



***ORGANISATION,
MANAGEMENT AND CONTROL MODEL***

UNDER

LEGISLATIVE DECREE 231 DATED JUNE 8, 2001

Adopted by the Board of Directors of

HOULIHAN LOKEY S.P.A.

ON JUNE 27, 2025

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INTRODUCTION

1. HOULIHAN LOKEY – ACTIVITIES AND ORGANISATION

Houlihan Lokey (hereinafter also referred to as the “Company”) is a company with a corporate purpose: (i) consultancy on mergers and acquisitions; retrieval of the necessary means to finance investments, business activities, integration with other production activities and the access to the stock exchange and other regulated markets; (ii) corporate consulting, including restructuring, financing and other operations on stocks and bonds; (iii) evaluations of companies, business units and industrial, economic and financial projects; (iv) consultancy and assistance in the real estate branch, including real estate valuations, study and preparation of real estate projects and organisation of operations connected, directly and / or indirectly, to the real estate branch; (v) share capital market consultancy; (vi) consultancy on derivative transactions; (vii) conducting studies and research in the economic, financial, real estate, business and publication of such studies and research, excluding publication in newspapers; (viii) the establishment and promotion of new companies in relation to activities previously exhibited in Italy or abroad.

According to the art.17 of the Articles of Association, the Company may be managed by a single director or by a Board of Directors consisting of a minimum of two and a maximum of seven members, at the choice of the Shareholders’ meeting that elects them.

The body at the head of Houlihan Lokey’s corporate governance system is the **Board of Directors**, which is competent over the matters set out in the Company’s Articles of Association.

The **Chief Executive Officer** implements the strategies approved by the Board of Directors, operating within the powers conferred to him by the Articles of Association and by the Board of Directors.

Pursuant to the provisions of art. 21 of the Articles of Association, the Board of Directors may delegate part of its powers to one or more of its members, appointing one or more Chief Executive Officer, establishing their powers, within the limits set by law.

The Company is particularly focused on improving its *corporate governance* system and ensuring that it is constantly based on the highest ethical standards. From this point of view). the Company has adopted the Organisational, Management and Control Model pursuant to Legislative Decree 8 June 2001, n.231 (hereinafter also “Legislative Decree 231/2001). The Model was initially adopted by Banca Leonardo S.p.A. (hereinafter also “Banca Leonardo”) in April 2007 and by Leonardo & Co. S.p.A. (at the time Leonardo Italy S.r.l.) on June 20, 2007. After the above Legislative Decree 231 was amended to cover new types of offence, the Supervisory Body updated it to include the offences of handling stolen goods, money laundering, using cash, goods or assets of illegal origin, the information technology crimes and illegal use of data, crimes of culpable homicide and serious or very serious culpable injuries, crimes committed in violation of the rules on the protection of health and safety at the workplace, with the relevant behavioural procedures (Special Parts V, VI e VII).

The updated Model was adopted by Leonardo & Co’s Board of Directors on March 11, 2009. The General Part was fully revised in order to consider the changes of the external and internal background frameworks occurred since the initial adoption of the Model. It therefore (i)

conducted a new risk assessment for the Sensitive Areas already existing, having regard to the new offences introduced under the scope of Legislative Decree 231; (ii) identified any further Sensitive Areas related to these new offences and (iii) assessed the risk of all offences under the scope of Legislative Decree 231 in relation to new areas and departments introduced into the Company's organisation.

During 2014, a second update of the Model was carried out in order to consider the new offences introduced in Legislative Decree 231/2001 from the date of the previous update (in particular, to articles 24-ter, 25-bis.1, 25-novies, 25-decies, 25-undecies e 25-duodecies, related to "Organised crimes", "Crimes against industry and commerce", "Crimes related to violation of copyright", "Induction not to leave statements or to make false statements to the court", "Environmental related crimes" and "Use of third-country nationals residing illegally"), as well as changes made to the articles 25 e 25-ter of 231 Decree (related to the introduction of "Crime of undue induction to give or promise benefits" and "Private to private Corruption").

During 2016, another update of the Model was carried out in order to take into account the significant changes that have affected the company structure as well as the introduction of new types of crime in Legislative Decree 231/2001 from the date of the previous update (with reference to the changes relative to the art. 25-ter with the introduction of "Mild facts", to the art. 25-quinquies with the introduction of "illegal intermediation and exploitation of labour", to the art. 25-octies with the introduction of "self-laundering" and lastly the changes to the art. 25-undecies with the introduction of the offences below: "environmental pollution", "environmental disaster", "negligent crimes against the environment", "aggravated associative crimes", "trafficking and abandonment of highly radioactive material", "environmental disaster", "aggravating circumstances".

Later, the Model was updated in 2018 with the aim of incorporating the organisational and procedural changes that characterized the Company, as well as the regulatory changes introduced, in particular, by Legislative Decree 38/2017, that is: (i) the revision of the art. 2635 c.c. "Private to private Corruption", already a prerequisite for the administrative liability of Entities and (ii) introduction in the Civil Code of the new art. 2635-bis "Instigation to Private to private Corruption" and its integration between the relevant cases pursuant to Legislative Decree 231/2001. The Model was updated again in 2021 in order to consider the new offences introduced in Legislative Decree 231/2001 from the date of the previous update, in particular with reference to the changes relative to the art. 25 (with the introduction of "Traffic of illicit influences", "Misappropriation of public funds", "Misappropriation of public funds by profit of the error of others", "Abuse of office, "Fraud in public supply", "Fraud in agriculture"), with the introduction of the art. 25-quaterdecies "Frauds in sport competitions, abusive gaming or betting practices and games of chance exercised by means of prohibited equipment", with the introduction of the art. 25-quinquiesdecies "Tax Crimes" and the art. 25-sexiesdecies "Smuggling".

Subsequently, between December 2022 and March 2023, the Model was updated to take into account the possible impact of the new regulations introduced in Legislative Decree 231/2001, the most significant of which includes the expansion of the list of predicate offences under Legislative Decree 231/2001 to include offences relating to non-cash payment instruments referred to in Article 25-octies. 1, the amendments to the offences under Article 25-octies of Legislative Decree 231/2001 Receiving, laundering and use of money, goods or benefits of illegal origin, as well as self-laundering, amendments to Articles 7, 8, 13, 14, 18, 19, 37, 51, 52, 55, 56, 79 and 99 of Legislative Decree 81/2008, referred to as "regulations on the protection of health and safety at work" by Article 25-septies of Legislative Decree 231/2001

Manslaughter or serious or very serious injury committed in violation of regulations on the protection of health and safety at work, the amendments to the offences under Article 24-bis of Legislative Decree 231/2001 Computer crimes and unlawful data processing, introduced by Law No. 238 of 23 December 2021 European Law 2019-2020, the amendments to the offences under Article 25-sexies of Legislative Decree Legislative Decree 231/2001 Market abuse, introduced by Law No. 238 of 23 December 2021 European Law 2019-2020, amendments to offences under Article 24 of Legislative Decree 231/2001 Undue receipt of payments, fraud against the State, a public body or the European Union or for the purpose of obtaining public funds, computer fraud against the State or a public body and fraud in public procurement, introduction of Article 25-septiesdecies, Offences against cultural heritage and Article 25-duodevicies: Money laundering of cultural property and devastation and looting of cultural and landscape heritage, through Law No. 22/2022. In 2024, the Model was updated following regulatory changes introduced with particular reference to modified offences, including: Offences against the Public Administration, articles amended by Law No. 112/2024 and Law No. 114/2024 (Articles 24 and 25 of the Decree); Cybercrimes and unlawful data processing, amended by Law No. 90/2024 (Article 24-bis); Crimes against industry and commerce, amended by Law No. 206/2023 (Article 25-bis 1); Corporate offences, introduced by Legislative Decree 61/2002 and amended by Law 262/2005 (Article 25-ter), also with specific reference to the offence of corruption between private individuals (Article 2635 of the Italian Civil Code), as introduced by Law No. 190 of 6 November 2012 [as amended by Law 69 of 2015, Legislative Decree No. 38/2017 and Law 3/2019]; Incitement to corruption between private individuals (Article 2635-bis of the Italian Civil Code) [article added by Legislative Decree No. 38/2017]; False or omitted declarations for the issue of the preliminary certificate (Article 54 of Legislative Decree No. 19/2023) [added by Legislative Decree No. 19/2023]; Offences relating to non-cash payment instruments, introduced by Legislative Decree No. 184/2021 implementing EU Directive 2019/713 and amended by Law No. 137/2023 and Decree Law No. 19/2024 (Article 25-octies1); Offences relating to copyright infringement, introduced by Law 99/2009, amended by Law No. 93/2023 and Law No. 166/2024 (Article 25-novies); Environmental offences, introduced by Legislative Decree 121/2011 and amended by Law No. 68/2015, Legislative Decree No. 21/2018 and Law No. 137/2023 (Article 25-undecies); Offence of employing third-country nationals whose stay is irregular, introduced into the Decree by Legislative Decree No. 109/2012 and amended by Law No. 161 of 17 October 2017 and Legislative Decree No. 20/2023 (Article 25-duodecies); Tax offences, article added by Law No. 157/2019 and amended by Legislative Decree No. 75/2020, Legislative Decree No. 156 of 4 October 2022, containing corrective and supplementary provisions to Legislative Decree No. 75 of 14 July 2020, No. 75, implementing Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law, as well as Legislative Decree No. 87/2024 (Article 25-quinquiesdecies); Smuggling offences, article added by Legislative Decree No. 75/2020 and amended by Legislative Decree No. 141/2024 (Article 25-sexiesdecies); Offences against cultural heritage, articles added by Law No. 22/2022 and amended by Law No. 6/2024 (Articles 25-septiesdecies; 25-duodevicies); Adaptation of national legislation to Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No. 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (Legislative Decree 129/2024).

2. HOULIHAN LOKEY ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL – PURPOSE AND STRUCTURE

This document, and its appendices, represents the Organisational, Management and Control Model (hereinafter referred to as the “Model”) adopted by the Board of Directors of Houlihan Lokey under the terms of Legislative Decree 231/2001.

The Model consists of two sections:

- I) **“Decree 231 of June 8, 2001 and the Bases of the Model”**: this general section illustrates the contents of Legislative Decree 231/2001, and also the purpose and general principles of the Model;
- II) **“Adoption of the Model by Houlihan Lokey”**: this section includes details of the Model adopted by the Company, broken down into a General Section and Special Sections designed to regulate behaviours in order to prevent the offences referred to in Legislative Decree 231/2001. The Special Sections are contained in Appendix IV.

The following appendices to this document are integral part of the Model:

- I) Code of Ethics
- II) Contractual clauses concerning Decree 231/2001;
- III) Supervisory Body’s internal regulation;
- IV) List and description of the crimes and administrative offences covered by Legislative Decree 231/2001;
- V) Special Parts of Houlihan Lokey Organisational, Management and Control Model.

The system of powers, delegations of authority and powers of attorney and company procedures, even if they are not attached to the model, constitute an integral part of the Model in the content that they will have from time to time.

3. GLOSSARY AND DEFINITIONS

Sensitive activities (also “at risk”):

Company activities which could potentially create the opportunity, conditions and/or means for an offence execution;

Collaborators:

These are individuals other than consultants and financial advisors who collaborate with the Company on a consultancy basis, on a sales representation basis and under other forms of ongoing or short-term contracts which do not establish any subordinate employment relationship. This category also includes individuals who represent the Company pursuant to specific powers or mandates;

Confiscation:

Asset-related safety measure aimed at confiscating assets directly related to an offence committed, and in particular anything that was used or intended for use in connection with the offence, or which represents the outcome or profit thereof. Legislative Decree 231/2001 provides that the price or profit of an offence must always be confiscated, except for any portion that can be returned to the aggrieved party. If this is not possible, the Decree provides for the confiscation of money, goods or other assets whose value is equivalent to the price or profit of the offence;

Consultants:

These individuals provide information and opinions, and advice and assist the Company in certain matters pursuant to their proven experience and expertise in specific fields (e.g. lawyers, notaries, tax consultants, business/organisation consultants, etc);

“Decree 231”, the “Decree” or the “Legislative Decree 231/2001”:

Legislative Decree 231 of June 8, 2001, governing the “Regulations on the administrative liability of legal entities and companies and associations including associations without legal personality pursuant to Art. 11 of Decree No. 300 of September 29, 2000”, as amended and supplemented over time;

Intended Recipients:

Subjects to whom all the provisions of the Model apply, detailed in paragraph 1.3;

Employees:

Individuals subject to management or supervision by individuals acting as representatives, directors or managers of the Company¹, i.e. all individuals employed for any reason by the Company, in addition to workers with ongoing renewable contracts²;

Entity:

Under Decree 231, any company, consortium, association or foundation or other legal entity, whether with or without legal status, and any public business entity;

Corporate Representatives:

The Chairman and members of the Board of Directors and the Board of Statutory Auditors, the members of other corporate bodies of the Company that may be established pursuant to art. 2380 of the Italian Civil Code (ICC) or special laws, as well as any other persons covering senior positions, namely all individuals in charge of representing, directing or managing Houlihan Lokey or its units or divisions, pursuant to Decree 231;

Suppliers:

Those who provide Houlihan Lokey with goods or services;

Group

The Group represented by Group Houlihan Lokey which is headed to Houlihan Lokey Inc.

(US – Delaware) and composed by companies as from time to time controlled both directly and indirectly;

Administrative offence:

For the purposes of Decree 231, these are administrative offences related to market abuse which involve the administrative liability of the Entity;

Person in charge of public service:

According to Art. 358 of the Italian Penal Code, individuals in charge of public services but not entrusted with the powers of a public official, or those who, although acting within the scope of activities regulated as a public function, do not exercise the powers typical of the latter and are not in charge of ordinary employee functions nor performing merely material services.

¹ Art. 5.1, par. a) and b) of the Decree.

² This is understood to include ongoing and renewable contracts and project-based contracts, for those cases excluded from the application of articles 60 and 61 ss. of law no. 276/2003.

Model:

This Model and its Appendices, in addition to the other documents detailed in the Introduction and forming an integral part of the Model;

Rules and regulations:

Italian, foreign or international laws and regulations in any form (including this Model and Decree 231), in their version applicable from time to time, including subsequent amendments and including any primary or secondary rules or regulations referred to, or those resulting from private agreements;

Supervisory Body (or “SB”):

The body of the Entity which, acting with independent initiative powers and control authority, is responsible for supervising the appropriateness, operation, compliance and updating of the Model;

Partners:

Parties with whom Houlihan Lokey enters into forms of collaboration regulated by a contract (i.e. joint ventures or temporary associations of companies);

Public Officials:

According to Art. 357 of the Italian Penal Code, these are “*persons who exercise a public function whether legislative, judicial or administrative. Equally, an administrative function is also public if regulated by public law or acts of the authorities and characterised by a statement of the intentions of the public administration or its delegation through powers of administration³ or certification⁴*”. This category includes senior banking staff when managing foreign currencies in the public interest, according to the duties delegated by the Bank of Italy to the credit institution employing such persons; officers of the courts, consultants advising judges, notaries public, collectors of municipal utility companies, security guards, local council workers and employees of INPS etc.;

Crimes or Offences:

The crimes falling within the scope of application of Legislative Decree no. 231/2001 and subsequent amendments, additions and implementation provisions;

Disqualifying sanction:

Penalty measures provided under Decree 231. It can be inflicted on the Entity whenever certain conditions are met. Among these: if the Entity obtained from the offence a significant profit and offence was committed by senior or junior personnel, as a result of serious organisational deficiencies, and also in case of offence reiterations. The sanctions consist of: (i) a prohibition on exercising the activity; (ii) the suspension or revocation of the authorizations, licences or concessions related to commit of the offence (iii) a prohibition on contracting with the public administration, except for obtaining the provision of a public service, (iv) the exclusion from any concessions, financing, grants or subsidies and the revocation of any such assistance if already granted, (v) a prohibition on advertising products or services;

³ The concept of authoritative powers includes not only coercive power, but also all discretionary activities carried out in respect of individuals not having the same status as the authority (see Ct. of Cassation, United Sections, sentence no. 181/11/07/1992).

⁴ The scope of certification powers includes all documentary activities having force of evidence of any degree according to the law.

The disqualifying sanction has a duration of not less than three months and not more than two years, without prejudice to the provisions of art. 25, paragraph 5 of Decree 231. This provision provides that in the event of a conviction for any of the crimes referred to in art. 317, 319, also aggravated pursuant to art. 319-bis when the company has achieved a significant profit from the fact, 319-ter, 319-quater, 321, 322, paragraphs 2 and 4, of the Criminal Code, the disqualification sanctions shall apply for a period of not less than four years and not exceeding seven years, if the offense was committed by one of the subjects referred to in art. 5, paragraph 1, letter a), and for a period of not less than two years and not more than four, if the crime was committed by one of the subjects referred to in art. 5, paragraph 1, letter b);

Financial penalties:

Afflicting measures provided for by Decree 231 for committing or attempting to commit the Crimes covered by the above decree. These are inflicted in “quotas” having a value ranging from a minimum of Euro 258 and maximum amount of Euro 1,549 and for not less than one hundred quotas and not more than one thousand quotas. The amount of penalty is determined on the basis of the seriousness of crimes, the degree of liability of the Entity and the actions taken to eliminate or mitigate the consequences of the fact and preventing committal of other offences, and also on the basis of the economic and financial position of the Entity;

Attachment:

A procedural instrument for the purpose of implementing a precautionary protection whenever there is well grounded reason to believe that the guarantees of payment of financial penalties, costs and any other amount owed to Revenue Offices are missing or might be wasted, as well as guarantee of civil law-related obligations resulting from Crime. The Entity’s movable and immovable property or the amounts and goods owed to the latter may be attached. Attachment determines a juridical encumbrance on disposability of assets subject to such precautionary measure;

Precautionary Attachment:

A procedural instrument useful for avoiding the danger that the free availability of goods related to Crime may worsen or extend its consequences or facilitate commit of other Crimes. Precautionary attachment makes legally unavailable any such goods. Decree 231 provides that such measures can be ordered by the judge for everything subject to confiscation under above rules and regulations;

Corporate:

Houlihan Lokey;

Senior Management:

Corporate Representatives and the individual who, apart from the tasks they are officially entrusted with, are entrusted with the task of representing, directing or managing the Entity or one of its operations with financial and functional autonomy and those individuals who, also de facto, manage and control the Entity (e.g. Members of the Board of Directors and Executive Committee, Directors, etc.);

Persons under supervision and control of senior managers:

Individuals subject to management or supervision by the Senior Management;

Public Bodies:

The public administration, hence any State companies, administrations, regions, provinces, municipalities, consortia of municipalities in mountainous areas, and respective consortia and associations, and universities, chambers of commerce, industry, small businesses and agriculture, national, regional and local non-profit institutions, national health administrations, companies and institutions, concessionaires of public services, public officials and those in charge of public services, in addition to components of European Community Bodies, officers and agents employed by contract under the Statute of European Communities Officers, the persons delegated by Member States or any Public or Private Entity at European Communities in charge of functions equivalent to EC officers or agents, members of or persons in charge of institutions established on the basis of European Community Institution Treaties and those who, from within other European Union Member States, are in charge of functions or activities similar to those carried out by public officials and persons in charge of public services.

DECREE 231 AND THE BASES FOR THE MODEL

1. ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS; PENALTIES

Decree 231 was issued as partial implementation of delegated law no. 300 of September 29, 2000, as part of the process of aligning internal rules and regulations with certain international and EC conventions and introducing into the Italian legal system the direct liability of companies for administrative offences committed by individuals functionally related to them.

This liability, although defined as “administrative” by the legislator and therefore subject to administrative sanctions, has characteristics which are typical of criminal liability, since it mainly arises after an offence has been committed⁵ and is ascertained through criminal proceedings⁶.

Therefore, Entities can be considered liable whenever one of the Crimes or the Administrative offences is committed in its interest or for its advantage: there exists an “**interest**” whenever malfeasance is committed for the sole purpose of obtaining a benefit for the Entity, regardless of whether this objective has been attained or not. Conversely, an “**advantage**” is obtained whenever who commit the crime, although not acting for the purpose of creating a benefit for the Entity, has in any case created a benefit for this entity, whether financial or not. Otherwise, the **exclusive advantage** of who actually committed the malfeasance excludes any liability on the part of the Entity.

The administrative liability of the Entity also extends to instances when one of Crimes remains in the form of an **attempt**.

A further condition for the application of laws and regulations at stake is that the Crime or Administrative offence is **committed by qualified persons**, i.e.:

- a) individuals with representation, direction or management functions within the Entity or its operations provided with financial and functional autonomy, and persons in charge of managing and controlling it, also de facto (the so-called “Senior Management”);
- b) individuals subject to management or supervision by one of the above parties (the so-called “subordinate” or “junior” staff).

The structure of Decree 231 indicates that the administrative liability of Entities does not exclude, but it rather adds, to that of the individual who committed the malfeasance.

The sanctions system provides for such especially severe penalties such as:

- a) **financial penalties**. These apply to any Administrative offence and are determined by the criminal courts according to a “quota-based” system.

In cases when the Entity is liable for more Administrative offences committed in a single action or inaction or otherwise committed in performing the same activity and before a ruling is issued, also non final, the highest penalty is applied, increased by up to three times.

Regarding Crimes provided in Art. 25-*sexies* of Decree 231 and Administrative offences under Art. 187-*quinquies* of the Consolidated Finance Act, if the result or profit obtained by the Entity is significant, “*financial penalties are to be increased up to ten times the result or profit*”. Decree 231 also provides that Financial penalties are to be reduced whenever the doer of crimes committed them in its own or third parties’ interest *and* the Entity obtained no

⁵ In addition to Administrative offences, by force of Law No. 62 dated 18.4.2005

⁶ Except for market abuse administrative offences, ascertained by Consob

benefits or obtained a minimum benefit, or whenever damage caused proves to be immaterial.

Also, Financial penalties are reduced from one third to half if, before the first-degree trials, the Entity made the entire damage good and eliminated any detrimental or dangerous consequence of Crime, or otherwise made endeavours in this sense. Finally, the Financial penalty is reduced if the Entity has adopted a model designed to prevent offences of the type committed.

- b) Disqualifying sanctions.** These apply to certain types of Crimes and the most serious instances. Their consequence is prohibition to conduct business affairs; suspension or revocation of authorizations, licenses or concessions used for committal of offence; prohibition to enter into agreements with the public administration (except for obtaining provision of a public service); exclusion from grant of concessions, financing, contributions or relief and revocation of any such aids if already granted; prohibition to publicize products or services.

The Consolidated Banking Act⁷ provides that banks cannot be subjected to Disqualifying sanctions on a precautionary basis. The same rule provides that a flow of information must be established between the Public Prosecutor, the Bank of Italy and CONSOB, regarding proceedings started against a bank. It also provides that the Bank of Italy has ultimate responsibility for applying the disqualifying sanction to the bank involved.

In any case, disqualifying sanctions are not applied (or are revoked if already applied as a precautionary measure) whenever the Entity – before first degree proceedings have started:

- has paid for or remedied the loss;
- has eliminated any detrimental or dangerous consequences of Crime (or, at least, endeavored in this sense);
- has made available the profit from criminal deeds to the Judicial Authorities for confiscation purposes;
- has remedied any organisational deficiencies that caused committal of Crime, by adopting organisational models suitable for preventing committal of new Crimes.

Whenever all of the above behaviors occur – considered to constitute renunciation of criminal purposes – the Financial penalty shall be applied instead of Disqualifying sanctions.

- c) Confiscation.** This consists of forfeiture of the Crime's price or profit by the State or acquisition of money, goods or other assets whose value is equivalent to the Crime's price or profit; however, it does not affect the portion of price or profit that can be returned to the aggrieved party. Confiscation is always ordered with a conviction decision.
- d) Publication of judicial decision.** This can be ordered if the Entity is subjected to a disqualifying sanction. It is published at the Entity's expense, in the website of the Ministry for Justice, and is also posted at the Council offices in the town where the Entity's headquarters are located.

Only the Entity is liable for payment of inflicted Financial penalties, with assets of its mutual funds; therefore, the direct financial liability of shareholders or associates is excluded, independently of the legal nature of Entity.

Decree 231 also provides that, in the case of transformation of the Entity, the liability for Crimes committed before the effective date of transformation remains unchanged. In merger

and de-merger instances, above rules provide that the Entity resulting there from, also through takeover, is liable for Crimes committed by the Entities participating in the merger transaction: if however the merger took place before completion of the assessment decision regarding the administrative liability for Crime, the financial position of the Entity resulting there from should not be considered, but that of the original Entity.

If then a partial de-merger takes place through transfer of just a part of the assets belonging to the company de-merged, that continues to exist, the liability of the Entity so de-merged for Crimes committed prior to de-merger continues to exist. The Entities who benefited from de-merger, and in which converge all or part of the assets of the company de-merged, are jointly liable for payment of financial penalties owed by the de-merged Entity for Crimes committed prior to de-merger: however, this obligation is limited to the value of assets transferred, provided that the recipient Entities have not purchased– not even in part – the business activity where Crime was committed.

By force of the provision set forth in Art. 33 of Decree 231, whenever a Crime is committed as part of the transaction whereby the company was transferred or contributed, then the transferee is jointly liable with the transferor for payment of Financial penalties, up to the value of the transferred company and subject to the prior prosecution of transferor.

The transferee obligation is, however, limited to the value of the transferred or contributed company, in addition to any Financial Penalties resulting from mandatory accounting documents, or otherwise owed for Administrative offences of which transferee was informed.

⁷ Art. 97-bis. “Liability for administrative torts resulting from Crimes.

1. Prosecutors who register, under Art. 55 of Legislative Decree 231 of June 8, 2001, in the register of Crime Information an administrative tort for the charge of a bank, informs also the Bank of Italy and, regarding investment services, also CONSOB. In the course of proceedings, if Prosecutor so requires, the Bank of Italy is heard and, regarding the profiles under its competence, also CONSOB, which are in any case entitled to present written reports.

2. At every degree of proceedings on the merits, before judgment is issued, the judge orders, also at his own initiative, acquisition from the Bank of Italy and CONSOB, for profiles under their specific competence, updated information on the Bank position, in particular regarding its organisational and control structure.

3. Irrevocable judgments issued against a Bank and disqualifying sanctions provided for by Art. 9 Para. 2° Lett. a) and b), of Legislative Decree 231 of June 8, 2001, lapsed the term for conversion of sanctions, are transmitted for execution by the Judicial Authority to the Bank of Italy. For this purpose, the Bank of Italy may propose or adopt the measures provided for under Title IV, considering the characteristics of sanction inflicted and the prominent purpose of safeguarding the stability and protecting the rights of depositors and customers.

4. Disqualifying sanctions under Art. 9, Para. 2, Letter a) and b) of Legislative Decree 231 of June 8, 2001 these cannot be applied to banks as cautionary measures. To same, also, Art. 15 of Legislative Decree 231 of June 8, 2001 does not apply.

5. This”.

2. CRIMES AND OFFENCES ENTAILING ADMINISTRATIVE LIABILITY

The list of Crimes originally contemplated by Decree 231 provided only offenses against the Public Administration (Article 25 of the same Decree) and against the assets of the Public Administration (Article 24 of the same Decree) and as a result of subsequent legislative measures, the list of crimes was subsequently expanded.

The following is a list of the crimes and administrative offenses currently relevant pursuant to Decree 231 and refer to the “List and description of the crimes and administrative offenses envisaged by Legislative Decree 231/2001”, as well as to the Special Parts of the Model for greater explanatory detail.

A) CRIMES COMMITTED WHEN DEALING WITH THE PUBLIC ADMINISTRATION

(Articles 24 and 25 of Decree 231)

- Misappropriations perpetrated against the State (Art. 316-bis of Criminal Code);
- Undue collection of public funds (Art. 316-ter of Criminal Code);
- Fraud in public supply (art. 356 of Criminal Code);
- Fraud committed against the State, public authority other European Communities (Art. 640 of Criminal Code, Para. 2, No. 1);
- Aggravated fraud to obtain public funding (Art. 640-bis of Criminal Code);
- Fraud in agriculture (Art. 2 - Law n. 898 of December 23, 1986);
- Computer fraud against the State or other Public body (Art. 640-ter of Criminal Code);
- Corruption for soliciting the issue of official documents (Art. 318 of Criminal Code – Art. 321 of Criminal Code);
- Traffic of illicit influences (Art. 346-*bis* of Criminal Code)
- Misappropriation of public funds (Art. 314 Para. 1 of Criminal Code), when the event when the event offends the financial interests of the European Union;
- Misappropriation of public funds by profit of the error of others (Art. 316 of Criminal Code), when the event when the event offends the financial interests of the European Union;
- Abuse of office (Art. 323 of Criminal Code), when the event when the event offends the financial interests of the European Union;
- Extortion (Art. 317 of Criminal Code);
- Corruption for soliciting documents contrary to official duties (Art. 319 of Criminal Code – Art. 319-bis of Criminal Code – Art. 321 of Criminal Code);
- Corruption in legal proceedings (Art. 319-ter of Criminal Code, Para. 2– Art. 321 of Criminal Code);
- Undue induction to give or promise benefits (Art. 319-*quater* of Criminal Code);
- Corruption of persons in charge of public office (Art. 320 of Criminal Code);

- Sanction for the briber (Art. 321 of Criminal Code);
- Instigation to corruption (Art. 322 of Criminal Code);
- Misappropriation of public funds, extortion, corruption and instigation to corruption of members of the European Communities Organs and EC and Foreign States officers (Art. 322-bis of Criminal Code);
- Inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Criminal Code);
- Employment of third-country nationals whose residence is irregular (Article 22, paragraph 12 bis, Legislative Decree No. 286/1998, amended by Law No. 187/2024).

B) INFORMATION TECHNOLOGY CRIMES AND ILLEGAL USE OF DATA

(Article 24-bis of Decree 231)

- Computer Documents (art. 491-bis Criminal Code);
- Illegal Access to a computer or electronic system (art. 615-ter Criminal Code);
- Illegal Holding or distribution of access codes to computer or electronic systems (art. 615-quater Criminal Code);
- The illegal Handling, blocking or interruption of digital or electronic communications (art. 617-quater Criminal Code);
- Installation of devices designed to intercept, impede or interrupt digital or electronic communications (art. 617-quinquies Criminal Code);
- Cyber extortion (Article 629, paragraph 3, of the Italian Criminal Code);
- Damaging digital information, data or programs (art. 635-bis Criminal Code);
- Damaging digital information, data or computer programs or those of public interest (art. 635-ter Criminal Code);
- Damaging digital or electronic systems (art. 635-quater Criminal Code);
- Damaging digital or electronic systems of public utility (art. 635-quinquies Criminal Code);
- Information technology Fraud by an individual providing digital signature certification services (art. 640-quinquies Criminal Code).
- Crimes relating to violations of the national cyber security perimeter (art. 1 Para 11 Decree 105/2019);
- Unauthorized uploading of protected works to computer networks (Article 171, paragraph 1, letter a-bis, Law No. 633/1941);
- Aggravated misuse of protected works (Article 171, paragraph 3, Law No. 633/1941);
- Abuse concerning software and databases (Art. 171-bis, Law No. 633/1941);
- Abuse concerning audiovisual or literary works (Art. 171-ter, Law No. 633/1941);
- Omitted or false communications to the SIAE (Art. 171-septies Law No. 633/1941);

- Fraudulent decoding of conditional access transmissions (Art. 171-octies Law No. 633/1941).

C) CRIMES OF ORGANISED CRIME

(art. 24-ter of Decree 231)

- Involvement in a criminal organisation (art. 416 Criminal Code);
- Involvement in a Mafia organisation (art. 416-bis Criminal Code);
- Political-Mafia electoral exchange (art. 416-ter Criminal Code);
- Kidnapping for extortion purposes (art. 630 Criminal Code);
- Criminal organisation in traffic of narcotics or psychotropic drugs (art. 74 Presidential Decree 309/90);
- Illegal manufacturing, introduction into the sale, transfer, holding and carrying in a public location or open to the public of war or war-type weapons or parts of them, of explosives, clandestine weapons and more common guns (Art. 407, clause 2, letter a), number 5), Criminal Procedure Code).

D) OFFENCES CONCERNING FORGERY OF MONEY, PUBLIC CREDIT PAPERS AND REVENUE STAMPS AND INSTRUMENTS OR SIGNS OF RECOGNITION

(Article 25-bis of Decree 231)

- Passing and introducing of forged banknotes into the State, in concert (Art. 453 of Criminal Code);
- Alteration of banknotes (Art. 454 of Criminal Code);
- Passing and introducing of counterfeit money into the State, without concert (Art. 455 of Criminal Code);
- Passing of counterfeit money received in good faith (Art. 457 of Criminal Code);
- Forgery of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit revenue stamps (Art. 459 of Criminal Code);
- Forgery of watermarked paper in use for production of public credit papers or revenue stamps (Art. 460 of Criminal Code);
- Manufacture or possession of watermarks or instruments intended for forgery of money, revenue stamps or watermarked paper (Art. 461 of Criminal Code);
- Use of counterfeit or altered revenue stamps (Art. 464 clause 1 of Criminal Code).
- Use of counterfeit or altered revenue stamps (Art. 464, clause 2, Criminal Code)
- Forgery, alteration or use of the distinctive signs or patents, models and drawings (Art. 473 of Criminal Code);
- Introduction into the Country and commerce of products with false signs (Art. 474 of Criminal Code).

E) CRIMES AGAINST INDUSTRY AND COMMERCE

(art. 25-bis.1 of Decree 231)

- Disruption of the freedom of industry and commerce (art. 513 Criminal Code);
- Illegal competition with threats or violence (art. 513-bis Criminal Code);
- Fraud against national companies (art. 514 Criminal Code);
- Fraud committed in commercial dealings (art. 515 Criminal Code);
- Selling food substances that are adulterated as unadulterated (art. 516 Criminal Code);
- Sale of industrial products with mendacious signs (art. 517 Criminal Code);
- Manufacturing and commerce of goods made by encroaching on industrial property rights (art. 517-ter Criminal Code);
- Counterfeiting geographical indications or original names of agri-food products (art. 517-quater Criminal Code).

F) CORPORATE OFFENCES

(Article 25-ter of Decree 231)

- Untrue corporate communications (Art. 2621 c.c.);
- Mild Facts (art. 2621-bis c.c.);
- Untrue corporate communications to the detriment of company, shareholders or creditors (Art. 2622 c.c.);
- False information in prospectuses (Article 2623, first and second paragraphs of the Italian Civil Code);
- False information in reports or communications by auditing firms (Article 2624, first and second paragraphs of the Italian Civil Code);
- Prevention of checking (Art. 2625 of c.c.);
- Undue return of assignments (Art. 2626 of c.c.);
- Unlawful distribution of profits and reserves (Art. 2627 of c.c.);
- Unlawful transactions on corporate shares or stock of parent company (Art. 2628 of c.c.);
- Transactions to the detriment of creditors (Art. 2629 of c.c.);
- Failure to communicate any conflict of interest (Art. 2629-bis of c.c.);
- Unreal formation of share capital (Art. 2632 of c.c.);
- Undue distribution of corporate assets by receivers (Art. 2633 of c.c.);
- Private to private Corruption (art. 2635 c.c.);
- Instigation to private-to-private Corruption (art. 2635-bis c.c.)
- Unlawful influence on the meeting (Art. 2636 of c.c.);

- Stock manipulation (Art. 2637 of c.c.);
- Hampering exercise of public supervisory authorities' functions (Art. 2638 of c.c.).

G) CRIMES COMMITTED FOR TERRORISM OR SUBVERSION OF DEMOCRACY ORDER THE CRIMINAL CODE AND SPECIAL LAWS; OFFENCES COMMITTED IN BEACH OF ARTICLE 2 OF THE INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE FINANCING OF TERRORISM SIGNED IN NEW YORK ON 9.12.1999

(Article 25-quater of Decree 231)

- *Associations with the aim of terrorism, including international terrorism, or subversion of the democratic order (Article 270-bis of the Criminal Code);*
- *Assistance to associates (Article 270-ter of the Criminal Code);*
- *Recruitment for the purposes of terrorism, including international terrorism (Article 270-quater of the Criminal Code);*
- *Organisation of transfers for terrorist purposes (Article 270-quater.1 of the Criminal Code);*
- *Training for activities for terrorist purposes, including international terrorism (Article 270-quinquies of the Criminal Code);*
- *Conduct for terrorist purposes (Article 270-sexies of the Criminal Code);*
- *Attacks for terrorist or subversive purposes (Article 280 of the Italian Criminal Code);*
- *Acts of terrorism involving lethal devices or explosives (Article 280-bis of the Criminal Code);*
- *Kidnapping for the purposes of terrorism or subversion (Article 289-bis of the Criminal Code);*
- *Incitement to commit any of the crimes referred to in sections one and two (Article 302 of the Criminal Code);*
- *Kidnapping for the purpose of coercion (Article 289-ter of the Criminal Code);*
- *Political conspiracy through agreement (Article 304 of the Criminal Code);*
- *Political conspiracy through association (Article 305 of the Criminal Code);*
- *Armed gang: formation and participation (Article 306 of the Criminal Code);*
- *Assistance to participants in conspiracy or armed gangs (Article 307 of the Criminal Code).*

H) CRIMES INVOLVING MUTILATION OF FEMALE GENITALS

(art-quater.1 of Decree 231)

- Mutilation of female genitals (art.583-bis Criminal Code).

I) OFFENCES AGAINST INDIVIDUALS

(Article 25-quinquies of Decree 231)

- Enslaving persons or keeping them in slavery (Art. 600 of Criminal Code);
- Juvenile prostitution (Art. 600-bis of Criminal Code);
- Juvenile pornography (Art. 600-ter of Criminal Code, Para. 1 and 2);
- Possession of pornography (Art. 600-quater of Criminal Code);
- Virtual pornography (art.600-quarter.1 of Criminal Code)
- Tourist initiatives for juvenile prostitution purposes (Art. 600-quinquies of Criminal Code);
- Slave trade (Art. 601 of Criminal Code);
- Trafficking of organs taken from a human person (Art. 601-bis of Criminal Code);
- Alienation and purchase of slaves (Art. 602 of Criminal Code);
- Solicitation of minors (Art. 609-*undecies* of Criminal Code);
- Illicit brokering and labor exploitation (Art. 603-*bis* of Criminal Code).

J) MARKET ABUSE (CRIMES)

(Article 25-sexies of Decree 231)

- Abuse of privileged information (Art. 184 Consolidated Finance Act);
- Market manipulation (Art. 185 Consolidated Finance Act).

Art. 187-*quinquies* of the Consolidated Finance Act, as amended by law no. 62/2005, establishes a company's administrative liability for administrative offences related to market abuse. Namely:

K) MARKET ABUSE (ADMINISTRATIVE OFFENCES)

(Article 187-quinquies Consolidated Finance Act)

- Abuse of privileged information (Art. 187-bis Consolidated Finance Act);
- Market manipulation (Art. 187-ter Consolidated Finance Act).

L) CULPABLE HOMICIDE AND SEVERE BODILY HARM IN VIOLATION OF THE LAWS ON HEALTH AND SAFETY IN THE WORKPLACE

(Article 25-septies of Decree 231)

- *Manslaughter (Article 589 of the Criminal Code);*
- *Negligent personal injury (Article 590(3) of the Criminal Code).*

M) HANDLING OF STOLEN GOODS, MONEY LAUNDERING, THE USE OF CASH, GOODS OR ASSETS OF ILLEGAL ORIGIN

(Article 25-octies of Decree 231)

- Handling stolen goods (Art. 648 Criminal Code);
- Money laundering (Art. 648-bis Criminal Code);
- The use of cash, goods or assets obtained illegally (Art. 648-ter Criminal Code);
- Self-laundering (Art. 648-ter.1 Criminal Code).

N) OFFENCES RELATING TO NON-CASH PAYMENT INSTRUMENTS

(Article 25-octies.1 of Decree 231)

- Unlawful use and falsification of non-cash payment instruments (Article 493-ter of the Criminal Code);
- Possession and distribution of equipment, devices or computer programs intended for committing offences involving non-cash payment instruments (Article 493-quater of the Criminal Code);
- Computer fraud (Article 640-ter of the Italian Criminal Code);
- Fraudulent transfer of assets (Article 512 bis of the Italian Criminal Code).

O) CRIMES VIOLATING COPYRIGHTS

(art. 25-novies of Decree 231)

- Crimes relating to copyright infringement (Art. 171, first paragraph, letter a-bis and third paragraph of Law 633/1941);
- Crimes relating to copyright infringement (Art. 171-bis of Law 633/1941);
- Offences relating to copyright infringement (Art. 171-ter Law 633/1941);
- Offences relating to copyright infringement (Art. 171-septies Law 633/1941);
- Offences relating to copyright infringement (Art. 171-octies Law 633/1941).

P) CRIME INDUCING OTHERS NOT TO MAKE DECLARATIONS OR TO MAKE FALSE DECLARATIONS TO LEGAL AUTHORITIES

(art. 25-decies of Decree 231)

- Inducing others not to make declarations or to make false declarations to Legal Authorities (art. 377-bis Criminal Code).

Q) ENVIRONMENTAL CRIMES

(art. 25-undecies of Decree 231)

- Kill, destroy, capture, remove, hold protected wild animal or vegetable species (Art. 727-bis Criminal Code);

Destroy or cause the deterioration of a habitat inside a protected site (art. 733-bis Criminal Code);

- Discharge industrial waste water containing dangerous substances including those in the substance families and groups indicated in tables 5 and 3/A of Appendix 5, part three, TUA (environmental Consolidation Act) (art. 137 Legislative Decree no. 152 of 3 April 2006);
- Discharging into the ground, substratum and underground waters (art. 137, c.11 Legislative Decree no. 152 of 3 April 2006).
- Discharging forbidden substances or materials into the sea from ships or planes (art. 137, c.13 Legislative Decree no. 152 of 3 April 2006).
- Waste collection, transport, recovery, disposal, commerce and mediation without specific authorisation, registration or communication (art. 256, c.1 Legislative Decree 152/2006);
- Creating or managing an unauthorised dump (art. 256, c.3 Legislative Decree 152/2006);
- Mixing hazardous waste (art. 256, c.5 Legislative Decree 152/2006);
- Temporary storage on the production site of dangerous sanitary waste (art. 256, c.6 Legislative Decree 152/2006);
- Pollution of soil, substratum, surface and underground waters by exceeding risk threshold concentration levels (art. 257, c.1 Legislative Decree 152/2006);
- Pollution, caused by dangerous substances, of soil, substratum, surface and underground waters by exceeding risk threshold concentration levels (art. 257, c.2 Legislative Decree 152/2006);
- Violation of obligations re communication, keeping obligatory registers and (art. 258, c.4, second paragraph, Legislative Decree 152/2006);
- Unlawful traffic of waste (art. 259, c.1 Legislative Decree 152/2006);
- Activities organised for the unlawful traffic of waste (art. 452-quaterdecies Criminal Code);
- False indications on the nature, composition and chemical-physical characteristics of waste or including a false certificate in information to be supplied for waste data traceability purposes (art. 260 bis, c.6 Legislative Decree 152/2006);
- Use of waste analysis certification containing false indications on the nature, composition and chemical-physical characteristics of waste transported (art. 260 bis, c.7 Legislative Decree 152/2006);
- Fraudulent alteration of a water copy of SISTRI form – Transporter handling Area (art. 260 bis, c.8 Legislative Decree 152/2006);
- Exceeding emission limits during plant operations which also causes an exceeding of air quality limits (art. 279, c.5 Legislative Decree 152/2006);
- Importing, exporting or re-exporting examples belonging to animal and vegetable species threatened with extinction, without the prescribed certificate or licence or with an invalid certificate or licence or non-compliance with regulations safeguarding said examples (art. 1, c.1 and 2 Law no. 150, 7 February 1992;

- Forging or altering certificates, licences, import notices, declarations, communication of information to acquire a licence or certificate, us or false or altered certificates or licences (art. 3-bis, c.1 Law no. 150, 7 February 1992);
- Holding live examples of wild mammals and reptiles and live examples of mammals and reptiles reproduced in captivity (art. 6, c.4 Law no. 150, 7 February 1992);
- Use of substances damaging to the ozone layer (art.3, c.6 Law no. 549, 28 December 1993);
- Fraudulent pouring of polluting substances into the sea or said substances being dumped by ships (art.8, c.1 and 2 Legislative Decree no. 202, 6 November 2007);
- Negligent pouring of polluting substances into the sea or said substances being dumped by ships (art.9, c.1 and 2 Legislative Decree no. 202, 6 November 2007);
- Environmental pollution (art. 452-*bis* of Criminal Code);
- Environmental disaster (art. 452-*quater* of Criminal Code);
- Unintentional environmental offences (art. 452-*quinqüies* of Criminal Code);
- Aggravated associative offences (art. 452-*octies* of Criminal Code);
- Traffic and abandonment of highly radioactive material (art.452-*sexies* of Criminal Code).

R) USE OF THIRD-COUNTRY NATIONALS RESIDING ILLEGALLY

(art. 25-*duodecies* of Decree 231)

- Temporary and permanent employment (art. 22 c. 12-*bis*, D. Lgs. 25 July 1998, no. 286, cd. – T.U.I.);
- Provisions against illegal immigration (art. 12 D. Lgs. 25 July 1998, no.286).

S) RACISM AND XENOPHOBIA

(art. 25-*terdecies* of Decree 231)

- Propaganda and incitement to commit crimes for reasons of racial, ethnic and religious discrimination” (Art. 604*bis* of Criminal Code).

T) FRAUDS IN SPORT COMPETITIONS, ABUSIVE GAMING OR BETTING PRACTICES AND GAMES OF CHANGE EXERCISED BY MEANS OF PROHIBITED EQUIPMENT

(art. 25- *quaterdecies* of Decree 231)

- Fraud in sporting competitions (Art. 1 Law 401/1989);
- Illegal gambling or betting activities (Art. 4 Law 401/1989).

U) TAX CRIMES

(art. 25- quinquiesdecies of Decree 231)

- Fraudulent Tax Return using invoices or other documents for non-existent transactions (Art. 2 Decree no. 74/2000);
- Fraudulent Tax Return by other means (art. 3 Decree no. 74/2000);
- Unfaithful Declaration (art. 4 Decree no. 74/2000), committed in the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of not less than ten million euros;
- Fail to file a Tax Return (art. 5 Decree no. 74/2000), committed in the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of not less than ten million euros;
- Issuance of invoices or other documents relating to non-existent transactions (art. 8 para. 1 e para. 2-*bis* Decree no. 74/2000);
- Concealment or destruction of accounting document (art. 10 Decree no. 74/2000);
- Illicit Clearance (art. 10-*quater* Decree no. 74/2000), committed in the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of not less than ten million euros;
- Fraudulent subtraction from the payment of taxes (art. 11 Decree no. 74/2000).

V) SMUGGLING

(art. 25- sexiesdecies of Decree 231)

- Smuggling in the movement of goods across border lakes (Art. 283 of Presidential Decree 43/1973);
- Smuggling in the maritime movement of goods (Art. 284 of Presidential Decree 43/1973);
- Smuggling in the movement of goods by air (Art. 285 of Presidential Decree 43/1973);
- Smuggling in extra-customs areas (Art. 286 of Presidential Decree 43/1973);
- Smuggling through the improper use of goods imported with customs concessions (Art. 287 of Presidential Decree 43/1973);
- Smuggling in customs warehouses (Art. 288 of Presidential Decree 43/1973);
- Smuggling in coastal shipping and circulation (Art. 289 of Presidential Decree 43/1973);
- Smuggling in the export of goods eligible for duty refunds (Art. 290 of Presidential Decree 43/1973);
- Smuggling in temporary import or export (Art. 291 of Presidential Decree 43/1973);
- Smuggling of foreign manufactured tobacco (Art. 291-bis of Presidential Decree 43/1973);
- Aggravating circumstances of the crime of smuggling foreign manufactured tobacco (Art. 291-ter of Presidential Decree 43/1973);
- Criminal association for the purpose of smuggling foreign manufactured tobacco (Art. 291-quater of Presidential Decree 43/1973);
- Other cases of smuggling (Art. 292 of Presidential Decree 43/1973).

W) CRIMES AGAINST CULTURAL HERITAGE

(art. 25- septiesdecies of Decree 231)

- Theft of cultural property (Article 518-bis of the Criminal Code);
- Misappropriation of cultural property (Article 518-ter of the Criminal Code);
- Receiving stolen cultural property (Article 518-quater of the Criminal Code);
- Forgery of private documents relating to cultural property (Article 518-octies of the Criminal Code);
- Violations relating to the disposal of cultural heritage (Art. 518-novies of the Italian Criminal Code);
- Illegal importation of cultural heritage (Art. 518-decies of the Italian Criminal Code);
- Illegal removal or exportation of cultural heritage (Art. 518-undecies of the Italian Criminal Code);
- Destruction, dispersion, deterioration, defacement, damage and unlawful use of cultural or landscape heritage (Article 518-duodecies of the Italian Criminal Code);
- Counterfeiting of works of art (Article 518-quaterdecies of the Italian Criminal Code).

X) RECYCLING OF CULTURAL PROPERTY AND DEVASTATION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE

(art. 25- duodevicies of Decree 231)

- Recycling of cultural property (Article 518-sexies of the Criminal Code);
- Devastation and looting of cultural and landscape heritage (Article 518-terdecies of the Criminal Code).

3. OFFENCES COMMITTED ABROAD

According to specific provisions of Decree 231, the Entity can be considered liable in the Italian territory for crimes committed abroad.

The conditions on which this liability is based are:

- a) Crime must be committed abroad by parties having a functional relation with the Entity;
- b) the Entity must have its main offices in territory of the Italian State;
- c) the Entity will only be liable in the cases and under the conditions provided for in Articles 7, 8, 9, 10 of the Italian Criminal Code (Criminal Code rules governing crimes committed abroad; whenever the law provides that the tort-doer be punished at the request of the Minister of Justice, action is only taken against the entity if the request is made directly to the Entity itself);
- d) the Entity is liable provided that the authorities of the place where the fact was committed do not take action against it.

4. ADOPTION OF THE MODEL AS A POSSIBLE EXEMPTION FROM ADMINISTRATIVE LIABILITY

Decree 231 provides for a **specific form of exoneration from administrative liability** contingent on Crimes whenever the Entity can **prove** that:

- 1) *Management has adopted and successfully implemented, before committal of any torts, an Organisation and Control Model suitable for preventing Crimes similar to those committed;*
- 2) *The task of ascertaining operation of and compliance with the Model and the task of updating it is entrusted to an organ of the Entity, vested with autonomous action and control powers;*
- 3) *Persons who committed the Crime acted by fraudulently avoiding the Organisation and Management Model;*
- 4) *The organ under Point 2 has either omitted supervision or been insufficiently vigilant.*

The Entity's liability is therefore relating to the so-called "organisation-related fault", i.e. non-adoption or non-compliance of necessary *standards* of organisation and management of the Entity itself.

However, the Entity will not be exempted from liability merely by adopting the Model, which must have material and specific **efficiency and effectiveness**. In particular, as far as the former requirement is concerned, Decree 231 provides that – in Art. 6, Para 2 – the following steps preliminary to a correct implementation of the Model:

- a) *Identification of activities within the scope of which the possibility exists that Crimes under Decree 231 are committed;*
- b) *Provision of specific protocols intended for programs of training on and implementation of the Entity's decisions regarding the Crimes that need to be prevented;*
- c) *Identification of methods for managing financial resources useful for preventing Crime committal;*
- d) *Provision of an obligation to inform the organ delegated to monitor the working and observance of the Model;*
- e) *Introduction of a disciplinary system suitable for punishing any non-compliance with measures indicated in the Model.*

As detailed below, the Model was prepared by Houlihan Lokey for the purpose of complying with the above requirements. In defining the Model, in addition to the banking industry's guidelines illustrated below, the "**Decalogue 231**"⁸ was also followed. Among other things, the Decalogue requires that:

- 1) Model must be adopted following a specific and comprehensive crime risk mapping and should not merely describe or repeat the provisions of law;
- 2) Model must provide that members of the supervisory body are especially skilled in supervisory and advisory activities;
- 3) Model must also provide for a verdict of guilty although not final or plea bargain for any of the Crimes indicated in Decree 231 as a cause for non-eligibility as member of the supervisory body;
- 4) Model should include a distinction between training intended for employees in general, employees operating in specific areas at risk, the supervisory body and those in charge of internal control;

⁸ Order issued by the Public Prosecutor of the Law Court of Milan, Ms. Secchi, on September 20, 2004.

- 5) Model must indicate the content of training courses, their frequency, mandatory nature of participation in courses, controls over attendance and quality control over the content of programs;
- 6) Model must expressly provide for infliction of disciplinary sanctions against directors, chief operating officers and compliance officers who due to negligence or inexperience were not able to detect, therefore eliminate, breaches of Model of committal of Crimes;
- 7) Model must provide for systematic procedures for research and identification of risks under special circumstances (e.g. emersion of previous violations, high turn-over of staff);
- 8) Model must provide periodical routine and surprise checking of sensitive corporate activities;
- 9) Model must provide for and regulate the obligation for employees, managers, directors of the company to report to the supervisory body any information relating to the life of the Entity, breach of Model or committal of Crimes. In particular, it should provide real indications on the methods through which those who become aware of unlawful behaviours are enabled to report same to the supervisory body;
- 10) Model must include specific and concrete agreements and procedures.

As far as the effectiveness requirement is concerned, the legislator expressly provided for periodical checking and possible modification of Model, whenever the Entity changes its organisational structure, its business purpose or significant breach of its prescriptions are detected. Effectiveness is also ensured by provision of a “*disciplinary system suitable for punishing any non obedience to the measures included in the Model*”.



GENERAL SECTION

ADOPTION OF THE MODEL BY HOULIHAN LOKEY

1. THE MODEL OF HOULIHAN LOKEY

1.1. Activities and Organisations of Houlihan Lokey

As previously stated, the activities currently carried out by Houlihan Lokey are the following: (i) consultancy on merger and acquisition transactions; (ii) consultancy on general corporate, including restructuring, financing and other operations on stocks and bonds; (iii) evaluations of companies, company branches and industrial projects.

The organisational structure of the Company is reflected in the organisation chart, as well as in the set of corporate documents (such as for example procedures), which contribute to the composition of the "Regulatory body" of the Company and in which the duties and areas of responsibility of the executive bodies are defined. The main criteria on which Houlihan Lokey's organisational structure is based are related to the presence of Managing Directors / Directors with executive functions to whom the Vice Presidents, Associates and Analysts report in carrying out the activities falling within the corporate purpose of the Company.

According to the Shared Service Agreement stipulated between Houlihan Lokey and Houlihan Lokey EMEA, the latter carries out some functions in favor of the Company through its own structures. As part of this activity, Houlihan Lokey EMEA, on the basis of the aforementioned contract, provides the following activities in favor of the several subsidiaries of Houlihan Lokey:

- Administrative and accounting services;
- Information Technology Services;
- Support services in the management of activities related to Marketing;
- Legal Services (including support for compliance activities);
- Personnel Management Services, including payroll management;
- Information Center services;
- Insurance services;
- License to use the "Houlihan Lokey" trade name

Other services agreed from time to time. With regard to the management of intercompany relations, reference should be made to the contents of chapter 7 ("Infra-group services").

1.2. Functions and Purpose of the Model

Through this Model, Houlihan Lokey intends to pursue the following specific objectives:

- compliance with rules and regulations on administrative liability of Entities, also verifying and consolidating measures already in place, aimed at preventing unlawful conduct relevant to the purposes of Decree 231;
- inform all **Intended Recipients** on the scope of these rules and regulations and the severe sanctions that might affect the Company and the perpetration of unlawful behaviour whenever Crimes and Administrative offences are committed and punished according to Decree 231;
- to inform all **Intended Recipients** of the objectives and scope of application of the above rules;
- to communicate to all **Intended Recipients** that Houlihan Lokey does not tolerate conducts which, even if mistakenly designed to bring benefits to the Company, conflict with the provisions of laws, regulations, regulatory requirements or internal rules, or with the Company's principles of fair and sound management of corporate activities;
- inform all **Intended Recipients** of the need for strict compliance with the provisions of the Model, whose breach is punished through severe disciplinary sanctions;
- inform the Company's Collaborators, Advisors, Suppliers and Partners of the scope of the rules and regulations in addition to ethical principles and rules of conduct adopted by the Company;
- communicate to the Company's Collaborators, Advisors, Suppliers and Partners that Houlihan Lokey does not intend to tolerate conducts that are contrary to legal provisions, regulations, supervisory rules, internal corporate rules in addition to principles of fair and sound management of corporate activities which the Company adopted and that any breach thereof may result in the consequences indicated in respective contractual provisions;
- in general, take the necessary initiatives and steps to prevent illegal conducts in the Company's operations, having particular regard to the acts covered by Decree 231.

1.3. Intended recipients of the model

Intended Recipients of this Model are the Corporate Representatives and Employees. Intended recipients are subject to specific and different training activities and information on the contents of the Model.

1.4. Other Subjects Obligated to Comply with the Ethical Values and Code of Conduct adopted by Houlihan Lokey

All Consultants and Suppliers (Meaning both natural persons and legal entities) must comply with the provisions of Decree 231 and the ethical principles adopted by the Company, by documenting their acknowledgement of the Code of Ethics. Any control principles and rules included in the Special Parts of the Model also apply to above-mentioned parties, relating to their specific areas of activity.

The Company requires all its Partners operating within Italy to comply with the provisions of Decree 231 and its ethical principles, through individual contractual provisions (Appendix n.1). The Company asks that its Partners' ethical principles reflect those of the Group's Code of Ethics.

1.5. Procedures for drafting the Model

Houlihan Lokey, formerly known as Leonardo & Co., has drawn up its own Model through a process addressed to check the effectiveness of existing control measures, in particular in activities sensitive to Crime risks. For this purpose, analysis of sensitive areas and control measures was started: thanks to this initiative, the Company, although being aware of its intention to tend to the best *corporate governance* system and constantly attentive to the provisions of Decree 231, decided to further strengthen its control tools.

For the purposes of implementing the draft of the Model, a working team consisting of internal and external members of the Company was established. The Model was adopted by the Board of Directors 20 June 2007.

In defining this Model, the Company undertook steps that were successive and logical, particularly:

- mapping of Sensitive activities;
- identification of risk profiles;
- identification of control tools and gap analysis;
- identification of a Supervisory Body (“SB”), within the corporate structure, in charge of the supervision and compliance with the Model, also through monitoring of corporate behaviours, including Model updating;
- identification of the corporate resources available to the SB, of a sufficient quantity and value to reflect the tasks entrusted to it and reasonably achievable;
- identification of the general principles of a suitable internal control system for issues relevant under Decree 231 and in particular:
 - compliance to the segregation of duties principle
 - definition of power authorization consistent with assigned responsibilities
 - possibility to verify and document every transaction relevant for the purposes of Decree 231
 - communication to the SB of relevant information.

In carrying out the risk assessment activities, the Company has also carried out a staff awareness process, with respect to both the role of the Model and the behavioral principles that inspire the Company and the Group. To this end, the initial implementation activities of this document started from an initial meeting (so-called “kick-off meeting”), in the presence of the Company's Top management and with the participation of numerous managers of the functional units of the same, in which the scope of Decree 231, the development phases of the process aimed at defining this Model and the involvement required of the individual managers was illustrated. The document submitted, together with a description of the significant Offences pursuant to Decree 231, was then sent to all attendees.

Houlihan Lokey also promoted awareness of the Model at various training sessions which involved every department, in order to illustrate the content of the Model and make the Intended Recipients aware of the conduct required under the terms of the Model and current legislation.



The updating activities mentioned above have been carried out through the review of the mapping carried out during the previous interventions, through interviews with the reference Managers, as well as through a new assessment of the Sensitive Activities, of the risk profiles and of the related controls.

With regard to the updating activities, the Supervisory Body has carried out continuous monitoring of regulatory changes and stimulation of the corporate structure in order to promote the strengthening of the internal control system with reference to Sensitive Activities for the purposes of Decree 231.

With regard to the phases of construction of the Model, these were articulated as described below.

1.6. Collection and analysis of documentation

The first phase, necessarily of a preliminary nature, involved an examination of the Company's documentation (decisions of the meetings of shareholders and the Board of Directors, procedures, the organisational chart, functional charts, memoranda, internal instructions, system of powers, delegations and proxies, etc.) in order to establish the internal regulatory and operating framework to which the Company should refer.

On the basis of the analysis of the documentation and with the active contribution provided by the Company Managers, steps were taken to analyze the activities carried out by Houlihan Lokey.

1.7. Mapping of Activities, Identification of Risk Profiles, Identification of Control Tools and Gap Analysis

On the basis of the information gathered, meetings were held with the same managers in order to discuss and examine in greater detail the information already provided in writing and to map the activities at risk, identifying the areas that are "sensitive" with regard to the offences punishable under Decree 231.

We therefore identified the areas at risk of committing offences and administrative violations relevant to Decree 231 and those that are instrumental, meaning, respectively, the areas of activity whose performance may directly give rise to the commission of one of the offences covered by Decree 231 and the areas in which, in principle, the conditions, the opportunities or means for the commission of offences and administrative offences.

The results of this activity have been formalised in the document "Memorandum" or "Matrix of potential risk profiles", which, in addition to illustrating the activities carried out by the Company, identifies the risk profiles for the commission of offences and administrative offences.

For each activity, the reason for the existence of each risk profile was indicated and, therefore, the relevant risk area and/or instrumental area was associated with it in order to assess the adequacy of the controls in place.

These documents are available to the SB thus enabling the latter to perform the institutional activity it is in charge of.

Based on the above mapping and the control mechanisms in place, an analysis has been carried out aimed at evaluating the adequacy of the control system in place, meaning the capability of preventing or identifying such unlawful conducts as those punished by Decree 231. Specifically, the areas relevant for the purposes of Decree 231 were considered against the system of measures/controls in place at the Corporate in order to unveil any discrepancies in respect of the *best practice* and to search for possible solutions and remedies.

During this stage, special attention was paid to detection and regulation of management and control of financial resources dedicated to activities considered sensitive for committal offences

relevant under Decree 231, in addition to strengthening any measures in areas where risk profiles might show up.

Based on the above activity, the need for aligning the control mechanisms in place to each area at risk of crime and/or instrumental to committal of risk was identified.

A similar procedure was adopted, and will if necessary be implemented in the future, for updates to the Model resulting from changes in the law and/or major organisational developments.

1.8. Development of the Model – Formalisation of the Code of Ethics

The Group has adopted a *Code of Ethics* that incorporates and formalizes the ethical and behavioral principles and visions that contribute appropriately to defining the ethical profile of Houlihan Lokey and the companies of the Group, having regard to its external image and also to the approaches of all those who operate within and on behalf of the Group.

1.9. Development of the Model – Evaluation of the system of Powers, Delegations and proxies

Houlihan Lokey's system of powers is based on the criteria of formalisation and clarity, communication and separation of roles, attribution of responsibility, powers of representation, definition of hierarchy and operating activities.

The organisational instruments already in place (organisational charts, organisational communications, procedures, proxies, etc.) are based on the following general principles:

- knowledgeability within the Company;
- clear description of report lines.

As illustrated in the Introduction, Houlihan Lokey's corporate governance is managed by the Board of Directors. In compliance with the provisions of art. 2381 of the Civil Code, the Board of Directors has delegated to the Chief Executive Officer the functions relating to the administration of the Company.

In particular, the Chief Executive Officer has the task of supervising the strategies resolved by the Board of Directors, with the aim of achieving the objectives set.

The Chief Executive Officer has all the powers of ordinary administration, with single signature, with the exception of the signing of offers, proposals and acceptance of mandates to and from customers of any economic sector, without distinction of geographical areas, of changes and additions to the proposals and the aforementioned mandates, the withdrawal of the aforementioned mandates and resolutions, and the assessments and formal opinions (*e.g. fairness opinions*) issued by the Company; in relation to these activities, the joint signature between the Chief Executive Officer and the Directors is envisaged, according to the combinations envisaged in the power scheme approved by the Board of Directors.

In order to favor the adoption, interaction, harmonization and implementation of policies related to various issues (for example, administration, finance, accounting, human resources, etc.) and to supervise the other Entities of the Group, a Chief Compliance Officer (hereinafter also the "CCO") and an Anti-Money Laundering Compliance Officer belonging to the Compliance Department of Houlihan Lokey have been appointed. In particular, the CCO has the responsibility to supervise and define the processes, the internal reference regulations as well as the *best practices* relating to the different areas of competence, favoring and managing their implementation also at the organisational structure level. Furthermore, in order to prevent and identify possible violations of the regulations, periodic control activities are carried out on the activities conducted by Houlihan Lokey and on those carried out by the other Group Entities.

It should also be noted that, as part of the Company's governance system, the figure of the Compliance Officer was established, as an internal Manager for the monitoring of non-compliance risk.

In the context of the adoption process and subsequent updating of the Model, the adequacy of the delegation and powers of attorney system was also assessed with reference to the activities of Houlihan Lokey, verifying any need for adaptation. In principle, the system of delegation and powers of attorney must be suitable for the prevention of Crimes and such as to ensure an effective and efficient management of the activities carried out by Houlihan Lokey: in this sense, the framework of the system must be based on the following rules:

- a) tasks and responsibilities are attributed in a clear and appropriate manner;
- b) exercise of powers so delegated is continuously monitored;
- c) the grid and limits of any downscale delegation system must be documented;
- d) the delegated, if applicable to the powers delegated, must have appropriate powers of expenditure in relation to the functions conferred.

As defined in more detail in the Special Sections of the Model, for each process the internal procedures must provide for a clear definition of the roles of the individuals in charge, and for the separation of functions between these people, in compliance with rules that both make a distinction between who implements and executes the actions on the one hand, and the person checking the action on the other. It is also necessary that powers are delegated consistently with the position covered by proxy within Houlihan Lokey, preventing potential misalignments between the role covered within the company and the powers granted to them; that they indicate which powers are entrusted with proxies and hierarchical reports that the latter should follow; finally, that any management powers granted by proxy and their implementation are consistent with corporate objectives.

1.10. Development of the Model – Review of the Penalties system

Art. 6., Para. 2, Letter c) of Decree 231 expressly provides for the obligation for the Entity to *"set up a disciplinary system suitable for applying sanctions to non-compliance with the measures indicated in the Model"*.

For details on this subject please refer to paragraph 4 of this Section.

1.11. Development of the Model – Review of the contractual clauses

Finally, the need for introducing specific contractual provisions has also been considered, in order to regulate relations with financial advisors, and certain types of collaborators, consultants, suppliers and partners in compliance with the provisions of Decree 231 (Appendix n. I).

1.12. Development of the Model – Establishment of a Supervisory Body

For the purpose of exemption from administrative liability, Decree 231 provides that the entity should establish an internal organisation entrusted with independent powers of action and control, in order to supervise the operation of the Model, and ensure that its provisions are complied with and updated.

For details, please refer to the following chapter 3 of this Section.

1.13. Governance and the controls system

Houlihan Lokey attaches great importance to its *corporate governance*, which is meant to be a governance system aimed at best practice.

This importance is reflected in the adoption of an internal discipline and control system that share the same objectives of achieving the corporate purposes and at the same time meeting legal provisions, following the highest ethical standards.

One of the ways through which Houlihan Lokey intends to pursue these objectives and which contains important principles intended also to prevent Crimes and Administrative Offenses is the ***Code of Ethics***.

2. SENSITIVE ACTIVITIES OF HOULIHAN LOKEY

As described above, the drafting and updating of the Model is based on a detailed analysis of the Company's activities. The results of this analysis highlight those processes which are potentially sensitive to Crimes and Administrative offences being committed.

In view of the Company specific operations, the risk profiles identified relate to the offences referred to under articles 24, 24-bis, 24-ter, 25, 25-bis, 25-ter, 25-quater, 25-quinquies, 25-sexies, 25-septies, 25-octies, 25-novies, 25-decies, 25-undecies, 25-duodecies, 25-quinquiesdecies of Decree 231, the Administrative offences referred to under the Consolidated Finance Act, and the trans-national offences referred to under law no. 146/2006. The risks of offences being committed in the interests or to the benefit of the Company against industry and commerce (art. 25-bis.1), mutilation of genital organs (art. 25-quater.1), offences of xenophobia and racism (25-terdecies), offences of Frauds in sports competitions (25-quaterdecies) and offences of smuggling (25-sexiesdecies) were considered to be remote. Reference to the body of principles contained in this Model and the Code of Ethics was considered to be sufficient, as the Intended Recipients are obligated to comply with the laws and regulations in force in the countries in which they operate, and to observe the values of impartiality, integrity, dignity and equality.

Consequently, on the basis of the above analysis, the sensitive activities cover the following:

- a) Offences against the Public Administration (Special Part – I)⁹
 - management of relations with representatives of the Public Administration in the event of inspections, obligations and requests;

⁹ Except for the crimes of corruption referred to in art. 25 of Legislative Decree 231/2001 for which reference is made to Special Part VIII of this document.

- stipulation and execution of mandates with clients;
 - salary management;
 - selection and hiring of personnel (protected categories);
 - consultancy in financial transactions for obtaining and using public subsidies.
- b) Corporate Offences (Special Part – II)¹⁰
- managing accounts and preparing financial statements;
 - valuation of items to be allocated to the balance sheet;
 - management of relations with internal bodies having control functions (e.g. Statutory Auditors);
 - management of relations with representatives of the Public Administration in the event of inspections, obligations and requests;
 - handling information that is privileged/confidential (in cases of insider trading) obtained during *business* activities;
 - stipulation and execution of mandates with clients;
 - consulting services for liability restructuring, mergers or acquisitions of companies, or other possible extraordinary financial transactions.
- c) Crimes and Administrative offences resulting in market abuse rules (Special Part – III)
- handling information that is privileged/confidential obtained during *business* activities.

¹⁰ Excluding the crime of "Private to private Corruption" referred to in art. 25-ter letter s) bis of Legislative Decree 231/2001 and of the crime "Instigation to Private to private Corruption" for which reference is made to Special Section VIII of this document.

- d) Crimes resulting in terrorism or subverting the democratic system, against the individual and transnational offences referred to organised crime (Special Part – IV)
 - acquisition of new clients and monitoring of their risk profile.
- e) Crimes of receiving, money-laundering, use of money, goods or utilities of illicit origin, as well as self-laundering (Special Part – V)
 - acquisition of new clients and monitoring of their risk profile;
 - selection and management of relationships with suppliers, external consultants and introducers;
 - payments management.
- f) Offences relating to non-cash payment instruments (Special Part – VI)
 - management of payments made using company cards.
- g) Information technology crimes and violation of copyrights (Special Part – VI)
 - management and monitoring of information systems
 - handling of documentation used as evidence
 - installation of programs/software.
- h) Culpable homicide and severe bodily harm in violation of laws governing health and safety in the workplace, and environmental offences (Special Part VII)
 - management of obligations regarding waste disposal;
 - all the activities carried out by Employees and Collaborators within the company premises that can lead to the commission of crimes of culpable homicide and serious culpable injuries or very serious, committed with violation of the accident prevention regulations and on the protection of hygiene and health at work;
- i) Corruption Offences (Special Part – VIII)
 - management of relations with representatives of the Public Administration in the event of inspections, obligations and requests;
 - stipulation and execution of mandates with clients;
 - management of gifts and entertainment expenses;
 - selection and management of relationships with suppliers, external consultants and introducers (including any Advisory Service Companies);
 - payments management;
 - selection, recruitment, remuneration and management of personnel;
 - activity of obtaining and using any public subsidies;
 - litigation management.
- j) Tax Crimes (Special Part – IX)
 - management of tax obligations
 - accounting management;
 - management of relations with representatives of the Public Administration on the occasion of inspections, obligations and requests;

- management of invoicing and receipts;
- management of intercompany activities;
- invoicing for services rendered under advisory mandates entered into with clients.

With reference to each of the aforementioned risk areas, the procedural principles for mitigating the previously identified Offenses commission risk factors have been defined in the Special Parts.

3. THE SUPERVISORY BODY

Decree 231 provides expressly that the Entity entrusts the functions of supervising the working and observance of the Model and the updating of same to an organ having autonomous powers of initiative and control (“Supervisory Body” or “SB”).

It is necessary for the SB to base its activities on criteria of **autonomy** and **independence**, **professionalism** and **continuity of action**, to as to ensure an effective and efficient implementation of the Model.

The **autonomy and independence** of the SB results in autonomy of initiative of control in respect of all forms of interference or conditioning on the part of any representative of the legal body, and in particular, of the management.

In order to ensure these requisites, the SB will report exclusively to the Board of Directors as a whole. The SB shall also enjoy guarantees such as to prevent the SB or any of its members from being dismissed or penalised as a consequence of carrying out its functions.

In real terms, the requisite of **professionalism** translates into the SB’s capacity to carry out its duty to supervise the effective application of the Model and the capacity to ensure its flexibility by submitting proposals for updates to the Company management board.

With reference to **continuity of action**, the SB is required to supervise compliance with the Model on an ongoing basis, to check its effectiveness and efficiency and to update it following organisational or regulatory developments or in the case of clear inefficiencies or

inappropriateness. The SB must act as the main contact for the Corporate Representatives and Employees of the Company in respect of the matters covered by Decree 231.

Members of the SB must also have specific capabilities in respect of **supervision and consultancy** activities¹¹. The SB may also request assistance from external advisors. Under Decree 231, the SB is to be “internal to” the Entity.

It is in the best practice that the SB is formed in a collegial way. Finally, it should be noted that, article 14, c.12 of the law of November 12, 2011 no. 183 ("Provisions for the preparation of the annual and multi-year state budget - 2012 Stability Law"), introduced recent innovations in Legislative Decree no. 231/2001, in particular to art. 6, c.4-bis of the Decree, providing that *"in corporations, the board of statutory auditors, the supervisory board and the management control committee may perform the functions of the supervisory body referred to in paragraph 1, letter b)"*.

In light of this new regulatory provision, with a specific resolution, the Company's Board of Directors has entrusted the Board of Statutory Auditors with the functions of Supervisory Body pursuant to Decree 231, thus forfeiting the pre-existing Body.

3.1 Structure and composition of the Supervisory Body

Since the Model was first adopted, Houlihan Lokey S.p.A. (formerly Leonardo & Co.) has moved towards a collegial structure for the Supervisory Body, in order to enhance internal dialogue and the independence of the function.

Pursuant to the new regulations mentioned above, by means of a specific resolution, the Company's Board of Directors entrusted the Board of Statutory Auditors with the functions of the Supervisory Body pursuant to Decree 231, thereby dissolving the Body in its previous composition. Furthermore, following the corporate changes that took place in 2015, with particular reference to the Company's exit from the Banca Leonardo Group, it was decided to maintain the same composition of the Body entrusted to the Board of Statutory Auditors.

The Supervisory Body, whose functions are performed by the Board of Statutory Auditors, is composed of three standing members, chosen from among those registered in the register of auditors established at the Ministry of Justice, and they must not be in the conditions referred to in Article 2399 of the Italian Civil Code.

The Company's Board of Directors appoints and dismisses the members of the Supervisory Body and appoints the Chairman. The members of the Supervisory Body remain in office until dismissed.

In line with the requirements set out in the Articles of Association for members of the Board of Directors, it is considered necessary to identify the Chairman of the SB as a person of proven and confirmed competence and authority in legal and/or economic matters.

The Company agrees that the Chairman should be chosen from among individuals who, among other things, can convince the Company's staff that this office is not biased in its decisions, so as to strengthen the staff's trust in the SB and, at the same time, act as an important deterrent to the commission of crimes and administrative offences.

With regard to the requirements of professionalism and integrity, the causes of (in)eligibility, revocation, forfeiture and suspension, and the remuneration of the members of the SB, it is provided that:

(i) Requisites of professionalism and honourability. Causes of ineligibility

Members of the Supervisory Body must be in possession of requisites of professionalism and honourability. In respect of the requisite of professionalism, reference could be found in Art. 109 of the Consolidated Banking Act as amended by Circular no. 161/18.03.1998 of the Ministry for the Treasury, Budget and Economic Planning. In respect of the requisite of honourability, anyone subject to the conditions referred to in art. 2382 of the Italian Civil Code cannot be elected as a member of the Supervisory Body.

No individual with one of the following criminal convictions (even if the judgement is not final or if the sentence is suspended), or with a conviction issued under the terms of articles 444 et seq. of the Italian Code of Criminal Procedure can be elected as a member of the Supervisory Body, save for the effects of re-qualification:

1. imprisonment for a period of not less than one year for any crime stated in Royal Decree 16 March 1942, n.267;
2. imprisonment, for a period of not less than one year, for any of the Crimes under the rules covering banking, finance, stock markets, insurance and regulations on such markets for stocks and shares, instruments of payment;
3. imprisonment for not less than one year for any crime against the public administration, against public confidence, public assets or public economy, for tax avoidance;
4. for any crime that is not manslaughter or imprisonment for a period of not less than 2 years;
5. for any of the crimes listed in title XI of book V in the Civil Code as reformulated in Legislative Decree. n. 61/2002;
6. for a crime resulting in a judgement for a penalty giving rise to interdiction, also temporary, from public offices, or interdiction temporarily from management offices of any legal bodies and companies;
7. for any of the crimes or administrative offences referred to in Decree 231, even if the judgement contains a lesser penalty than those stated in the foregoing points;
8. those who have held positions as members of a supervisory body within companies subjected to the penalties provided under art. 9 of Decree 231;
9. those in respect of whom have been applied definitively one of the measures of prevention provided under art. 10, Para 3, of Law dated 31 May 1965, n. 575, as replaced by art. 3 of law dated 19 March 1990, n. 55 and subsequent modifications.

Candidates for the position of a supervisory body member must, on request, provide a self-certification that they are not subject to any of the disqualifying conditions referred to above, and give an express undertaking to inform of any changes to the content of such declarations.

¹¹ In this respect, reference is made to Assonime Circular Letter No. 45 of 23/10/2006.

(ii) Revocation

Houlihan Lokey's Board of Directors may revoke the mandates of one, several or all the members of the SB in the event of: (a) any significant breaches of the functions and duties stated in the Model; (b) in the case of breach of the obligations contained in the SB Regulations, or if (c) the Board of Directors becomes aware that one of disqualifying conditions referred to above existed prior to their appointment as a member of the SB.

(iii) Lapse of office

The members of the Supervisory Body will lapse the office if, after their appointment:

- they are subject to any of the situations envisaged by art. 2399 ICC;
- in cases of loss of requisites of honorability;
- they find themselves in a situation where, after their appointment, they hold a position as a supervisory body member in a company subjected to the penalties provided for in art. 9 of Decree 231, relating to Crimes or Administrative offences committed during their term in office;
- they are subjected to a personal precautionary order;
- they are subjected to provisional application of any of the preventive measures under Art. 10(3) of Law no. 575/31.05.1965 as replaced by art. 3 of law no. 55/19.03.1990 as amended.

In order to guarantee that the Supervisory Body enjoys full autonomy in carrying out its functions, without limitations caused by insufficient financial resources, it is allocated a fund on the basis of indications given by the SB itself in the Annual Report and in accordance with the budgeting procedures adopted by Houlihan Lokey. The Supervisory Body can autonomously commit resources in excess of its own spending authority, if the use of such funds is necessary to deal with situations which are exceptional and urgent. In these cases, the SB must inform the CEO without delay.

The Supervisory Body of the Company is to meet at least 4 (four) times a year following a calendar prepared for the purpose. Both the President of the office and its members may in any case request further meetings in writing, whenever necessary to effectively carry out the SB's functions. It is on the other hand always possible for the Board of Directors, the Chairman or the Chief Executive Officer of Houlihan Lokey to call on the SB whenever it is necessary to have explanations, news or assessments. For all other operating requirements reference should be made to the SB Regulation which the Board of Directors will have adopted.

3.2 Functions and Powers of the Supervisory Body

As indicated above, Decree 231 expressly states that the duties of the SB include supervision of the proper functioning of the Model, compliance with its provisions, and responsibility for its updating.

The **supervision** of the functioning and compliance with the Model takes the form of the following duties:

- monitoring the **efficiency, effectiveness** and **adequacy** of the Model in preventing and combating the commission of the offenses referred to in the Decree;
 - supervising observance by the Intended Recipients of the requirements contained in the Model, with particular regard to Sensitive Areas: for this purpose, the SB is required to prepare an **annual schedule of checks**;
 - carrying out periodic and unannounced checks on specific operations or actions taken in the Areas at Risk;
 - setting up an email address and inform the Intended Recipients thereof and of a postal address where can send any reports relating to breaches of the Model, or reports relating to breaches by individuals required to comply with the ethical principles of Houlihan Lokey and the specific provisions of the Model;
 - evaluating the notifications relating to claimed breaches of the Model;
 - performing suitable checks in order to verify the circumstances of any breach or alleged breach of the Model, which is brought to its attention or otherwise identified, liaising with the departments in question in order to obtain all the necessary information;
 - draw up a brief written opinion on the decision taken in relation to each enquiry;
 - report to the CEO in order to begin the disciplinary procedure or apply any other penalty in respect of verified breaches of the Model;
 - monitor, following the ascertained violation of the Model, on the initiation and on the execution of the procedure for imposing a possible disciplinary sanction;
 - coordinate with the Chief Executive Officer and the Human Resources Manager for the definition of specific programs aimed at adequately spreading the Model to all Recipients and testing (also through e-learning) the learning of its contents; follow the initiatives aimed at spreading the Model and raising awareness among the Recipients with respect to the principles contained therein, for example by arranging for the Model to be delivered (possibly also in electronic form) to employees;
 - provide information to the Intended Recipients in respect of queries about the Model;
 - keep all the documentation relating to the above activities.
 - With reference to the updating of the Model, the approval of updates is the responsibility of the administrative body, while the SB is responsible for reporting to the administrative body about any need to implement the Model and to monitor its appropriateness from time to time. In this regard, the functions of the SB, also with the support of external advisors, can be identified as checking any changes in applicable legislation;
 - analysing the Company's activities and its organisation in order to update the Areas at risk;
 - supervision of the updates to Special Parts;
- assessing the need to adapt the Model in the event of any significant breaches or if any Crimes or Administrative offences are committed;

- submitting proposals to the Board of Directors or to the CEO (if delegated for this purpose by the Board) in respect of any updates to the Model related to changes in the Company's operations or deriving from amendments to Decree 231 or resulting from Crimes or Administrative offences, or breaches of the Model, having been committed.

The SB may, at its discretion, rely on the support of internal departments of the Company or external consultants with specific expertise, whose professional contribution may be required from time to time.

3.3 Reporting by the Supervisory Body to the Corporate Organs

In order to guarantee the full autonomy and independence of the SB, it is required to report directly to the Company's Board of Directors whenever appropriate. On an annual basis, the SB must also prepare a written report addressed to the Company's Board of Directors, signed by the Chairman, concerning: the activities carried out by the SB during the reference period, any critical issues that have emerged, both in terms of conduct and in terms of incidents that have occurred, and the corrective measures planned and their status of implementation.

In the same report, the SB shall draw up a plan of activities for the following year; the Board of Directors may request the SB to carry out additional checks on specific matters.

The SB shall, whenever deemed necessary or appropriate, or if requested, report to the Board of Directors on the functioning of the Model and compliance with the obligations imposed by the Decree.

3.4 Notifications to the Supervisory Body

The Supervisory Body must be informed, through specific reports by all Recipients of this document, of any events that could give rise to liability on the part of Houlihan Lokey S.p.A. pursuant to the Decree.

In view of the potential relevance for the determination of (potential) violations of the Model and the Group's Code of Ethics, with the implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, Italian legislation also emphasises whistleblowing provisions, i.e. internal systems designed to allow staff to report acts or facts that may constitute a violation of the rules governing the business.

In particular, in line with the provisions of the new paragraph 2-bis of Article 6 of Legislative Decree 231/2001, introduced by Legislative Decree No. 24 of 10 March 2023, 'Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national law', the following are provided for:

- internal reporting channels;
- external reporting channels;
- adoption of specific measures to better protect whistleblowers (e.g. any changes in duties or discriminatory behaviour related to reports are null and void).

With reference to the methods of transmission of information / data / news, the following provisions apply:

- information flows must be transmitted to the Supervisory Body by the corporate structure involved using the procedures defined by the Body itself;
- notifications, possibly also in anonymous form, concerning the evidence or suspected violation of the Model, must be sent in writing to Houlihan Lokey Supervisory Body pursuant to Legislative Decree 231/2001, via dell' Orso 8, 20121 Milan, and / or to the email address
 - houlihan-lokey@legalmail.it, which can only be used for reports from within and outside the organisation by third parties;
- the Supervisory Body acts in such a way as to guarantee the authors of the notifications, referred to in the previous point, against any form of retaliation, discrimination or penalization or any consequence deriving from the reports themselves, ensuring the confidentiality of their identity, without prejudice to legal obligations and the protection of the rights of the Company or of third parties;
- the Supervisory Body evaluates the notifications received (directly or through the Whistleblowing device - Ethical Alert adopted) and the opportunity for consequent actions, listening, if necessary, the author of the notification and / or the person responsible for the alleged violation. Specific minutes must be drawn up of these auditions;
- the SB is in any case obliged to guarantee the utmost confidentiality regarding the identity of the informants whose identity it has become aware of;
- the members of the Supervisory Body refrain from receiving and using confidential information for purposes that do not conform to the functions of the Supervisory Body, except in the case of express and informed authorization.

3.5 Information Flows to the Supervisory Body

In order to simplify the supervision of the Model's effectiveness, every department in the Company is obliged to **inform** the SB in the event that a Crime or Administrative offence is committed, or if there is good reason to suspect that this is the ca.

Furthermore, it is the **duty** of all individual Recipients to promptly report the following information to the SB:

- the commission or attempted commission of unlawful conduct envisaged by the Decree or which in any case is relevant for the administrative responsibility of the Entity;
- violations of the behavioral or procedural rules contained in this Model of which they are directly or indirectly aware;
- any act, fact, event or omission detected or observed in the exercise of the assigned responsibilities and tasks, with a critical profile with respect to the provisions of the Decree;
- visits, inspections and investigations initiated by the Public Administration and, upon their conclusion, any findings and penalties imposed;

- ongoing and active and passive litigation and, when they are concluded, the related outcomes;
- measures and / or news from judicial police bodies or any other authority, without prejudice to legal obligations, which indicate that investigative activities are carried out, even against unknown persons, for the Offenses referred to in the Legislative Decree no. 231/2001, which involve the Company or its employees or corporate bodies;
- the information relating to the disciplinary proceedings carried out and to any sanctions imposed (including the measures taken towards Employees) or the filing measures for such proceedings with the relative reasons.

Specific information flows are also envisaged in relation to function and activity relevant for the purposes of Decree 231.

1) Specific information flows from Control Functions and other Managers

Houlihan Lokey's Control Functions (Compliance e AML, Board of Auditors) must immediately report to the SB (within the sphere of their respective duties and responsibilities) concerning any events, circumstances, facts, actions or omissions of which they are or should be aware which could reasonably constitute a breach of the Model and Group Code of Ethics. They must also inform of failures or critical issues which may require adaptation, integration or changes to the Model.

The Employer and the Head of the Prevention and Protection Service, within the limits of their respective competences and responsibilities, will proceed as above with respect, respectively, to the culpable manslaughter and serious or very serious culpable injuries, committed with violation of the accident prevention regulations and protection occupational hygiene and health.

2) Specific information flows from Heads of Functions of Houlihan Lokey

The Heads of Functions of Houlihan Lokey who carry out outsourcing activities for Houlihan Lokey on the basis of the specific service contract (Shared Service Agreement) and the corresponding functions of the Company, within their respective competences and responsibilities, will inform without delay the Houlihan Lokey' SB in relation to events, circumstances, facts, deeds and omissions of which they have or must have knowledge that constitute or can reasonably constitute a violation of the Model or of the Code of Ethics of the Group as well as regarding deficiencies or in any case problems that may require an adjustment, integration or modification of the Model.

The Supervisory Body is also a recipient, for information, of a periodic report on the functioning of the ethical alert device adopted with the aggregate information on the activities performed following the reports received. Each information and notification provided for in the Model are kept by the OdV in a specific IT and / or paper archive for a period of ten years, in compliance with the provisions contained in the Decree n. 196/2003. Access to the database is therefore permitted exclusively to members of the Supervisory Body and to subjects expressly authorized by the latter in writing.

Furthermore, the members of the Supervisory Body are responsible for maintaining the confidentiality of the activities performed and of the corporate information of which they become aware in the exercise of their mandate, except for the performance of their reporting tasks towards the top management or to Public Authorities.

4. THE DISCIPLINARY SYSTEM

4.1. General Principles

The introduction of an adequate system of sanctions, with **sanctions in proportion** to the gravity of the violation in respect of infractions of rules under the present Model on the part of Corporate Representatives, Employees, Financial Advisors, Collaborators, Consultants, Suppliers and Partners represents an essential requisite of proper efficiency of the Model itself. In order to construct an adequate disciplinary system, breaches of the Model are sanctioned, from the most serious to the most minor, according to a **principle of graduality**, as well as **proportionality** between the violation detected and the penalty imposed, in compliance with the current legislative and contractual provisions.

In particular, the extent and severity of the sanctions must be commensurate with various elements, such as: the level of responsibility and operational autonomy of the offender, the possible existence of previous disciplinary measures against the same, the intentionality and intrinsic gravity of his behavior (assessable also in relation to the level of risk to which the Company is exposed) and, finally, the specific circumstances in which the behavior in question occurred.

The application of the sanctions is independent both of the criminal relevance of the conduct and of the initiation of any criminal proceedings by the Judicial Authority in the event that the behavior to be censored integrates a crime that is relevant or not according to Decree 231. The application of the sanctions may therefore take place even if the Company Representatives, Employees, Collaborators, Consultants, Suppliers and Partners have exclusively violated the principles enshrined in the Model that do not materialize in a Crime or an Administrative offense or does not determine direct responsibility of the Entity.

The penalties to be imposed following violations of this Model are proposed by the SB to the Human Resources Manager in the Company; he, having heard the hierarchical superior of the author of the censored conduct, is called to determine and to adopt the relative disciplinary provision. In deciding on the sanction applicable to the specific case, the type of employment relationship established with the lender [subordinated (managerial and non-managerial), para-subordinate, autonomous professional, etc.] must be considered, the specific legislative and contractual discipline, as well as the following criteria:

- seriousness of the violation;
- type of offense committed;
- circumstances in which unlawful conduct took place;
- the possibility that the behavior only involves an attempted violation;
- possible recidivism of the subject.

The choice of applicable sanctions will be particularly strict in cases of liability

4.2. Disciplinary Measures for Employees

(I) EMPLOYEES OTHER THAN MANAGERS

Such sanctions will be appropriate to the level of responsibility and operating autonomy of the employee, the possible existence of previous disciplinary action against him, the intentionality and gravity of his behaviour (assessed in relation to the level of risk to which the Company was exposed) and lastly to the particular circumstances under which there took place the violation of rules of the Model.

With references to offences by personnel based in Italy, the penalties to be applied in the wake of verified breaches of the Model are those provided for in the relevant National Labour Collective Agreement.

Any violation by Company employees (therefore subject to the National Labour Collective Agreement) of the behavioural rules provided for in the Model will constitute a disciplinary offence.

The National Collective Labour Agreement is the agreement for the banking sector currently in force, according to the provisions of the most recent agreements. A disciplinary offence is any behaviour subject to sanctions under the rules contained in these agreements.

The SB must be kept informed of the commencement of the enquiry and of any developments.

In accordance with the procedure provided for in Art. 7 of Law no. 300/1970 (Workers' Statute) and any special rules applicable to such workers, the disciplinary action taken regarding personnel based in Italy is that provided for under the system of sanctions contained in the National Labour Collective Agreement, bearing in mind the gravity of the behaviour, any repetition of the offence, or the degree of fault.

In respect of the publication of disciplinary codes and the obligation to raise the matter with the employee beforehand to allow him/her to formulate an appropriate defence or submit justifications, all the provisions of Art. 7 of Law 300/1970 shall apply and are hereby deemed to be incorporated in full.

A **VERBAL REPRIMAND** is applied in cases of minor non-observance of the principles and rules of behaviour provided for in the Model or for the **violation of procedures and internal rules** provided for and/or referred to. A verbal reprimand will also be applied, in respect of Sensitive Activities, for behaviour which does not comply with or is not appropriate with reference to the requirements of the Model, if such behaviour takes the form of a **minor failure**

to observe the contractual provisions, directions or instructions given by management or superiors.

A **WRITTEN REPRIMAND** will be applied in cases of non-observance of the principles and rules of behaviour stated in the Model, or of any violation of procedures and internal rules provided for and/or referred to. A written reprimand will also be applied in respect of Sensitive Activities, for any **behaviour which does not conform with or is not appropriate with respect to** the provisions of the Model which is considered not minor but not serious, and which constitutes a **non-serious failure to observe** the contractual provisions, directions or instructions given by management or superiors.

SUSPENSION FROM EMPLOYMENT AND WITHHOLDING OF SALARY FOR UP TO 10 DAYS will be applied in cases of non-observance of principles and rules of behaviour provided for in the Model or in the case of violation of the procedures and internal rules provided for and/or referred to. This measure will also be applied in respect of Sensitive Activities, for **behaviour which does not conform with or is not appropriate with respect to** the requisites of the Model and which is considered serious, also if connected with repeated behaviour.

DISMISSAL FOR JUSTIFIED REASONS will be applied in the event of a **significant failure**, in relation to Sensitive Activities, to comply with the provisions, procedures and/or internal regulations set out in the Model, **even if there is only a possibility of constituting one of the Offences punishable under Decree 231.**

DISMISSAL FOR GOOD CAUSE is applied if an employee has, in carrying out Sensitive Activities, **knowingly adopted any behavior which conflicts with the requirements** and/or procedures and/or internal rules under the Model, **even if there is only the possibility that this constitutes an offence punishable under Decree 231, and which harms the element of trust** on which the employee relationship is based, or is so serious that the relationship cannot be continued even on a temporary basis.

(II) MANAGERS

A disciplinary offence by managers is constituted by failure to supervise correct application, by subordinate personnel, of the rules and procedures under the Model, similarly any direct violation of the latter, or more generally the presence of behaviours – while carrying out activities connected with his own functions - such as are not compliant with conducts that are reasonably expected of a manager, in relation to his role and recognised degree of autonomy.

The Company will carry out checks on such infractions and take appropriate action in conformity with the National Labour Collective Agreement for Credit Managers.

In addition to what is set forth above in principle, any single offences that are punishable and the relevant measures to be taken must be contained in an appropriate document to be affixed in a location in the Company's premises where it can be seen by all staff, in conformity with the National Collective Labour Agreement provisions for Credit Managers.

Also, for managers there shall be disciplinary action which will be just the same as that described above for employees who do not have manager status.

4.3. Disciplinary Measures for Corporate representatives

The behavior in disregard of the Model implemented by the Directors and communicated to the Board of Directors by the Supervisory Body, can constitute just cause to propose to the Shareholders' Meeting, by the Board of Directors, the revocation with immediate effect of the mandate. In this latter case the Company is entitled to any damage suffered due to the unlawful conduct carried out.

If the violation constitutes good cause for revocation, the Board of Directors will, at the request of the SB, propose to the Shareholders' Meeting that the relevant action be taken and will discharge any other obligations required by law.

4.4 Disciplinary Measures for suppliers, Consultants, collaborators and partners

Any breach of the provisions of the specific contractual regulations binding upon the Company suppliers, consultants, collaborators and partners will be by the SB to the head of department to which the contract or report refers, or to the CEO, by means of a brief written report.

Such breach will be sanctioned by the competent bodies in accordance with the Company internal regulations, according to the provisions of the above clauses and in any case the conventional penalty will be applied and/or the contract terminated (pursuant to art. 1456 ICC), subject to reimbursement of damages.

To this end, the Company will assess from time to time, in consideration of the type of professional relationship in question, the inclusion in the contracts of specific clauses which:

- acknowledge the knowledge of the Decree and the Code of Ethics adopted by the Company, as well as, to consultants and collaborators, the rules and control principles contained in the Special Parts of the Model, relating to the specific area of activity;
- require a commitment to refrain from behaviors suitable to configure the hypothesis of a crime or administrative offense falling within the scope of application of the same Decree (regardless of the actual consummation of the crime or the punishment of the crime or the integration of the administrative offenses);
- govern the consequences in the event of violation of the provisions contained in the aforementioned clause.

5. DISTRIBUTION OF THE MODEL AND TRAINING

5.1 Initial communication

The Company will notify all its personnel of the adoption of this Model and its updates. Communications are required, in particular:

- for adoption of the Model, through a letter signed by the CEO to all personnel concerning the content of Decree 231, the importance of effective implementation of the Model, and the informative/training initiatives planned by the Company;
- for updates to the Model, via email sent by the SB or on its behalf;

- in any case, the Model will be posted on the Company's intranet and emailed to all staff;
- posting in the notice board;
- putting the Model on the Company's website.

All new members of staff will receive, together with documentation provided on hiring, an information kit containing the Model, in order to ensure that they have the knowledge which is considered to be of primary importance.

All new personnel, on receiving a copy of the Model, must sign it by way of unconditional acceptance. They undertake, when carrying out their duties in respect of Sensitive Areas and in any other activities which may be in the Company's interest or to its advantage, to respect the principles, rules and procedures contained in the Model.

5.2 Training

In order to ensure that the Model is effectively implemented, it is a general purpose of the Company to guarantee that all Intended Recipients of the Model have full knowledge of the rules of conduct it contains. All Intended Recipients must be fully acquainted with the objectives of correct behaviour and transparency that the Model is intended to achieve, including the methods through which the Company intends to achieve them.

A goal of particular significance is the need to guarantee effective knowledge of the provisions of the Model and the reasons why it must be implemented effectively by all staff whose activities are, or may be, at risk.

The Supervisory Body will be responsible, in agreement and in close coordination with the Chairman and / or the CEO, for evaluating the effectiveness of the training programme, with reference to course content, procedures for conducting the training, **refresher** courses, checks on **mandatory** attendance, and the **measures to be applied in the case of failure to attend without good cause**.

Given the foregoing, the Company has plans to intervene in order to ensure **full knowledge** of the requisites of the Model and consequently ensuring **awareness of it by all personnel**. Participation in the training process described above is mandatory and to be documented by requesting individual signatures of those present and communication to the SB of the names of those present.

As for the **new hires** or those who did not participate in previous courses for proven reasons, special courses are to be set up, by agreement with the manager responsible for the Area/Service.

The courses will be **repeated** at one-year intervals in order to focus the Intended Recipients' attention on the effective application of the Model and raise their awareness of the topics and provisions of the Model itself, according to procedures suggested to the Chairman and / or the Chief Executive Officer by the Supervisory Body, in coordination with the head of Human Resources.

5.3 Information to Suppliers, Consultants, Collaborators and Partners

The Suppliers, Collaborators, Advisors and Partners must be fully informed of the content of the Model and its rules and principles of control as set out in the Special Parts, relating to the particular activities concerned, and the need for their behaviour to be in conformity with requirements of Decree 231 and the above rules.

6. UPDATING THE MODEL

Decree 231 expressly covers the need to update the Model so that it reflects constantly the specific needs of the Entity and its actual operations. Such action designed to improve and/or update the Model must be done essentially whenever there are:

- modifications and additions to Decree 231 and to Crimes and Administrative offences;
- major changes to the Entity's organisational structure, new activities, new products and/or new services which significantly alter its organisation.
- Assessment may also be made in order to adapt the Model should there take place any violation of rules and/or any new remarks arisen in the course of checks on the efficacy of the Model.

Any Model updating and, therefore, additions and/or modifications to it, is a responsibility of Board of Directors, excepting whatever is expressly provided by the Board of Directors on the modifications for which the CEO is empowered or any other person given such authority. The mere care for the updating, i.e. merely soliciting such action by the Board as opposed to directly carrying out modifications, is a duty of the Supervisory Body.

7. INFRA-GROUP SERVICES

7.1 Services rendered by Houlihan Lokey EMEA to Houlihan Lokey

The services provided by Houlihan Lokey EMEA to Houlihan Lokey, which may involve Sensitive Activities listed in the Special Parts of the Model, are regulated in the Shared Service Agreement (hereinafter also the "Agreement") signed by the Company and HL EMEA. This intragroup contract must be communicated to the Supervisory Body at its signing and at any subsequent modification.

In particular, Performance of services must be based on the following rules:

- the obligation on the part of Houlihan Lokey EMEA to:
 - perform services with the utmost professional diligence, in conformity with the regulations – of primary and secondary range – in force from time to time;
 - perform services through its own functions and offices having specific competence in given services and having sufficient resources able to guarantee their proper performance. The services must be carried out, whenever compatible, following the same procedures, methods and accuracy adopted by HL for managing its own affairs and the beneficiary company is to notify that it has verified these procedures and methods and considers them to be adequate for the objectives of quality and quantity expected for the appointment. HL is in any case expressly authorised to provide performance of the services also calling on third parties' assistance, assuming they possess the requisites of a formal and substantial kind, not inferior to those required



by HL itself of its own Suppliers of services. If HL does avail itself of third parties, the liability of HL remains in respect of the company for such activities;

- the obligation on the part of Houlihan Lokey to:
 - use the Services provided by HL EMEA exclusively for the purpose of carrying out business activities;
 - not to replace, modify or deactivate computer systems, communication systems or other services, without the prior written consent of HL EMEA, if this could lead to an increase in costs or affect the ability of the same to fulfill the obligations under the Contract;
 - grant HL EMEA, following a request by the latter, access to all the data and information that it deems necessary or useful for the performance of the services;
 - take the necessary measures to ensure the safety of employees or any collaborators that HL EMEA uses for the provision of services at the Company's headquarters;
 - the obligation on the part of Houlihan Lokey to forward to HL EMEA news of facts or acts relevant to the services without delay;
 - the obligation on the part of Houlihan Lokey to provide all the necessary collaboration and to ensure availability for the timely fulfillment of any legal obligation.

The service provision assignment must also include the right of Houlihan Lokey to ask Houlihan Lokey EMEA at any time for information and updates on the progress of the activities carried out and to check the procedures adopted by the same for the execution of this task. Houlihan Lokey will have free access, during normal working hours, to all data and documents held by Houlihan Lokey EMEA in relation to the performance of the services.

If HL EMEA carry out, on behalf of Houlihan Lokey, services within the scope of activities that could constitute the risk of commission of Offenses and / or Administrative Offenses, it must provide itself with adequate rules and procedures to prevent the commission of relevant crimes pursuant to Legislative Decree 231/2001.



APPENDIX

Code of Ethics

Contractual clauses concerning Legislative Decree n. 231/2001

Supervisory Body's internal Regulation

List and description of the crimes and administrative offences covered by Legislative Decree 231/2001

Special Parts



Organisational, Management and Control Model pursuant to D. Lgs. 231/2001

APPENDIX I

Code of Ethics

For more details, see the document on the Company's official website.

APPENDIX II

Contractual Clause concerning Legislative Decree n. 231/2001

CONTRACTUAL CLAUSE SUPPLIERS, CONSULTANTS AND PARTNERS

“With reference to the provisions of Legislative Decree n. 231 of 8 June 2001 on the subject of administrative liability of Entities, as subsequently amended and supplemented ("Decree 231"), Company X declares to be familiar with the provisions of the aforementioned legislation and to have adopted and effectively implemented company procedures and behaviors and to have given instructions to its employees and / or collaborators that are suitable to prevent the commission, even attempted, of the crimes provided for by Decree 231, as well as to respect other similar rules that may be applicable.

The Company X commits itself from now to take due notice of the Code of Ethics adopted by the Group pursuant to Decree 231, made anyway available on its website any violation of the ethical principles referred to in the Group's Code of Ethics and the commission, including in the form of the attempt, of the crimes provided for by Decree 231 by subjects whose Company X operates, even as a direct responsibility pursuant to the aforementioned legislation, entitle the Group / Company to withdraw from the contract for just cause, with immediate effect, pursuant to and for the purposes of art. 1456 of the Civil Code, following a written communication from the Company and independently from the conviction of Company X for the aforementioned violations.

In any case, it remains the responsibility of the Company X for the losses, damages and expenses deriving from the violation of the aforementioned declaration and guarantee”

CONTRACTUAL CLAUSE COLLABORATORS

“With reference to the provisions of Legislative Decree n. 231 of 8 June 2001 on the subject of administrative liability of Entities, as subsequently amended and supplemented ("Decree 231"), part X declares that it is aware of the provisions of the aforementioned Decree 231 of the Group's Code of Ethics provision by the same Company, as well as the control rules and principles contained in the Special Parts of the Organisation, Management and Control Model (the "Model") adopted by Houlihan Lokey pursuant to Decree 231 and relating to the specific area of the activity performed.

Part X therefore guarantees that, in carrying out the activities provided for in this contract, it will not behave in any way, will not put in place any deed or omission and will not give rise to any fact that may violate the ethical principles set forth in the Group's Code of Ethics or the rules set out in the Model, of which part X appears to be the addressee due to the type of activity carried out for the Company and to not integrate any of the crimes referred to by the aforementioned legislation and by the commission of which, pursuant to the aforementioned Decree 231, the administrative responsibility of the Companies may be identified.

Any violation of the ethical principles set out in the Group's Code of Ethics as well as the commission, even in the form of an attempt, of the crimes referred to in Decree 231 by X

legitimize the Company to withdraw from the contract for just cause, with immediate effect, pursuant to and for the purposes of art. 1456 of the Civil Code, following a written communication from the same and independently of the establishment of a judicial procedure for the aforementioned violations. In any case, it remains the responsibility of Part X for the losses, damages and expenses deriving to the Company from the violation of the aforementioned declaration and guarantee.”

CONTRACTUAL CLAUSE IN CORPORATE FINANCE CONTRACTS

“With reference to the provisions of Legislative Decree n. 231 of 8 June 2001 on the subject of administrative liability of Entities, as subsequently amended and supplemented ("Decree 231"), customer X declares to be aware that the Company has adopted a specific organisational model pursuant to the D. Legislative Decree 231/2001, and also of [having] / [not having] * adopted a similar model, and in any case of having in place suitable procedures for the prevention of behaviors, on the part of its employees, that may determine the violation of the law taken into consideration by the aforementioned Legislative Decree 231/2001.

The Customer also declares (i) that he is not aware of any proceedings in progress, or already concluded with conviction, against his own organs, employees or collaborators in relation to predicate crimes of administrative responsibility of the entity as provided for by the aforementioned Legislative Decree 231/2001, (ii) that there are no rulings issued directly against him pursuant to Legislative Decree 231/2001 or similar foreign legislation or [to be aware of] [having ascertained] ** elements that may involve the aforementioned responsibility (iii) to undertake to immediately inform Houlihan Lokey of the possible occurrence of elements, initiation of investigations and / or proceedings for the cases referred to in points (i) and (ii) above.

Each Party may withdraw from this contract where proceedings are initiated by any competent authority, both Italian and foreign, against the other which may result in its being convicted pursuant to Legislative Decree 231/2001 and / or for crimes that they constitute presuppositions.

Each Party may declare this contract terminated by law in the event that the judicial decisions, including non-final judgments, are made or taken against the other Party for administrative liability of the entities provided for by the aforementioned Legislative Decree 231/2001.

APPENDIX III

Supervisory Body's internal Regulation

SUMMARY

Article 1 -	Objectives and scope of the document
Article 2 -	Composition and replacement of the members of the SB
Article 3 -	Chairman of the SB
Article 4 -	Meetings – Convocation and Agenda
Article 5 -	Consultations in writing
Article 6 -	Hearings
Article 7 -	Minutes
Article 8 -	Financial Resources
Article 9 -	SB Vote and decisions
Article 10 -	SB Secretary
Article 11 -	External Consultants
Article 12 -	Obligations of confidentiality
Article 13 -	Amendments to the Regulation

Article 1

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Objectives and scope of the document

- 1.1 Houlihan Lokey (hereinafter the "**Company**") – by resolution of the Board of Directors on June 20, 2007 – adopted its own Organisation, Management and Control Model (hereinafter the "**Model**") in order to prevent crimes and administrative offenses from which the administrative liability of the Entity may derive, in application of the provisions of Legislative Decree 8 June 2001, no. 231 (hereinafter "**Decree**") and subsequent amendments and integrations, containing *"Discipline of the administrative liability of legal persons, companies and associations, even without legal personality, pursuant to article 11 of the law of 29 September 2000, n. 300"*.
- 1.2 Within the scope of the same resolution, a body (hereinafter the "**SB**") was confirmed in accordance with the provisions of the same Decree, with supervisory functions concerning the functioning, the compliance and the updating of the Model.
- 1.3 This document (hereinafter the "**Regulation**") is intended to regulate the functioning of the SB. The powers and functions of the same SB are detailed in the Model.
- 1.4 In the exercise of its functions the SB must base its activities on the principles of autonomy and independence. As a guarantee of the third-party principle, the SB reports and responds directly and exclusively to the Board of Directors.

Article 2

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Composition and replacement of the members of the SB

- 2.1 The functions of the Company's Supervisory Body were assigned, through a special resolution of the Board of Directors, to the Board of Statutory Auditors, which is composed of three effective members.
- 2.2 The Chairman, or the most senior member of the Supervisory Body, is obliged to promptly notify the Company's Board of Directors of the occurrence of one of the hypotheses deriving the need to replace a member of the SB.
- 2.3. In case of renunciation, unexpected incapacity, death, revocation, suspension or forfeiture of the President, the most senior member takes over, who remains in office until the date on which the Company's Board of Directors has reintegrated the SB.

Article 3

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Chairman of the SB

- 3.1. The Chairman of the SB has the following duties and powers:
 - a) convenes and chairs the SB meetings;
 - b) represents the SB, with the right to delegate another member;
 - c) invites the heads of other company functions and / or external consultants, for

- d) handles relations with the Board of Directors.
- 3.2. In the exercise of his activity, the Chairman is assisted by Secretary, which draws up the minutes of the meetings and takes care of the documentation of the SB, the convocations and the invitations mentioned above.

Article 4

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Meetings – Convocation and Agenda

- 4.1 The SB meets at least once every three months, on convocation by the Chairman, according to a calendar prepared for this purpose. However, both the Chairman and the members may request – in writing – further meetings, whenever necessary for the effective performance of the duties of the SB. In the event that the meeting is not promptly convened by the Chairman when requested by one of the members, the latter may request the convocation to the Board of Directors or to the Chief Executive Officer of the Company, who will act in accordance with the rules laid down in this regulation..
- 4.2 The Chairman establishes the agenda of the meetings and sends the SB members and, if invited, to other company functions and / or external consultants, the convocation, the agenda and the documents necessary for the work before the meeting. The convocation and documentation are also sent by e-mail.
- 4.3. In the event of justified urgency, the Chairman may examine subjects not in the Agenda also at the request of other participants.
- 4.4 SB meetings are valid with the presence of the majority of the members and are chaired by the President. In any case, the meeting to which all the members of the Supervisory Board participate, even if there is no formal call, is validly called.
- 4.6 The meetings are held at the Company's registered office, but can be held in videos or tele-conferences, with participants located in several places, contiguous or distant, connected audio / video, on condition that the collegial method and the principles of good faith and equal treatment of members are respected. In particular, it is necessary that:
 - a) the Chairman is allowed to ascertain the identity and legitimacy of the participants, regulate the progress of the meeting, ascertain and proclaim the results of the vote;
 - b) Secretary is able to adequately perceive the interventions subject to the minutes;
 - c) the attendees are allowed to participate in the discussion and to vote on the items on the agenda.
- 4.7 In any case, the meeting will be held at the place where the Chairman and the Secretary will be present.

Article 5

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Consultations in writing

- 5.1 The SB Chairman can activate a written procedure for consulting the members of the SB and, where deemed appropriate, for external consultants.
- 5.2 The documents to be submitted for examination by the written consultation procedure must be sent to the SB members and to external consultants who express their opinion in writing within ten working days from the date of dispatch by email. The relative decision is adopted, in the absence of objections, after this deadline. The SB formally takes note of the decision made by written consultation at the first useful meeting.

Article 6

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Hearings

- 6.1 Whenever it deems it appropriate, the SB may order the hearing of Recipients of the Model and / or any other subject, in order to obtain clarifications or further information on certain issues or notifications about violations of the Model, sent to the SB itself.

Article 7

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Minutes

- 7.1. A summary of the decisions taken by the SB is prepared by the Secretary. The minutes of the previous meeting are transmitted to the members of the SB, and to the other possible participants, by e-mail before the next meeting.
- 7.2. At the beginning of each meeting the Chairman reads the minutes of the previous meeting and submits it to the approval of the SB.
- 7.3. The minutes of the meetings, as well as showing the presence of the participants, must also summarize the opinions and proposals of the subjects participating as advisor.

Article 8

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Financial Resources

- 8.1 For the functioning of the SB, financial resources necessary for carrying out the activities are assigned to it, based on the economic forecast indicated by the same SB in the Annual Report transmitted to the Board of Directors and according to the budget procedures adopted by the Company.
- 8.2 The Chairman completes and authorizes the deeds necessary for the expenses referred to in the preceding paragraph within the limits of the resources allocated.

- 8.3 The SB can autonomously commit resources that exceed its spending powers, if the use of these resources is necessary to face exceptional and urgent situations. In these cases, the SB must inform the Board of Directors without delay.

Article 9

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SB Vote e decisions

- 9.1 Each member of the SB has the right to one vote. The resolutions are valid if adopted with the consent of the majority of those present. If it is impossible to reach a resolution for equal votes, the question must be submitted to the Board of Directors, on the initiative of the SB's Chairman. The external consultants, if invited to the meeting, express an advisory opinion at the request of the SB and, as such, not binding on the decisions to be made
- 9.2 Each member of the Supervisory Body is obliged to abstain from voting in the event that the same is in a situation of conflict of interest with the subject of the resolution. In the event of failure to comply with the obligation to abstain, the resolution is deemed to be invalidly adopted if, without the vote of the member of the SB who should have abstained from voting, the necessary majority would not have been reached.

Article 10

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SB Secretary

- 10.1. The SB has its own Secretary, which carries out the tasks of drafting, preparing and processing the documentation submitted to the decisions of the Supervisory Board, the conservation of the minutes and the performance of the tasks concerning the organisational aspects of the SB itself.
- 10.2 The Secretary obtains all the e-mail addresses necessary for the performance of the organisational tasks that belong to it.
- 10.3 The e-mail address of the Secretary is luca.medizza@protiviti.it.

Article 11

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External Consultants

- 11.1. The SB may be assisted by external consultants in relation to the following topics or activities:
- a) analysis of any regulatory, jurisprudential, significant changes for the activity and operation of the SB and for the adequacy / updating of the Model;
 - b) discussion of the audit reports from which significant aspects / criticalities emerged pursuant to Legislative Decree 231/2001;
 - c) discussion about the state of work in progress of the SB;
 - d) analysis of the aspects and problems about the implementation of the Model;

- e)* periodical review of the Model;
 - f)* update about the issue of any procedures related to specific principles contained in the Model in relation to the areas identified by the same as sensitive.
- 11.2 External consultants can be assigned some audit activities.
- 11.3 External consultants participate at SB's meetings upon convocation by the Chairman.

Article 12

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Obligations of confidentiality

- 12.1 SB members are required to keep absolute confidentiality regarding the news and information acquired in the performance of their duties, unless the communication of such news and information is necessary for the performance of the assignment. However, this obligation does not exist against the Board of Directors. In any case, any information in the possession of the SB members is treated in compliance with the legislation in force and, in particular, in compliance with the Code regarding the protection of personal data.
- 12.2 Failure to comply with the aforementioned confidentiality obligations leads to the automatic forfeiture of the office of member of the SB.

Article 13

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Amendments to the Regulation

- 13.1 Changes to this Regulations, that are strictly related to the indicated operating rules, can be made by the SB as long as in compliance with the provisions of the Model.

Organisational, Management and Control Model pursuant to D. Lgs. 231/2001

APPENDIX IV

List and description of the crimes and administrative offences covered by Legislative Decree 231/2001



APPENDIX V

SPECIAL SECTION