sanctions. This, at its core, primarily represents an action of social responsibility on the part of the entity and its intention to take an opportunity to promote legality as an essential value of its operations.

This Model aims to:

- enhance the Company's existing compliance culture and regulations
- clearly define the Company's operating rules, particularly those relating to any "sensitive" areas
- facilitate the implementation and timely adjustment of internal processes and regulations to any changes in the organisational structure and corporate operations

3.2. Purpose and Features of the Model

The purpose of the Organisational Model is to set up a structured and well-functioning system of control procedures and activities aimed at preventing the Predicate Offences, by identifying the activities which are most exposed to the risk of offences and adopting appropriate precautionary measures accordingly.

By adopting the Model, BAIN & COMPANY ITALY, INC. intends to pursue the following aims:

- to reaffirm the values of integrity and legality that shall guide the activities of all those working on its behalf
- to reiterate that any unlawful conduct is strongly stigmatised by the Company, even if it could bring it any significant gains
- to provide clarity to Recipients around the behaviours that could expose them to criminal and disciplinary sanctions, and which could also give rise to the Company's administrative liability
- to provide the Recipients with a set of rules to minimise the risk of incurring such liabilities
- to enable the Company, thanks to its monitoring activities on the areas and processes exposed to risk of offences, to promptly step in to prevent or combat the commission of the Predicate Offences

3.3. The Model development phases

The development phase of the Model included several stages, on the basis of an Action Plan shared with the competent corporate functions:

1. Preliminary analysis of the corporate context

In this phase, as a first step, the documentation relating to the corporate and organisational structure was analysed (i.e., organisation charts, internal regulatory instruments, delegation of functions, etc.) with the aim of properly framing the Company's business model, its relevant functional responsibilities, as well as the processes, sensitive activities and relevant managers in charge

2. Identification of areas of activity and business processes 'exposed to the risk of offences'

Having thus identified the areas of Sensitive Activities and the "instrumental" processes in the context of which the risk of commission of the predicate Offences does not appear to be merely theoretical, a more careful assessment was made of their specific features.

As a following step, interviews were carried out with the risk owners, who were identified on the basis of the process/sensitive activity they are engaged with, with the aim of analysing the management mechanisms and control tools that the Company has put in place. The information so gathered was formalised in a summary report, containing a description of any critical issues identified in the controls of the processes examined.

The assessment of the control system was carried out by reference to the following parameters:

- existence of formalised organisational documentation
- ex-post traceability and verifiability of transactions by means of appropriate documentary and information support
- segregation of duties
- existence of formalised delegations of powers consistent with the underlying organisational responsibilities

The Risk Assessment activity also took into account the BAIN& COMPANY ITALY, INC's business' specific features: in this sense, the Company's performance of consulting activities required the verification of whether there are potential risks that clients may commit predicate offences in the context of activities for which they use the Company's consulting services.

The examination carried out thus made it possible to identify some areas of potential risk of offence for the Company. The following offences were identified as worthy of attention, as the relevant risk of commission appeared non-negligible:

- most of the offences to the detriment of the public administration and of assets which cause harm to the State or any other public body, including the offences of obstructed freedom of auctions and obstructed freedom of a contractor's section process referred to in Articles 24 and 25 of the Decree

- some of the cybercrimes and unlawful data processing offences referred to in Article 24-*bis* of the Decree
- some of the offences to the detriment of industry and trade referred to in Article 25-*bis*(1) of the Decree
- certain corporate offences, including the offences of “bribery between private parties” and “false accounting”, referred to in Article 25-*ter* of the Decree
- offences of insider dealing and market manipulation, referred to in Article 25-*sexies* of the Decree
- manslaughter and grievous or very grievous bodily harm, committed in breach of the rules on accident prevention and protection of workplace hygiene and health, referred to in Article 25-*septies* of the Decree
- receiving stolen property, money laundering and use of money, property, or items of value of illegal origin, as well as self-laundering, referred to in Article 25-*octies* of the Decree
- crimes related to the use of payment instruments other than cash, referred to in Article 25-*octies.1* of the Decree
- some of the offences relating to the violation of copyright, referred to in Article 25-*nonies* of the Decree
- offences to the detriment of the administration of justice, referred to in Article 25-*decies* of the Decree
- offences involving the employment of undocumented foreign nationals, referred to in Article 25-*duodecies* of the Decree
- certain tax offences, as referred to in Article 25-*quinquiesdecies* of the Decree

Upon careful preliminary assessment, supported by the interviews and documentary checks carried out, and taking into account both the Company’s operational environment and the features of each of the individual offences in question (in particular paying attention to the mental element pertaining to each of them), the risk that the offences referred to in the following Articles would be committed was considered remote: 24-*ter* (organised crime), 25-*bis* (counterfeiting distinctive instruments and signs), 25-*quater* (terrorism), 25-*quater*(1) and 25-*quinquies* (offences against the individual), 25-*octies.1* (offences relating to non-cash payment instruments), 25-*undecies* (environmental offences), 25-*terdecies* (racism and xenophobia offences), 25-*quaterdecies* (frauds in sporting competitions), 25-*sexiesdecies* (smuggling offences), 25-*septiesdecies* (offences against the cultural heritage), 25-*duodecivicies* (offences of laundering of cultural heritage and disruption and looting of cultural and environmental heritage), as well as cross-border offences. With regard to the latter, scrupulous compliance with the regulatory systems that the Company has already put in place and, first and foremost, with the Code of Conduct, constitutes an adequate safeguard for prevention purposes.

A clarification should be made in relation to the offence of criminal conspiracy: the Company considered it appropriate not to treat it as a potential source of liability in relation to offences other than the Predicate Offences. In short, while it is not possible to rule out the risk of criminal conspiracies that may involve the commission of offences that are not specifically included in the scope of the Decree or, in any case, that are deemed insignificant following the risk assessment activity, the decision was made to prioritise the principles of the acceptable risk and cost-effectiveness of internal control processes, and thus not to further extend the perimeter of activities worthy of attention.

Similarly, in relation to the money laundering and self-laundering offences, the analysis was carried out having in mind instances in which such offences are linked to the proceeds of offences that are specifically considered worthy of attention. In relation to any instances of laundering that are linked to the proceeds of other offences, including those not referred to in the Decree, the Company considers that adopting precautions aimed at ensuring full traceability of financial and treasury flows attributable to the Company meets the required standards of internal control.

With respect to the areas involving “sensitive activities” and the relevant instrumental processes identified, the Company identified the possible ways in which Predicate Offences may be committed, along with the functions and the persons (employees and non-employees) normally involved.

The Company further carried out an assessment of the level of potential risk associated with each sensitive activity/process. To this end, reference was made to a risk assessment method based on a scoring being assigned to each event showing the degree of possibility that the event might occur and its potential consequences.

The Company’s analysis was conducted by reference to the following scoring tags: RED – high risk; BROWN – medium risk; YELLOW – low risk; GREEN – very low risk.

No area was marked as “high risk”: in fact, very importantly the Company has never been involved in investigations for administrative offences since 2001.

ARTICLES OF LEGISLATIVE DECREE 231/2001	RELEVANT LEGAL PROVISIONS	LIST OF OFFENCES
24	Articles 314, 316, 316-bis, 316-ter, 356, 640(2)(1), 640-bis, 353, 353-bis of the Italian Criminal Code	Misappropriation; Misappropriation by profiting from the error of others; Embezzlement; Unlawful receipt of payments and False pretences to the detriment of the State; False pretences in the context of public procurement; Aggravated false pretences to obtain public funds; obstructed freedom of auctions; obstructed freedom of a contractor’s section process.
24-bis	Articles 615-ter and 615-quater of the Italian Criminal Code	Unauthorised access to a computer or digital system; Unauthorised possession and dissemination of access codes to computer or digital systems.
25	articles 318, 319, 319-bis, 319-ter, 319-quater, 321, 322, 322-bis, 346-bis of the Italian Criminal Code	Taking bribes (and Incitement to bribery) to perform official duties, or actions contrary to official duties (including aggravated bribery); Bribery in judicial proceedings; improperly inducing [a person] to give or to promise to give anything of value; improperly inducing [a person] to give or promise to give, bribery and incitement to bribery, abuse of office involving members of international courts, bodies and officials of the EU, bodies of parliaments and international organisations and officials of foreign states; Influence peddling.

ARTICLES OF LEGISLATIVE DECREE 231/2001	RELEVANT LEGAL PROVISIONS	LIST OF OFFENCES
25-bis.1	Articles 517 and 517-ter of the Italian Criminal Code	Sale of industrial products with counterfeit marks; Manufacture and trade of goods produced in violation of industrial property rights.
25-ter	Articles 2621, 2621-bis, 2622, 2626, 2627, 2628, 2629, 2629-bis, 2632, 2633, 2635, 2635-bis, 2637, 2638 of the Italian Civil Code	False corporate communications; Improper repayment of capital contributions; Unlawful distribution of profits or reserves; Unlawful transactions involving the shares or quotas of the company or its parent company; Transactions to the detriment of creditors; Failure to disclose a conflict of interest; Fictitious capital creation; Improper distribution of company assets by liquidators; Bribery and incitement to bribery among private parties; Stock manipulation; Hindering public supervisory authorities in the performance of their functions.
25-sexies	Articles 184 and 185 of the Italian Consolidated Law on Finance ("TUF")	Insider dealing; Market manipulation.
25-septies	Articles 589 and 590(3) of the Italian Criminal Code	Manslaughter; Serious and very serious negligent bodily injuries.
25-octies	Articles 648, 648-bis, 648-ter, 648-ter.1 of the Italian Criminal Code	Receiving stolen property; Money laundering; Use of money, property or items of value of criminal origin; Self-laundering.
25-octies.1	Articles 493-ter and quarter, 640-ter, 512-bis of the Italian Criminal Code	Improper use and forgery of payment instruments other than cash; Possession and distribution of equipment, devices, or software aimed at committing crimes related to payment instruments other than cash; Computer fraud aggravated by a transfer of money, monetary value, or virtual currency; Fraudulent transfer of values.
25-novies	Articles 171-bis and 171-ter of Law 633/1941	Copyright infringement offences.
25-decies	Article 377-bis of the Italian Criminal Code	solicitation not to provide statements or to provide mendacious statements to the judicial authorities.
25-duodecies	Article 22 (12-bis)(a) of Legislative Decree. 286/1998	Employment of undocumented foreign nationals.
25-quinquiesdecies	Articles 2, 3, 4, 5, 10, 10-quater and 11 of Legislative Decree. 74/2000	Fraudulent tax returns through the use of invoices or other documents for non-existent transactions; Fraudulent tax returns through other means; Inaccurate tax return; Failure to provide a tax return; Concealment or destruction of accounting documents; Improper set-off; Fraudulent failure to pay taxes.

very low
 low
 medium
 high

3. Model development

Following the activities described above, BAIN & COMPANY ITALY, INC. decided to set out the operating principles and reference “protocols” of the Organisational Model that it intends to implement, including on the basis of the Policies that the Company has already put in place, along with its Professional Standards and the Code of Conduct.

To this end, a “gap analysis” was carried out between the control system “as is”, and the Model “to be”, i.e., an abstract reference Model, to be conducted against the regulations set out in Legislative Decree No. 231/2001.

This way, the Company identified a number of areas for improvement in the existing internal control system and, on this basis, put together the procedures attached to this Model.

3.4. Adoption and Recipients of the Model

BAIN & COMPANY ITALY, INC. is committed to ensuring the highest degree of fairness and transparency in the conduct of its business and in the performance of corporate activities, in order to protect its image, its Clients’ expectations, and the work of its employees. The Company understands the importance of adopting an internal control system capable of preventing its Employees from committing any unlawful conduct.

Despite the Model not being required as a compulsory addition within companies under the law, and BAIN & COMPANY ITALY, INC. already having a strong internal self-regulatory apparatus to ensure compliance with the law in the performance of business activities, the Company – in order to make every effort to pursue the values in which it believes – has decided to adopt its own Model and establish a Supervisory Body. The Company made this decision in the belief that putting in place the Model may reasonably lead to raising awareness and enhancing the ethical training of all those who work in the name and on behalf of the company, to ensure that they carry out their activities in a proper and consistent manner, and that any risks of the offences provided for in the Decree are prevented.

Once adopted, the Model shall represent the Company’s own set of regulations, the observance of which is mandatory for all Employees and for anyone working for any reason on behalf of or in the interest of the Company (e.g. Contractors, interns, Suppliers). If the Company uses a Contractor for the performance of a given project, it will be the responsibility of the Partner in charge of that project to ensure that the Contractor has access to the Model.

3.5. The Model's structure and features

This Model was developed taking into account the Corporate Compliance Policy and Professional Standards already in force at BAIN & COMPANY ITALY, INC., and consists of:

- a “General Section”, which describes the relevant legislation and the general rules governing the functioning of the Model and the Supervisory Body
- a “Special Section”, which focuses on the activities and instrumental processes deemed to be “sensitive”, and specifies the general rules of conduct to be followed for the prevention of the Predicate Offences
- A set of “Procedures”, which set out specific rules of conduct aimed at protecting the most significant Sensitive Activities against the risk that Predicate Offences may be committed in the performance of the same

3.6. Code of Conduct

BAIN & COMPANY ITALY, INC. pursues its business activities, corporate purpose and growth not only on the basis of compliance with applicable laws and regulations, but also with shared ethical principles.

To this end, the Company's activities are conducted strictly in compliance with the principles and rules set out in the BAIN Group's Code of Conduct, which sets out a series of “corporate ethics” principles which the Company has endorsed fully, and which holders of internal administrative functions, employees and all those who contribute in any way to the pursuit of the Company's objectives must comply with.

The Code of Conduct may be defined as the Model's “conceptual basis”.

3.7. Updating the Model

BAIN & COMPANY ITALY, INC. will be updating this Model if any of the following occurs:

- violations or circumvention of the Model's provisions, thus showing that the Model is not effective or otherwise does not prove fully successful in preventing the offences provided for in the Decree
- significant changes to the Company's internal organisational structure and/or the way in which business activities are carried out
- changes in the relevant regulatory framework
- the Model being considered no longer adequate as a result of certain examinations performed over it

All updates that do not affect the Model's structure – including the introduction of new procedures – may be adopted by the Office Head.

The Supervisory Body (as defined below) is responsible for ensuring that the Model is regularly updated: to this end, it shall make comments and proposals for action to the Office Head and the Sole Director.

The Supervisory Body has, in any event, the duty to specify in its reports the facts, circumstances or organisational shortcomings found in its supervisory activities, which highlight the need or possibility to have the Model amended or supplemented.

4. Activities and business processes exposed to a potential risk of offences (“rischio-reato”)

In the light of the specific nature of BAIN & COMPANY ITALY, INC.’s business activities, the Company identified the following Sensitive Activities:

- Handling of confidential information acquired in the context of or as a result of advisory activities carried out for clients
- Participating in public tenders
- Engaging individuals or companies for the purposes of consultancy and/or technical cooperation services
- Promotional activities and sponsorships
- Donations and gifts
- Activities related to personnel management and recruitment
- Employee remuneration and bonus-inclusive remuneration arrangements
- Payment management arrangements
- Preparation of financial statements for tax return purposes
- Handling relations with the Tax Authorities and Tax Police during inspections and audits
- Management of occupational health and safety requirements
- Handling relations with the Public Administration for issues relating to safety and hygiene in the workplace (which also applies for contracts for works)
- Use of computer or IT resources and information or any other work of art protected by copyright
- Management of privacy obligations

Additionally, as some Predicate Offences may be committed by Clients in the context of activities for which they avail themselves of the Company’s advice, the following additional Sensitive Activities have been identified:

- Advice on extraordinary transactions and, more generally, on corporate matters
- Advice to public bodies or in connection with the activities of private parties with public counterparts
- Advice on activities involving the movement and use of economic resources in such a way that could affect their traceability
- Involvement in Clients’ communications to the public or public authorities

- Advice in connection with activities involving information or intellectual property protected by copyright or subject to other secrecy constraints
- Identifying and managing any warning signals concerning potentially unlawful operations carried out by clients spotted while providing consultancy services

The Supervisory Body is responsible for checking that the list of Sensitive Activities is kept up to date, and flagging whether any further activities should be added to the list.

5. General principles of the Organisational and Control system

This Organisational, Management and Control Model provides for the following general principles as specific instruments aimed at ensuring the formation and implementation of the Company's decisions and guaranteeing appropriate control over them:

Principle of formalisation and segregation of duties

The organisational system must comply with the principles of (i) clarity, formalisation and communication, with particular reference to the allocation of responsibilities, the definition of hierarchical lines and the assignment of operational activities; (ii) segregation of duties, whereby organisational structures are set up in such a way as to avoid functional overlaps and multiple activities being entrusted to the same individual where such activities involve potentially problematic aspects or risks to a high degree.

In order to meet these requirements, the Company shall set up certain organisational tools (organisation charts, organisational communications, codified procedures, etc.) based on the following general principles: (i) accessibility to information within the Company; (ii) clear description of reporting lines; (iii) clear and formal delimitation of roles, including a description of the tasks and responsibilities assigned to each function.

Delegation of powers

Any delegation of powers shall meet the following requirements: a) the delegation must result from a written deed bearing a specific date; b) the person who is granted powers must have all the requirements of professionalism and experience required by the specific nature of the delegated functions; c) the delegation must provide for the necessary powers of organisation, management and control required by the specific nature of the delegated functions; d) the person who is granted powers shall be endowed with the authority to incur expenses as necessary to perform the delegated functions; e) the person who is granted powers shall accept the delegation in writing, if required by law; f) the delegation must be adequately and promptly made known to the public.

To this end, the Company undertakes to ensure that the delegations of powers are updated in a timely manner, and shall identify the cases in which delegations must be assigned, amended or revoked (e.g., in case new responsibilities are attributed through the delegation; different, incompatible, tasks are assigned to the person who was granted powers; in case they resign, or are made redundant, etc.).

Traceability

Each transaction must be properly recorded. Each step of the process – from deciding, to authorising and carrying out the relevant activity must be verifiable *ex post*, by means of appropriate documentary support.

In line with the principle of traceability of operations, for the prevention of certain offences, including money laundering and self-money laundering, special emphasis is placed on Company's duty to adequately trace and record all its financial flows (both incoming and outgoing). This applies both to ordinary activities (e.g. receipts and payments) and extraordinary activities or those relating to financial requirements (financing, risk coverage, etc.).

At BAIN & COMPANY ITALY, INC. managers in charge of corporate functions are responsible for checking compliance with these principles, as well as checking that such principles are adequate and up to date. Additionally, they shall report any shortcomings or proposals for improvement to the Supervisory Body.

For processes involving the management and movement of financial resources, the Company relies on financial and banking intermediaries who are subject to transparency regulations in line with those adopted in EU Member States.

All transactions involving the use of financial resources shall be supported by appropriate reasons and shall be documented and recorded, through manual or electronic means, in accordance with the principles of professional and accounting appropriateness.

6. Supervisory Body

6.1. Composition and Requirements

The Supervisory Body shall carry out its functions, on the basis of action continuity, outside the Company's operational processes, and shall not be bound by any hierarchical relationship within the corporate organisation chart.

The Supervisory Body shall report directly to the Company's top management and shall work fully autonomously and independently.

BAIN & COMPANY ITALY, INC. decided to set up a Supervisory Body comprising three members:

- two of whom were chosen from among external parties to the Company, suitably qualified and experienced in the issues the subject of Legislative Decree. 231/2001, i.e., capable of providing the Advisory Body with appropriate expertise in corporate and legal matters
- one selected from among the heads of internal functions, who shall meet appropriate requirements of professionalism and expertise

The majority of the members must include individuals who are independent from BAIN & COMPANY ITALY, INC. and therefore:

- shall not be linked to the Company on the basis of any employment, consultancy or paid work relationships, or relations of a financial nature that may compromise their independence or entail, with reference to the Supervisory Body's responsibilities, potential conflicts of interest
- shall have no family relationship with the Company's employees which could jeopardise the independent nature of their opinions.

The Supervisory Body's Chairperson shall be chosen and appointed from among the Body's members.

The Supervisory Body:

- shall report directly to the Sole Director. However, in order to ensure that information flows are conducted to the maximum degree of effectiveness and timeliness, the Supervisory Body may report directly to the Office Head, authorised for this purpose by the Sole Director; with regard to the examination and control activities that shall be ordinarily carried out by the Supervisory Body, it
- shall be endowed with the authority to autonomously undertake action in the areas falling within its responsibilities. To this end, and in order to ensure continuity of the Body's examination activities over the Model's adequacy and suitability, the Body makes use of internal staff and/or independent contractors
- shall operate according to meeting procedures and has its own "Operating Rules"

- shall be provided with an expenditure budget solely for the Supervisory Body's use during its term of office, which is allocated upon appointment. The Supervisory Body shall adopt its resolutions on expenses – within the limits of the budget – in an autonomous and independent manner and submit such resolutions to the Finance Director for approval of the relevant commitments. Should expenditure in excess of the approved budget prove necessary, the Supervisory Body may only proceed upon authorisation of the Sole Director or the Office Head. In the event of an emergency, the Supervisory Body shall nevertheless have the powers to agree to certain obligations for the Company even without such authorisation, subject to the duty to provide a precise account of the expenses incurred and to justify the reasons of the urgency

The Supervisory Body shall be appointed for a period of 3 years.

The Body shall have meetings at least on a quarterly basis and in any case as specified in its “Operating Rules”.

To gain a more comprehensive understanding of, and ensure to be properly examining, the company's dynamics, the Supervisory Body may request the presence of the heads of the various internal corporate functions (HR, Legal, Finance) at its meetings, even on a permanent basis.

The role of member of the Supervisory Body may not be taken up by persons who:

- performed, in the last three years, functions relating to the administration, management or control of companies subject to bankruptcy, compulsory liquidation or similar procedures
- were sentenced, including by a revocable sentence, to imprisonment which entailed the disqualification, even on a temporary basis, from holding public office or the temporary disqualification from holding management positions in legal entities
- were found guilty, including by a revocable sentence, (or following a sentence application at the request of the parties, under Articles 444 and 447 of the Italian Code of Criminal Procedure), of any of the intentional offences referred to in Legislative Decree 231/2001
- were subject to prevention measures pursuant to Legislative Decree 159 of 6 September 2011, as amended and supplemented

The Supervisory Body may only be dismissed for cause.

In this respect, the following may constitute cause:

- a serious breach of duty, as defined in paragraph 6.2 of this Organisational Model
- a conviction of the Company, or a sentence application at the request of the parties for any of the Predicate Offences, in which it is established that the Supervisory Body “failed to exercise due supervision”
- breach of confidentiality obligations

In the event one of the disqualification measures set forth in the Decree is applied on a precautionary basis, the Sole Director, having obtained the appropriate information, may suspend or revoke the Supervisory Body if they consider that the Body failed to or inadequately exercised oversight.

In the event that the Body no longer meets the criteria of autonomy and independence, or if its members may no longer hold office on account of one of the grounds of incompatibility referred to above, the Sole Director, having carried out the appropriate checks and heard the person concerned, as well as the Supervisory Body's other members, shall set a time limit, of no less than thirty days, within which the relevant grounds of incompatibility must be remedied and cease. After this period has elapsed without the aforesaid situation having ceased, the Sole Director shall declare the member disqualified.

If one of the members of the Supervisory Body is prevented, due to illness or any other grounds, from performing his/her duties for a period exceeding six months, he/she may, depending on the nature of the impediment, be suspended or revoked and, in any case, replaced.

If one or more members of the Supervisory Body resign, are revoked or disqualified, the legal representative shall appoint the replacement(s) in a timely manner. In the meantime, the Body shall maintain its full powers and functions, albeit operating at reduced capacity.

6.2. Functions and powers

BAIN & COMPANY ITALY, INC.'s Supervisory Body is responsible for exercising oversight over:

- a. the effectiveness of and compliance with the Model by Employees, interns, Suppliers, Clients and Contractors, to the extent required of each of them
- b. the effectiveness and adequacy of the Model in relation to the company structure and the actual ability to prevent the commission of the Offences under Legislative Decree 231/2001
- c. whether the Model should be updated, where there is a need to adjust it in relation to changes in the company structure and/or regulatory conditions
- d. the adequacy, application and effectiveness of the sanctions system

From an operational point of view, the Body shall:

1. constantly check the effectiveness and efficiency of the company's applicable procedures, through the help of the relevant corporate functions and the Prevention and Protection Service Manager (RSPP) with regard to issues concerning workers' health, hygiene and safety
2. conduct checks over the company's activities to update the mapping of the Sensitive Activities and relevant processes
3. periodically perform targeted reviews of specific transactions or actions carried out by BAIN & COMPANY ITALY, INC. especially in the context of Sensitive Activities or that are "instrumental" to implementation of the same

4. coordinate its work on staff training programmes with that of the HR function
5. monitor measures for spreading knowledge and understanding of the Model and prepare internal documents required for its effective implementation, containing instructions for use, clarifications or any necessary updates of the same
6. collect, process and store relevant information regarding compliance with the Model, as well as update the list of information for further disclosure or storage, which make up the “formal” file of the Body’s internal control activities
7. coordinate with the other corporate functions in their carrying out the monitoring activities within their remit and as provided for in the protocols
8. make sure that the system of internal control adequately complies with legal requirements
9. make sure that the tools provided for the implementation of the Model (adoption of standard clauses and procedures, etc.) are in any case adequate and meet the required standards. This includes updating or suggesting having such tools updated, if necessary
10. check whether the Model should be updated
11. update the Sole Director and the Office Head periodically on the status of corporate policies for the implementation of the Model

In order to perform the above tasks, the Supervisory Body may:

- a. issue provisions for the purposes of regulating its own activities
- b. access any document and/or company information relevant to the performance of the functions assigned to the Body in accordance with Legislative Decree 231/2001
- c. make use of external consultants of proven professionalism where this is necessary to perform its review and control activities, as well as for the purposes of updating the Model
- d. ensure that the heads of the various corporate functions promptly provide the information, data and/or news requested in order to (i) identify any aspects of business activities that are relevant to the Model, and (ii) check whether the Model is being actually implemented

In order to allow the Supervisory Body to properly obtain information and thus undertake effective actions vis-à-vis the Company, the Office Head, in agreement with the Supervisory Body, shall provide for appropriate information flows.

6.3. Procedures and frequency of reports to corporate bodies

The work of BAIN & COMPANY ITALY, INC.'s Supervisory Body shall be subject to two reporting lines:

- on an ongoing basis, directly to the Sole Director or the Office Head, in accordance with paragraph 6.1
- every six months, by means of a written report on the activities carried out, to be submitted both to the Sole Director and the Office Head

The Supervisory Body may be convened at any time by the Sole Director or the Office Head and may request to speak with them on its own accord to share its observations outside the reporting channels referred to above.

The information report to be provided every-six months shall cover:

1. the supervisory activities that the Body carried out during the reference period
2. any serious issues that were identified in terms of conduct or internal events at BAIN & COMPANY ITALY, INC., as well as in terms of the Model's effectiveness
3. any suggestions for remedial and improvement actions and the status of implementation thereof

6.4. Periodic reviews of the Model

The Supervisory Body shall draw up an annual “Control Activities Work Plan”.

The Supervisory Body is responsible for internal reviews and controls. In carrying out its review activities, the Supervisory Body may rely on the assistance of personnel from other functions to the extent they are not involved in the activities subject to review and hold specific skills, or alternatively it may rely on the assistance of external consultants.

The “Work Plan” shall cover one year (from January to December of each tax year) and shall specify, for each activity subject to review:

- the frequency of reviews
- the sample selection
- information flows
- appropriate training activities (i.e., activities to address any procedural and/or information deficiencies) for each anomaly identified

The activities to be reviewed and the frequency of checks depend on a number of factors such as:

- the level of risk of offence (“*rischio-reato*”), according to what the mapping of Sensitive Activities showed
- an assessment of the existing operational controls
- the findings of previous reviews

The Supervisory Body may provide for “extraordinary controls”, which are not included in the “Work Plan”: (i) in the event that substantial changes in the organisation or in a process take place, or (ii) in the event that suspicions arise, or (iii) notices of failure to comply with the Model have been issued, or (iv) in any case, whenever the Supervisory Body deems *ad hoc* controls to be appropriate.

To make the Supervisory Body’s periodic reviews easier over the effectiveness and updating of the Model, the corporate functions involved shall cooperate with it. These corporate functions shall facilitate to the maximum possible extent the efficient performance of control activities, also with reference to the management of relations with Suppliers, and are required to adequately document all of the activities that they perform.

BAIN & COMPANY ITALY, INC. considers the results of these reviews fundamental to the improvement of its Organisational Model. Therefore, the findings of the reviews relating to the Model’s adequacy and effective implementation shall be discussed within the Supervisory Body with a view to ensuring that the Model is effectively implemented, and may lead to the application of the Disciplinary System described in this Model, if appropriate.

7. Reporting to the Supervisory Body

7.1. Reporting obligations

At BAIN & COMPANY ITALY, INC., any employees who have become aware of information relating to the commission of offences or unlawful conduct potentially leading to criminal liability under Legislative Decree No. 231/2001, or violations of this Model or conduct that is not line with the Code of Conduct – including where committed by the Company’s clients – are required to share such information with the Supervisory Body. Reporting obligations also apply to third parties who operate, in any capacity, on behalf of or in the interest of the Company in the context of the corporate activities exposed to risk (e.g. Contractors), and who shall be provided with adequate information on the Organisational Model adopted by the Company, as specified below.

In particular, the following must be promptly brought to the attention of the Supervisory Body:

- a. any changes to the system of internal delegations of powers and powers of attorney and the Company’s organisational structure
- b. any measures and/or information from law enforcement agencies, or any other authority, which suggest that investigations are being carried out into any of the Predicate Offences
- c. information relating to the involvement of any of the Recipients in proceedings relating to the Predicate Offences
- d. any actions, facts, events or omissions from which potential problematic aspects relating to compliance with the rules of the Decree may be inferred
- e. information on any disciplinary proceedings arising from allegations that may be potentially relevant to the provisions of the Model
- f. information relating to requests, orders to produce documents and inspections conducted at the Company’s premises
- g. reports and/or information about violations of the rules on workplace accident prevention and protection of workplace hygiene and health
- h. detailed reports of unlawful conduct allegedly committed by one of the Recipients, of which senior managers or subordinates became aware on account of the functions performed, even if such conduct may only potentially lead to criminal liability under Legislative Decree No. 231/2001
- i. other documents showing potentially problematic facts, actions, events or omissions with respect to compliance with the rules of the Decree

7.2. Procedures for the submission and assessment of reports

The individuals submitting reports (whistle-blowers) shall be protected against any form of retaliation, discrimination or any other adverse consequences for reasons directly or indirectly linked to the report, even if the report turns out to be unfounded, provided that it was submitted in good faith. In any case, the confidentiality of the whistle-blower's identity shall be protected throughout the whole analysis phase of the report, without prejudice to the applicable legal obligations. Please see on this point the Company's Whistleblowing Policy annexed to this Model.

With reference to the procedures for submission of reports, in particular:

- reports, including those relating to any violation or suspected violation of the Model, its general principles and the principles set out in the Code of Conduct, must be submitted in writing straight to the Supervisory Body
- the persons referred to in Article 5(1), letters 1) and b) of Legislative Decree 231/2001 may use two alternative channels (i.e., registered paper mail and electronic mail) to submit detailed reports of unlawful conduct that may lead to criminal liability under the Decree and that shall be grounded on specific factual elements, or of violations of the Model of which they became aware on account of their functions
- both channels (registered paper mail and e-mail) shall protect the confidentiality of the whistle-blower's identity in any report management activities
- the Supervisory Body shall act in such a way as to protect whistle-blowers against any form of retaliation, discrimination or any other adverse consequences for reasons directly or indirectly linked to the report, by protecting the confidentiality of their identity. This is without prejudice, nevertheless, to any applicable legal obligations and the protection of BAIN & COMPANY ITALY, INC.'s rights and those of the parties who may be the subject of wrong or bad-faith allegations
- the Supervisory Body shall independently assess any reports and decide over any measures to take as a result of reports received. It may arrange for the report's author and/or the author of the alleged violation to be heard. The Supervisory Body shall adopt any measures deemed necessary for the purposes of adjusting the Model as necessary, and shall issue relevant notices to the Sole Director, the Office Head, the HR Partner and the Finance Director as necessary for the application of any sanctions
- the Supervisory Body shall keep a record of all reports received and the action taken, explaining the reasons for any decision not to investigate a report
- it shall also examine any anonymous reports and even reports coming from sources that do not look legitimate, provided that such reports contain specific enough details

All parties subject to reporting obligations are required to cooperate with the Supervisory Body, in order to allow it to collect any additional information that it deems necessary for a proper and thorough assessment of the report. Failure or reticence to cooperate may be considered a violation of the Model, and may therefore lead to the consequences envisaged in the Model, including disciplinary sanctions.

The channels for reporting to the Supervisory Body are as follows:

- paper mail, addressed to: Supervisory Body - Bain & Company Italy, Inc.
- e-mail to be addressed to: odv@bain.com

7.3. Collection and storage of information

All information, notifications and reports submitted to the Supervisory Body shall be stored on a dedicated database (on hard or soft copy) of the Company for a period of 10 years.

Access to the dedicated e-mail address for reports is only permitted to the Supervisory Body.

8. Disciplinary system

8.1. General principles

Under Article 6(2), letter e) and Article 7(4), letter b) of Legislative Decree 231/2001, the Model shall be considered as implemented effectively only if it provides for, *inter alia*, a disciplinary system that properly sanctions failure to comply with its provisions.

The Company's disciplinary system is targeted not only to Recipients, but also third parties (e.g. Suppliers) who are bound to contractual relationships with the Company, by adding specific provisions in the relevant contracts setting out the potential consequences of any conduct that give rise to violations of the Model.

Disciplinary sanctions may be applied irrespective of the commencement or outcome of any criminal proceedings, since the Model and Internal Policies are binding rules for the Recipients and third parties who have contractual relationships with the Company. Violations of the rules of the Model and the Internal Policies shall therefore be sanctioned regardless of whether any offence was actually committed or whether it is punishable at all.

8.2. Sanctions for employees and interns

This Organisational Model is a company regulation for all purposes, which is an expression of the Employer's power to issue provisions for the performance and discipline of work. It shall be made available in a place accessible to all and shall constitute the Company's disciplinary code.

The parties subject to the Organisational Model are therefore required to comply with (i) all the obligations and requirements contained therein and to adopt a conduct in line with that described therein, (ii) the law and the principles set out in the Code of Conduct and the Professional Standards. Without prejudice to the right to compensation for damages, any violation of these duties shall be subject to disciplinary sanctions, on the basis of a proportionality criterion between the sanction and the relevant violation and in compliance with the procedure laid down in Article 7 of Law No. 300/1970 and the applicable National Collective Employment Agreement ("CCNL").

For instance:

1. Employees who (i) carry out minor actions or omissions with respect to the internal procedures laid down in this Model (e.g., failure to provide the Supervisory Body with the prescribed information, failure to perform their control function, including on persons under their direction, etc.) or (ii) adopt, in performing activities in areas exposed to risk, a conduct which does not comply with the Model's requirements, shall be subject to a **VERBAL** or **WRITTEN WARNING**
2. a **FINE** may be imposed on an Employee who repeatedly violates the internal procedures laid down in this Model or, in performing activities in areas exposed to risk, repeatedly adopts a conduct which does not comply with the Model's requirements, even before such failures are specifically established and challenged
3. the measure of **SUSPENSION FROM WORK WITHOUT PAY** shall be applied to any Employee who, by violating the internal procedures provided for by this Model or adopting, in the performance of

activities in areas exposed to risk, a conduct that does not comply with the Model's requirements, performs acts that expose the Company to an objectively dangerous situation, or commits actions contrary to the Company's interests that cause damage to the same. Likewise, the same sanctions shall apply to (i) any Employee who violates the procedures laid down to protect the confidentiality of the authors of reports relating to offences or irregularities of which they became aware in the context of their work relationship with the Company, as well as (ii) to any partner, consultant or Employee who files reports on the basis of intent or gross negligence that prove unfounded

4. any Employee who, while performing activities in areas exposed to risk, adopts a conduct which does not comply with the Model's requirements and is of such nature to give rise to a concrete risk that a Predicate Offence may be committed, shall be subject to **DISMISSAL AND COMPENSATION IN LIEU OF NOTICE**
5. any employee who, in the performance of activities in areas exposed to risk, engages in conduct that is clearly in breach of this Model and constitutes a Predicate Offence, such as to result in the Company being subject to any of the precautionary measures laid down in the Decree, may be subject to **DISMISSAL WITHOUT NOTICE**

The above sanctions will be applied taking into account:

- the intentional nature of the conduct or degree of negligence, imprudence or inexperience with regard also to the foreseeability of the event
- to the extent permitted by the law, the worker's overall conduct with particular regard to whether or not they were subject to any previous disciplinary action
- the worker's duties
- the company position of the individuals involved in the relevant events
- the extent of the danger and/or consequences of the infringement for the Company and all its stakeholders
- other particular circumstances surrounding the disciplinary violation

8.3. Measures against contractors, suppliers and other contracting parties

Any conduct by Contractors, Suppliers or other third parties who have a contractual relationship with BAIN & COMPANY ITALY, INC. other than as employees, in violation of the provisions of Legislative Decree 231/2001, may lead to the application of sanctions or, in the event of a serious breach, the contractual relationship being terminated. This is without prejudice to the Company's potential claim for compensation if such conduct causes damage to the same, even regardless of the contractual relationship termination.

To this end, provision may be made for (i) the inclusion in the contracts of specific clauses acknowledging that Contractors, Suppliers or other relevant parties are aware of and familiar with the Decree, or (ii) such parties issuing a unilateral declaration of "certification" of their knowledge of the Decree and their commitment to conducting their business in compliance with the provisions of the law.

9. Training and Information

To ensure that this Model is fully effective, BAIN & COMPANY ITALY, INC. shall make sure that the rules of conduct contained therein are properly disseminated and made known, both to personnel already working with the company and those to be included, providing more or less detail in relation to the personnel's different level of involvement in activities exposed to risk.

This Model shall be notified to all the personnel working with the Company at the time of adoption of the Model. To this end, BAIN & COMPANY ITALY, INC. undertakes to make available on its intranet site all updated material (e.g. documents describing the Model) relating to compliance with the Model.

The Model shall be made available in soft copy to all Recipients, through the appropriate channels.

New employees shall be provided both with the Code of Conduct and the Model in soft copy.

Different training activities to raise awareness of the regulations referred to in the Decree shall be provided, in terms of content and delivery methods, according to the Recipients' position within the Company, the level of risk of the area in which they operate and whether or not the Recipients are Company Representatives.

The Office Head shall be responsible for the following activities, including through the help of the HR Partner and the HR Manager:

- preparing an annual training plan for personnel to be shared with BAIN & COMPANY ITALY, INC.'s Supervisory Body, which shall provide for a specific training programme for the Company's Employees, as specified in the Model
- preparing an annual calendar to be notified, together with a summary of the annual training plan, to BAIN & COMPANY ITALY, INC.'s Supervisory Body

Conversely, the Supervisory Body shall be responsible for notifying the HR Partner and the head of the HR function about:

- any changes in the relevant legislation, in order to provide for additional training sessions
- whether additional training sessions should be provided for in accordance with the Supervisory Body's Work Plan for its control activities if any errors and/or irregularities are identified with respect to the proper performance of operating procedures related to Sensitive Activities.

