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1. Introduction

An essential part in the construction of an Organisational, Management and Control Model (OMCM) pursuant to article 6 of Italian Legislative Decree 231/01 involves the provision of an adequate disciplinary system for punishing violations of the procedures provided for by the OMCM itself, as well as for violations contained within **SKIDATA**'s Code of Ethics.

As such, developing an appropriate disciplinary system represents an essential prerequisite for the validity of the OMCM pursuant to Italian Legislative Decree 231/2001 with regard to administrative responsibility.

Given the severe consequences for **SKIDATA** in the event of illicit behaviour by employees, managers, directors, auditors, agents or suppliers, any failure to comply with the Model represents a violation of the duty of due diligence and loyalty, and in the most serious cases damages the relationship of mutual trust with **SKIDATA**.

Violations of the OMCM and the Code of Ethics shall be subject to the disciplinary measures provided for hereunder, without prejudice to any criminal responsibility, which remains strictly personal in observance of the principles laid out by law, and to the result of the relative judgement. This Disciplinary System supplements that already provided for under the national collective contract for retail companies, and operates in full compliance with the same.

Moreover, pursuant to the national collective contract and legal provisions (article 7 of Italian Law no. 300 of 20 May 1970), this document is brought to the attention of the parties concerned and those who are recipients of it by posting on the company bulletin board, and is also sent via certified email in order to ensure it is also brought to the attention of those who do not work in the company premises on a daily basis, such as suppliers, consultants etc.).

2. Violation Assessment Criteria

The type and extent of each of the sanctions listed above shall also take account of the following in their application:

- Whether or not the behaviour was intentional or the degree of negligence, imprudence or recklessness, also in regard to the extent to which the event was foreseeable
- The overall behaviour of the person responsible for the violation, with particular regard to whether any previous disciplinary measures or violations are on file even if not sanctioned at the disciplinary level, to the extent permitted by law
- The duties of the offender
- The functional position of the persons involved in the events concerned by the failure to comply with the procedures provided for in the OMCM

- Any other relevant circumstances relating to the disciplinary offence

The company reserves the right to seek compensation for any damages deriving from violations of the OMCM by employees. The damages requested shall be based on:

- The level of responsibility and independence of the employee responsible for the disciplinary offence
- Whether or not any previous disciplinary action is on the employee's file
- The extent to which their behaviour was intentional
- The seriousness of the (potential) effects of their conduct on the company, meaning the level of risk to which **SKIDATA** reasonably considers it has been exposed – pursuant to Italian Legislative Decree 231/2001 – following the conduct in question.

3. Sanctions applied to employees not in managerial roles

Conduct of employees not in managerial roles which is found to be in violation of the rules of conduct outlined in the Code of Ethics and the Model shall be considered non-fulfilment of their primary work obligations and, as such, also have relevance as disciplinary offences, pursuant to specialist regulations (in particular the national collective contract and applicable supplementary company contracts) and applicable sector procedures (article 7 of the Workers' Charter (Statuto dei Lavoratori)).

The disciplinary measures may be applied in the case of violations deriving from, e.g.:

- Failure to respect the principles of conduct laid out in the rules and procedures contained in the organisational model
- Failure to comply with company procedures relating to the methods of documentation, retention and monitoring of records concerning the OMCM procedures in such a way as to prevent transparency and verifiability
- Violation and/or circumvention of the control system put in place through the removal, destruction or alteration of records provided for by the procedures or by impeding monitoring or access to information and documentation by the assigned parties, including the Supervisory Body
- Failure to comply with provisions relating to signatory powers of the proxy system
- Lack of supervision by hierarchical superiors over the conduct of their subordinates to ensure the correct and effective application of the principles laid out in the procedures
- Failure to respect working hours (article 223 of the national collective contract): Workers are required to follow the set working hours. Those who fail to respect the set working hours without good reason shall be docked an amount, which must be listed on the pay slip, corresponding to the extent of the delay or early departure, without prejudice to the application of the penalty provided for by article 225 below.
- Failure to notify change of address (article 224 of the national collective contract): Employees are required to immediately notify the company of any change in address both during periods of employment and during any sabbaticals/leave etc.
- Failure to justify absences (article 222 of the national collective contract): Except in the event of legitimate impediment, which the employee shall still be required to provide proof of, and without prejudice to the obligation to provide immediate notice to the employer, written justification of any absences must be provided to the company within 48 hours for any checks to be performed. With regard to justification of absences due to illness, and without prejudice to the obligation to provide immediate notice to the employer, this provision may also be satisfied by sending the number of the medical certificate sent electronically by the INPS (Italian social security system) doctor via fax, certified email or recorded delivery. Unjustified absences shall be subject to retention of pay proportional to the number of days pursuant to article 195, without prejudice to the application of the penalty provided for by article 225 below.
- Failure to comply with prohibitions (article 221 of the national collective contract): Employees are prohibited from returning to company premises and remaining there after working hours, except for work reasons with company authorisation, with the exception of the provisions of article 30 of the national collective contract. Employees are not permitted to leave the premises during working hours except for work reasons with explicit authorisation. The employer, in turn, may not require employees to remain at work beyond normal working hours. Workers may leave the workplace for reasons not relating to work upon receiving prior authorisation. In this case, the employer reserves the right to request that the employee make up the time lost with the same number of working hours, at the maximum rate of one hour per day, without any extra remuneration being payable.
- Non-fulfilment of employee obligations (article 220 of the national collective contract): Workers are required to fulfil their duties and maintain industrial secrecy in a scrupulous manner, as well as being courteous to the public and acting in accordance with their civic duties. Workers are required to diligently preserve goods and materials.

The **sanctions applicable** to workers, pursuant to the procedures laid out in article 7 of Italian law no. 300 of 30 May 1970, are those provided for by the national collective contract (article 225):

SANCTION TYPE	EXAMPLES
A) Written or verbal warning (depending on seriousness)	This sanction is applied to workers who violate the rules contained in the Organisational, Management and Control Model, in other words adopting activities/conduct which does not comply with the requirements of the same. A written warning is issued in the event of a recurrence following a verbal warning.
B) Fine of amount up to four hours of pay	This sanction is applied to workers who, MORE THAN ONCE: <ul style="list-style-type: none"> • Act in violation of the rules contained in the OMCM, in other words adopting conduct which does not comply with the requirements of the same in carrying out "at-risk" activities. • Start work late without justification, an amount equal to the amount of the penalty. • Perform the work assigned to them in a negligent manner. • Are absent from work for up to three days in one calendar year without justification.

	<ul style="list-style-type: none"> Do not immediately notify the company of a change in their address, whether during periods of work or leave/
SANCTION TYPE	EXAMPLES
C) Suspension from work for a maximum of ten days	<p>This sanction is applied to workers who:</p> <ul style="list-style-type: none"> By violating the rules contained in the OMCM, in other words adopting conduct which does not comply with the requirements of the same in carrying out "at-risk" activities, CAUSE DAMAGE to SKIDATA i.e. exposing it to the risk of application of the measures provided for by Italian Legislative Decree no. 231/2001. Deliberately damage items provided to them by the company Attend work in an evident state of drunkenness or under the influence of drugs Commit one of the disciplinary offences resulting in a fine more than three times in one calendar year, with the exception of unjustified absence.
D) Termination	<p>This sanction is applied to workers who:</p> <ul style="list-style-type: none"> By violating the rules contained in the OMCM, in other words adopting conduct which does not comply with the requirements of the same in carrying out "at-risk" activities, CAUSE SKIDATA to be subject to the PENALTIES provided for by Italian Legislative Decree no. 231/2001. Are absent from work without justification for over three days in one calendar year; are late without justification for more than five times in a calendar year, after receiving a written warning. Commit a serious violation of the obligations of article 220 (workers are required to fulfil their duties and maintain industrial secrecy in a scrupulous manner, as well as being courteous to the public and act in accordance with their civic duties. Workers are required to diligently preserve goods and materials, and to cooperate to help achieve the company's prosperity). Commit an infraction of workplace health and safety legislation. Are responsible for an abuse of trust, engages in competition with the company, violating industrial secrecy requirements or works for third parties or on their own behalf in competition with the company's interests outside of working hours. Have been guilty of offences resulting in suspension more than three times in a calendar year, with the exception of the provisions for repeat late arrival.

Any fines applied will be paid into the employee pension fund. Workers may request documentation attesting such payments.

The adoption of disciplinary measures must be communicated (ref. Article 227 of the national collective contract) to the worker by recorded delivery or other suitable means providing proof of the date of reception within 15 days of the term assigned to the worker to present their rebuttal. In the event of difficulties in assessing such rebuttals and making decisions in this regard, this term may be extended by 30 days, as long as the company gives the worker concerned advance written notification of this.

Workers subject to disciplinary proceedings who wish to challenge the legitimacy of the proceedings themselves may make use of the conciliation procedures provided for by article 7 of Italian Law no. 300 of 2 May 1970 or those provided for by section three of this contract.

4. Penalties applied to managers and executives

For employees assigned to management roles, the provisions of the contracts for managers of companies belonging to the trade associations shall apply.

Disciplinary measures applied to managers are adopted by the Board of Directors when indicated by the Supervisory Body, in any case without prejudice to the procedures provided for by the above-mentioned collective contract.

5. Measures applied to Directors

On receiving a report from the Supervisory Body, the Board of Auditors, after a thorough assessment, shall, if necessary: exercise derivative litigation towards the defaulting director(s) pursuant to article 2393 para 3 of the Italian Civil Code; convene the board of directors, placing the derivative litigation and relative revocation of directorships in the agenda.

6. Measures applied to Auditors

Whenever the responsibility of the directors (see preceding paragraph) is accompanied by the responsibility of the auditors for supervisory lapses pursuant to article 2407 of the Italian Civil Code, the shareholders' meeting, following thorough assessment, shall directly adopt the disciplinary measures against the corporate bodies.

7. Measures applied to business partners, consultants and external contractors

Business partners, consultants and external contractors, as well as all other parties entertaining contractual relationships with the company, are equally required to comply with the provisions, procedures and behavioural models provided for by the OMCM as it applies to them. All violations and/or non-fulfilment of the principles of the Code of Ethics, as well as the commission of crimes provided for by Italian Legislative Decree 231/2001, even partial, shall be punished, with **SKIDATA** retaining the right to suspend execution of the contract and/or to withdraw from it unilaterally, even in the middle of its execution, or else to wind up the same contract, without prejudice to **SKIDATA's** right to compensation for any damage suffered.