



Organizational, management and control model

In terms of legislative decree no.231,
dated 8 June 2001

GENERAL PART

*Approved by
the Board of Directors
of SOS Italia S.r.l.
on May 15, 2017*



1. LEGISLATIVE DECREE No. 231/2001

1.1. THE ADMINISTRATIVE CRIMINAL LIABILITY OF LEGAL ENTITIES

Legislative DECREE no. 231 of 8 June 2001, (hereinafter also referred to as DECREE or L.D. 231/2001) that introduces the “*Discipline of administrative liability of legal entities, of companies and associations , with or without juridical persons*”, has adapted the Italian legislation on the liability of legal persons to international conventions previously subscribed by Italy, in particular the Convention on the Protection of the European Communities’ Financial Interests signed in Brussels on the July 26, 1995, the Convention of Brussels on May 26, 1997 on the fight against corruption of public officials of both the European Community and the affiliated States, and the OECD Anti-Bribery Convention of December 17, 1997 on combating bribery of foreign public officials in international business transactions. The DECREE introduced an Italian system of administrative liability in criminal proceedings against legal persons (hereinafter also referred to as ENTITIES), adding to the responsibility of the natural person who has materially committed crimes and who aims to involve, in the punishment of the same, the ENTITIES in whose interest or benefit of those crimes were committed. The Decree is applied both in the case of crimes committed in Italy and crimes committed abroad if the company has its main offices in Italy and, if the country where the offences were committed has not already taken direct action.

The key points in the DECREE regard:

- a) the identification of persons who, committing a crime in the interest or benefit of the ENTITY, may determine liability.

In particular they may be:

1. subjects in **apical** positions, that is those subjects who function as directors, executives, administrators or other subjects acting on behalf of the legal entity (i.e. agents, representatives);
2. subjects in **subordinate** positions, that is those who are subject to the powers of management or supervision of the subjects referred to in point 1

- b) the typology of the crime :



General Section

- i) crimes against the Public Administration detailed in art. 24 and 25 of the DECREE (as amended by article 1, paragraph 77 of Law 190 of 6 November 2012 and Law 69/2015);
- ii) crimes of forging money, public credit notes, revenue stamps and instruments or identity marks (article 25-*bis*, introduced in the DECREE by article 6 of L.D. 350 of 25 September 2001, then converted into Law 409 of 23 November 2001 and amended by article 15 (7) letter a) of Law 99 of 23 July 2009);
- iii) corporate offences (art. 25-*ter*, introduced in the DECREE by article 3, comma 2, of Law 61 of 11 April 2002, and amended by article 1 (77) letter b) of Law 190 of 6 November 2012) and market abuse (article 25-*sexies*, introduced in the DECREE by article 9, comma 3, of Law 62 of 18 April 2005)
- iv) offences connected to terrorism or the subversion of democracy (article 25-*quater*, introduced in the DECREE by article 3 of Law 7 of 14 January 2003);
- v) crimes against individuals (article 25-*quater. 1* introduced in the DECREE by article 8 of Law 7 of 9 January 2006) and offences against individual personalities (article 25-*quinquies* introduced in the DECREE by article 5 of Law 228 of 11 August 2003);
- vi) transnational organized crime (for which it introduces the administrative responsibility of the ENTITY, pursuant to the DECREE, article 10 of Law 146 of 16 March 2006);
- vii) manslaughter and culpable serious or very serious injuries committed in violation of the regulations referring to respecting health and safety in the workplace (article 25-*septies* introduced in the DECREE by article 9 of Law 123 of 3 August 2007);
- viii) receiving, laundering and using money, goods or profits from illegal activities, in addition to self-laundering (article 25-*octies* introduced in the DECREE by article 63 comma 3, DPCM 16 November 2007 and integrated by Law 186/2014);
- ix) computer crimes and illegal data processing (article 24-*bis* introduced in the DECREE by article 7 of Law 48 of 18 March 2008);
- x) offences connected with organised crime (article 24-*ter* introduced in the DECREE by article 2 of Law 94 of 15 July 2009);
- xi) industry and trade-related offences (article 25-*bis.1* introduced in the DECREE by article 15 co. 7 letter (b) of Law 99 of 23 July 2009);

- xii) crimes regarding violation of copyright and other related rights (article 25-*novies* introduced in the DECREE by article 15 co. 7 letter (b) of Law 99 of 23 July 2009);
- xiii) crimes of inducing others to refrain from making statements or to make false statements to Judicial Authorities (article 25-*decies* introduced in the DECREE by article 4 of Law 116 of 3 August 2009);
- xiv) crimes against the environment (article 25-*undecies* introduced in the DECREE by article 2 del of the L.D.123/2001 121 of 07 July 2011 and amended by Law 68/2015);
- xv) Crimes of employing foreign nationals who are illegal immigrants (article 25-*duodecies* introduced in the DECREE by article 2 of the L.D.123/2001 109 of 16 July 2012).

Other types of crimes may be introduced in future by the legislator in the DECREE.

1.2. SANCTIONS

The penalties for administrative offenses subject to offenses are:

- ✓ Financial penalties;
- ✓ Prohibition sanctions;
- ✓ Confiscation of profit;
- ✓ Publication of the sentence.

In particular, the main prohibition sanctions include:

- ✓ *the prohibition of carrying out activities (interdiction from exercising the corporate business);*
- ✓ *prohibition from dealing with the Public Administration;*
- ✓ *the suspension or revocation of authorizations or licenses or concessions that are necessary to commit the offence;*
- ✓ *exclusion from grants, loans, financial benefits, contributions or subsidies, and/or the revocation of those already granted;*
- ✓ *the disqualification from advertising goods and services.*



1.3. THE MODEL AS POTENTIAL EXEMPTION FROM ADMINISTRATIVE LIABILITY

The articles 6 and 7 of the DECREE provide for specific forms of exemption from administrative liability of the ENTITY for the committed crimes in the interest or at the advantage of the ENTITY, either by apical positions, or subordinate positions dominated by the latter. In particular, in the case of crimes committed by persons in apical positions, art. 6 provides for exemption where the ENTITY itself demonstrates that:

- a. the governing body had adopted and effectively implemented – prior to the crime being committed – Organizational and Management Models suitable for preventing the type of crime committed;
- b. overseeing the functionality, efficacy, and adherence of the same, as well as keeping the system updated and entrusted by a Vigilance Body (OdV) of the ENTITY equipped with autonomous authority to conduct audits and create initiatives;
- c. persons who had committed the crimes by fraudulently evading the Organizational and Management Models;
- d. lack of or insufficient surveillance by the OdV.

Concerning persons not in apical positions, the article 7 foresees an exemption in the event that the company has adopted and effectively implemented an *Organizational, management and control model* capable of preventing offenses of this kind, prior to the crime being committed.

The DECREE foresees, furthermore, that the *model* must meet the following requirements:

1. identify the activities in which there is a possibility that crimes may be committed;
2. provide specific protocols to train and implement decisions in relation to crime prevention of the ENTITY;
3. identify ways of appropriately managing financial resources to prevent such crimes from being committed;
4. Provide information obligations towards OdV, obligations for each division of the company to inform and report to the same;
5. introduce a *disciplinary system* to penalize those non-compliance with the measurements indicated in the *model*.



2. THE MODEL ADOPTED BY SOS ITALIA S.R.L.

2.1. COMPANY MOTIVATIONS FOR THE ADOPTION OF THE MODEL

In order to ensure improved conditions of fairness and transparency in the conduct of business activities, the COMPANY considered it compliant with its corporate policies to adopt an ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL in line with the requirements of the DECREE and based on the Guidelines issued by Category Associations. This initiative was taken in the belief that by adopting this MODEL, it could be a valuable tool for raising awareness among all STAKEHOLDERS so that they will follow a correct and linear behavior within their own business, in compliance with ethical principles and values on which the COMPANY is historically founded, to prevent the risk of committing crimes foreseen by the DECREE.

2.2. MODEL PURPOSE

The ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL applied by the COMPANY it is based on a structured and organic system of procedures and control activities that essentially:

- identify the areas/processes at potential risk within the company business, that is, those activities in which spheres of activity is most susceptible to committing crimes;
- define an internal regulatory system directed to program the formation and implementation of the COMPANY decisions in relation to the risks/crimes to be prevented, through:
 - a. an ETHICAL CODE which sets the reference values and principals;
 - b. formalized procedures, aimed at disciplining the flow of decision-making and the means of operating in the business areas (with particular attention to those most “sensitive”);
 - c. a delegation system of functions and procurements for signing corporate acts that ensure a clear and transparent representation of the training and implementation of the decision-making process;



- establish a coherent organizational structure designed to inspire and control correct behaviors, guaranteeing a clear and organic assignment of duties by applying a proper segregation of functions, ensuring that the desired arrangements of the organizational structure is actually implemented;
- identify the processes of managing and controlling financial resources in risk activities;
- attribute to the OdV the task of monitoring the operation and compliance of the Model and encourage to maintain it updated.

Therefore the ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL is proposed as the purposes of those who:

- declare, promote and defend the ethical principles that characterize the work of the COMPANY;
- improve the system of *corporate governance*;
- induce a structured and organic system of prevention and control aimed at reducing the risk of committing crimes and of the ETHICAL CODE violation within the business environment;
- making all those who operate in name and on behalf of the company, and particularly those involved in the "areas at risk", aware that they may, in the case of breach of the dispositions contained in the MODEL, come up against an offence punishable with penalties, on a criminal and administrative level, not only in their own regard but also in that of the COMPANY;
- informing all those who operate with the company that breach of the prescriptions contained in the MODEL herewith will lead to the application of special penalties such as, for example, the termination of employment;
- confirming that the COMPANY does not tolerate unlawful conduct of any kind and regardless of any purpose and that in any case, such conduct is always contrary to the principles inspiring the business activity of the COMPANY, even if the COMPANY is apparently in a position to benefit from the same.