

# BCMGlobal ASI Limited

## Organization, Management and Control Model

Pursuant to Italian Legislative Decree No. 231/2001

Approval by the Board of Directors of 28 September 2021

Version	Date	Nature of the change
00	29.5.2019	<ul style="list-style-type: none"><li>Adoption of LINK ASI LIMITED (then BCMGlobal ASI LIMITED) Organization, Management and Control Model.</li></ul>
1.0	28.9.2021	<ul style="list-style-type: none"><li>Update of the Organizational Model of BCMGlobal ASI Limited - Italian Branch</li></ul>



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# Foreword

Pursuant to the Italian provision on the “Administrative liability of legal entities deriving from offences” contained in Legislative Decree no. 231 of June 8<sup>th</sup>, 2001, (hereinafter “Legislative Decree no. 231/2001” or the “Decree”), the **Italian branch** of BCMGlobal ASI LIMITED (hereinafter “**BCMGlobal**”, the “**Company**” or the “**Italian branch**”) has adopted its Organizational, Management and Control Model (hereinafter also the “Model”).

The Model was approved by the Board of Directors 29 May 2019 and subsequently updated on 28 September 2021.

In drafting the Model and in the subsequent update, the Company has applied the Guidelines of the main trade associations and, in particular the Guidelines of ABI (Italian Banking Association) issued on May 9<sup>th</sup> 2002 and updated on January 9<sup>th</sup> 2009, the Guidelines of Confindustria (Italian Manufacturing Companies Association) issued on March 7<sup>th</sup> 2002, updated on March 2014 and June 2021 and approved by the Ministry of Justice, and furthermore the requirements of voluntary regulations on management systems.

Differences between the abovementioned Guidelines shall not nullify the validity of this Model as it reflects the nature of the services carried out by the Italian branch and its organisation as well as the corporate structure of the Company.



## 1. THE LEGISLATIVE DECREE NO. 231/2001

### 1.1 Administrative liability of legal entities

The Legislative Decree no. 231/2001, containing the “Discipline of the administrative liability of legal entities, companies and associations even without juridical personality”, dated June 8<sup>th</sup> 2001 and entered into force July 4<sup>th</sup> 2001, has conformed Italian law regarding corporate liability to certain international conventions and, in particular, to the Convention of Brussels of July 26<sup>th</sup> 1995 on the protection of the European Communities’ financial interests, the Convention of Brussels of May 26<sup>th</sup> 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and the Convention OECD of December 17<sup>th</sup> 1997 on combating bribery of foreign public officials in international business transactions.

Due to the enforcement of the Decree, companies may be held responsible for certain typologies of offences committed by individuals in the interests or to the advantage of the company itself.

The Decree envisages the liability of the entity for relevant offences is committed by:

- a) individuals who cover representative, administrative or management roles within an entity or one of its organizational units, endowed with financial and functional autonomy, as well as by individuals who carry out the operations and control of the same, even on a de facto basis;
- b) individuals subject to the management or supervision of one of the parties indicated in point a).

The list of relevant offences has been extended over time, including the following cases (for a detailed description of liable offences, see Annex no. 2 “List of crimes envisaged by Leg. Decree 231/2001 for assigning administrative liability”):

- Crimes against the Public Administration (**articles 24 and 25 of the Decree**):
  - embezzlement (Article 314, par. 1, Italian Criminal Code Italian Criminal Code);
  - embezzlement by profiting from the error of others (Article 316, Italian Criminal Code);
  - misappropriation to the prejudice of the State (article 316-bis Italian Criminal Code);
  - undue receipt of funds to the detriment of the State (article 316-ter Italian Criminal Code);



- graft (the act of getting money or advantage through the dishonest use of public power and influence) (article 317 Italian Criminal Code);
  - corruption in the exercise of a public function (article 318 Italian Criminal Code);
  - corruption related to an act contrary to official public duties (article 319 Italian Criminal Code);
  - corruption in judicial proceedings (article 319-ter Italian Criminal Code);
  - corruption of an individual in charge of a public service (article 320 Italian Criminal Code);
  - undue inducement to give or promise benefits (article 319-quater Italian Criminal Code);
  - instigation to corruption (article 322 Italian Criminal Code);
  - abuse of office (Article 323, Italian Criminal Code);
  - corruption, instigation to corruption and bribery of members or officials of the European Community, of foreign States and of international public organizations (article 322-bis Italian Criminal Code);
  - trading in influence (where a person pretending to exert influence on public officials trades this influence in return for money) (article 346-bis Italian Criminal Code);
  - fraud in public supplies (Article 356, Italian Criminal Code);
  - aggravated fraud to the detriment of the State, European Union or other Public Authority (article 640, paragraph 2, no 1, Italian Criminal Code);
  - aggravated fraud to obtain public funds (article 640-bis Italian Criminal Code);
  - computer crime against the State or other Public Authority (article 640-ter Italian Criminal Code);
  - fraud in agriculture (Article 2, Law no. 898/1986 on EU aid in the agricultural field).
- Crimes introduced by the Law 48/2008 adopting the Convention on cybercrimes providing into Legislative Decree no. 231/2001 **article 24-bis**, updated by Decree-Law 105/2019, referring to following offences:
    - falsification of a public electronic document used to provide evidential proof of an action or situation (article 491-bis Italian Criminal Code);
    - hacking, illegal access to a computer or telecommunication system (article 615-ter Italian Criminal Code);



- illegal detention and distribution of access code to informatic or telematic systems (article 615-quater Italian Criminal Code);
  - distribution of devices or programs aimed at damaging or interrupting a computer or telematics or informatic system (article 615-quinquies Italian Criminal Code);
  - unlawful wiretapping, ban or interruption of computer or electronic communications (article 617-quater Italian Criminal Code);
  - installation of equipment designed to intercept, ban or interrupt computer or electronic communications (article 617-quinquies Italian Criminal Code);
  - damage to information, data and IT programmes (article 635-bis Italian Criminal Code);
  - damage to information, data and IT programmes used by the State or other public bodies, or of otherwise public utility (article 635-ter Italian Criminal Code);
  - internet fraud committed by electronic signature certification providers (article 640-quinquies Italian Criminal Code);
  - national cybersecurity perimeter (Article 1(11) of Decree-Law 105/2019 converted by Law 133/2019).
- Organized crimes provided by Law 94/2009 and added to **article 24-ter** of the Decree:
    - criminal conspiracy aimed at enslaving people and keeping them in slavery, human trafficking, slaves purchasing and offenses relating to illegal immigration pursuant to article 12 Legislative Decree no. 286/1998 (article 416, paragraph 6, Italian Criminal Code);
    - mafia-type conspiracy, on a domestic or international basis (art. 416-bis Italian Criminal Code);
    - criminal electoral fraud (art. 416-ter Italian Criminal Code);
    - kidnapping for extortion purposes (art. 630 Italian Criminal Code);
    - involvement in illegal trafficking of narcotics and psychotropic substances (article 74 Presidential Decree no. 309/1990);
    - criminal conspiracy<sup>1</sup> (article 416, paragraph 6 excluded, Italian Criminal Code);

<sup>1</sup> This Article provides that when **three or more persons** conspire to commit more crimes, those who promote or constitute or organize the association are punished with imprisonment.



- unlawful manufacture, introduction into the country and trafficking of weapons, explosives and illegal arms (article 407, paragraph 2, letter a) Italian procedural criminal code).
- Crimes provided by **article 25-bis** of the Decree, introduced by the Legislative Decree no. 350 of September 25<sup>th</sup> 2001, envisaging “Urgent measures in adopting Euro”, modified by Law July 23<sup>rd</sup> 2009, no. 99, as set out below:
  - forgery of money, spending and introducing counterfeit money into the State, by acting in concert (article 453 Italian Criminal Code);
  - altering money (article 454 Italian Criminal Code);
  - spending and introducing counterfeit money into the State, without acting in concert (article 455 Italian Criminal Code);
  - spending of forged money received in good faith (article 457 Italian Criminal Code);
  - counterfeiting of revenue stamps, introduction, possession or circulation in the State of counterfeited revenue stamps (article 459 Italian Criminal Code.);
  - counterfeiting watermarked paper used to manufacture public credit cards or revenue stamps (article 460 Italian Criminal Code);
  - manufacturing or possession of watermarks or tools intended for the counterfeiting of money, revenue stamps or watermarked paper (article 461 Italian Criminal Code);
  - use of counterfeited or altered revenue stamps (article 464 Italian Criminal Code);
  - counterfeiting, alteration or use of trademarks or particularities or, to be more precise, of patents, models and designs (article 473 Italian Criminal Code);
  - introduction into the State and trade of products with false trademarks (article 474 Italian Criminal Code).
- Crimes against industry and commerce provided by Law no. 99/2009 and envisaged at **article 25-bis 1** of the Decree.
  - offences relating to disturbing the freedom of industry or trade (article 513 Italian Criminal Code);
  - illicit competition with threats or violence (article 513-bis Italian Criminal Code);
  - fraud against national industries (article 514 Italian Criminal Code);





- fraud in trade (article 515 Italian Criminal Code);
  - sale of non-genuine food items as genuine (article 516 Italian Criminal Code);
  - sale of industrial products with false trademarks (article 517 Italian Criminal Code);
  - manufacturing and trading goods made by ignoring industrial property rights (article 517-ter Italian Criminal Code);
  - counterfeiting of geographical indications or appellations of origin of agricultural and food products (article 517-quater Italian Criminal Code).
- “Corporate crime”, as provided by the Italian civil code and by **article 25-ter** of the Decree, introduced by the Legislative Decree no. 61 of April 11<sup>th</sup> 2002 on “Regulation of criminal and administrative offenses involving commercial corporate, in accordance with Article 11 of Law October 3<sup>rd</sup> 2001, no. 366” and amended by article 31 of the Law of December 28<sup>th</sup> 2005 no. 262 and by Legislative Decree no. January 27<sup>th</sup> 2010, no 39 and by Law May 27<sup>th</sup> 2015, no 69, namely:
    - False declarations on financial or accounting (article 2621 Italian civil code);
    - false business correspondence: minor relevance (article 2621-bis Italian civil code)
    - Production of inaccurate corporate accounting documentation within listed companies carried out by administrators, general managers and those responsible for producing corporate accounting documents, including auditors (article 2622 Italian civil code);
    - obstruction of control activities (article 2625 Italian civil code);
    - unlawful restitution of contributions (article 2626 Italian civil code);
    - illegal distribution of profits and reserves (article 2627 Italian civil code);
    - unlawful transactions on shares or listed shares or of the parent company (article 2628 Italian civil code);
    - transactions to the detriment of creditors (article 2629 Italian civil code);
    - failure to report a conflict of interest (article 2629-bis Italian civil code);
    - fictitious formation of share capital (article 2632 of Italian civil code);
    - improper distribution of company assets by liquidators (article 2633 Italian civil code);
    - bribery among private individuals (article 2635 Italian civil code);
    - incitement of private-to private corruption (article 2635-bis Italian civil code);



- illicit influence on the general shareholders' meeting (article 2636 Italian civil code);
- market manipulation (article 2637 Italian civil code);
- obstructing the activities of public supervisory authorities (article 2638 Italian civil code).

Offences for the purpose of terrorism or subversion of democratic order provided by the Italian Criminal Code and by special laws and defined by **article 25-quarter** of the Decree, introduced by Law no. 7 of January 14<sup>th</sup> 2003 "Ratification and implementation of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on December 9<sup>th</sup> 1999 and internal rules for its adaptation". These offences are provided by a general reference to all current and future possible cases of terrorism crimes.

Being not possible provide a "closed" and limited list of crimes that may involve the Company, pursuant to articles 25 quarter, 5, 6 e 7 Leg. Decree 231/2001, we consider the main cases envisaged by Italian law system on fighting against terrorism are the following:

- associations for purposes of terrorism (domestic or international) or of the subversion of democracy (article 270-bis Italian Criminal Code);
- assistance to associates (article 270-ter Italian Criminal Code);
- enrolment for purposes of terrorism (domestic or international) (art. 270-quarter Italian Criminal Code);
- training for activities with purposes of terrorism (domestic or international) (article 270-quinquies Italian Criminal Code);
- financing of conduct for the purpose of terrorism (article 270-quinquies.1 Italian Criminal Code);
- theft of seized property or money (article 270-quinquies.2 Italian Criminal Code);
- attack for purposes of terrorism or democratic order subversion (article 280 Italian Criminal Code);
- acts of nuclear terrorism (article 280-ter Italian Criminal Code);
- instigation to commit a crime against State personality (article 302 Italian Criminal Code);
- armed gang and training, participation and assistance to participants in conspiracy or armed gang (articles 306 e 307 Italian Criminal Code);



- unauthorised possession of substances for the production of explosives (article 678-bis Italian Criminal Code);
- failure to report concerns on explosive materials(article 679-bis Italian Criminal Code);
- offences, other than those specified in the Italian Criminal Code and in special laws, in violation of Article 2 of the New York Convention of December 8th 1999, according to which it is considered a crime to provide or collect funds, by any means, directly or indirectly, unlawfully and wilfully, with the intent to use them or knowing that they are intended for being used, whole or in part, in order to fulfil:
  - a) a crime pursuant to the attached conventions; or
  - b) any other act intended to cause death or serious injury to a civilian, or to any other persons not actively taking part in armed conflicts, when the purpose of such act, by its nature or context, is to intimidate a population, or compel a government or an international organization to do or refrain from doing something.
- Offences against the individuals as referred to in article **25-quarter.1** of the Decree (introduced by article 8 Law no. 7 of January 9<sup>th</sup> 2006) and article **25-quinquies** of the Decree (as provided by article 5 Law no. 228 of August 11<sup>th</sup> 2003, defining Measures against slavery trade). In particular:
  - Female genital mutilation practices (art. 583-bis of the Italian Criminal Code);
  - enslaving people and keeping them in slavery or servitude (article 600 of the Italian Criminal Code);
  - child prostitution and its exploitation (art. 600-bis Italian Criminal Code);
  - child pornography (art. 600-ter Italian Criminal Code);
  - possession of pornographic material (art. 600-quater Italian Criminal Code);
  - virtual pornography (article 600-quater1 Italian Criminal Code);
  - tourism initiatives aimed at exploiting child prostitution (art. 600-quinquies Italian Criminal Code);
  - trafficking in persons (article 601 Italian Criminal Code);
  - purchasing and selling slaves (article 602 Italian Criminal Code);
  - unlawful labour intermediation and exploitation (article 603-bis Italian Criminal Code);



- child grooming (art. 609-undecies Italian Criminal Code).
- Cases of market abuse provided by part V, title I-*bis*, chapter II of Legislative Decree no. 58 of February 24<sup>th</sup> 1998 - Consolidated Law on Financial Intermediation (also named “T.U.F.”), modified by Legislative Decree 10<sup>th</sup> August 2018, No 107, as mentioned in **article 25 sexies** of the Decree:
  - abuse of privileged information (article 184 of the Consolidated Law on Finance “T.U.F.”);
  - market manipulation (article 185 of the Consolidated Law on Finance “T.U.F.”).
- Crimes introduced by Criminal Special Law of March 16<sup>th</sup> 2006 no. 146 “Ratifying and implementing the United Nations Convention and Protocols against Transnational Organized Crime” (Convention of Palermo), including:
  - criminal association (article 416 Italian Criminal Code);
  - mafia-type association (article 416-bis Italian Criminal Code);
  - criminal association aimed at smuggling tobaccos processed abroad (Presidential Decree no. 43/1973, article 291-quarter Italian Criminal Code);
  - association aimed at illegal trafficking of narcotics and psychotropic substances (article 74 Presidential Decree no. 309/1990, Italian Criminal Code);
  - provisions against illegal immigration (Legislative Decree no. 286/1998, article 12, comma 3, 3-bis, 3-ter e 5 Italian Criminal Code);
  - induction to withhold information or to make untruthful statements to Judicial Authorities (article 377-bis Italian Criminal Code);
  - Aiding and abetting a person to avoid investigation or to evade Authorities, following a crime being committed (article 378 Italian Criminal Code).
- Crimes envisaged by article 9 Law no. 123 of August 3<sup>rd</sup> 2007 on “Measures on health and safety at workplace”, as mentioned in **article 25-septies**, as:
  - involuntary manslaughter (article 589 Italian Criminal Code);
  - unintentional serious or very serious injury or bodily harm (article 590 paragraph 3 Italian Criminal Code).



- Crimes provided by article 63, paragraph 3, of the Legislative Decree no. 231 of November 16<sup>th</sup> 2007, implementing European Directive 2005/60/CE of October 26<sup>th</sup> 2005, on preventing the use of the financial system for money laundering and terrorist financing and modifying the Legislative Decree no. 231/2001, by introducing **article 25-octies**, related to the following offences:
  - offences of receiving stolen goods (article 648 Italian Criminal Code),
  - money-laundering (article 648-bis Italian Criminal Code);
  - using money, goods or benefits of illegal origin (article 648-ter Italian Criminal Code);
  - self-laundering (article 648-ter.1 Italian Criminal Code).

Article 64 abolished the corresponding provisions of paragraphs 5 and 6 of Article 10 of Law No 146 of 16 March 2006.

- Offences regarding the violation of copyrights introduced by Law no. 633 of April 22nd 1941 at **article 25-novies** of the Decree.
- Crime provided by article 377 of Italian Criminal Code (induction to withhold information or to make untruthful statements to Judicial Authorities) introduced by Law no. 106/2009 at **article 25-decies** of the Decree.
- Environmental crimes, introduced by Legislative Decree no. 121/2011 and provided by **article 25-undecies** of the Decree, following amended by Law no. 68 of May 22<sup>nd</sup> 2015:
  - environmental pollution (article 452-bis Italian Criminal Code);
  - environmental disaster (article 452-quater Italian Criminal Code);
  - unintentional environmental offences (article 452-quinquies Italian Criminal Code);
  - trafficking and abandonment of highly radioactive material (article 452-sexies Italian Criminal Code);
  - aggravating circumstances for the offence of criminal association (article 452-octies Italian Criminal Code);



- activities aimed at the illegal trafficking of waste whether in a simple or in an organized manner (article 452-quaterdecies Italian Criminal Code);
- killing, annihilation, capture, detention of protected wild fauna and flora species (article 727-bis Italian Criminal Code);
- destruction or deterioration of natural habitat within a protected site (article 733-bis Italian Criminal Code);
- water industrial waste discharges of containing dangerous chemical agents; discharges on soil, subsoil and surface waters; discharges into the sea by ships or airplanes (article 137 of Legislative Decree no. 152/2006);
- activity of the collection, transport, recovery, disposal or, in general, management of waste which are non-authorized or without authorization or in violation of provisions included in the authorizations (article 256 of Legislative Decree no. 152/2006);
- pollution of soil, of subsoil and of surface water exceeding the concentration risk level (article 257 of Legislative Decree no. 152/2006);
- violations on the subject of administrative authorizations, of controls and communications to the competent Authorities for the management of industrial waste water discharges (article 258 of Legislative Decree no. 152/2006);
- illegal trafficking of waste (article 259 of Legislative Decree no. 152/2006);
- omission or fraudulent manipulation of the printed copy of the SISTRI form – handling area in the transport of waste (article 260-bis Legislative Decree no. 152/2006)<sup>2</sup>;
- import, export, possession, use for profit, purchase, sale, exhibition or detention for sale or for commercial purposes of protected species (articles 1 e 2 of Law no. 150/1992);
- violation of emission limit values allowed (article 279 of Legislative Decree no. 152/2006);
- intentional pollution of ships (article 8 of Legislative Decree no. 202/2007);
- manslaughter pollution of ships (article 9 of Legislative Decree no. 202/2007);
- use of stratospheric ozone-depleting chemicals substances (article 3 of Law no. 549/1993).

<sup>2</sup> Article 6 of Decree-Law No 135 of 14 December 2018 abolished the waste traceability control system (SISTRI). The rule is therefore no longer applicable.



- Offence of employing foreign national citizens without proper visas and permits of stay, provided by Legislative Decree no. 109/2012 and envisaged at **article 25-duodecies** of the Decree, as amended by Law 161/2017.
- Crimes of racism and xenophobia referred to in Article 604-bis of the Italian Criminal Code, referred to in Article 25-terdecies of the Decree by Law 167/2017.
- Offences of fraud in sports competitions, abusive exercise of gaming or betting and gambling exercised by means of prohibited devices (provided for in Articles 1 and 4 of Law 401/1989), added by Law 39/2019 to Article **25-quaterdecies**.
- Tax offences, referred to in Article 25-quinquiesdecies, introduced into the Decree by Law no. 157 of 19 December 2019, and subsequently amended by Legislative Decree no. 75 of 14 July 2020; these are:
  - fraudulent tax declaration using invoices or other documents for non-existent operations (article 2, par. 1 and 2-bis, Legislative Decree 74/2000);
  - fraudulent tax declaration using other artifices (article 3, Legislative Decree 74/2000);
  - unfaithful declaration (article 4, Legislative Decree 74/2000);
  - omitted declaration (article 5, Legislative Decree 74/2000);
  - issuance of invoices or other documents for non-existent operations (article 8, Legislative Decree 74/2000);
  - concealment or destruction of accounting documents (article 10, Legislative Decree 74/2000);
  - undue compensation (article 10-*quarter*, Legislative Decree 74/2000);
  - fraudulent removal from tax payments (article 11, Legislative Decree 74/2000).
- Smuggling offences, added to Article **25-sexiesdecies** of Legislative Decree no. 231/2001 by Legislative Decree no. 7 of 14 July 2020, which extended the liability of entities to the offences provided for in Presidential Decree no. 43 of 23 January 1973.



Article 23 of the Legislative Decree no. 231/2001 also provides that an entity is punishable if, by carrying out the activity for which a penalty or a precautionary measure has been applied, it disobeys the obligations or the prohibitions inherent to those penalties or measures.

In conclusion, conditions underlying the applicability of liability are:

- i) the commission of one of the offences expressly envisaged by the Legislative Decree no. 231/2001 or whose discipline is expressly referred to;
- ii) the commission of one of the afore-mentioned offences by a party who covers a senior role within the company, or someone under their supervision;
- iii) the existence of an interest or an advantage of the entity deriving from the offence being committed.

## **1.2 Exemption from administrative liability**

According to article 6 of the Decree, if the offence has been committed by an individual in a senior position, the entity shall not be liable if it provides proof that:

1. the Executive Body has adopted and efficiently implemented – before the offence has been committed – an Organization, Management and Control Model suitable for preventing offences of the kind which have occurred;
2. the task of monitoring the functioning and the observance of the Model has been entrusted to a body of the entity (known as the Supervisory Board) endowed with powers of initiative and control;
3. the individuals who have committed the offence fraudulently by-pass the Organization, Management and Control Model;
4. the body indicated in point 2 has not omitted to oversee or has insufficiently overseen the situation

The Decree provides that the organization, management and control model must:

1. identify the activities in which the offences may be committed (risk analysis);
2. embedding specific procedures designed to prevent relevant offences arising from the formation and implementation of the decisions of the Company (control activities);





3. provide sufficient financial resources to support the application of the Model for preventing the relevant offences from being committed;
4. ensure that the Supervisory Body is aware of its obligation to oversee the functioning and observance of the models (information flows);
5. introduce a disciplinary system suitable for sanctioning failure to respect the measures indicated in the Model.

In addition, the Decree provides that the “Organization, Management and Control Models” can be drafted according to codes of conducts of trade associations.

### **1.3 Applicable sanctions**

Sanctions set forth in the Decree towards legal entities as a result of the commission or attempted commission of crimes attributing them administrative liability, could be:

1. pecuniary sanctions;
2. disqualification sanctions;
3. seizure of assets
4. publication of the Judge’s sentence.

In particular, disqualification sanctions, applicable only to certain cases mentioned by the Decree are:

1. suspension of business activities;
2. suspension or revocation of authorization, licences or concessions used for the commission of the offence;
3. a ban on contracting with public administration, aside from obtaining public services;
4. exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted;
5. prohibition on advertising goods or services.



In addition to the pecuniary and interdictory sanctions' reductions for attempted offences pursuant to articles 12 and 26 of the Decree, no sanctions are imposed in cases where the legal entity has voluntarily prevented the commission of the fact or the realization of the event.

#### **1.4 Attempted crimes**

The fines and disqualification penalties are reduced by one third to a half in relation to the attempted commission of acts which constitute relevant offences (articles 12 and 26 of the Decree).

Article n. 26 of the Decree provides also that the organization is not liable if it voluntarily prevents the completion of the action or event.

#### **1.5 Offences committed abroad**

Pursuant to article n. 4 of the Decree, the company is also liable for offences committed abroad.

The conditions to be realised, on which the entity's liability for crimes committed abroad is based, are:

- i) the offence must be committed by a person functionally linked to the entity, pursuant to Article 5, paragraph 1, of Legislative Decree no. 231/2001;
- ii) the entity must have its headquarters in Italy;
- iii) the entity can only be held liable in the cases and under the conditions set out in Articles 7, 8, 9 and 10 of the Italian Criminal Code (in cases where the law provides that the guilty party - a natural person - is punished at the request of the Minister of Justice, proceedings are brought against the entity only if the request is also made against the entity itself) and, also in compliance with the principle of legality (art. 2 of the Decree), only in relation to offences for which its liability is provided for by a specific legislative provision;
- iv) since the cases and conditions referred to in the aforementioned articles of the Penal Code, the institutions are also liable for offences committed abroad, if the country where the act was committed does not take precedence.



## **2. THE MODEL ADOPTED BY BCMGLOBAL ASI LIMITED**

### **2.1 BCMGlobal ASI Limited corporate structure and organization**

BCMGlobal ASI Limited is part of Link Group, an Australian headquartered listed group which provides financial services on a global basis.

BCMGlobal ASI Limited is a company incorporated under Irish law, part of part of the Group's Asset Services division. BCMGlobal offers a range of services, principally shareholder, treasury management and fund administration services and related products.

BCMGlobal ASI Limited currently also operates in Italy through a secondary office and general representation (Italian branch) based in Milan, which deals with the management of Non-Performing Loans (NPL) and Unlikely To Pay (UTP), acquired by private equity funds. The activity carried out in this field includes the entire credit life cycle, from due-diligence for the acquisition of the portfolio, to the closure of all positions managed. In order to carry out this activity, the Italian branch is in possession of the license referred to article 115 TULPS (Law on Public Security), which is required of companies that carry out an intermediation activity aimed at concluding a business in the interest of others and which, in the specific case, concerns the recovery of debts.

The Company also provides consulting services ("Consultancy") to customers to support them before acquiring loan portfolios or after the sale of loans. The service offered to clients involves the assistance provided by BCMGlobal starting (in the case of purchase) from the identification of investment opportunities available in the market to the loan purchase; while, in case of a sale, the Company assists clients in preparing the necessary documentation to provide to potential investors. In the Italian branch, the Legal Representative has the powers for the day to day management of the branch as well as being the nominated person in charge of the branch.

Within the corporate organization of the branch, in addition to the Legal Representative, functional roles carried out are identified as follow:

- Director of Asset Management;
- Head of Servicing;
- Head of Legal, Risk and Compliance;
- AML Officer;
- Legal Risk Compliance;
- HR Intern;



- Senior Manager;
- Senior Manager Business Development;
- Senior Manager Client Advisory;
- Case Manager;
- Senior Asset Manager;
- Asset Manager;
- Performance Senior Analyst;
- Analyst;
- Office Manager;
- IT Manager;
- Intern
- Privacy Responsible.

The Finance, Human Resources, Marketing, AML and Information Technologies functions are currently carried out by personnel who do not work in the offices of the Italian branch but in the offices located in Ireland and England. In carrying out certain activities relating to these areas, the Company also avails itself of external consultants.

The modification or updating of the Company's organisational chart does not necessarily imply the revision of the Organisation, Management and Control Model, unless such modifications entail significant changes in the rules provided for by this Model.

The main governance instruments adopted by the Company can be listed as follows:

- the by-laws which, in addition to describing the activity, states various provisions regarding the governance of the Company;
- the Code of Conduct and Ethics;
- the appointment of the Head of Legal, Risk and Compliance, who supports the regulatory compliance of the Company with respect to the activities carried out;
- the identification of the Employer in the field of health and safety, as well as the appointment of an external Health and Safety Officer (RSPP<sup>3</sup>);
- the identification of the Internal Prevention and Protection Service Officer (ASPP);

<sup>3</sup> This is a role provided for by Health and safety Italian Law. The full Italian name is "*Responsabile del Servizio di Protezione e Prevenzione*"



- documentation related to health and safety, including the adopted Safety Risk Assessment Document.

The governance rules adopted (listed above) and the requirements of this Model are designed to identify how the Company's decisions are developed and performed with respect to all activities (see Article 6, paragraph 2 letter b, Legislative Decree no. 231/01).

## **2.2 Purposes of BCMGlobal in adopting the Organization, Management and Control Model**

The Company's decision to adopt an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 represents not only a means of avoiding the commission of the types of offences envisaged by the Decree, but also an added value in order to sensitize directors, employees, other staff, representatives and business partners to act in compliance with its ethical principles and to avoid conduct which lead to a risk of committing the offences provided by the Decree.

In particular, due to the Model's implementation and its communication to staff and stakeholders, the Company proposes to make aware all potential crimes' authors and therefore prevent or promptly react for avoiding offences' commission. In this context, the Supervisory Board monitors compliance with the organisational system adopted and the work of the Recipients of the Model defined in paragraph no. 3.

The Company therefore established a Project for the adoption of the Model for the prevention of crimes in order to comply with the provisions of best practices, doctrine and existing case law on the subject.

The Model implemented by BCMGlobal is based on a procedures and controls system that:

1. identify areas potentially subject to risk of committing offences indicated in the Decree and evaluate the risk level related thereto (Risk Management);
2. define an internal control system aimed at planning training activities and fulfilling the Company's decisions in order to prevent the risk of the commission of relevant offences by means of:
  - a Code of Conduct and Ethics providing a benchmark for taking decisions and documentation to set out controls to mitigate risk areas;



- the appointment of Legal Representative appointed by the Board of Directors (the so-called “Preposto” as defined by Italian Law);
  - the definition of the roles and duties of the Company's personnel.
3. define financials’ management and control procedures in activities potentially at risk;
  4. assign to the Supervisory Body specific duties of monitoring the effectiveness and the correct functioning of the Model and the coherence of this with its purposes and its periodical adjustment, and as well the responsibility of verifying the divulgation of the Model through the Company employees, partners and all those who have relationships, of whatsoever nature, with it.

## **2.3 Construction of the Model**

In order to adopt the Model, the Company launched the implementation project in order to comply with the legal entities’ criminal liability regulations.

The construction of BCMGlobal Model has started with specific and preparatory activities on different stages in line with the Decree and the applicable Guidelines.

All phases will be described as following.

### **2.3.1 Identification of risk activities (risk assessment)**

Following the analysis of the organizational structure, the identification of a project representative in the Head of Legal, Risk and Compliance and information provided during interviews with key professionals (a minute of the meetings with every Responsible person for relevant functions has been drafted and shared with them). Moreover reports - providing areas where crimes can occur and the possible ways of committing them - have been drafted.

Furthermore, for each activity carried out, all phases, with the related controls, have been recorded in order to prevent the commission of crimes pursuant to Legislative Decree no. 231/2001 as well as the assessment of the risk – crime.

The following activities have been identified as areas of risk (sensitive activities):

- Acquisition of loans portfolio;
- Management of loans portfolios;



- Consultancy (Loan Sale & Loan Acquisition);
- Management of marketing activity;
- Management of relations with the competent Public Bodies for obtaining/maintenance/renewal of licenses, authorisations, concessions needed for the exercise of the business activity;
- Management of inspection carried out by public authorities;
- Management of procurement (goods and services);
- Management of purchases of advice/consultancy;
- Management of judicial and extra-judicial disputes or arbitration proceedings;
- Selection and recruitment of personnel (including those belonging to protected categories or whose employment is facilitated);
- Personnel Management (salaries, reimbursement of expenses etc.);
- Cash flow management (payments and receipts);
- Investments management;
- Preparation of the accounts and communication to stakeholders and/or to third parties of data and information relative to the Company's economic and financial standing;
- Preparation of tax returns or withholdings or other declarations for the payment of taxes in general;
- Management of compliance with environmental legislation;
- Monitoring of health and safety in the workplace;
- Management of the IT resources.

The assessment of the level of exposure to the risk of commission of offences has been carried out according to the table below, considering jointly:

- **impact on activity:** assessment of the frequency and/or economic importance of the activity;
- **risk of relevant offence being committed:** assessment of the possibility, in the abstract, of illegal conduct in the interest or to the advantage of the entity.



Assessment of the risk of the activity			
Impact of activity			
Low	Average	Low	Low
Average	Average	Average	Low
High	High	High	Average
	High	Average	Low
<b>Abstract risk of crime</b>			

The assessment of the level of residual risk of commission of offences has been carried out according to the following table, considering the total risk of the activity, calculated according to the above, and the level of existing control standards.

Assessment of the residual risk of the activity			
Risk			
Low	Low	Low	Average
Average	Low	Average	High
High	Average	High	High
	High	Average	Low
<b>Level of compliance</b>			

The *risk assessment* document has been shared with the Project Holder.

### 2.3.2 Gap analysis and action plan

On the basis of the information acquired, the above mentioned reports have been integrated with the analysis of the sensitive activities detected and the analysis of the control environment with reference to a Model compliant with the provisions of the Decree, and with the preparation of the Gap Analysis (summary of the differences between existing control protocols and tending Model; identification of proposals for adjustment and improvement actions; sharing of the document with the Project Referent).

In particular, the Gap Analysis document is aimed at detecting the control standards that must necessarily be complied with to allow the Company to establish an organization aimed at preventing





the commission of crimes. The control standards are based on the following general principles that must be respected in the context of any sensitive activity identified:

- *Existence of consolidated procedures/guidelines/operating practices*: existence of provisions, formalized procedures or operational practices suitable to provide principles of conduct and operating methods for the performance of sensitive activities.
- *Ex post traceability and verifiability of transactions through adequate documentary / support*: *ex post* verifiability of the decision-making process, authorization and execution of the sensitive activity, also through specific archived evidence;
- *Process regulation and segregation of tasks*: identification of the activities carried out by the various functions and the distribution of the same between the person who executes, who authorizes and who controls, in such a way that no one can independently manage the whole process; this segregation is guaranteed by the intervention within a sensitive process of several people, in order to ensure independence and objectivity in the management of the activity;
- *Existence of a delegation system consistent with the assigned organisational responsibilities*: formalization of authorised signatories and representation consistent with the organizational and management responsibilities assigned and clearly defined and known within the Company.

The Gap Analysis Document provides also an Action Plan which includes the measures that the Company has taken to fill the gap indicated.

### **2.3.3 Definition and structure of the Model**

The Model, as drafted following the activity described above, consists of the following parts relating to the criminal risks identified during the risk assessment activities:

1. a General Part, including rules and principles of the Model;
2. a Special Part, describing control protocols specifically applicable to the various risk activities managed by the Company.

Based on sensitive areas – upon different levels of seriousness – risks of committing crimes pursuant to articles 24, 24-bis, 24-ter, 25, 25-bis1, 25-ter, 25-quarter, 25-septies, 25-octies, 25-novies, 25-decies, 25-undecies, 25-duodecies e 25-quinquiesdecies, Legislative Decree no. 231/2001 have



been detected (offences against public administration IT offences, , offences with the purpose of terrorism and democratic order subversion, crimes against industry and trade, offences with the purpose of terrorism and transnational offences, corporate offences and private corruption, offences regarding breach of copyright, offences relating to health and safety at workplace, induction to withhold information or to make untruthful statements to Judicial Authorities, laundering offences, offences relating to the environment, employment of citizens from third countries whose residence status is illegal, tax offences).

With reference to other crimes (money forgery, public credit cards, revenue stamps and identification instruments or signs of recognition, market abuse, crimes against the individual, terrorist offences, racism and xenophobia and the offences of fraud in sports competitions and unlawful gaming or betting and gambling, as well as smuggling), applicable principles of the Code of Conduct have been considered sufficient.

The Model is made of two annexes that are integral part of thereof:

- Code of Conduct and Ethics (Annex 1);
- List of relevant crimes according to Legislative Decree no. 231/2001 (Annex 2);

The Model is structured in order to ensure a more efficient and accessible update thereof. According to the above, the Supervisory Board is entitled to make suggestions in order to consent the Legal Representative and the Head of Legal, Risk and Compliance of the Italian branch to evaluate any necessary update or change and to suggest it to the Board of Directors.



### **3. MODEL'S RECIPIENTS AND APPLICATION**

The Model, which includes all activities carried out by the Company, is addressed to:

- BCMGlobal's members of corporate bodies, managers, directors and auditors;
- employees and all those who are under the direction or control of the above indicated persons (hereinafter also, collectively, the "Recipients").

Principles and control standards specified in the Model and in the Code of Conduct and Ethics are also applicable to those that, even not employed by BCMGlobal, act on behalf of it or in partnership with it (hereinafter "Partner"): these subjects, due to specific contractual clauses, are required to use diligence and act in compliance with all rules in relationships with the Company in order to prevent the committing or attempting of relevant offences under section 231 which are in scope of this Model.



#### **4. PROCEDURE FOR ADOPTING AND UPDATING THE MODEL**

Being the Model “deed of the managing body”, as laid down in article 6, paragraph 1, letter a) of the Legislative Decree no. 231/2001, any change and addendum will be ratified by the Board of Directors of BCMGlobal.

The same procedure described in section 2.3, with regard to the project for adopting the Model, also applies to the subsequent activities to be carried out for updating it. Changes to the Annex of the Model that do not require a previous risk assessment can be proposed by the bodies or management functions along with the Head of Legal, Risk and Compliance. Thereafter they will inform the Board of Directors.

The Supervisory Board must be always review and recommend the approval of all modifications to the Model.



## 5. CODE OF CONDUCT AND ETHICS

The principles and rules contained in this Model are consistent with those of the Code of Conduct and Ethics, adopted by the Company.

The Code of Conduct and Ethics is an official document addressed to all personnel, directors, customers and suppliers, which sets out BCMGlobal's requirements. The Code of Conduct and Ethics requires them to behave legally, honestly, transparently and fairly in their daily work, providing the set of rights, duties and responsibilities of the Company and, more generally, its criteria of conduct, towards the so-called "stakeholders" (e.g. staff, suppliers, consultants, customers, Public Administration).

The Code of Conduct and Ethics is known by all addressees and expresses the ethical principles that BCMGlobal and the Group of which he/she is a member recognize as their own and that have been respected by all those who work to achieve its objectives.

The Code of Conduct and Ethics, through the annex drawn up for the Italian branch, also refers to the principles of conduct that make it possible to prevent the offences referred to in Legislative Decree no. 231/01, even if not directly included in the Model.

Therefore, the Code of Conduct and Ethics should be considered an integral part of this Model and a fundamental tool for the achievement of its objectives.



## 6. SUPERVISORY BOARD

### 6.1 The Supervisory Board of BCMGlobal

The Supervisory Board is appointed by the Board of Directors of BCMGlobal as required by the Legislative Decree no. 231/2001.

The SB members must satisfy competence, independence and continuity of action and, in particular:

- professionalism, as the SB has specific competences in inspection activities, risk analysis and assessment techniques;
- autonomy, as the SB has initiative and control powers free from any interference or conditioning;
- continuity of action, as, due to the support of the Company employees, the SB aims at ensuring the control on the effective, actual and constant implementation of the Organizational Model adopted.

The SB has no decision-making and operative powers concerning the Company's activity and is endowed with an annual budget to support the technical verification activities necessary to carry out the tasks entrusted to it by the legislator.

The Supervisory Board is endowed with specific regulations in order to organise its internal activities and functioning.

In order to effectively carry out its role, the Supervisory Board members must avoid to:

1. entertain (directly or indirectly), outside the employment relationship or the professional assignment, economic relations with the companies of the Group, or also with relevant partners such as to influence their independent judgment, evaluated with regard to their personal economic situation;
2. own, directly or indirectly, shareholdings of a size which makes it possible to exercise a control or a significant influence over the Company;
3. being a close family member of the Legal Representative or of a member of the Board of Directors or of persons who find themselves in the situations indicated in the previous points.



In line with the requirements of good standing mentioned by article 2387 of the Italian civil code, the SB member, in order to be appointed and to remain in office, must not have been sentenced, even temporarily, or sanctioned by means of disqualification, temporary or otherwise, from holding public office, or temporary disqualification from management offices of legal entities and companies.

Following acceptance of their role with the SB, the SB members shall communicate to the Board of Directors a declaration:

1. attesting that there are no reasons to make them ineligible for appointment in points 1-3 above (conflict of interests, kin-related relationships with the Directors, irrevocable sentences, criminal convictions or criminal ongoing proceedings) at the time of the appointment;
2. showing to be adequately informed of rules of conduct adopted by the Company, including all those provided by this Model which he/she will refer to in fulfilling the role.

The Supervisory Board's mandate lasts for the duration settled at the appointment and can be renewed if the requirements of eligibility are confirmed. In order to ensure its continuity of action, the SB must be appointed for a period of three years.

The SB, or one of its members, may be revoked by the Board of Directors if:

1. a reason of ineligibility arises;
2. the members are repeatedly not fulfilling their tasks;
3. an unlawful inactivity which has determined the application of disqualification sanctions against one or more members of the SB.

At the same time as the resolution to revoke the contract, the Board of Directors appoints the new Supervisory Board.

The Supervisory Board can resign in every moment with effects starting from the appointment of a new substituting member.

## **6.2 Tasks and powers of the Supervisory Board**

The Supervisory Board must:



1. verify the actual effectiveness of the Model in order to prevent offences provided by the Decree;
2. verify the application of the provisions of the Model in the performance of company activities through sample monitoring;
3. adopt any suitable initiative in order to notify the Board of Directors the need for an update of the Model due to corporate changes or changes in legal requirements;
4. perform periodic audits and review as provided by the Model.

In practice, the Supervisory Board is entitled to:

1. verify periodically the risk assessment and the gap analysis in order to update the Model. On this purpose, all Managers and all employees must report situations which may expose the Company to administrative liability. All communications should be transmitted in writing, even by email;
2. carry out periodical checks on the basis of an annual plan communicated to the Legal Representative, in order to verify the effectiveness of the Model and the correct application of related rules and controls;
3. according to the mentioned checks performed, draft an annual report to submit to the Legal Representative, senior management and the Board of Directors describing all activities developed, related outcomes and eventual corrective actions and their work in progress. This will be relevant for:
  - acquiring information in order to monitor sensitive activities under the Model. In particular, all employees must report to the SB actual or potential relationships with the Public Administration (e.g. inspections, dinners, gifts) in case the SB has not been notified thereof;
  - reviewing the risk profile for activities carried out by the Company and how they change in order to carry out regular oversight of the business;
  - different issues related to the implementation of the Model;
  - ensuring that corrective measures for updating the Model be promptly adopted.
4. collect, elaborate and archive all the relevant information received in compliance with the Model;
5. promote initiative for the training of the Model's recipients.

The Supervisory Board can also:

- request the employees to apply the Model;





- report most serious cases of non-fulfilment of the Model to the Legal Representative, and the Board of Directors without prejudice of paragraph 6.3 of this General Part of the Model.

The Supervisory Board, in observance of the current legislation, can contact all employees, have access to the corporate documentation and require data and information by responsible units.

The SB performs its activities under Leg. Decree 231/2001, independently such that other sections of the Company cannot interfere in the work of the SB. However, the Board of Directors maintains full powers to oversee its conduct.

The Board of Directors will make available sufficient resources for the SB and upon proposal of this for the fulfilment of its duties. In case the SB needs other resources, including financial ones, it will inform the Board.

In any case, in view of the specific nature of its powers and professional requirements, in the performance of its tasks, the Supervisory Board may request the support of internal or external advisors of its choice.

### **6.3 Information flows towards Board of Directors/upper management/Legal Representative**

The Supervisory Board is responsible to the Board of Directors, Senior management and Legal Representative for:

1. informing immediately of eventual issues arisen from control activities carried out;
2. reporting in writings, at least once per year, activities performed by the SB, especially in relation to the Model by BCMGlobal and results on protocols set out in the Special Part of the Model;
3. advising in writing on non-compliance of the Model of which the SB has been informed or which the SB has ascertained.

The Supervisory Board has also to:

1. participate to training activities planned in favour of the employees, according to the modalities specified in the following chapter;



2. require a meeting with the Board of Directors/Legal Representative in order to advise it of the implementation and functioning of the Model or of critical events.

The Supervisory Board can also depending on the circumstance:

1. communicate in writing the outcome of reviews performed of the addressed employees who communicate to the SB the plan of improving activities with related measures adopted;
2. report in writing to the Board of Directors, to the Senior Management and to the Legal Representative behaviours and conducts not compliant with the Model and with internal corporate procedures in order to:
  - provide relevant information to third party bodies charged with the evaluation and the application of consequent disciplinary fines;
  - provide recommendations for avoiding the recurrence of the event.

As soon as possible, the Supervisory Board notifies in writing to the Board of Directors, the Senior management and the Legal Representative of events specified in point 2 and simultaneously requires the support of employees able to collaborate in the activities of finding and identifying the appropriate actions to prevent recurrence.

Meetings between SB and the Board of Directors/Senior management/Legal Representative, if occurring, are documented by a minute being drafted.

## **6.4 Periodical checks and monitoring**

The Supervisory Board, if necessary with the support of advisors, carries out audits on BCMGlobal business activity and organization by means of:

1. Actions plan scheduled on the basis of the gaps detected;
2. Targeted audit in case of:
  - specific request by corporate bodies;
  - evidences showing risk situations according to information flows carried out in application of the Model;
  - reporting of risk situation.



In the fulfilment of scheduled activities, the Supervisory Board takes into account the following attention signals:

1. eventual previous involvement of a corporate department/role in facts of crimes under the Decree;
2. level of internal regulation by means of procedures;
3. evaluation of risk factors;
4. innovation of the business or critical situations related thereto.

In light of these controls, the Supervisory Board drafts the annual report on issues arising and possible corrective measures.

## **6.5 Information flow towards the Supervisory Board**

In order to be able to monitor the effectiveness of the Model, the Supervisory Board must be informed (including by email) by all recipients with any useful fact and information, including for illustrative, yet incomplete purposes:

1. all critical situations that may be significant in light of a correct implementation of the Model, as ascertained through Managers' controls;
2. measures and/or information originating from any legal authority which reveals investigations, eventually even towards unknown persons, carried out into offences as per the Decree;
3. internal and external communications referring any case that may be connected to offences provided by the Decree (for instance, disciplinary proceeding or sanctions towards the employees);
4. requests for legal assistance made by the employees in the event of the launch of legal proceedings for the offences envisaged by the Decree;
5. information related to the effective application of sanctions or the dismissal of all charges, in the event they refer to the commission of crimes provided by the Decree or to the disciplinary system;
6. any news concerning organizational and/or operational changes;
7. any change in risk or potential risk situations with regard to crimes under the Decree;
8. any significant infringement to health & safety at work regulations;
9. detailed reports of unlawful conduct relevant for violations of the Model or the purpose of Legislative Decree no. 231/2001.



People identified by the Supervisory Board must periodically report to it the defined information flows and file all necessary related documentation.

All the Recipients have to inform the Supervisory Board of any fact or conduct eligible to be sanctioned pursuant to the Decree or in any way non-compliant with the Model.

All information flows and relevant documentation used for the Model's enforcement will be retained by the Supervisory Board for five years and in case of change of SB membership the documentation has to be made available to the new members.

## **6.6 Reports to the Supervisory Board**

*Ad hoc* communication channels have been arranged in order to facilitate the reporting process for those who have found out the information listed above, or about crimes, facts or conducts in contrast with the Model and/or the Code of Conduct and Ethics.

In particular, the information may be sent as follows:

- email [organismodivigilanza@bcmglobal.com](mailto:organismodivigilanza@bcmglobal.com)
- by mail addressed to Supervisory Board at BCMGlobal ASI Limited, Via Borromei n. 5, 20123 Milano (MI).

In particular, in addition to the provisions of paragraph 6.5, the following must be reported without delay:

- information relating to the commission, or reasonable belief in the commission, of the offences to which Legislative Decree no. 231/2001 is applicable, including the initiation of legal proceedings against Company personnel for offences provided for in Legislative Decree no. 231/2001;
- violations of the rules of conduct or procedures contained in this Model and any conduct that may result in a violation of the Model and the Code of Ethics and Conduct.

The Supervisory Board evaluates all reports with discretion and responsibly and will propose to the Legal Representative and/or the Board of Directors any consequent measures, including hearing the author of the report and/or the person responsible for the alleged violation. The SB also communicates in writing any decision not to proceed because the report is manifestly unfounded.



Individuals making such reports are guaranteed against any acts of retaliation or direct or indirect discriminatory actions for reasons connected to the report. The Supervisory Board verifies and ensures that the individuals making the reports are not exposed to reprisals, discriminations or penalties and protects the confidentiality of their identity, subject to law and to the protection of the Company or people mistakenly and/or intentionally accused.

In addition to the reports relating to the breaches described above, the information concerning those violations must also be reported immediately to the Supervisory Board:

- decisions relating to the application, disbursement and use of public funds;
- the results of the periodic review activities (reports, monitoring, final accounts, etc.);
- periodic reports on health and safety in the workplace and on environmental issues;
- the disciplinary procedures promoted and their definition.

Further information which must be sent to the SB is set out in the Special Part of this Model. The Supervisory Body will define the timing of transmission with specific communication to the persons in charge of the sensitive activities identified.

## **6.7 Reports of crimes or irregularities in the context of the employment relationship (Whistleblowing)**

Law 179/17, coming into force on December 29<sup>th</sup> 2017, entitled “Provisions for safeguarding people reporting offences or irregularities coming to their attention within the scope of public or private employment” aims to incentivise cooperation on the part of citizens in order to encourage cases of corruption or unlawful activities whilst carrying on business to be brought to light.

The law amended article 6 of Legislative Decree no. 231/01 and disposes that the Model must provide:

- a) one or more channels that allow people indicated in article 5, paragraph 1, letters a) and b), to submit, for the protection of the integrity of the entity, detailed reports of unlawful conduct, relevant under this Decree and based on precise and consistent facts, or violations of the model of organization and management of the entity, of which they have become aware by



reason of the functions performed; these channels ensure the confidentiality of the identity of the reporter in the activities of management of the report;

- b) one alternative reporting telematic channel capable of ensuring the confidentiality of the identity of the reporter;
- c) the prohibition of any retaliation or discrimination, direct or indirect, against the individual making the report for reasons directly or indirectly related to the report;
- d) sanctions against those who violate the measures for the protection of the whistleblower, as well as those who make reports with intent or gross negligence that prove to be unfounded. These sanctions are provided by the disciplinary system adopted pursuant to paragraph 2, letter e) of the Decree.

This rule aims to encourage the collaboration of workers in the detection of possible fraud, danger or other serious risks that may damage customers, colleagues or the reputation and integrity of the company itself and to protect whistleblowers. Therefore, the rule: (i) on the one hand, requires that institutions and companies create an organizational procedure that allows the whistleblower - who wants to report an offence - to act without jeopardizing their position as a result of the report itself; (ii) on the other hand, provides a system of substantive and procedural guarantees aimed at preventing that the report may result in forms of retaliation by the employer.

The Company has adopted the procedure implemented by the Group known as "Speak Up Policy", which provides three reporting channels to protect employees who wish to report illegal conduct in the workplace:

- by e-mail: [speakup@linkgroup.co.uk](mailto:speakup@linkgroup.co.uk);
- telephone: +44 (0) 782 708 3310 to contact the Compliance Director of BCMGlobal ASI Limited;
- by mail addressed to contact the Compliance Director of BCMGlobal ASI Limited at BCMGlobal ASI Limited, 6th floor, 65 Gresham Street, London, EC2V 7NQ;
- by mail to the Head of Legal, Risk and Compliance of the Italian *branch*.

This procedure also describes the process of receiving and analysing the report, of carrying out investigations to verify its validity and of communicating the outcome of the investigations to the



whistleblower. In line with Italian law, measures are applied also to those who report in bad faith, or to those who adopt behaviour that releases the whistleblower.

Anonymous reports may be considered only where they are substantiated, have a high level of seriousness, are credible and can be easily verified.

The Supervisory Board, in its capacity as the body responsible for monitoring compliance with the Organisational Model, is the recipient of the reports concerning the Italian branch.

The Supervisory Board acts in such a way as to protect the confidentiality of the identity of the whistleblower (without prejudice to legal obligations and the protection of the rights of the Company or of persons accused wrongly and/or in bad faith). In any case, the Company protects the authors of the reports from any form of retaliation, discrimination or any consequence deriving from the same, ensuring them confidentiality about their identity.

However, it is not obliged to investigate all the reports. In fact the SB may consider it unnecessary to carry out further investigations and checks, possibly informing the whistleblower that the report has been closed because the allegations are unfounded.



## 7. DISCIPLINARY AND SANCTIONING PROCESS

### 7.1 The purpose of the disciplinary process

The implementation of a system of sanctions (suitable to the nature of the infringement and in any case endowed with a deterrent function) applicable in the event of a breach of the rules set out in the Model makes effective the supervisory and prevention action entrusted to the Supervisory Board and aims at ensuring the effectiveness of the Model itself.

The adoption of the disciplinary system, according to the article 6, 2 e) of the Decree, is a prerequisite of the Model.

Therefore, any report of a violation of the Model shall be assessed to ascertain the violation and identify the relevant liability and, if necessary, disciplinary action shall be taken under the following paragraphs. This disciplinary system is divided into sections, each of which refers to the particular category of addressees, taking into account the particular legal status of the various subjects.

The disciplinary process, communicated across all Branch staff by means of suitable tools (intranet, notice board, etc.), has been drafted according to “*C.C.N.L. per i dipendenti del terziario: commercio, distribuzione e servizi*” in force.

The application of a disciplinary sanction should not take into account the outcome of possible criminal proceeding related to the author of the conduct, as the rules adopted by BCMGlobal are independent and autonomous.

The disciplinary process is communicated within the Business by the Board of Directors with the support of the Director of Asset Management through the most appropriate tools such as the publishing of the Model on the corporate billboard and e-mailing to all employees.

The Supervisory Board has the task of monitoring the observance and the exact application of the sanctions provided in the disciplinary code adopted by the Company, in case of 231 violations and of informing the Board of Directors about the necessary modifications or addendums the process should need in order to ensure the effectiveness of the Model.





The disciplinary process set below also applies to those who violate the protection measures adopted against employees who have made reports (so-called whistleblower protection), as well as against those who fraudulently or knowingly made reports which result unfounded.

## **7.2 Disciplinary Process towards employees**

The breach, infringement, avoidance, incorrect or partial application of the rules of conduct by the employees of BCMGlobal represents a disciplinary violation indictable as following.

The disciplinary measures enforceable towards the employees – in light of article 7 Law of the May 20<sup>th</sup> 1970, no. 300 and following modifications and of other applicable special laws – are those provided by the sanctioning process of the "National Collective Bargaining Agreement for business for employees of firms of the services sector of the market: distribution and services"<sup>4</sup>, pursuant to its article no. 215.

Sanctions provided by this disciplinary process include the following:

1. oral reprimand for minor violations;
2. written reprimand, in the event of a repeat offence as referred to in point 1 above;
3. fine not exceeding the amount of 4 hours of normal pay;
4. suspension from pay and service for a maximum of 10 days;
5. justified layoff.

Without prejudice to the obligations arising both from the Statute of the Workers (Law no. 300/1970) and any applicable special or internal regulation, according to this disciplinary process, the following conducts, as deemed and acknowledged by BCMGlobal, will be considered disciplinary offences:

1. violation, infringement, avoidance, incomplete or imperfect application of the Model's and Code of Conduct and Ethics' provisions or procedures whether they have not produced any consequences and they do not entail criminally relevant conducts;

<sup>4</sup> "CCNL del commercio per i dipendenti da aziende del terziario di mercato: distribuzione e servizi".



2. violation, infringement, avoidance, incomplete or imperfect application of the Model's and or Code of Conduct and Ethics' provisions or procedures whether they have produced consequences but they do not entail criminally relevant conducts;
3. violation, infringement, avoidance, incomplete or imperfect application of the Model's and Code of Conduct and Ethics' provisions or procedures whether unequivocally aimed at committing a crime, regardless they have determined the involvement of BCMGlobal into a proceeding for administrative liability.

The minimum sanctions applicable to 1 to 3 are:

- the oral or written reprimand to the employee who has committed the violation pursuant to 1 above;
- the fine or suspension to the employee who has committed the violation pursuant to 2 above;
- the layoff to the employee who has committed the violation pursuant to 3 above.

In all cases, the sanctions must be commensurate both with the grade of responsibility and autonomy of the employee, and the intent and seriousness of the behaviour, considering the significance of the breached obligations as well as the effects that the Company can reasonably be exposed, according to the purposes and the effects of the Decree. If, by means of a single act, several offences, punishable by different sanctions, are committed, the most severe penalty will be applied to. The repeated breach of rules over 2 years automatically implies the application of the most serious penalty.

The Director of Asset Management is entrusted with the task of providing support to the Board of Directors, in his role as the Employer, in deciding on the applicability of the aforementioned sanctions. On this purpose, the Director of Asset Management will avail herself of the assistance of the Supervisory Board which will be called for expressing non-binding opinions. However, should the Board of Directors make a decision that does not comply with this opinion, it will have to record its reasons.

The functioning of the disciplinary procedure is extraneous to any incidental criminal proceeding.



### **7.3 Measures towards the Managers/Supervisor**

In the absence of a disciplinary rules addressed to the managers and on the basis of the principles of good faith with the Company, the Board of Directors applies the appropriate measures towards them (such as, for example, change of duties or revocation of powers of attorney) depending on the violations committed, in the event of violation of the Model and of the Code of Conduct and Ethics, since these represent a breach of the obligations deriving from the employment relationship.

### **7.4 Measures towards the Directors**

BCMGlobal views any conduct by Directors, Senior Management or staff in violation of this Model carried out by those representing the Company towards third parties and the Institutions, the employees, the sole shareholder and the public as a serious matter. The development and consolidation of a corporate ethics which is sensitive to the values of fairness and transparency requires, above all, that these values are acquired and respected by those who lead the company's choices, in order to be an example and model for all those, who, at any level, work for the Company. Should the Directors breach the internal rules provided by the Model or adopt, in the dealing with his/her duties, measures that conflict with the provisions or principles of the Model, the Supervisory Board will promptly and formally inform the representatives of the shareholder which will enforce all the appropriate measures under the current legislation.

### **7.5 Sanctions applicable to Partners<sup>5</sup>**

According to this disciplinary process, the following will be considered disciplinary offences:

1. violation, infringement, avoidance, incomplete or imperfect application of the Model's provisions or procedures whether they have not produced any consequences and they do not entail criminally relevant conducts, but anyway they are in breach of the Code of Conduct and Ethics;
2. violation, infringement, avoidance, incomplete or imperfect application of the contractual provisions whether unequivocally aimed at committing a crime pursuant to the Decree;
3. violation, infringement, avoidance, incomplete or imperfect application of contractual provisions whether they have determined the involvement of BCMGlobal into a proceeding for administrative liability.

<sup>5</sup> For the definition of "Partner" see paragraph n. 3 of the Model.



In details, according to this disciplinary process, partners will be sanctioned by means of:

- oral reprimand aimed at the full acceptance of the violated rules of conduct (always applicable);
- the enforcement of the specific clauses envisaged in the relevant contracts regulating the consequences of such offences, including the damage suffered by the Company as a result of the fact (e.g. (a) clauses by which the infringement referred to paragraph 2) is considered as a serious non-fulfillment of contract; (b) termination clauses applicable in case of violation of paragraph 3).

Concerning the procedure of ascertainment of such offenses and the subsequent activation of a written reminder or the aforementioned clauses, the Supervisory Body will verify that the competent function has notified the sanction to the individual responsible for the infringement with the specific indication of the facts charged by issuing a written reminder to the strict observance of the rules of conduct violated by a formal act of order, with a request to repair the alleged infringement, or by terminating the agreement.

The action will be taken in parallel with any demand of compensation for damage suffered by BCMGlobal due to such offenses.



## **8. TRAINING AND INFORMATION**

### **8.1 Introduction**

In order to ensure its effectiveness, it necessary to guarantee an adequate knowledge and divulgation of the Model towards the Company/Branch stakeholders including the employees, the external partners and all those who have relevant juridical relations with the Company.

This aim will be all the above-mentioned resources, both those already hired and those who will be. Training and information is performed by means of specific and suitable opportunities related to role and tasks of the Recipients.

The training will be endorsed by the Legal Representative/Director of Asset Management, after being reviewed by the Head of Legal, Risk and Compliance with the support of the Supervisory Board.

Participation in the training activities as scheduled by the Company is compulsory: failure to comply with this obligation may involve a disciplinary evaluation. At the end of the training courses related to the Leg. Decree 231/2001 and to the Model, a training record is maintained. The Supervisory Board examines the test results and verifies the participation of the subjects who are required to complete the training. If necessary, it plans rescheduled courses for the absentees.

Training and information activities will be carried out as hereinafter provided.

### **8.2 Company's bodies members, executives and heads of functions**

The training of the Company's board members, executives and/or heads of functions is performed by class or by webinar (repeatedly at least annually). Internal communication tools are used as further means of training, as for instance, e-mail notifications.

Periodical training is scheduled in order to include the following contents:

1. explanation of the Decree's provisions and, in particular, of the crimes that may occur having regard to the Company's activities, the related fines, those who it applies to, conditions according to which 231 crimes may be ascribed, "excusing circumstances" with particular concern to the ideas of "Model", "Supervisory Body", "unlawful avoidance of the Model" and "suitable control put in place by the Supervisory Body";



2. consideration of the Model's main aspects and scope and, in particular, assessment of the conduct criteria to be compliant with in the fulfilment of the business activities in the sensitive areas in order to avoid the risk of committing 231 crimes;
3. description of the Supervisory Body's requirements, composition and responsibility with detailed indication of means provided for reporting;
4. identification of the sanctioning process's addressees and description of the criteria for applying fines to the cases of infringement or incorrect implementation of the Model.

To the before mentioned basic information more specific contents can be added on a case-by-case basis according to the internal need, with reference to particular addressees or issues.

### **8.3 Other staff**

The required training of all the other employees not included in section 8.2 - is given by the Head of Legal, Risk and Compliance, after having consulted the SB, in respect of the minimal training provided in light of the previous paragraph.

### **8.4 Newly hired personnel**

The training of the newly hired personnel of BCMGlobal is carried out according to the criteria set out in this chapter. In view of the possible asymmetry between the recruitment and the planned training activities, the newly hired employees are immediately provided with a copy of the Code of Conduct and Ethics and of the Model after signing a form for viewing and acceptance. Basic training must, however, be carried out by any newly recruited staff within 60 days from the commencement of their employment.

### **8.5 Information for external collaborators**

Any conduct adopted by collaborators, consultants or other third parties linked to the Company by a contractual relationship, in violation of the provisions of the Decree, the Model and/or the Code of Ethics and Conduct for the parties within their jurisdiction, may result in the application of penalties or the termination of the contractual relationship, without prejudice to any claim for compensation if



such conduct causes damage to the Company, even regardless of the termination of the contractual relationship.

To this end, specific clauses have been included in contracts (service contracts, etc.) and require a commitment to comply with the regulations and rules indicated in the Code of Ethics and Conduct and govern the consequences in the event of any violation.

With these clauses, the third party undertakes to adopt and effectively implement Company procedures and/or to behave in such a way as to prevent the commission, even if attempted, of the offences envisaged by Legislative Decree no. 231/2001.

In relation to existing contracts, specific letters of commitment from the contractual counterparties to the above principles will be sent.

The Supervisory Body will evaluate the suitability of the measures adopted by the Company with regard to collaborators, consultants and third parties and for updating them if necessary.

## **8.6 Information update**

Training activities are updated in case of new provisions by law extending the liability of the entity to further offenses previously not envisaged by Legislative Decree no. 231/2001 and in case of any significant organizational and/or operational change in the Company.