



# Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001

---

REV.	DATE	APPROVED	NOTES
1.0	24/07/2019	Proprietor	
2.0	14/10/2021	Proprietor	
3.0	10/03/2022	Proprietor	Update following: <ul style="list-style-type: none"><li>- changes made to the offences referred to in Article 25-octies;</li><li>- insertion of Article 25-octies.1;</li><li>- changes made to some of the offences referred to in Article 24-bis and 25-quinquies by Italian Law 238 of 23 December 2021.</li></ul>
4.0	19.10.2022	Proprietor	Update following the changes introduced Italian Decree Law 4/2022 (converted with amendments by Law 25/2022).  Implementation of the control measures envisaged in the sections devoted to the offences referred to in Articles 24-ter, 25-ter and 25-octies of Italian Legislative Decree 231/2001 and Italian Law 146/2006.

## SUMMARY

<b>1</b>	<b>THE LEGISLATIVE DECREE N. 231/2001 .....</b>	<b>7</b>
<b>2</b>	<b>OFFENCES GIVING RISE TO AN ENTITY'S ADMINISTRATIVE LIABILITY .....</b>	<b>8</b>
<b>3</b>	<b>ORGANISATION, MANAGEMENT AND CONTROL MODELS.....</b>	<b>10</b>
<b>4</b>	<b>THE CONFINDUSTRIA GUIDELINES.....</b>	<b>10</b>
<b>5</b>	<b>COMPANY DESCRIPTION.....</b>	<b>11</b>
	5.1 HISTORY AND ACTIVITIES OF SKS365 .....	11
	5.2 CODE OF ETHICS.....	11
	5.3 PURPOSE AND STRUCTURE OF THE ORGANISATION MODEL.....	12
<b>6</b>	<b>RECIPIENTS.....</b>	<b>13</b>
<b>7</b>	<b>COMPANY ADOPTION OF THE ORGANISATION MODEL.....</b>	<b>13</b>
	7.1 IDENTIFICATION OF PROCESSES AT RISK .....	13
	7.2 DETECTION AND IDENTIFICATION OF ACTIVITIES AT RISK.....	14
	7.3 DESIGN OF ORGANISATIONAL AND PROCEDURAL MEASURES .....	16
<b>8</b>	<b>DISSEMINATION, COMMUNICATION AND TRAINING .....</b>	<b>17</b>
	8.1 INITIAL COMMUNICATION .....	17
	8.2 COMMUNICATION OF ANY CHANGES TO THE ORGANISATION MODEL.....	17
	8.3 TRAINING .....	17
	8.4 INFORMATION TO THIRD PARTIES.....	18
<b>9</b>	<b>SUPERVISORY AND CONTROL BODY .....</b>	<b>18</b>
	9.1 ROLE OF THE SUPERVISORY BODY.....	18
	9.2 COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BODY .....	19
	9.3 CAUSES OF (IN)ELIGIBILITY, REVOCATION, DISQUALIFICATION AND SUSPENSION OF THE SUPERVISORY BODY .....	20
	9.4 AUDITING THE EFFECTIVENESS AND ONGOING ADAPTATION OF THE ORGANISATION MODEL AND ACTION PLAN.....	22
	9.5 INFORMATION FLOWS TO THE SUPERVISORY BODY.....	23
	9.5.1 ARCHIVING.....	25
	9.6 REPORTING VIOLATIONS - WHISTLEBLOWING .....	25
	9.7 INFORMATION FROM THE SUPERVISORY BODY TO THE CORPORATE BODIES .....	26
<b>10</b>	<b>FINANCIAL RESOURCES MANAGEMENT METHODS .....</b>	<b>26</b>
<b>11</b>	<b>DISCIPLINARY SYSTEM .....</b>	<b>28</b>
	11.1 GENERAL PRINCIPLES.....	28
	11.2 SCOPE OF APPLICATION.....	28
	11.3 VIOLATIONS OF THE ORGANISATION MODEL.....	28



<b>11.4 GENERAL CRITERIA FOR IMPOSING SANCTIONS.....</b>	<b>29</b>
<b>11.5 SANCTIONS FOR EMPLOYEES (MIDDLE MANAGERS - CLERKS) .....</b>	<b>30</b>
<b>11.6 SANCTIONS FOR EXECUTIVES .....</b>	<b>31</b>
<b>11.7 SANCTIONS FOR TOP MANAGEMENT .....</b>	<b>31</b>
<b>11.8 VIOLATIONS AND SANCTIONS FOR THIRD PARTIES .....</b>	<b>32</b>

## DEFINITIONS

For the purposes of the Organisation, Management and Control Model, unless otherwise specified, the terms listed below have the meaning given below to each of them:

- **Code of Ethics:** a document containing the ethical principles that inspire the Company in carrying out its activities.
- **Decree 231:** Italian Legislative Decree 231 of 8 June 2001, entitled '*Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000*', published in Official Gazette 140 of 19 June 2001, as well as subsequent amendments and additions, including Italian Law 146/2006, which refers to its application in Article 10.
- **Recipients:** persons to whom this Organisation Model is addressed and who are required to comply with it.
- **Corporate Departments:** department appointed to carry out specific activities or perform specific acts in relation to one or more Processes at Risk.
- **Entity:** legal person, company or association, including those without legal personality. In this Organisation Model: **SKS365 Malta Limited - Permanent Establishment in Italy** (hereinafter also referred to as '**SKS365**' or '*Company*' or '*Permanent Establishment*').
- **Organisation Model:** organisational and Management Model adopted by the Company, as called for in Articles 6 and 7 of Decree 231, as an organic set of principles, rules, provisions, organisational schemes and related tasks and responsibilities, aimed at preventing the offences referred to in the same Decree 231. In particular, the Organisation Model means, jointly, the General Section and the Special Sections.
- **Supervisory and Control Body (SB):** body in Article 6 of Decree 231, with the task of supervising the operation of and compliance with the Organisation Model, as well as ensuring its updating.
- **Governing Body:** proprietor.
- **Principles of Conduct:** general principles of conduct to be followed by the Recipients in carrying out the activities envisaged by the Organisation Model.
- **Processes at Risk:** company processes or phases thereof, the performance of which could give rise to unlawful conduct (offences or administrative offences) as referred to in Decree 231.
- **Offences:** offences which, if committed, may entail SKS365's administrative liability under Decree 231.
- **Whistleblower:** anyone who witnesses or becomes aware of a Violation committed by the Recipients of the Organisation Model and decides to report it.
- **Reported Person:** a person to whom the Whistleblower attributes the commission of the Violation or suspected Violation.

- **Report:** communication concerning the reasonable and legitimate suspicion or awareness of Violations committed by Recipients of the Organisation Model.
- **Disciplinary System:** a set of sanctions against Recipients who do not comply with the Principles of Conduct and the operating procedures of the Organisation Model and/or the Code of Ethics.
- **Third Parties:** all subjects 'outside' the Company having negotiating relations therewith (e.g., consultants, suppliers, customers and partners).
- **Top Management (known as Senior Persons):** proprietor.
- **Violation:** any action contrary to the provisions of the Organisation Model or illegal conduct within the meaning of Decree 231.

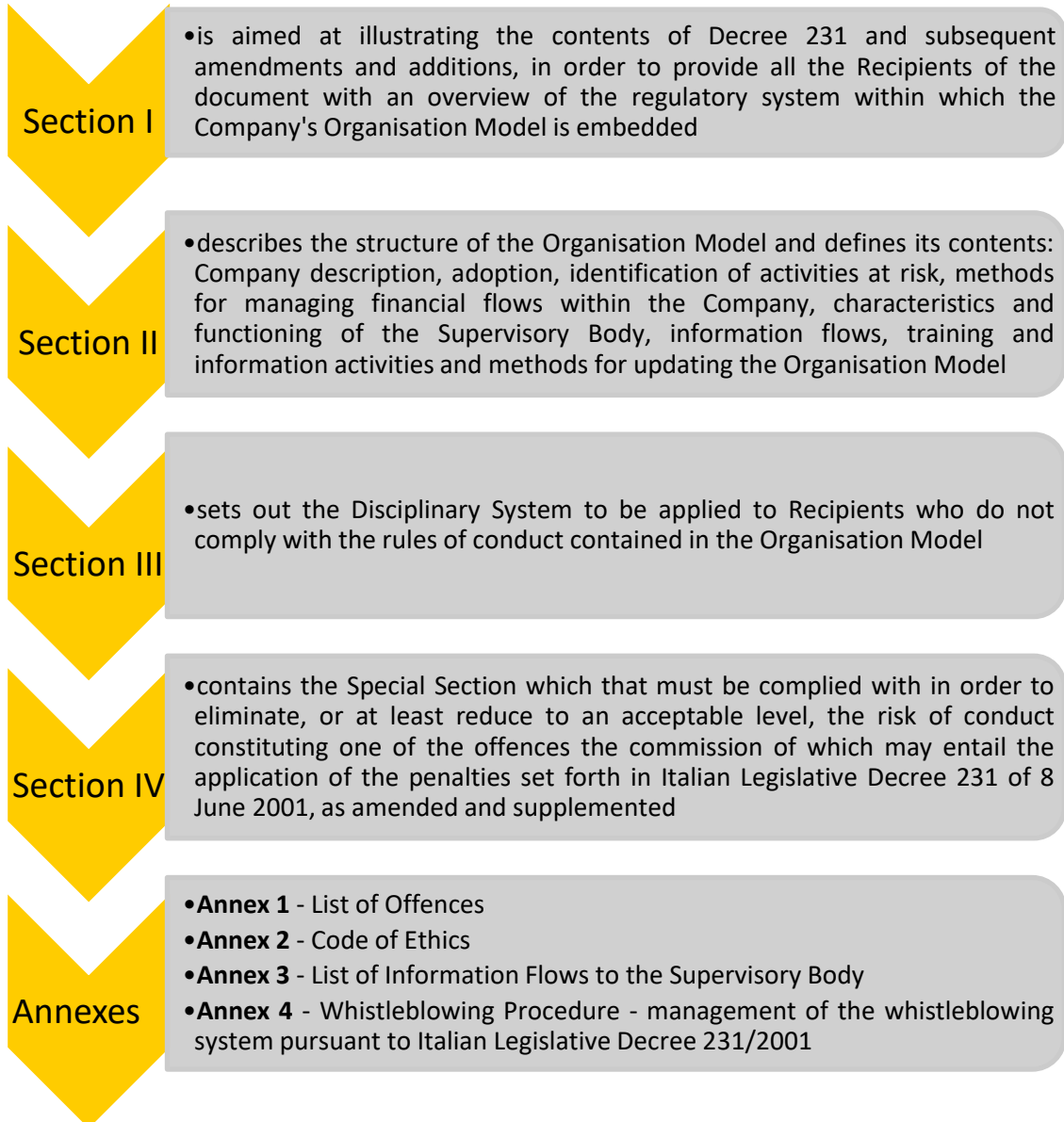
Terms defined in the singular are also understood in the plural if the context so requires, and vice versa.

The definitions set forth in this Article and in this document also apply when used in the Special Section.

## DOCUMENT STRUCTURE

The purpose of this document is to illustrate the constituent elements of SKS365's Organisation Model.

It consists of four sections, the contents of which are summarised below.



## SECTION I

### 1 ITALIAN LEGISLATIVE DECREE 231/2001

**Italian Legislative Decree 231 of 8 June 2001** introduced a system of administrative liability of entities into the Italian legal system.

The enactment of Decree 231 is part of a national legislative context implementing international obligations.

The original text, which referred to a series of offences committed against the public administration, was supplemented by subsequent legislative measures that broadened the range of offences whose commission may entail the administrative liability of the Entity. Moreover, Italian Law 146/06 establishes the liability of the Entity in the event of the commission of certain offences (known as Transnational Offences).

The liability of the Entity - similar to criminal liability - arises in connection with the commission, by a person linked by a functional relationship with the Entity itself, of one of the offences specifically envisaged in Decree 231.

The Entity's liability may exist if the Offences are committed **in its interest or to its advantage**, while it is not liable if the perpetrator has acted solely in their own interest or in the interest of third parties.

The functional relationship linking the offender to the legal person may be one of representation, subordination or collaboration, within the limits established in Decree 231.

Where the perpetrator of the Offence is a natural person who holds a representative, administrative, managerial or supervisory position within the Entity or within one of its organisational units with financial and functional autonomy, as well as a person who exercises, also de facto, the management and control of the Entity, a presumption of liability is established against the latter. This is in consideration of the fact that the individual expresses, represents and implements the management policy of the organisation.

There is no presumption of liability on the part of the Entity if the perpetrator of the offence is a person subject to the direction or supervision of one of the persons referred to in the preceding sentence, so that, in such a case, the act of the person subject to the direction or supervision of one of the persons referred to in the preceding sentence shall entail the liability of the Entity only if it is established that its commission was made possible by the failure to comply with the obligations of direction and supervision.

The (administrative) liability of the Entity is additional to the (criminal) liability of the individual and not a substitute for it. The substantial autonomy of this liability leads to the circumstance that the Entity is called upon to answer for the offence even if the perpetrator has not been identified or cannot be charged, or if the offence is extinguished for reasons other than amnesty. The criminal liability of natural persons remains governed by common criminal law.

The legislature has provided a **system of sanctions** characterised by the application to the legal person of a sanction, generally pecuniary.

In addition to the **pecuniary sanction, disqualification sanctions** may also be applied in certain cases, such as a ban on exercising the activity, the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence, a ban on contracting with the Public Administration, exclusion from incentives, financing, contributions or subsidies, the possible revocation of those already granted, and a ban on advertising goods or services.

In addition to the above sanctions, pecuniary and disqualification, the penalties include the **confiscation** (always ordered with the conviction) of the price or profit of the offence (also 'equivalent') and, in certain cases, the **publication of the conviction**.

The legislator has also established that such prohibitory measures - where there are serious indications of the Entity's liability and there are well-founded and specific elements which indicate a concrete danger that offences of the same nature may be committed - may also be applied, at the request of the Public Prosecutor, as a precautionary measure, already at the investigation stage.

If the occurrence of specific conditions is verified, the Judge, when applying a disqualification sanction that would lead to the interruption of the Entity's activity, has the power to appoint a commissioner to supervise the continuation of the activity itself, for a period corresponding to the duration of the disqualification sanction that would have been applied.

**Foreign companies operating in Italy** are also subject to the rules of Decree 231, regardless of whether or not there are rules regulating the same subject matter in their country.

## 2 OFFENCES GIVING RISE TO AN ENTITY'S ADMINISTRATIVE LIABILITY

---

The offences from which administrative liability may result for the entity (known as 'predicate offences') are expressly indicated in **Decree 231** and in certain regulatory provisions broadening its scope:

- **undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or for the purpose of obtaining public funds, computer fraud to the detriment of the State or a public body and fraud in public supply** (Article 24 of Italian Legislative Decree 231/2001)
- **computer crimes and unlawful data processing** (Article 24-bis of Italian Legislative Decree 231/2001);
- **organised crime offences** (Article 24-ter of Italian Legislative Decree 231/2001);
- **embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office** (Article 25 of Italian Legislative Decree 231/2001);
- **forgery of money, public credit cards, revenue stamps and identification instruments or signs** (Article 25-bis of Italian Legislative Decree 231/2001);
- **offences against industry and trade** (Article 25-bis.1 Italian Legislative Decree 231/2001);
- **corporate offences** (Article 25-ter of Italian Legislative Decree 231/2001);



- **offences for the purposes of terrorism or subversion of democratic order** (Article 25-*quater* of Italian Legislative Decree 231/2001);
- **female genital mutilation practices** (Article 25-*quater* 1 Italian Legislative Decree 231/2001);
- **offences against the individual** (Article 25-*quinquies* of Italian Legislative Decree 231/2001);
- **market abuse** (Art. 25-*sexies* Italian Legislative Decree 231/2001);
- **culpable homicide and grievous or very grievous bodily harm committed in breach of the rules on accident prevention and on the protection of workplace hygiene and health** (Article 25-*septies* of Italian Legislative Decree 231/2001);
- **receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering** (Article 25-*octies* of Italian Legislative Decree 231/2001);
- **offences relating to non-cash payment instruments** (Article 25-*octies*.1 Italian Legislative Decree 231/2001);
- **offences relating to copyright violation** (Article 25-*novies* of Italian Legislative Decree 231/2001);
- **inducement not to make declarations or to make false declarations to the judicial authorities** (Article 25-*decies* of Italian Legislative Decree 231/2001);
- **environmental offences** (Art. 25-*undecies* Italian Legislative Decree 231/2001);
- **employment of third-country nationals whose stay is irregular** (Article 25-*duodecies* of Italian Legislative Decree 231/2001);
- **racism and xenophobia** (Article 25-*terdecies* of Italian Legislative Decree 231/2001);
- **fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices** (Article 25-*quaterdecies* of Italian Legislative Decree 231/2001);
- **tax offences** (Art.25-*quinquiesdecies* of Italian Legislative Decree 231/2001);
- **smuggling** (Article 25-*sexiesdecies* of Italian Legislative Decree 231/2001).

Moreover, Italian Law 146/2006, while not making a further amendment in the body of Italian Legislative Decree 231/2001, extended the liability of entities also to cases of commission of what is known as *transnational offences*.

The description of the individual conduct relevant to criminal law is referred to in **Annex 1 - List of Offences**

### 3 ORGANISATION, MANAGEMENT AND CONTROL MODELS

---

Decree 231 calls for a **specific form of exemption from liability** for the Entity if:

- a) the Governing Body has adopted and effectively implemented, prior to the commission of the offence, '*organisation, management and control models*' suitable for preventing the Offences;
- b) the task of supervising the functioning of and compliance with the models as well as ensuring that they are updated has been entrusted to a body of the entity endowed with autonomous powers of initiative and control;
- c) the persons who committed the offence acted by fraudulently circumventing the aforementioned organisation, management and control models;
- d) there was no or insufficient supervision by the body referred to in b) above.

The Organisation Model is the set of rules, set out in the Special Section, both of a behavioural nature ('*Principles of Conduct*') and of control, the observance of which - in the performance of activities within the Processes at Risk - makes it possible to prevent unlawful, improper or irregular conduct.

Failure by the Recipients to comply with the Organisation Model and/or the Code of Ethics is punishable. To this end, the Organisation Model also consists of a Disciplinary System, established and illustrated in this document.

### 4 THE CONFINDUSTRIA GUIDELINES

---

In preparing this document, SKS365 was inspired by the Confindustria Guidelines.

It is understood that the decision not to adapt the Organisation Model to certain indications of the Confindustria Guidelines does not invalidate it. In fact, Organisation, Management and Control Models must be drafted with reference to the concrete reality of the Company.

## SECTION II

### 5 COMPANY DESCRIPTION

#### 5.1 HISTORY AND ACTIVITIES OF SKS365

SKS365 Malta Ltd is a licensed sports betting operator. The Group's history dates back to 2009, when the company SKS365 Group GmbH was founded in Austria and later merged by incorporation into SKS365 Malta Ltd (Malta). Today, the Group is known as one of the most prominent bookmakers on the European scene.

SKS365 Malta Ltd operates - through the registered trademark 'Planetwin365' - as an authorised operator of public gaming and betting both in Malta and in Italy, by virtue of specific concessions issued by the respective national authorities.

With regard to the **Italian market**, SKS365 Malta Limited - Permanent Establishment in Italy holds the following Italian concessions issued by the Italian Customs Agency (Agenzia delle Dogane e dei Monopoli - ADM):

- i. No. 72002 for collection on the physical network, pursuant to Article 1, paragraph 643 of Italian Law 190 of 23 December 2014;
- ii. No. 4584 for the collection on the physical network, of bets pursuant to Article 10, paragraph 9-octies, of Italian Decree Law 16 of 2 March 2012, converted with amendments by Law 44 of 26 April 2012;
- iii. No. 15242 for the exercise of remote gaming ('GAD'), pursuant to Article 24, paragraph 13, letter a) of Italian Law 88 of 7 July 2009, by accessing [www.planetwin365.it](http://www.planetwin365.it).

SKS365 is positioned at the top of the Italian market as one of the largest state-owned concessionaires for the collection of bets and the marketing of public games. With regard to activity on the physical network, SKS365 offers its users the possibility of placing bets on sports and simulated events, within its collection points.

With reference to remote gaming, SKS365 offers its registered users, by opening a personal gaming account, the possibility of betting on sporting events and simulated events, as well as of playing poker, casino and more generally skill games.

#### 5.2 CODE OF ETHICS

A Code of Ethics (**Annex 2**) is in force at **SKS365**, which defines the values by which the company is guided in the performance of its activities.

The Code of Ethics contains the ethical principles and rules of conduct to be followed by Top Management, Employees, all those who work in the name of or on behalf of the Company, as well as the Third Parties who are required to respect and/or share them.

The provisions of the Organisation Model are inspired by the ethical principles and rules of conduct contained in the Code of Ethics and are integrated and compatible therewith.

### 5.3 PURPOSE AND STRUCTURE OF THE ORGANISATION MODEL

The adoption of an Organisation Model in line with the provisions of Decree 231 and in particular of Articles 6 and 7, together with the issuance of the Code of Ethics, was undertaken in the conviction that such an initiative can also constitute a valid tool for raising awareness among the Recipients, so that in the performance of their activities, they adopt correct and straightforward conduct, such as to prevent the risk of the commission of the Predicate Offences.

More specifically, the Model aims to:

- a) set up a **structured and organic system of prevention and control**, aimed at reducing the risk of commission of offences related to the company's activities and preventing/counteracting any unlawful conduct;
- b) determine, in all those who work in the name of and/or on behalf of the **Company**, especially in the 'areas of activity at risk', the **awareness that they may incur**, in the event of violation of the provisions set out therein, **an offence** liable to penal sanctions, including criminal sanctions, and which may also entail sanctions against the **Company**;
- c) inform the Recipients that violation of the provisions contained in the Model with which they are required to comply will result in the **application of appropriate sanctions and, in the most serious cases, termination of the contractual relationship**;
- d) reiterate that **the Company does not tolerate unlawful conduct** of any kind and for any purpose whatsoever, since such conduct (even if the Company were apparently in a position to take advantage of it) is in any case contrary to the ethical principles to which the Company intends to adhere.

The Organisation Model prepared by the Company is aimed at defining a system of preventive control, aimed primarily at planning the formation and implementation of the Company's decisions in relation to the risks/offences to be prevented, and is composed in particular of:

- the Code of Ethics, which identifies the primary values with which the Company intends to comply and thus sets the general guidelines for the company's activities;
- an up-to-date, formalised and clear organisational system that ensures an organic allocation of tasks and an adequate level of segregation of duties;
- Special Sections aimed at regulating the performance of activities, in particular with regard to processes at risk, by providing appropriate control points, as well as the separation of duties between those who perform crucial phases or activities within these processes;
- a clear allocation of powers of authorisation and signature, consistent with organisational and management responsibilities;
- control measures relating, first and foremost, to the potential commission of predicate offences, capable of providing timely warning of the existence and emergence of general and/or particular critical situations.

## 6 RECIPIENTS

---

This **Organisation Model** is intended for:

- Top Management;
- employees or other persons - whatever their relationship with the Company - subject to the direction or supervision of one of the above-mentioned persons.

Compliance with the provisions dictated by Decree 231, as well as compliance with the behavioural principles set out in the Code of Ethics, is also required of Third Parties through the provision - where possible - of specific contractual clauses.

## 7 COMPANY ADOPTION OF THE ORGANISATION MODEL

---

Within the framework of its existing preventive control system, **SKS365** has implemented the necessary activities to adapt this control system to the provisions of Decree 231.

By adopting the Organisation Model, the Company has set itself the objective of equipping itself with a set of Principles of Conduct and operating procedures aimed at planning the formation and implementation of decisions in relation to the offences to be prevented, in compliance with the system of attribution of functions and delegation of powers, as well as internal procedures.

The Special Section is added to the entire organisational complex of SKS365 (procedures, organisational charts and power allocation system) and is integrated and compatible therewith.

The Organisation Model was **adopted** by the Governing Body of SKS365.

**Amendments or additions to the Organisation Model** must be approved by the Governing Body.

For non-substantial changes, the Governing Body shall appoint a delegated person who may benefit from advice from the **Supervisory Body**. These changes will be communicated to the Governing Body and ratified or, if necessary, supplemented or amended by it at the first available meeting. The pending ratification does not invalidate the amendments adopted in the meantime.

**This Organisation Model applies to SKS365 Malta Limited - Permanent Establishment in Italy.**

### 7.1 IDENTIFICATION OF PROCESSES AT RISK

---

Article 6, paragraph 2, letter a) of Decree 231 expressly states that the Organisation Model must '*identify the activities within the scope of which offences may be committed*'. Therefore, the Company analysed the corporate activities, the decision-making and implementation processes within the individual company areas as well as the internal control systems.

In particular, as part of the above-mentioned activities, **SKS365**, with the support of external consultants, took steps to:

- a) identify the company activities in the context of which Offences and Administrative Breaches could in abstract terms be committed;
- b) analyse the potential risks of wrongdoing as well as the possible ways in which it may be committed;
- c) identify the subjects and company departments concerned;
- d) define and, if necessary, adapt the system of internal controls.

## **7.2 DETECTION AND IDENTIFICATION OF ACTIVITIES AT RISK**

At the end of the checks referred to in section 7.1 above, the Company identified the corporate activities or the phases thereof in the scope of which Offences and/or Administrative Breaches may theoretically be committed (hereinafter the '**Processes at Risk**').

In order to identify the Processes at Risk, the Company - with the support of external consultants - carried out the following activities:

- a) examination of official company documentation;
- b) detailed mapping of the company's operations, based on the Company's organisational units and carried out by means of interviews and survey questionnaires;
- c) detailed analysis of each individual activity, aimed at verifying the precise contents, the concrete operating methods, the division of responsibilities, and the existence or non-existence of each of the offence hypotheses indicated by Decree 231.

Specifically, the **Processes at Risk** in the context of which **offences** may in abstract terms be committed are set out below:

- *Purchase of goods and services (including consultancy);*
- *Activities of corporate bodies and management of corporate obligations;*
- *Litigation;*
- *Taxation;*
- *Financial and monetary flows;*
- *Environmental system management;*
- *Management of gaming/betting activities;*
- *Management of financing, grants or contributions;*

- *Workplace health and safety management;*
- *Marketing and Communication;*
- *Gifts, sponsorships and donations;*
- *Relations with AWP/VLT dealers and hirers;*
- *Relations with the Public Administration;*
- *Intra-group relations;*
- *Research and Development;*
- *Selection, recruitment and management of human resources;*
- *Information Systems;*
- *Bookkeeping and reporting.*

With reference to the **Processes at Risk** indicated above, the following categories of **Offences** are abstractly applicable:

- **offences committed in relations with the Public Administration** (Articles 24 and 25);
- **computer crimes and unlawful data processing** (Article 24-bis);
- **organised crime offences** (Article 24-ter);
- **forgery of money, public credit cards, revenue stamps and identification instruments or signs** (Article 25-bis);
- **offences against industry and trade** (Article 25-bis.1);
- **corporate offences** (Article 25-ter);
- **offences against the individual** (Article 25-quinquies);
- **culpable homicide and grievous or very grievous bodily harm** (Article 25-septies);
- **receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering** (Article 25-octies);
- **offences relating to non-cash payment instruments** (Article 25-octies.1);
- **copyright infringement offences** (Article 25-novies);
- **inducement not to make statements or to make false statements to the judicial authorities** (Article 25-decies);
- **environmental offences** (Article 25-undecies);
- **crime of employment of third-country nationals whose stay is irregular** (Article 25-duodecies);

- **fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices** (Article 25-*quaterdecies*) introduced by Italian Law 39/2019;
- **tax offences** (Art. 25-*quinquiesdecies*);
- **transnational offences** (Italian Law 146/2006).

The **Company**, in relation to the corporate activity carried out, has deemed the safeguards set out in the **Code of Ethics** as sufficient for the **Offences** listed below:

- **offences with the purpose of terrorism or subversion of democratic order** (Article 25-*quater*);
- **racism and xenophobia** (Article 25-*terdecies*).
- **smuggling** (Article 25-*sexiesdecies*).

The **Company**, in relation to the business activity performed, considers the Offences listed below as inapplicable:

- **market abuse** (Article 25-*sexies*);
- **practices of female genital mutilation** (Article 25-*quater* 1).

The Company undertakes to continuously monitor its activities, both in relation to the offences listed above and in relation to possible amendments and additions to Decree 231.

### 7.3 DESIGN OF ORGANISATIONAL AND PROCEDURAL MEASURES

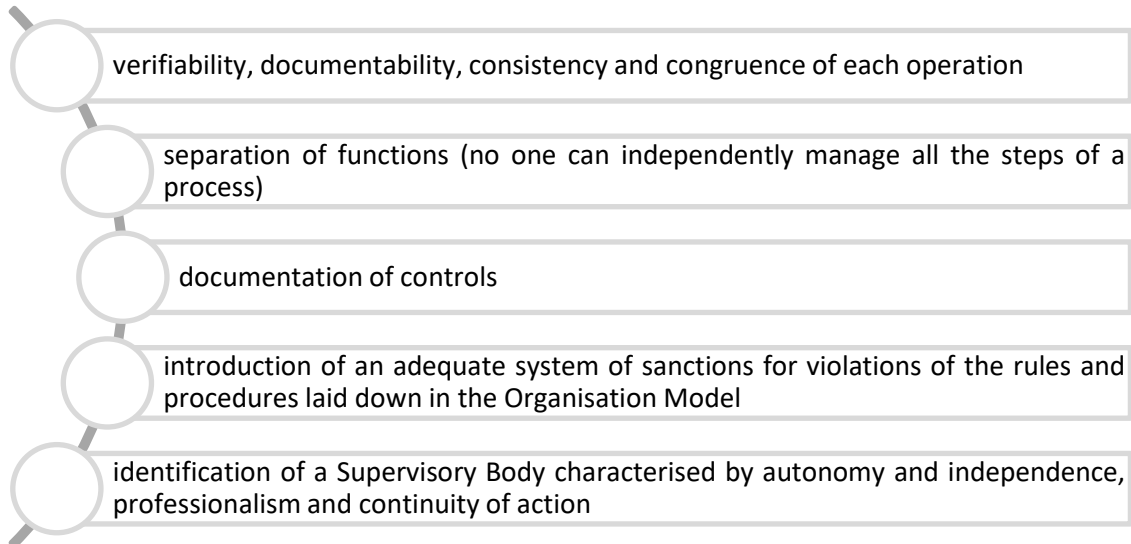
Pursuant to Article 6, paragraph 2 of Decree 231, the Organisation Model must, among other things, *'provide specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented'*.

The aforementioned provision emphasises the need to establish - or improve where they exist - appropriate mechanisms for applying procedures to management and decision-making, in order to make the various stages of each business process documented and verifiable.

It therefore appears evident that the set of organisational structures, activities and operating rules applicable - as indicated by management - within the company must be preordained to this specific objective, with the intention of guaranteeing, with reasonable certainty, the achievement of the purposes falling within an adequate and efficient risk monitoring system, including that of incurring the sanctions established in Decree 231.



The organisational set-up in place is inspired by the following principles:



## **8 DISSEMINATION, COMMUNICATION AND TRAINING**

Adequate training and constant/periodic information for staff on the principles and prescriptions contained in the Organisation Model are factors of great importance for the correct and effective implementation of the company's prevention system.

The Recipients are required to be fully aware of the objectives of fairness and transparency that the Organisation Model is intended to pursue, and of the ways in which the Company intends to pursue them, setting up an adequate system of procedures and controls.

### **8.1 INITIAL COMMUNICATION**

The adoption of the Organisation Model is communicated to all Recipients at the time of its adoption. Newly recruited resources are given an information set containing this document: '*Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001*' with its annexes. The delivery of the aforementioned documents shall be evidenced by mechanisms - including computerised ones - capable of proving their actual receipt; in compliance with current labour law, the Model can be posted in a place accessible to all.

### **8.2 COMMUNICATION OF ANY CHANGES TO THE ORGANISATION MODEL**

Any amendment to the Organisation Model must be communicated to the Recipients, with an illustration of the amendments themselves, by means of mechanisms - including computerised ones - designed to prove the effective and conscious receipt of the communication.

### **8.3 TRAINING**

The training activities aimed at disseminating knowledge of the regulations set forth in Decree 231 are differentiated, in terms of content and delivery methods, according to the qualification

of the recipients, the risk level of the area in which they operate, and whether or not they have a representative role in the Company.

In particular, the level of training and information of the Company's staff will be more thorough with regard to those who work in areas of activity at risk.

In addition to specific courses, training also includes the use of dissemination tools, such as occasional updating e-mails or internal information notes.

In any case, following the formal adoption of the Organisation Model by the Governing Body, a general introductory course will be held with the aim of illustrating the reference regulatory framework, the reference principles of the Organisation Model, the disclosure obligations and the rules of conduct to be followed in areas at risk.

The training programme may be carried out in such a way as to, inter alia, bring all Recipients up to date on new developments, additions to the legislation and to the Organisation Model.

For new recruits working in areas of activity at risk, specific training sessions will be provided, subject to agreement with the relevant manager.

Compulsory participation in the training sessions will be formalised by requesting, also electronically if necessary, an attendance signature.

Failure to participate without a justified reason may be assessed by the Company as a violation of the Organisation Model.

The Supervisory Body is assigned the task of verifying that the corporate Departments concerned put initiatives in place for the dissemination of knowledge and understanding of the Organisation Model. Within the scope of its powers, the Supervisory Body can establish specific controls, also on a sample basis or by means of assessment/self-evaluation tests, aimed at verifying the quality of the content of training programmes and the actual effectiveness of the training provided.

#### 8.4 INFORMATION TO THIRD PARTIES

---

**SKS365** also promotes the knowledge of and compliance with **Decree 231** and the **Code of Ethics** among Third Parties. Therefore, the General Section of the Organisation Model and the Code of Ethics are brought to the attention of Third Parties through **publication on the Company's website**. Furthermore, contracts with Third Parties must include - where possible - **contractual clauses** whereby the Third Party undertakes to comply with the principles of Decree 231 and the Code of Ethics.

### 9 SUPERVISORY AND CONTROL BODY

---

#### 9.1 ROLE OF THE SUPERVISORY BODY

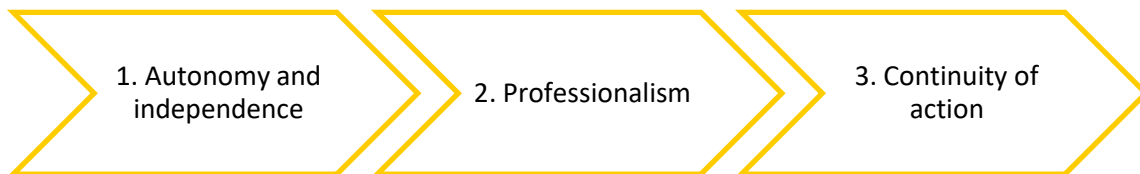
---

The Governing Body of **SKS365**, in implementation of the provisions of Decree 231, established the **Supervisory and Control Body (SB)**, which is entrusted with the task of **supervising the operation of and compliance with the Organisation Model**, as well as ensuring that it is updated through the formulation of suggestions and proposals for adaptation of the Organisation Model to the Governing Body and the subsequent verification of their

implementation. The supervisory and control activities provided in the Organisation Model are therefore the responsibility of the **SKS365 Supervisory and Control Body**.

The Governing Body is responsible for the appointment of the Supervisory Body, as well as any revocation (for just cause). The Supervisory Body reports directly to the Governing Body.

According to the provisions of Decree 231 (Articles 6 and 7) and the indications contained in the Report accompanying Decree 231, the Supervisory Body must have the following characteristics:



#### 1. Autonomy and independence

The requirements of autonomy and independence guarantee the effective fulfilment of the tasks and functions assigned to the Supervisory Body. To this end, the Supervisory Body must not be directly involved in the management activities that constitute the object of its control activities, nor is it hierarchically subordinate to those who carry out these activities.

These requirements can be achieved by guaranteeing the highest hierarchical independence for the Supervisory Body, envisaging its reporting to **Top Management**.

#### 2. Professionalism

The Supervisory Body must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objective judgement.

#### 3. Continuity of action

The Supervisory Body must:

- 1 constantly work on the supervision of the Organisation Model with the necessary powers of investigation, also with the support of external consultants;
- 2 oversee the implementation of the Organisation Model and ensure that it is constantly updated;
- 3 not perform operational tasks that may affect the overall view of the company's activities required of them.

### 9.2 **COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BODY**

The **Supervisory Body** remains in office for the period defined by the Governing Body in the deed of appointment and may be re-elected.

It is left to the Governing Body to define the composition of the Supervisory Body. In particular, the Governing Body may consider a composition of only internal members of

SKS365 or prefer a mixed composition (internal and external members) to be appropriate for the corporate reality of SKS365. The Governing Body defines the number of members of the Supervisory Body.

The replacement of one or more members of the **Supervisory Body** before the expiry of their term of office may only take place for just cause or justified reason, including, by way of example, the following:

- voluntary renunciation by the **Supervisory Body**;
- incapacity due to natural causes;
- the occurrence of any of the causes of ineligibility, disqualification, suspension and revocation referred to in Section 9.3 below.

The Governing Body of the Company establishes, for the entire term of office, the annual remuneration due to each member of the Supervisory Body or the all-inclusive remuneration of the entire Supervisory Body. In the latter case, the Supervisory Body itself is obliged to determine the remuneration due to each member at the first meeting following the act of appointment.

An annual budget is allocated to the **Supervisory Body** so that it can perform its duties in full autonomy, without any limitations that may arise from insufficient financial resources. In any case, the **Supervisory Body** may request additional resources from the Governing Body, in addition to the endowment fund, to enable its normal operations and the performance of the analyses and investigations deemed necessary to verify the adequacy of the **Organisation Model**.

In cases of disqualification, suspension and revocation of a member of the **Supervisory Body**, the Governing Body shall reinstate its composition.

In any case, the **Supervisory Body** is deemed to have lapsed if the majority of its members cease to be present, due to resignation or other causes. In this case, the Governing Body appoints the new members.

The **Supervisory Body** will see to self-regulation by means of a specific regulation, accompanied by rules to ensure its better functioning.

The Company provides the Supervisory Body with:

- an internal employee of the Legal & Compliance Department to perform the relevant secretarial tasks;
- a special technological platform for holding remote Supervisory Body meetings;
- as well as the necessary equipment for holding Supervisory Body meetings in person.

### 9.3 CAUSES OF (IN)ELIGIBILITY, REVOCATION, DISQUALIFICATION AND SUSPENSION OF THE SUPERVISORY BODY

---

#### Ineligibility and Disqualification

Without prejudice to the assessment by the Governing Body as set out below, **no person may take on** the role of member of the Supervisory Body and if appointed **shall be disqualified from** office who:

- a) has family relationships up to the second degree of kinship or marriage (or de facto cohabitation situations comparable to marriage) with the Governing Body;
- b) has conflicts of interest, even potential, with the Company and/or its subsidiaries such as to undermine the independence required by the role and tasks of the Supervisory Body;
- c) hold, directly or indirectly, shareholdings of such a size as to entail control or significant influence over the Company, also pursuant to Article 2359 of the Italian Civil Code;
- d) perform administrative functions with delegated powers or executive functions at the Company;
- e) be in the legal condition of being disqualified, incapacitated, bankrupt or sentenced to a punishment entailing disqualification, even temporary, from public office or incapacity to exercise executive office;
- f) be subject to personal preventive measures ordered by the judicial authorities, without prejudice to the effects of rehabilitation;
- g) have criminal convictions or other sanctions in foreign countries for offences corresponding to those referred to above.

For the purposes of the application of the provisions of this section, a conviction shall also mean a sentence pronounced pursuant to Article 444 of the Italian Code of Criminal Procedure, without prejudice to the effects of the judicial declaration of extinction of the offence pursuant to Article 445, paragraph 2 of the Italian Code of Criminal Procedure.

The **Supervisory Body** is responsible for promptly notifying the Governing Body of the occurrence of grounds for disqualification.

If one of the above-mentioned grounds for disqualification occurs, the Governing Body, after carrying out the appropriate investigations and hearing the person concerned and the other members of the Supervisory Body, shall take the measures it deems appropriate until the member's disqualification is declared.

### **Suspension**

The following constitute grounds for **suspension** from the role as member of the Supervisory Body:

- a) conviction by non-definitive sentence for the offences indicated in letter g) among the grounds for ineligibility and disqualification;
- b) being provisionally subject to one of the measures laid down in Article 10, paragraph 3 of Italian Law 575 of 31 May 1965, as replaced by Article 3 of Italian Law 55 of 19 March 1990, and subsequent amendments and additions.

If one of the above-mentioned grounds for suspension occurs, the Governing Body, after carrying out the appropriate investigations and hearing the person concerned and the other

members of the Supervisory Body, shall take the measures it deems appropriate until the member is declared suspended.

### Revocation

The following constitute grounds to be **revoked** from the post of member of the Supervisory Body, by way of non-limiting example:

- significant failures to comply with the mandate conferred, with regard to the tasks set out in the Organisation Model (for example, conduct likely to jeopardise the Supervisory Body's ability to perform the tasks envisaged by law and by the Organisation Model);
- violation of the obligations set out in the Regulation of the Supervisory Body, where adopted;
- absence from three or more meetings, even if not consecutive, without a justified reason within a period of 12 consecutive months;
- the occurrence of circumstances that seriously and justifiably impair the member's independence or autonomy of judgement;
- an irrevocable conviction of the Company pursuant to Decree 231 or a sentence applying the penalty at the request of the parties, which has become final, where the documents show an 'omitted or insufficient supervision' on the part of the Supervisory Body, pursuant to Article 6, paragraph 1, letter d) of Decree 231;
- an irrevocable conviction, without prejudice to the effects of rehabilitation, or a final judgement applying the penalty at the request of the parties, except in the case of the extinction of the offence, issued against one of the members of the Supervisory Body for having committed one of the offences set out in Decree 231;
- violation of confidentiality obligations.

If one of the above-mentioned grounds for revocation occurs, the Governing Body, after carrying out the appropriate investigations and hearing the person concerned and the other members of the Supervisory Body, shall take the measures it deems appropriate until the member is declared revoked.

If the Supervisory Body also includes employees of the Company, the dismissal of an employee who is a member of the Supervisory Body, for the entire duration of the assignment and for six months following its termination, as well as by resignation, may only take place for just cause or justified reason pursuant to the law, and shall, in the latter two cases, be duly justified. The termination of the employment relationship with the Company of the internal person, for whatever reason, determines the simultaneous forfeiture of the post of member of the Supervisory Body, unless otherwise resolved by the Governing Body.

#### 9.4 **AUDITING THE EFFECTIVENESS AND ONGOING ADAPTATION OF THE ORGANISATION MODEL AND ACTION PLAN**

---

The **Supervisory Body** must periodically verify the effectiveness and suitability of the Organisation Model to prevent the commission of the offences referred to in Decree 231. In particular, the following are envisaged:

- 1 **verification on individual acts.** To this end, it will periodically carry out an audit of the acts and contracts relating to the processes at risk, according to methods it identifies;
- 2 **verification of the Special Section.** To this end, it will periodically audit the effectiveness and implementation of the Special Section of this Organisation Model;
- 3 **checks on the level of knowledge** of the Organisation Model also through the analysis of requests for clarifications or reports received;
- 4 **periodic updating** of the Risk Assessment activity aimed at reviewing the map of activities potentially at risk, particularly in the presence of changes in the organisation or business of the Company, as well as in the event of additions or amendments to Decree 231.

For the purpose of a planned exercise of its assigned supervisory powers, the **Supervisory Body** submits its **Action Plan** to the Governing Body on an annual basis, informing it of the activities it plans to carry out and the areas that will be subject to checks. The **Supervisory Body** may in any case carry out, within the scope of sensitive corporate activities and where it deems it necessary for the performance of its functions, checks not envisaged in the Action Plan (known as 'surprise checks').

In the implementation of the Action Plan, the **Supervisory Body** adopts useful procedures for carrying out supervisory and control activities, which will be communicated to the Departments concerned, and may set up working groups on particular issues. In the event of special circumstances (e.g., the emergence of previous violations), the **Supervisory Body** will take care to apply systematic procedures to search for and identify the risks under analysis.

In particular, it may ask to consult the documentation relating to the activities carried out by the individual organisational units and by the persons responsible for the processes at risk subject to control and/or verification, extracting a copy if necessary, as well as conducting interviews and requesting, where appropriate, written reports. In the course of these operations, the head of the organisational unit concerned must be kept constantly informed.

Following the checks carried out, the **Supervisory Body** may report any observations and/or suggestions to the person responsible.

The activities carried out by the **Supervisory Body** must be documented, even in summary form. The relevant documentation must be kept by the **Supervisory Body** itself, so that its confidentiality is ensured, also in compliance with the legislation on the protection of personal data.

Following the audits carried out, the regulatory changes that have occurred from time to time, and the possible emergence of new processes at risk, the **Supervisory Body** proposes the adjustments and updates to the **Organisation Model** that it deems appropriate to the Governing Body.

For its auditing activities, the **Supervisory Body** may rely on the support of external consultants with appropriate expertise in the field.

#### **9.5 INFORMATION FLOWS TO THE SUPERVISORY BODY**

For the purposes of effective supervision of the implementation of the Organisation Model, the Recipients, by reason of their role and responsibilities, are required to transmit

information flows to the **Supervisory Body** as summarised in **Annex 3** '*List of Information Flows to the Supervisory Body*' (hereinafter the '**Information Flows**').

Information flows to the Supervisory Body on a regular basis:

At the regular Italian Management Meetings, the Department Heads share the periodic Information Flows. These information flows are collected by the Proprietor - with the support of the secretariat of the Italian Management Meeting - and subsequently transmitted to the Supervisory Body.

Information flows to the Supervisory Body upon the occurrence of an event may be forwarded in the following ways:

- to the e-mail address: **ignestim@gmail.com**
- to the paper mail address: **SKS365 Malta Limited - Permanent Establishment in Italy**  
to the attention of the Supervisory Body  
Viale dell'Arte No. 25  
00144 - Rome

In any case, the **Supervisory Body** is vested with all the powers under the Organisation Model to request any information, data, document, news from the Recipients at any time. The Recipients shall provide the Supervisory Body with what has been requested without delay.

The principle also remains that any information or news that may be considered relevant under the Organisation Model must be forwarded to the Supervisory Body without delay.

In addition to the **Information Flows** as indicated in the Organisation Model, **Top Management** is required to inform the Supervisory Body of:

- a. any change concerning both the system of delegated powers and the organisational structure of the Company;
- b. the Company's extraordinary corporate transactions;
- c. every new business activity;
- d. any information relevant to compliance with, operation and updating of the Organisation Model.



### 9.5.1 ARCHIVING

All the **Information Flows** sent to the Supervisory Body are processed and stored by the Supervisory Body in a special computer and/or paper archive kept in accordance with the provisions of European Regulation 2016/679 on the protection of personal data (GDPR).

### 9.6 REPORTING VIOLATIONS - WHISTLEBLOWING

On 29 December 2017, Italian Law 179 of 30 November 2017 came into force, which establishes '*provisions for the protection of the whistleblowers of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship*'. This law introduced paragraphs 2 *bis*, 2 *ter* and 2 *quater* to Article 6 of Italian Legislative Decree 231/2001.

In particular, Paragraph 2 *bis* states that the organisational and management models pursuant to Italian Legislative Decree 231/2001 must provide:

- i. one or more channels enabling the persons referred to in Article 5, paragraph 1, letter a) and b) of Decree 231 to submit, in order to protect the integrity of the Entity, detailed **Reports** of unlawful conduct or violations of the organisation and management model of the Entity, of which they have become aware in the course of their duties; the channel(s) must guarantee the confidentiality of the identity of the **Whistleblower** in the management of the **Report**;
- ii. at least one alternative reporting channel capable of ensuring, by computerised means, the confidentiality of the **Whistleblower's** identity;
- iii. the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the **Whistleblower** for any reason relating directly or indirectly to the **Whistleblowing**;
- iv. sanctions against those who violate the **Whistleblower** protection measures and those who submit **Reports** that turn out to be unfounded with malicious intent or gross negligence.

Paragraph 2 *ter* of Article 6 introduces the possibility to denounce the adoption of discriminatory measures against **Whistleblowers**. The complaint may be made (by the Whistleblower or by the trade union organisation indicated by the Whistleblower) to the National Labour Inspectorate.

Paragraph 2 *quater* of the same article lastly sanctions the nullity of retaliatory or discriminatory dismissal of the **Whistleblower**, as well as the nullity of the change of duties pursuant to Article 2103 of the Italian Civil Code and any other retaliatory or discriminatory measures taken against the **Whistleblower**. In addition, the onus has been placed on the employer to prove, in the event of disputes related to the imposition of disciplinary sanctions, de-skilling, dismissals, transfers or subjecting the **Whistleblower** to other organisational measures with direct or indirect negative effects on working conditions arising after the **Whistleblowing**, that such measures are based on reasons extraneous to the **Whistleblowing**.

The Company, in compliance with the provisions of the new Article 6, paragraph 2 *bis* of Italian Legislative Decree 231/2001, has therefore adopted the '*Whistleblowing Procedure - management of the whistleblowing system pursuant to Italian Legislative Decree 231/2001*' (Annex 4).

#### 9.7 INFORMATION FROM THE SUPERVISORY BODY TO THE CORPORATE BODIES

The Supervisory Body reports directly to the Governing Body on matters concerning the Organisation Model.

The Supervisory Body informs the Governing Body, also in writing, on the application and effectiveness of the Organisation Model at least annually (indicating in particular the controls carried out and their outcome, as well as any updating of processes at risk), or at different times with reference to specific or significant situations.

The **Supervisory Body may be summoned by the Governing Body** to report on its activities and may ask to confer with it.

The Supervisory Body may also request to be heard by the Governing Body whenever it deems it appropriate to promptly report on Violations of the Organisation Model or request attention to critical issues relating to the functioning of and compliance with the Organisation Model.

The Supervisory Body is competent to provide appropriate clarifications in the event of interpretation problems or questions concerning the Organisation Model.

### 10 FINANCIAL RESOURCES MANAGEMENT METHODS

Article 6, paragraph 2, letter c) of Decree 231 requires the identification of financial resources management methods suitable for preventing the commission of offences.

Therefore, in addition to the safeguards set out in the Special Section, the main operational methods for managing financial resources aimed at preventing the offences set forth in Decree 231 are summarised below, referring for detailed aspects to the operational procedures in force.

- In the management of financial resources with the Public Administration:
  - payments must be made into the bank or postal account indicated in the agreement signed by the Company or formally indicated in writing by the Public Administration;
  - **payments in cash or similar payment instruments** (bank/post office book, bank/postal cheques) are not permitted. If, for reasons of proven urgency, it becomes necessary to make payment in cash, the **Proprietor** or any other Responsible Departments - to whom the authorisation to make payment is delegated - must be informed. This must be duly documented and tracked;
  - **payments to numbered accounts** or to **parties other than the Public Entity** are not permitted.

- The Company must set up, for all persons with formal powers of handling financial resources, specific limits by type of transaction, frequency, amount.
- Applications for loans, subsidies or grants must always be **authorised in advance** and subsequently **signed** by the **Proprietor** or other authorised person in accordance with the system of delegations and powers in force.
- In general, in managing financial resources (receipts and payments), the Company must give preference - where possible - to the use of company cards and/or other non-cash means of payment.
- The **Finance Department** prepares a weekly report showing the updated cash flow situation; this report is submitted for consolidation purposes.
- The **Finance Department** monitors that:
  - the Company's receipts and payments are always traceable and can be documented.
  - payments to third parties are made through banks, electronic money institutions and payment institutions (the '*Payment Service Providers*') by means that guarantee **evidence** that the **beneficiary of the payment is actually the third party contracting with the Company**.
- The **AML Function**, with the support of the **Finance Department** and of any other Departments concerned must identify anomaly indicators to identify any 'at risk' or 'suspicious' transactions with counterparties (including Point of Sale operators) on the basis of the operating procedures, general principles and criteria set out in the document '*Policies for the management of money laundering and terrorist financing risks*' and its **Annexes** to which reference should be made (**Annex 5**).

## SECTION III

### 11 DISCIPLINARY SYSTEM

#### 11.1 GENERAL PRINCIPLES

This disciplinary system is adopted pursuant to Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Decree 231.

The disciplinary system is aimed at penalising the violation of the provisions of the **Organisation Model** and the principles of the **Code of Ethics**.

The disciplinary system has been prepared in accordance with the provisions of Article 7 of Italian Law 300/1970, as amended (Workers' Statute), of the National Collective Labour Agreements (CCNL) of the category applied to employees ('*CCNL of Tourism - Public Establishments - Collective and Commercial Catering - Hotels - Intersectoral CCNL*') and of the regulatory and contractual provisions.

The imposition of disciplinary sanctions for violations of the Organisation Model and/or the Code of Ethics is irrespective of whether or not criminal proceedings are instituted and of the outcome of the consequent judgement for the commission of one of the offences set out in Decree 231.

#### 11.2 SCOPE OF APPLICATION

The disciplinary system applies to all **Recipients** of the Organisation Model, and in particular to:

- Employees (Middle Managers and Clerks);
- Executives;
- Top Management;
- Third Parties.

#### 11.3 VIOLATIONS OF THE ORGANISATION MODEL

Sanctions may be applied in the case of substantial violations including:

- a) failure to comply with the provisions contained in the Organisation Model (including the principles of conduct contained in the Special Section) and/or the Code of Ethics;
- b) in conduct directly or indirectly integrating the offences referred to in Decree 231;
- c) failure to participate, without a justified reason, in the training provided on Decree 231, the Organisation Model and the Code of Ethics;
- d) in the absence or untruthfulness of evidence of the activity carried out with regard to the manner in which acts are documented, stored and controlled, so as to prevent the transparency and verifiability thereof;
- e) in the violation and/or circumvention of the control system, carried out through the removal, destruction or alteration of the supporting documentation, or in the performance of activities aimed at preventing the persons in charge and the Supervisory Body from controlling or accessing the requested information and documentation;
- f) non-compliance with the provisions on signatory powers and the delegation system;

- g) violation of the obligation to provide information to the Supervisory Body;
- h) in conduct constituting a violation of the measures for the protection of the **Whistleblower** referred to in section 9.5 of the Organisation Model;
- i) in conduct constituting wilful misconduct or gross negligence in making serious **Reports** referred to in section 9.5 of the Organisation Model which proved to be unfounded.

The list of cases is by merely way of example and is not exhaustive.

#### 11.4 GENERAL CRITERIA FOR IMPOSING SANCTIONS

In cases of non-compliance and/or violations of the Organisation Model, the type and extent of the specific sanctions shall be applied in proportion to the seriousness of the misconduct and, in any case, taking into account the elements listed below:

- 1 •subjective element of the conduct, depending on malice or guilt
- 2 •relevance of the violated obligations
- 3 •level of hierarchical and/or technical responsibility
- 4 •presence of aggravating or mitigating circumstances with particular regard to professionalism, previous work experience, the circumstances in which the offence was committed and any recidivism
- 5 •possible sharing of responsibility with other parties that contributed to the shortcoming
- 6 •conduct that might compromise, even potentially, the effectiveness of the Organisation Model

If several infringements, punishable by different penalties, are committed in a single act, the most serious penalty shall be applied.

Any imposition of the disciplinary sanction, regardless of the possible institution of proceedings and/or the outcome of any criminal trial, shall be, as far as possible, inspired by the principles of timeliness.

Lastly, without prejudice to the provisions of section 9.6 above '*Reporting Violations - Whistleblowing*' and without prejudice to compliance with the procedure set out in Article 7 of Italian Law 300/1970, as amended, (known as the Workers' Statute) for persons having an employment relationship with the Company, if the **Supervisory Body** finds a violation, it shall inform the following persons:

- 1) The **H&R Administration Department** for the imposition of sanctions for infringements that can result in the sanction of a warning (verbal or written);

- 2) The **H&R Administration Department** and the **Proprietor** for the imposition of sanctions for infringements that may result in the sanction of a fine, suspension, dismissal or termination of the contractual relationship with Third Parties.

In any case, the ownership and exercise of disciplinary power or the exercise of contractual rights must be exercised in compliance with the system of delegated and proxy powers in force.

### 11.5 SANCTIONS FOR EMPLOYEES (MIDDLE MANAGERS - CLERKS)

Pursuant to the combined provisions of Articles 5, letter b) and 7 of Decree 231, without prejudice to the prior notification and the procedure prescribed by Article 7 of Italian Law 300 of 20 May 1970 (the Workers' Statute), the following sanctions may be applied, taking into account the general criteria mentioned above, against employees (middle managers and clerks):

**a) Verbal Warning**

The sanction of a verbal warning may be imposed in cases of minor misconduct or non-compliance with the Organisation Model and/or the Code of Ethics.

**b) Written Warning**

The sanction of a written warning may be imposed in the event of more serious misconduct or non-compliance compared to those entailing the application of a verbal warning, or in the event of recidivism by the employee in offences punishable individually by the sanction of a verbal warning.

**c) Fine**

As well as in cases of recidivism in the commission of offences that may lead to the application of a written warning, more serious offences or non-compliances are detected than those that lead to the application of a written warning.

**d) Suspension from Work and Pay**

The sanction of suspension from pay and service may be imposed in cases of serious violations of the provisions of the **Organisation Model** and/or of the **Code of Ethics** or in cases of recidivism in the commission of offences from which the application of a fine may result. Suspension of pay and from service may be applied for a maximum of 10 days.

#### e) Dismissal with Notice

The sanction of dismissal with notice may be imposed in cases of particularly serious violations or in cases of repeated commission of offences that may lead to suspension from pay and service.

#### f) Dismissal without Notice

The sanction of dismissal without notice may be imposed for misconduct so serious as to break the fiduciary relationship with the Company and therefore not to allow the continuation, even temporary, of the employment relationship.

Where employees hold a proxy with the power to represent the Company externally, the imposition of the sanction may entail the revocation of the proxy.

Precautionary measures, including suspension, may also be ordered in the course of disciplinary proceedings.

### 11.6 SANCTIONS FOR EXECUTIVES

---

The managerial relationship is characterised by its eminently fiduciary nature: therefore, the observance by the Company's Executives of the principles and provisions laid down in the **Code of Ethics**, the **Organisation Model** and the company procedures that refer thereto, and the obligation for them to enforce these principles and provisions, is an **essential element of the executive employment relationship**.

Also in this case, since this is a subordinate employment relationship, any infringements are ascertained and the ensuing disciplinary proceedings are initiated on the basis of the company's organisational set-up, in accordance with the provisions for Executives in the Workers' Statute and in compliance with the applicable legislation.

In the event of a **violation** by Executives, the Company shall apply the most appropriate sanctions with respect to the seriousness of the conduct committed, in accordance with the nature of the executive relationship as also resulting from the legislation in force and from the Workers' Statute (starting from a written reprimand up to and including, in the most serious cases, dismissal with or without notice, in particular where the conduct constitutes a serious negation of the elements of the employment relationship and, in particular, of the fiduciary relationship, so as not to allow the continuation, even temporary, of that relationship).

Where disciplinary sanctions are applied to Executives holding a proxy with power to represent the Company, the imposition of the sanction may entail the revocation of the proxy.

### 11.7 SANCTIONS FOR TOP MANAGEMENT

---

Violations of the Organisation Model and/or the Code of Ethics by Top Management are reported to the **Administrative Body** of the company SKS365 Malta Ltd (Malta), which will take the most appropriate measures. The sanctions applicable to **Top Management** include: revocation of the delegation of authority, proxy and/or assignment conferred on the person concerned and, if they are also linked to the Company by an employment relationship, the sanctions referred to in section 10.5 above may be imposed.

Regardless of the application of the protective measure, this is without prejudice, however, to the **Company's** right to propose liability and/or compensation actions.

## 11.8 VIOLATIONS AND SANCTIONS FOR THIRD PARTIES

---

SKS365 believes that any conduct engaged in by **Third Parties** that may entail the risk of one of the Offences being committed is reprehensible. Therefore, the violations consisting of:

- a) failure to comply with the principles contained in the Code of Ethics of the Company relevant to the subject matter of the assignment;
- b) conduct aimed at committing, or in any case integrating, an offence under Decree 231;

constitute a breach of contractual obligations undertaken, with all legal consequences, and may therefore entail - in the most serious cases and in accordance with the contractual provisions - termination of the contract and/or revocation of the assignment as well as compensation for any damages suffered by the Company.



## ANNEXES

**Annex 1** - List of Offences

**Annex 2** - Code of Ethics

**Annex 3** - List of Information Flows to the Supervisory Body

**Annex 4** - Whistleblowing Procedure - management of the whistleblowing system pursuant to Italian Legislative Decree 231/2001

**Annex 5** - Policies for Managing Money Laundering and Terrorist Financing Risks