
ARNOLDO MONDADORI EDITORE S.p.A.

**ORGANIZATION, MANAGEMENT
AND CONTROL FRAMEWORK**

**Pursuant to Legislative Decree no. 231 of 8 June 2001
and subsequent amendments and additions**

Rev. 9/21 of 13 May 2021

**TABLE OF CONTENTS**

DEFINITIONS	3
LAYOUT OF THIS DOCUMENT	8
SECTION I – LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001	9
1.0 Contents of the Decree	9
2.0 Offences that result in corporate criminal liability for the Entity.....	10
3.0 Organization, Management and Control frameworks.....	14
SECTION II – THE ORGANIZATIONAL FRAMEWORK OF ARNOLDO	
MONDADORI EDITORE S.P.A.	16
4.0 Adoption of the Organizational Framework.....	16
5.0 Description of the Organizational Framework of Arnoldo Mondadori	
Editore S.p.A.....	17
6.0 Identification of at-risk processes.....	20
6.1 Criteria.....	20
6.2 Regulated processes	21
7.0 Management of financial resources	26
8.0 Subjects of the Framework	26
9.0 Dissemination of information, communication and training.....	26
10.0 Supervisory and Oversight Body.....	27
10.1 The exercise of powers of control.....	29
10.2 Reports of crimes and breaches of the Organizational Framework	30
10.3 Checks on the effectiveness and constant adjustment of the Organizational	
Framework	31
10.4 Reports from the SB to corporate bodies.....	32
10.5 Reporting to the SB	32
10.6 Storage of information.....	33
SECTION III – SANCTIONS	34
11.0 General criteria for the imposition of sanctions	34
11.1 Middle Management and Staff	34
11.2 Executives	37
11.3 Senior Management	39
11.4 Collaborators, Consultants and other Third Parties	41
SECTION IV – PROTOCOLS	43

ATTACHMENTS**Attachment 1****Catalogue of Crimes and Corporate Criminal Offences (Catalogue of Crimes)**



DEFINITIONS

Decree:

Legislative Decree no. 231 of 8 June 2001, entitled “*Regulation of corporate criminal liability of legal entities, companies and associations with or without legal status, as laid down in article 11 of law no. 300 of 29 September 2000*”, published on 19 June 2001 in issue no. 140 of the Gazzetta Ufficiale (Official Journal of Italy), as well as subsequent amendments and additions, including Law no. 146/2006, which refers to its enforcement in article 10.

Subjects:

The subjects of the Organizational Framework, namely Directors, Employees, Collaborators and Consultants of Arnoldo Mondadori Editore S.p.A., within the terms of article 5 of the Decree.

Entity:

Legal person, company, or association with or without legal status.

In this Organizational Framework: Arnoldo Mondadori Editore S.p.A. (Company).

Group:

Arnoldo Mondadori Editore S.p.A. and its subsidiaries pursuant to article 2359 of the Italian Civil Code.

Corporate Criminal Offences:

The offences covered by Law no. 62 of 18 April 2005, and which are subject to the Decree insofar as the latter is applicable.

Person in charge of providing a public service:

This refers to an individual who does not have the authority of a public official, but who in any case performs a task that is relevant to the State or to another Public Institution, or a task that while not directly attributable to a public entity, nonetheless has objectives that are directly connected to the public interest. This role is not limited to the actual execution of the work, either. To cite a few examples (and with case law in mind), the following individuals are considered



persons in charge of providing a public service: an employee of an Entity or company – including a private company – which has been awarded a public contract, and who may have access to funds that are reserved for the execution of public works; a postal worker who is in charge of sorting mail; the person in charge of accepting savings deposits at Poste Italiane S.p.A.; the directors, executives and employees of RAI; employees at the Poligrafico dello Stato (State Mint); the technician at Telecom who is in charge of the department of call volume management; and employees at Alitalia – Società Aerea Italiana S.p.A.

Public institutions:

Public institutions include, but are not limited to, the following: Government bodies (Revenue Agency, Antitrust and Supervisory Authorities, the Judiciary, etc.); Government-owned companies and their bodies; the Italian regions, provinces and municipalities, as well as their consortia and associations; public universities and institutions of higher education; chambers of commerce, industry, handicraft and agriculture; national, regional and local non-economic public bodies; and the companies and bodies of the national health service. Other persons who are considered civil servants are the following: members of the European Commission, the European Parliament, the Court of Justice of the European Union or the European Court of Auditors; as well as the permanent officials and contract agents who work for the European Union in accordance with the Staff Regulations of Officials of the European Communities.

Code of Conduct for the Organization, Management and Control Framework

This is a document which summarizes and explains the code of conduct that is provided for in the Organizational Framework Protocols. The document is intended for collaborators, suppliers, consultants and third parties in general, who must adhere to its principles when working for or with Arnoldo Mondadori Editore S.p.A.

Organizational Framework:

The systematic set of principles, rules, regulations, organizational models and associated tasks and responsibilities, which, in accordance with articles 6 and 7 of the Decree, ensures the prevention of crimes and corporate criminal offences. It



supplements the measures of Organization and Supervision which are already in place in Arnoldo Mondadori Editore S.p.A. (Code of Ethics, Operational Procedures/Rules, Operating Standards, Service Orders, Organizational Notices, Organizational Charts, Powers of Attorney, Authorizations, Operating Manuals). Furthermore, the Organizational Framework provides for the identification of a Supervisory and Oversight Body, as well as the establishment of a system for imposing sanctions.

Supervisory and Oversight Body (hereinafter referred to as “**SB**”):

As provided for in article 6 of the Decree, this body has the task of making sure that the Organizational Framework is working properly, is being complied with, and is constantly up-to-date.

At-risk processes:

These are company activities – or phases thereof – that when carried out, may present opportunities to commit offences (crimes or corporate criminal offences) that are covered by the Decree.

Protocol:

This is a specific procedure (principles of conduct, operating procedures, information flows, etc.) aimed at preventing crimes and corporate criminal offences, as well as at identifying the persons involved in at-risk phases of business processes.

Public Administration:

This refers to public institutions, public officials and persons in charge of providing a public service.

Public Official:

This refers to a person – be it in the private sector or as a civil servant – who exercises or helps exercise the authority of a Public Institution, or who acts on behalf of the latter; a person vested with powers to issue authorizations and certifications. Keeping case law in mind, the following are a few examples of public officials: a person in charge of administrative procedures; officials of the chamber of commerce; a judge; a clerk to the court; a legal guardian; a bailiff; a



court-appointed expert; a tax collector of city-owned companies; regional, provincial and municipal councillors; government employees of local government institutions and other Public Institutions; a health officer; and a notary public.

Quotas:

A quota is a way of quantifying a fine in relation to the seriousness of the infraction. The quota's unit value is determined based on the Entity's economic condition and balance sheet. The sanction cannot be less than one hundred or greater than one thousand quotas.

Crimes:

The crimes that are subject to the Decree.

Report:

Any non-anonymous communication in writing sent by Subjects through one of the reporting channels provided by the Company, concerning unlawful conduct as defined by the Decree or breaches of the Organizational Framework that have come to their knowledge in the performance of their duties.

Disciplinary System:

The set of disciplinary measures in place for those Subjects who, though required to do so, do not comply with the Organizational Framework.

Power Structure:

The records of authorizations and powers of attorney which form the basis of the powers in force at Arnoldo Mondadori Editore S.p.A.

Safety Management System:

The systematic set of the measures (safeguards – assignment of functions, responsibilities and representative duties – qualification and assessment systems – management procedures – services and tasks aimed at prevention and protection – educational, informational and training activities – supervisory duties – emergency procedures – mandatory record-keeping – etc.) put in place by Arnoldo Mondadori Editore S.p.A. in order to satisfy legal requirements regarding the management of occupational safety and health.

**Senior Management:**

The Chairman, the Chief Executive Officer and the other members of the Board of Directors of Arnoldo Mondadori Editore S.p.A., as well as the executives who are directly subordinate to the Chief Executive Officer.



LAYOUT OF THIS DOCUMENT

The objective of this document is to describe the various components that make up the Organization, Management and Control Framework of Arnoldo Mondadori Editore S.p.A.

There are four sections in total, each of which can be summed up as follows.

In general, **Section I** aims to explain the contents of the Decree as well as its subsequent amendments and additions. The goal is to provide the Subjects of this document with an overview of the regulatory framework that governs the Company's Organizational Framework.

Section II describes the Organizational Framework's structure and sets out its contents: its adoption; the identification of at-risk activities; how to manage capital flows within the Company; the establishment of protocols; features of the SB and how it works; information flows; Reports of crimes and breaches of the Organizational Framework; information and training activities; and ways of keeping the Organizational Framework itself up-to-date.

Section III illustrates the disciplinary action to take in the event that Subjects do not comply with the Protocols contained in the Organizational Framework.

Section IV contains the Protocols put in place by Arnoldo Mondadori Editore S.p.A. to address at-risk processes which have emerged from risk assessment.



SECTION I – Legislative Decree no. 231 of 8 June 2001

1.0 Contents of the Decree

Legislative Decree no. 231 of 8 June 2001 introduced the principle of criminal liability on the part of “Entities” into the Italian legal system. Entitled “*Regulation of corporate criminal liability of legal entities, companies and associations with or without legal status*”, it went into force on 4 July of the same year.

This Decree was enacted as part of a national legislative effort to implement international laws.

The Entity is held liable when a person who has an employment relationship with the Entity itself commits one of the crimes or corporate criminal offences specifically covered by the Decree. In this case, the Entity’s liability is equivalent to criminal liability.

The Entity is held liable in the event that the crime or corporate criminal offence has been committed *in the interest or to the advantage of the Entity itself*; on the other hand, it is not liable if the perpetrator has acted exclusively in his/her own interest or in the interest of third parties.

The employment relationship that ties the perpetrator of the crime or corporate criminal offence to the legal person involved could be one of agency, subordination or collaboration, within the terms of the Decree.

If the perpetrator of the crime or corporate criminal offence is a natural person who holds *a position of representation, administration, management or control* in the Entity, or such a position in any organizational unit of the Entity that is financially and functionally independent, or a person who exercises, whether de jure or de facto, powers of management and control over the Entity, then the Entity shall be *presumed to be liable*. This is on the premise that the natural person expresses, represents and carries out the Entity’s management policy.

The Entity shall not be presumed to be liable if the perpetrator of the crime or corporate criminal offence is *a subordinate under the management or supervision* of one of the persons mentioned in the previous paragraph. In that case, the Entity will be held liable only if the subordinate’s actions were made possible by *failure to comply with duties* relating to management and supervision.

The (corporate criminal) liability of the Entity is in addition to the (criminal and corporate criminal) liability of the natural person involved, and does not replace it. The Decree makes it clear that the Entity’s liability exists on its own, even though



it presumes the commission of a crime.

Indeed, in order for the Entity's liability to be considered a corporate criminal offence, an offence committed by a natural person must be conceptually distinct from a corporate criminal offence committed by the Entity. In that light, the Entity is still held liable even if an offence has been committed by a natural person but the perpetrator has not been identified, or the offence itself can no longer be considered as such due to other legal circumstances.

The Law has provided for a system of sanctions which disciplines the legal person involved, normally in the form of a fine.

In addition to a *fine*, some cases may call for the imposition of *bans*, such as the following: a ban on doing business; suspension or revocation of authorizations, licenses or permits conducive to the crime; a ban on entering into government contracts; exclusion from tax breaks, funding, grants or subsidies, or the possible revocation thereof should they already be granted; and a ban on advertising goods and services.

Another sanction that can be added to the above-mentioned fines and bans is the *confiscation* (ordered upon conviction) of the proceeds or profits of the crime (including the confiscation of "equivalent value", should the proceeds or profits not be available), as well as the *publication of the guilty verdict* in some cases.

The Law also provides for the possibility to impose such bans even if the investigation is still ongoing – as a precautionary measure and at the request of the Public Prosecutor – should there be overwhelming evidence of the Entity's liability and well-founded, specific details that point to the real danger of similar offences being committed in the future.

Under certain conditions, as an alternative to the imposition of a ban which would interrupt all business dealings on the part of the Entity, a Judge has the power to appoint a receiver to supervise the continuation of business for a period that corresponds to the duration of the ban that would have been imposed.

Foreign companies that do business in Italy are also subject to this regulation, regardless of whether there are laws in place in their home country that regulate the same issue in a similar way.

2.0 Offences that result in corporate criminal liability for the Entity

Section III of the Decree explicitly states the crimes that result in corporate

criminal liability for the Entity.

The original text of the Decree referred to a series of crimes committed against the public administration; it was subsequently amended with the addition of legislative measures that expanded the range of crimes which, if committed, could result in corporate criminal liability for an Entity. Furthermore, Law no. 146 of 16 March 2006 (hereinafter referred to as **Law 146/2006**), governing the “*Ratification and implementation of the United Nations Convention against transnational organized crime and the Protocols thereto, adopted by the General Assembly on 15 November 2000 and 31 May 2001*”, also provides for liability on the part of an Entity in the event that certain crimes are committed (so-called Transnational Crimes).

As such, the following crimes/offences are included:

- a) **crimes committed during relations with the Public Administration** (article 24 of the Decree amended by Law no. 161/2017 and article 25 of the Decree supplemented by article 1, paragraph 77 of Law no. 190/2012 and amended by Law no. 3/2019, both subsequently supplemented by Legislative Decree no. 75/2020);
- b) **computer crimes** (article 24-bis of the Decree introduced by Law no. 48/2008 and subsequently amended by Legislative Decree no. 7 and 8/2016 and by Decree Law no. 105/2019);
- c) **offences related to organized crime** (article 24-ter of the Decree introduced by Law no. 94/2009 and subsequently amended by Law 69/2015);
- d) **crimes relating to the forgery of money, instruments of public credit, revenue stamps and forms or means of identification** (article 25-bis of the Decree introduced by Legislative Decree no. 350/2001, converted with amendments by Law no. 409/2001, subsequently supplemented by article 15, paragraph 7 of Law no. 99/2009 and amended by Legislative Decree no. 125/2016);
- e) **industrial and trade offences** (article 25-bis.1 of the Decree introduced by Law no. 99/2009);
- f) **corporate crimes** (article 25-ter of the Decree introduced by Legislative Decree no. 61/2002 and subsequently amended by Law no. 262/2005, by Law no. 190/2012, by Law no. 69/2015 and by Legislative Decree no. 38/2017); Legislative Decree no. 39/2010, governing the “Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts,

amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC”, provides for the following:

- with article 37, paragraph 34, it repeals article 2624 of the Italian Civil Code (false reporting or misrepresentation on the part of audit firms), which was provided for by article 25-ter, paragraph 1, letters f) and g) of the Decree, and at the same time introduces into article 27 the criminal offence of false reporting or misrepresentation by persons in charge of statutory audits;
 - with article 37, paragraph 35, it amends article 2625, paragraph 1 of the Italian Civil Code (thereby excluding audits from the range of activities that, when obstructed, lead to sanctions for directors), which was provided for by article 25-ter, paragraph 1, letter h) of the Decree, and at the same time introduces to article 29 the (criminal and corporate) offence of obstruction of audit.
- g) **crimes relating to terrorism or subversion of democracy** (article 25-quater of the Decree introduced by Law no. 7/2003);
- h) **crimes related to the practice of female genital mutilation** (article 25-quater.1 of the Decree introduced by Law no. 7/2006);
- i) **offences against the person** (article 25-quinquies of the Decree introduced by Law no. 228/2003 and subsequently amended by Law no. 38/2006, by Legislative Decree no. 39/2014 and by Law no. 199/2016);
- j) **market abuse** (article 25-sexies of the Decree introduced by Law no. 62/2005);
- k) **crimes of manslaughter or grievous bodily harm committed in violation of standards on occupational safety and health** (article 25-septies of the Decree introduced by Law no. 123/2007, subsequently replaced by article 300 of Legislative Decree no. 81/2008 and amended by Law no. 3/2018);
- l) **crimes related to receiving stolen goods, money laundering and the use of illicitly-gained money, goods or assets, as well as self-laundering** (article 25-octies of the Decree introduced by Legislative Decree no. 231/2007 and subsequently amended by Law no. 186/2014);
- m) **crimes related to copyright infringement** (article 25-novies of the Decree introduced by Law no. 99/2009 and subsequently amended by Law no. 116/2009 and by Legislative Decree no. 121/2011);
- n) **the crime of aiding and abetting an individual in not making statements**

- or in making false statements to the authorities** (article 25-decies of the Decree introduced by Legislative Decree no. 121/2011 following the amendment of article 4 of Law no. 116/2009);
- o) **environmental crimes** (article 25-undecies of the Decree introduced by Legislative Decree no. 121/2011, subsequently amended by Law no. 68/2015 and by Legislative Decree no. 21/2018);
 - p) **crimes related to the employment of illegally staying third country nationals** (article 25-duodecies of the Decree introduced by Legislative Decree no. 109/2012 and subsequently amended by Law no. 161/2017);
 - q) **racism and xenophobia** (article 25-terdecies of the Decree introduced by Law no. 167/2017 and subsequently amended by Legislative Decree no. 21/2018);
 - r) **fraud in sports competitions, illicit operation of gaming or betting and gambling activities exercised by means of prohibited equipment** (article 25-quaterdecies of the Decree introduced by Law no. 39/2019);
 - s) **tax crimes** (article 25-quinquiesdecies of the Decree introduced by Decree Law no. 124/2019 converted by Law no. 157/2019 and subsequently amended by Legislative Decree no. 75/2020);
 - t) **smuggling** (art. 25-sexiesdecies of the Decree introduced by Legislative Decree no. 75/2020);
 - u) **transnational crimes**, referred to in article 10 of Law no. 146/2006.

According to the law in question, Entities are liable for some criminal offences of a transnational nature, with sanctions in the form of both fines and bans.

It should be noted beforehand that in accordance with article 3 of the above-mentioned law, a crime can be considered “*transnational*” when the following conditions are met:

- a) the crime is punishable by imprisonment for a minimum of four years;
 - b) an organized crime group is involved in the commission of the offence;
 - c) the offence:
 - has been committed in more than one Country;
- or
- has been committed in one Country, but a significant part of its preparation, planning, supervision or control has taken place in another Country;



or

- has been committed in one Country, but involves an organized crime group that is engaged in criminal activity in more than one Country;

or

- has been committed in one Country but has had significant effects on another Country.

According to general enforcement of article 4 of the Decree, an Entity that has its headquarters in Italy is liable for crimes committed abroad, provided that the Country in which the crime was committed does not prosecute the Entity.

- Criminal conspiracy (article 416 of the Italian Penal Code);¹
- Criminal conspiracy with domestic and/or foreign Mafia (article 416-bis of the Italian Penal Code);
- Criminal conspiracy with the intent to smuggle foreign-made tobacco products (article 291-quater of Presidential Decree no. 43/1973);
- Criminal conspiracy with the intent to distribute controlled substances (article 74 of Presidential Decree no. 309/1990);
- Laws against illegal immigration (article 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree no. 286/1998);
- aiding and abetting an individual in not making statements or in making false statements to the authorities (article 377-bis of the Italian Penal Code);
- Aiding and abetting a fugitive (article 378 of the Italian Penal Code).

Please refer to **Attachment 1 – Catalogue of Crimes and Corporate Criminal Offences** for a description of the individual actions subject to criminal law.

3.0 Organization, Management and Control frameworks

The Decree provides for certain *exemptions from liability* for the Entity if:

- a) company management has *adopted and effectively implemented*

¹ The crimes of criminal conspiracy (article 416 of the Italian Penal Code), criminal conspiracy with domestic and/or foreign Mafia (article 416-bis of the Italian Penal Code) and aiding and abetting an individual in not making statements or in making false statements to the authorities (article 377-bis of the Italian Penal Code) are to be understood on both a national and transnational level.



- “organization, management and control frameworks”* (hereinafter referred to as *“Organizational Framework”*) that are suitable to prevent crimes;
- b) the task of ensuring that the frameworks are working properly, are being complied with and are constantly up-to-date is assigned to *a supervisory body within the Entity that has independent decision-making authority and control*;
 - c) the persons who committed the crime or corporate criminal offence *fraudulently avoided* the above-mentioned organization, management and control frameworks;
 - d) the crime was not due to *lacking or inadequate supervision* on the part of the supervisory body referred to in letter b) above.

The Organizational Framework is the set of rules governing operations and conduct which, if respected, can prevent illegal, unethical and improper behaviour during the performance of At-risk Processes.

Any Subject who does not comply with the Protocols is punishable². To that end, the Organizational Framework also features a disciplinary system.

² For more information, please refer to section III of this document.



SECTION II – The Organizational Framework of Arnoldo Mondadori Editore S.p.A.

4.0 Adoption of the Organizational Framework

Arnoldo Mondadori Editore S.p.A. has taken the necessary measures – including the preparation of this document itself – to adjust its existing internal control system in order to comply with the provisions of the Decree.

The Guidelines set forth by Confindustria – and the updates thereof – were taken into account in developing this system, as were the specific measures that had already been implemented by Arnoldo Mondadori Editore S.p.A. in matters of internal control and corporate governance.

Specifically, on 11 December 2003 the Board of Directors passed a resolution to adopt the first version of the Organizational Framework.

Subsequent amendments and additions to the Legislative Decree – which extended its range of applicability to other Crimes and Corporate Criminal Offences – caused the Board of Directors to revise the Organizational Framework on 13 November 2006, 30 July 2008, 29 July 2010, 27 March 2014, 5 November 2015, 14 November 2018, 15 May 2019 and 17 March 2020. In this way the Board was also able to take relevant case law into account, as well as the Company's own experience with the Framework up to the point of each revision.

Lastly, with a resolution carried on 13 May 2021, Arnoldo Mondadori Editore S.p.A. enacted this updated version of the Organizational Framework.

Any **subsequent amendments and/or additions** to the text that may be necessary, and which are **significant in nature**, shall fall under the exclusive **authority** of the **Board of Directors**.

The adoption of the Organizational Framework within the Group is carried out in accordance with the following criteria:

- it is the duty of Arnoldo Mondadori Editore S.p.A. to define the Organizational Framework, and each Company within the Group must adopt its structure;
- it is the duty of each Company belonging to the Group to define its own Organizational Framework, in accordance with the line of business it is in;



- it is the duty of the respective Boards of Directors of the Companies in the Group to adopt their own Organizational Framework by means of a specific resolution on the matter;
- each subsidiary's Supervisory and Oversight Body is in charge of ensuring that the respective Organizational Frameworks are being enforced and revised as necessary.

5.0 Description of the Organizational Framework of Arnoldo Mondadori Editore S.p.A.

By implementing the Organizational Framework, Arnoldo Mondadori Editore S.p.A. has set out to adopt **a series of Protocols** which can help it meet the standards and aims established by the Decree. These Protocols bolster the system governing the assignment of functions and delegation of powers within the Group, as well as other organizational resources and systems of internal control already in place. In this way, all phases are covered: from the prevention of crimes and corporate criminal offences, and ensuring that the Organizational Framework is being implemented correctly, to the imposition of sanctions if necessary.

One of the aims of the Organizational Framework regards Subjects who work in at-risk processes: it is fundamental to make them aware of the risk of committing an offence that would result in a sanction against them and against Arnoldo Mondadori Editore S.p.A.

Specifically, Arnoldo Mondadori Editore S.p.A. aims to **inform Subjects of the duties and conduct to which they are bound during the exercise of their functions and/or positions in at-risk processes.**

As mentioned above, the Organizational Framework supplements organizational resources and systems of internal control that are already in place, such as the following:

- **Code of Ethics of the Mondadori Group** (hereinafter also “**Code of Ethics**”): approved by the Board of Directors of Arnoldo Mondadori Editore S.p.A. on 14 May 2012, and subsequently approved by the individual Boards of Directors of Subsidiaries. The Code summarizes the principles of conduct that directors, executives, employees and collaborators in any position as well as the Group's suppliers are required to follow in conducting the corporate



activities, in providing services and, in general, in internal and external Group relations.

- **Annual report to be disclosed to the market**, in compliance with the “Instructions accompanying the regulations of the markets organized and managed by Borsa Italiana S.p.A.”.
- **Risk Assessment** of activities deemed to be at risk for the commission of crimes. This is carried out through interviews with the Heads of the Business Areas.
- A **Power Structure**, which organizes the powers that are fundamental to Company operations. The Structure allows for the power to start at the top with the Board of Directors, and then to move downward to the Chairman, the Chief Executive Officer and the various Attorneys-in-fact. In addition, the Power Structure in place allows a formal organizational model to be reconciled with a substantive organizational model.

The Power Structure is divided as follows:

- **limits of power:** assignment of powers *within* the company, which sets out the extent of authority for the various company heads as well as their signing authority limits when authorizing certain transactions;
 - **powers of attorney:** powers conferred through *notarized deeds* in order to legitimize company heads who have been authorized to formally bind the Entity in contracts to Third Parties. The powers of attorney can be **individually and/or jointly signed**, and they identify the Attorneys-in-fact and their respective powers in terms of the types of transactions they are authorized to carry out, the maximum sum of money they can deal with, and the duration of their authorization.
- **Service Orders** are for the purpose of giving notice of the changes that take place in the Group’s organizational structure, clarifying the organizational reports, the functions and the responsibilities of the units/individuals. Service Orders also give notice of new appointments.



- **Organizational Notices** have the same purpose as Service Orders, but address a more specific and/or limited audience. They are used when an organizational change or an appointment is of concern to a single company, company area or a limited number of individuals.
- **Organizational Structure:** this is the graphical representation of the Service Orders. It highlights the various Business Units (Functions/Company) which form the structure of the Group, their hierarchical/functional position and the name of the relevant Head.
- **Operational Procedures and Rules:** communicate the Group directives and policies relating to specific areas of activity. With regard to such areas of activity, they set out the standards, criteria, operational methods and responsibilities of the organizational units concerned. The Procedures are usually signed by the Chief Executive Officer of Arnoldo Mondadori Editore S.p.A. and are valid throughout the Group. Subsidiary Procedures (based on to Group procedures and detailing specific aspects of the company) are issued, subject to the approval of the Procedures Committee, by the individual subsidiaries and are signed by the respective Chief Executive Officers.
- **Operational standards:** their purpose is to explain the detailed executive methods referring to existing procedures or to areas of corporate activities that need a particular definition for operational necessities or in order to coordinate with other areas. With these aims, the operational standards explain the processes, operational methods and responsibilities of the organizational units involved by getting to the heart of the activities in question. They are usually signed by the head of the corporate area, or areas, involved.
- **Operating Manuals:** these are produced in order to meet the needs of Users of complex information systems, and their role as an organizational resource cannot be understated. Users can consciously manage their own data, as well as obtain and/or provide information from/to other Business Units, all in strict compliance with standards on security and confidentiality.



The set of Operational Procedures and Rules, Operational Standards, Service Orders, Organizational Notices and the system of authorizations and powers of attorney make it possible to identify the operating procedures, the units involved and the relevant responsibilities at any given time.

6.0 Identification of at-risk processes

6.1 Criteria

Article 6, paragraph 2, letter a) of the Decree provides that the Organizational Framework must “identify those activities during which crimes may be committed”. To that end, Arnoldo Mondadori Editore S.p.A. has taken measures to analyze its business activities, the decision-making process within each business area, and the internal control systems in place.

This analysis was conducted by examining company documents (activities carried out, main processes, organizational charts, powers of attorney, organizational provisions, etc.) and interviewing the heads of the business activities that were deemed to be at greatest risk of crimes being committed.

The work of analyzing and developing the Organizational Framework was carried out over different stages, so that the entire process can be retraced.

This analysis process was carried out during the initial development of the Organizational Framework, and it is carried out every time the Framework is updated in accordance with amendments to the Decree.

In keeping with the analysis process described above, Arnoldo Mondadori Editore S.p.A. has taken measures to:

- a) identify the business activities during which crimes and corporate criminal offences could be committed;
- b) identify the individuals and corporate functions concerned;
- c) analyze the potential risks associated with the offences, as well as the possible ways in which they could be committed;



- d) establish the internal control system to be put in place, and make adjustments to it if necessary;
- e) identify the ways in which financial resources are managed.

6.2 Regulated processes

The analysis process has identified the business activities – or phases thereof – during which crimes and/or corporate criminal offences may be committed (also defined in this Organizational Framework as: At-risk Processes).

Inclusions

Arnoldo Mondadori Editore S.p.A. has thus decided to regulate these processes in terms of the specific type of crime or corporate criminal offence that may be involved, as covered by the following articles in the Decree:

DESCRIPTION OF PROCESS	DESCRIPTION OF ACTIVITY
24 and 25 (crimes against the Public Administration)	
Relations with the Public Administration in matters of compliance	Submitting requests in order to obtain the licenses / permits needed to properly manage the company and its stock Managing relations with Public Officials and Persons in charge of providing a Public Service, in terms of requests for further information about obtaining licenses and permits needed to manage the company and its stock Managing tax and social security compliance and/or the transmission of tax and social security information electronically or using public software Managing relations with officials from Social Security and Health Insurance Institutions, Regional Employment Boards, the Italian Data Protection Authority, the Bank of Italy, the Antitrust Authority, the Ministries, officials of public institutions related to the workplace and safety (fire brigade, the local health agency, etc.), tax officials
Management of checks, inspections and supervision carried out by the Public Administration	Managing relations with the following persons or institutions during inspections: officials from Social Security and Health Insurance Institutions, Regional Employment Boards, the Italian Data Protection Authority, the Bank of Italy, the Antitrust Authority, the Ministries, officials of public institutions related to the workplace and safety (fire brigade, the local health agency, etc.), tax officials
Access to soft financing	Requests for subsidies, grants or public funding in support of the Company, and/or the performance of administrative/accounting tasks regarding the management of said funding, and/or reporting on the use of said funding to the Grantmaker, including as regards subsidized training programs



DESCRIPTION OF PROCESS	DESCRIPTION OF ACTIVITY
Disposal of obsolete fixed assets	Managing relations with SIAE, the Revenue Agency and the Local Tax Office for the disposal of obsolete fixed assets
Taking on positions outside the Company	Taking on positions outside the Company in any Public Institution (of an economic, cultural or social nature), except for positions as an elected official
Assignment of roles to third party professionals and the management thereof	Selection of professionals, including those who will have relations with the Public Administration during the performance of their tasks, such as: <ul style="list-style-type: none"> - requests for licenses and permits; - compliance with social security and health insurance requirements; - compliance with tax requirements; - compliance with occupational safety and health standards; - civil, penal and corporate legal action in and out of court Payment of fees to Agents / professionals
Management of Human Resources	Managing the selection and hiring of personnel
	Managing expense Reimbursements
	Management of financial resources
24-bis (computer crimes)	
Management of the company's information system	Managing access authorizations for the use of the IT system
Communication of company information and data to the Public Administration	Managing tax and social security compliance and/or the transmission of tax and social security information electronically or using public software
24-ter (organized crime)	
Business, financial and corporate relations with Third Parties	Activities with Third Parties
25-ter (corporate crimes)	
Preparation of data related to company assets and finances for subsequent reporting, as well as drawing up financial statements with relevant attachments and/or balance sheets	Assessing financial statement items that are subject to evaluation
Corporate Compliance	Resolutions on the appropriation of net income
	Statutory bookkeeping (registration, authentication and updating)
Relations with Board of Statutory Auditors and External Auditors	Relations with the Board of Statutory Auditors
	Relations with External Auditors
Relations with public Supervisory Bodies	Preparing reports on the Company for public Supervisory Bodies
Any form of buying, selling or other	Buying and selling of unlisted securities



DESCRIPTION OF PROCESS	DESCRIPTION OF ACTIVITY
transactions carried out with unlisted securities and relevant disclosure thereof	Disclosure to the media and to the industry regarding the buying and selling of unlisted securities
Conflicts of interest disclosures	Conflicts of interest on the part of Directors
Relations with private individuals	Relations with private individuals
25-sexies (market abuse)	
Circulation, monitoring and communication of sensitive information. Communication of other information.	Circulation, monitoring and communication of sensitive and confidential information about Listed Issuers
Any form of buying, selling or other transactions carried out with shares of Listed Issuers	Managing transactions that can alter the price of listed securities
	Disclosure to the media and to the industry regarding the buying and selling of listed securities
25-septies (crimes related to occupational safety and health)	
Management of the control system in place to ensure compliance with standards on prevention of workplace injury, and of workplace hazards in general	Management of the control system in place to ensure compliance with standards on prevention of workplace injury, and of workplace hazards in general
25-octies (crimes related to receiving stolen goods, money laundering and the use of illicitly-gained money, goods or assets, as well as self-laundering)	
Business, financial and corporate relations with Third Parties	Activities with third parties regarding the management of contract work
	Activities with third parties in economic, financial and corporate relations
Income tax return and tax accounting	Preparation of the income tax return and management of accounting
25-novies (crimes related to copyright infringement)	
Use of the IT system	Illicit possession or use of software
Management of copyright and related rights	Managing the company website
25-decies (the crime of aiding and abetting an individual in not making statements or making false to the authorities)	
Relations with individuals involved in legal proceedings	Management of legal proceedings against the Company
25-undecies (environmental crimes)	
Management of environmental compliance	Management of hazardous and non-hazardous waste and appointment of third parties for management activities.
25-duodecies (employment of illegally staying third country nationals)	
Employment of third country nationals.	Management of the employment of illegally staying third country nationals in order to monitor compliance with law.
25-terdecies (racism and xenophobia)	
Management of Human Resources	Persons who instigate or commit acts of violence or acts that cause violence for reasons of race, ethnic background, nationality or religion.
25-quinquiesdecies (tax crimes)	



DESCRIPTION OF PROCESS	DESCRIPTION OF ACTIVITY
Management of checks, inspections and supervision carried out by the Public Administration	Management of relations with officials of the public tax authorities, during inspections
Disposal of obsolete fixed assets	Management of relations with the Revenue Agency and the Local Tax Office for the disposal of obsolete fixed assets
Assignment of roles to third party professionals and the management thereof	Selection of professionals
	Payment of fees to professionals
Management of Human Resources	Managing expense Reimbursements
	Administration of personnel
Preparation of data related to company assets and finances for subsequent reporting, as well as drawing up financial statements with relevant attachments and/or balance sheets	Assessing financial statement items that are subject to evaluation
Procurement of goods/services and management of centralized works contracts	Centralized goods/services procurement activities, assignment and management of works contracts and selection and qualification of potential suppliers, that is, verification of compliance with requirements (including integrity and professionalism)
Income tax return and tax accounting	Preparation of the income tax return and management of accounting
Management of the sales cycle, related invoicing and credit	Management of administrative and financial activities relating to the issue of invoices, including credit notes, and management of credit (monitoring and recovery)
Management of intragroup relations	Management of intragroup relations in relation to administrative, tax, procurement activities, etc.
Equity transactions and extraordinary transactions	Activities for the management of transactions relating to the share capital largely in connection with the management of contributions and corporate assets, distribution of profits and/or distributable reserves, transactions on equity investments and any extraordinary operations (e.g., share capital increases)
Management of M&A / transactions on corporate assets	Management of extraordinary transactions designed to substantially reconfigure the corporate structures and company perimeters
Management of sponsorships and donations	Activities for the management of sponsorships and donations
Management of borrowing	Application for and management of loans from banks or financial intermediaries
article 10 of Law no. 146 of 2006, as concerns articles 416, 416-bis, 377-bis and 378 (transnational crimes)	
Business, financial and corporate relations with Third Parties	Activities with foreign Third Parties or Third Parties headquartered abroad
	Appointment of Directors and Auditors to foreign Subsidiaries or Associates
Relations with individuals involved in legal proceedings	Management of legal proceedings against the Company



Exclusions

Arnoldo Mondadori Editore S.p.A. deemed the following crimes extremely unlikely to be committed during the conduct of its business activity, and as such did not consider it necessary to carry out analysis thereof:

- 25-bis (*crimes relating to the forgery of money, instruments of public credit, revenue stamps and forms or means of identification*);
- 25-bis.1 (*industrial and trade offences*);
- 25-quater (*crimes relating to terrorism or subversion of democracy*);
- 25-quater.1 (*crimes related to the practice of female genital mutilation*);
- 25-quinquies (*offences against the person*);
- 25-quaterdecies (*fraud in sports competitions, illicit operation of gaming or betting and gambling activities exercised by means of prohibited equipment*);
- article 10 of Law no. 146/2006 as concerns:
 - o article 291-quater of Presidential Decree no. 43/1973 (*criminal conspiracy with the intent to smuggle foreign-made tobacco products*);
 - o article 74 of Presidential Decree no. 309/1990 (*criminal conspiracy with the intent to distribute controlled substances*);
 - o article 12, paragraphs 3, 3-bis and 3-ter of Legislative Decree no. 286/1998 (*laws against illegal immigration*);
- 25-sexiesdecies (*smuggling*).

For environmental crimes (article 25-undecies), crimes related to the employment of illegally staying third country nationals (article 25-duodecies) and crimes related to racism and xenophobia (article 25-terdecies), Arnoldo Mondadori Editore S.p.A. mapped out its business activities without establishing specific Protocols. This is because the commission of these sorts of crimes was deemed unlikely given the nature of the Group's business activity.

An analysis of the mapping of the risks-offences made with reference to the offence of self-recycling led the Company to believe that it is unnecessary to prepare a specific protocol. Simply monitoring the effectiveness of the existing key internal controls periodically suffices.



7.0 Management of financial resources

Pursuant to article 6, paragraph 2, letter c) of the Decree, which calls for the identification of suitable ways of managing financial resources so as to prevent crimes from being committed, Arnoldo Mondadori Editore S.p.A. ensures the traceability of all financial transactions with leading lenders and links with the administrative/accounting system, making use of a centralized treasury system based on IT tools (cash management) and skilled resources.

8.0 Subjects of the Framework

This Organizational Framework is intended for individuals working for Arnoldo Mondadori Editore S.p.A. within the terms outlined in article 5 of the Decree – irrespective of the type of employment relationship that binds them to the Company – and for those who:

- a) hold positions as representatives, directors or managers of the Company;
- b) are under the management or supervision of one the aforementioned individuals.

9.0 Dissemination of information, communication and training

As described below, the Board of Directors makes use of company structures in order to ensure that all Subjects of the Organizational Framework are informed of its existence and content.

The Department of Human Resources and Organization takes the lead in that regard, by actively informing personnel of the Organizational Framework through initiatives that it organizes in conjunction with the other Corporate Functions concerned, as well as with the Supervisory Body. The goal is not only to inform personnel of the Framework's existence, but also to further their knowledge of its content. To that end, the Department of Human Resources is also responsible for the organization of training programs, including those aimed at informing Subjects of subsequent updates and additions to the Framework.

Specifically:

- the **Code of Ethics** is published on the company intranet, as well as on the Mondadori Group's website. In this way, all of the Company's employees and collaborators can consult it and respect the standards that it sets forth;



- the **Organizational Framework** is published in its entirety on the company intranet, and it can also be found without Section IV (Protocols) on the Mondadori Group’s website;
- freelance contracts, supply contracts and in general any contracts which form part of the business relations of Arnoldo Mondadori Editore S.p.A. have been revised to include **explicit reference to the Code of Ethics, as well as to the Organizational Framework or the “Code of Conduct for the Organization, Management and Control Framework”, and non-compliance with the standards contained therein shall be grounds for breach of contract;**
- **Service Orders** and **Organizational Notices** are distributed to the parties concerned and may be viewed on the corporate intranet;
- the **Operational Procedures/Rules** and **Operating Standards** are distributed to all the parties concerned and may be viewed on the corporate intranet.

Training activities aim to disseminate information about the Decree and the Organizational Framework, so as to prevent crimes and corporate criminal offences from being committed. The type of training depends on the job title of the subjects concerned, the level of risk that is present in their business area, and whether they hold positions as representatives, directors or managers in Arnoldo Mondadori Editore S.p.A. Training program participation is documented.

Collaborators, suppliers, consultants and all Third Parties in general who work for the Company shall refer to the document entitled “*Code of Conduct for the Organization, Management and Control Framework*”, which can be found on the Mondadori Group’s website (www.mondadorigroup.com).

10.0 Supervisory and Oversight Body

In keeping with the provisions of the Decree, the **Board of Directors of Arnoldo Mondadori Editore S.p.A.** created and appointed a **Supervisory and Oversight Body** (SB) to oversee the Organizational Framework (both the Framework and the SB were adopted in the same resolution). The SB has independent decision-making authority and control, and is tasked with making sure that the Organizational Framework is working properly, is being complied with, and is kept up-to-date.



The Board of Directors has the power to appoint members to the SB, as well as remove them from it (for just cause) if necessary.

In order to effectively implement the Framework, the Board of Directors of Arnoldo Mondadori Editore S.p.A. deemed it necessary to establish a collective SB.

In accordance with articles 26 and 109 of the Consolidated Law on Banking, members of the SB must meet the same eligibility requirements as directors and statutory auditors of financial intermediaries.

Furthermore, SB members must possess the requisite professional qualifications, guarantee continuity in their work, and must not have conflicts of interest nor hold the position under circumstances which would be incompatible with their supervisory function.

The SB reports directly to the Board of Directors.

In performing its duties, the SB is permitted to make use of both internal (Internal Audit) and external professional resources. This provides it with support in its work and allows it to address the various professional needs it may have on any given check that it is carrying out.

The SB can adopt the procedures it deems necessary to carry out its function of supervision, and it shall take measures to inform Subjects thereof. It can also form working groups on specific issues.

The SB shall make periodic presentations of its action plan to the Board of Directors, in which it identifies the activities it has planned to carry out and the areas which will be checked.

The Board of Directors is well aware of the SB's work, and in order to best facilitate proper supervision and control, it assigns the SB its own annual expense budget. This way the SB can perform its tasks with full economic and managerial autonomy.

This budget will be re-examined from time to time as needed.

Should the SB be forced to go over budget because of specific needs, it shall inform the Board of Directors.

In the event that a member of the SB is temporarily unable to perform his/her duties for a period exceeding two months, then the Board of Directors shall appoint a substitute. When the SB member is once again able to resume his/her duties, then the substitute will cease to hold office.



The Supervisory and Oversight Body remains in office until the end of the term of the Board of Directors that appointed it. In any case, the SB may be reappointed.

10.1 The exercise of powers of control

The SB may carry out checks and inspections regarding the enforcement of the Organizational Framework at any time, under its own authority and at its own discretion.

While exercising these powers, the SB may ask the relevant Person-in-charge to provide it with paperwork related to the phases of the at-risk processes it is checking and/or inspecting. It may make a copy of these documents, as well as carry out interviews and request written reports if necessary.

While carrying out these activities, the SB shall work closely with the head of the function concerned and keep him/her constantly informed.

In particular, the SB has the power to carry out the following checks:

- **checks on individual records:** the SB shall periodically check the records and contracts relevant to at-risk processes, in the manner that it sees fit;
- **checks on the Protocols:** the SB shall periodically check the effectiveness and proper implementation of the Organizational Framework Protocols;
- **check on personnel's knowledge of the Organizational Framework:** the SB shall check personnel's degree of knowledge, and examine any requests for further explanation or reports it may receive. Once the checks have been carried out, the SB shall notify Subjects of any observations and/or recommendations.

Any activity carried out by the SB is documented, including in summary form.

All relevant documentation is to be kept by the SB itself, such that the confidentiality thereof is ensured; this is also in keeping with regulations on the protection of personal data. The SB does not possess management, decision-making, organizational or disciplinary powers pertaining to the Company's business activity, nor can it be granted such powers, even on an interim basis.

Their duties are limited to ensuring full compliance with the provisions contained in this Organizational Framework.



10.2 Reports of crimes and breaches of the Organizational Framework

All the Subjects of the Organizational Framework are required to report any breaches of the Framework or conduct by other Subjects of the Framework that may constitute crimes as defined by Legislative Decree no. 231/2001.

Reports may be made through one of the following channels made available by the Company:

- **online platform** WB Confidential;
- **in-house mail** addressed to the head of the Internal Audit;
- **ordinary mail** sent to the Company address, marked for the attention of the head of the Internal Audit.

Reports may not be anonymous and must provide details relating to the facts and persons to which the Report refers.

The Company implements a specific procedure to govern the following:

- the scope of the conduct, events or actions that may be reported and the minimum content thereof;
- Reports that are permissible and those that are prohibited;
- the manner in which Reports are forwarded through the channels made available;
- the company subjects to whom Reports are to be sent and the procedures for transmitting Reports of significance to the activities of the SB to the SB itself;
- roles, responsibilities and procedures for management of Reports received, so as to guarantee the confidentiality of the identity of the person making the Report and compliance with the other dispositions set out below;
- safeguards for persons making Reports and for persons to whom Reports refer.

Behaviour intended solely to obstruct the activities of the SB is subject to sanctions.

Pursuant to article 6, paragraph 2-bis, letter c) of the Decree, in all cases the Company safeguards persons making reports in good faith from any form of retaliation, discrimination or penalization for reasons connected, directly or



indirectly, to the report, without prejudice to the right of those concerned to protect themselves should it be ascertained that the person making the report bears criminal or civil liability associated with false statements and subject to the requirements of law. In any case, the confidentiality of the identity of the person making the report and of the information is guaranteed in all contexts subsequent to the report, subject to the requirements of law and the protection of the rights of the Company or of persons accused wrongly or in bad faith. The report is assumed to be made in good faith when it is made on the basis of a reasonable belief grounded in facts.

Information concerning developments in disciplinary proceedings and sanctions imposed or on rulings to close proceedings with the related motivations must necessarily be sent to the SB.

10.3 Checks on the effectiveness and constant adjustment of the Organizational Framework

The SB shall periodically check that the Organizational Framework maintains its effectiveness and suitability for preventing the commission of crimes, and shall do so by coordinating with the heads of the Functions being inspected.

It is the SB's duty to recommend adjustments and updates of the Organizational Framework as it sees fit, based on the checks it has performed, changes in the relevant regulations, or because of the emergence of any new, at-risk processes. These recommendations shall be made to the appropriate bodies within the Company.

Should the SB observe any cases of non-compliance with or breaches of the Organizational Framework during its checks and inspections, or should it be informed by other corporate functions of any such cases, it must promptly inform the superior of the person who committed the breach as well as the Department of Human Resources and Organization. The SB shall communicate the nature of the non-compliance or breach, so that appropriate disciplinary action may be taken against the person who is responsible for it.

Should the breach be of a particularly serious nature (because of the consequences it could have for the Company; because of its implications for the At-risk Process; because of the position of the person who is responsible for the breach), then the



SB shall inform the Board of Directors.

10.4 Reports from the SB to corporate bodies

The SB reports directly to the Board of Directors, and is in constant contact with the Board of Statutory Auditors and the Internal Control and Risk Management Committee for matters relating to the Organizational Framework.

At least twice a year, the SB is to inform the Board of Directors – and when requested or deemed appropriate, the Board of Statutory Auditors – of the implementation and effectiveness of the Organizational Framework (in particular it must describe the checks it has carried out and the results thereof, as well as any updates made to at-risk processes). This can also be done through written reports, and can occur more frequently in the event of specific situations that warrant attention.

The Board of Directors of Arnoldo Mondadori Editore S.p.A. shall have the authority to ask for reports from the SB on its work; in addition, it shall be able to consult with the SB upon request.

In the event that any issues or questions relating to the Organizational Framework need interpreting, the SB shall have the authority to provide the necessary clarification.

10.5 Reporting to the SB

The Decree has laid down certain requirements related to the reporting of information to the SB, which form part of the standards that must be met by the Organizational Framework.

To that end, the SB determines the kind of information it needs to receive from the Subjects of the Organizational Framework in order to ensure compliance and Framework adequacy. This information can be identified in either general terms or in detail, and the SB shall also determine how and when it should be communicated.

For this reason, all the documents and information that concern At-risk Processes need to be brought to the SB's attention by following the procedures contained in the Protocols.

Furthermore, Subjects are required to promptly report the following information to the SB:



- any measures taken by the Judiciary, Criminal Police forces or other Authorities which involve investigating or taking legal action against Arnoldo Mondadori Editore S.p.A. and/or Subjects themselves in relation to one of the cases covered by the Decree;
- observations on the adequacy of the control system, which includes bringing any new needs to the SB's attention.

The information requirements described above are to be fulfilled in written form, to be sent directly to the SB by mail or e-mail, the latter by using the e-mail address org.vig.contr@mondadori.it.

Besides the information requirements outlined above, Senior Management is obliged to report the following to the SB:

- a) any change within Arnoldo Mondadori Editore S.p.A. that has to do with the system governing the delegation of powers or the Company's organizational structure;
- b) any extraordinary business operations pertaining to Arnoldo Mondadori Editore S.p.A.;
- c) any new business activity;
- d) any information relevant to compliance with the Organizational Framework, its proper functioning or its adequacy.

It shall be the SB's duty to provide more details on how and when this information should be reported to it.

A delay in reporting any of the situations listed above, or failure to do so at all, shall be considered a breach of the Organizational Framework and thus subject to a sanction in accordance with the Disciplinary System described in section III.

10.6 Storage of information

All types of Report, communication, documentation, and SB meeting minutes shall be kept on file by the SB, in both paper and electronic form. Only members of the SB shall be permitted to have access to said files.

Any personal data contained in this information is treated in compliance with the laws governing protection of personal data pursuant to EU Regulation no. 2016/679, Legislative Decree no. 196/2003 as amended by Legislative Decree no. 101/2018, and all rulings adopted by the Italian Data Protection Authority.



SECTION III – SANCTIONS

The disciplinary system herein described has been adopted pursuant to article 6, paragraph 2, letter e) and article 7, paragraph 4, letter b) of the Decree.

Furthermore, the system itself aims to punish non-compliance with the Organizational Framework in accordance with the provisions of the relevant National Collective Labour Agreements (CCNL) as they apply to employees.

In any case, the imposition of sanctions as a result of breaching the Organizational Framework does not exempt the offender from potential criminal prosecution for the commission of one of the crimes covered by the Decree, nor from the resultant sentence thereof.

11.0 General criteria for the imposition of sanctions

The type and extent of any single sanction will depend on the seriousness of each breach, and in any case, the following factors will also be considered:

- a) whether the offender acted out of intention or negligence;
- b) the importance of the requirements which were breached;
- c) the offender's managerial and/or technical rank within the company;
- d) the presence of aggravating or extenuating circumstances, especially in terms of professionalism, previous work experience, and the circumstances around the offence;
- e) the possible sharing of blame with other individuals who may have contributed to the offence;
- f) any conduct that might even remotely jeopardize the effectiveness of the Organizational Framework.

In the event that a single action has resulted in multiple infractions, each with a different sanction, then the most severe sanction may be imposed.

Any sanctions shall be imposed in the timeliest fashion possible, keeping in mind that it does not exempt the offender from potential criminal prosecution, nor from the resultant sentence thereof.

11.1 Middle Management and Staff

Under the combined provisions of article 5, letter b) and article 7 of the Decree,

and in light of the general criteria described above, the sanctions covered in this paragraph shall be imposed on middle management and staff in the event of a breach. Nonetheless, the Subject shall be informed of the imposition of sanctions beforehand, as per article 7 of Law no. 300 of 20 May 1970 (the so-called “Workers’ Statute”), and in accordance with the procedure therein described.

I Breaches

The following breaches shall result in the imposition of sanctions:

- a) failure to comply with the Organizational Framework;
- b) failure to keep records, or falsifying records, of any activity carried out which relates to the procedures for filing, storing and checking documents as per Protocols, if doing so has a negative influence on the transparency and verifiability of said activity;
- c) breach and/or avoidance of the internal control system by removing, destroying or altering documentation required by the Protocols, or by preventing persons-in-charge and/or the SB from performing checks or having access to documentation and information that it requests;
- d) failure to comply with regulations related to signing authority and limits of power;
- e) failure on the part of superiors to oversee their subordinates and ensure that the Organizational Framework is being properly and effectively enforced;
- f) acts of retaliation or discrimination against persons who reported unlawful conduct pursuant to Legislative Decree no. 231/2001, or a breach of the Framework, for reasons directly or indirectly linked to the report;
- g) breaches of the confidentiality requirement on the identity of the person making the report;
- h) Reports that prove to be groundless, if made with intent or gross negligence.

It should be noted that the possible cases warranting sanctions are not limited to this list of examples.

II Sanctions

The following disciplinary action can be taken upon commission of the offences referred to in the previous paragraph, depending on the seriousness of the circumstances:



- a) a verbal warning;
- b) a written warning;
- c) a fine within the limits permitted by the relevant National Collective Labour Agreements (CCNL);
- d) suspension from work without pay, within the limits permitted by the relevant CCNL;
- e) termination of employment without prior notice.

Should the employee involved have power of attorney to represent the Company in external affairs, then the sanction may also include revocation of that power.

a) Verbal warning

A verbal warning may be issued in cases of minor, negligent breaches of the Organizational Framework, or procedural errors that result from negligence.

b) Written warning

A written warning may be issued in the event that the breaches described in letter a) have been repeated.

c) Fine

Besides repetition of breaches leading to application of a written reprimand, a fine may be applied in cases where, given the level of hierarchical or technical responsibility, or in the presence of aggravating circumstances, the intentional and/or negligent conduct could compromise, even if only potentially, the efficacy of the Organizational Framework, or in cases where the worker commits acts of retaliation or discrimination against the person who reported an unlawful conduct pursuant to Legislative Decree no. 231/2001, or a breach of the Framework, for reasons directly or indirectly connected with the Report.

d) Suspension from work without pay

The penalty of suspension from work without pay may be applied in the event of serious breaches of the Organizational Model such that the Company is held liable for damages to third parties, in the event of repeated breaches that warrant a fine, or in cases where the worker commits particularly serious acts of retaliation or discrimination against the person who reported an unlawful conduct pursuant to Legislative Decree no. 231/2001, or a breach of the Framework, for reasons directly or indirectly connected with the Report itself; or breaches the confidentiality requirement over the identity of the person who made the report.

e) Termination of employment without prior notice

Termination of employment without prior notice may be imposed for misconduct of such seriousness that the Company can no longer trust the individual involved, thus rendering it impossible to continue employment, even temporarily. Examples of such conduct include but are not limited to the following:

- i. a breach of the Organizational Framework that has significant consequences outside the Company, and/or the avoidance of the Framework through illicit means, whereby the breach/avoidance is the result of an intention to commit or the outright commission of a crime or corporate criminal offence as defined by the Decree;
- ii. a breach and/or avoidance of the internal control system by removing, destroying or altering documentation required by the Protocols, or by preventing persons-in-charge and/or the SB from performing checks or having access to documentation and information that it requests;
- iii. dismissal as retaliation against the person who reported unlawful conduct as defined by Legislative Decree no. 231/2001, or a breach of the Framework, for reasons directly or indirectly connected with the Report itself;
- iv. a breach of the confidentiality requirement over the identity of the person who made the report, that is seriously prejudicial to that person.

Should an employee commit one of the breaches that warrants termination of employment, the Company shall be able to suspend the worker as a precautionary measure, effective immediately.

In the event that the Company decides to proceed with termination of employment, said termination shall take effect from the day the precautionary suspension was imposed.

11.2 Executives

In light of the general criteria described above, the sanctions covered in this paragraph may be imposed on executives in the event of an infraction. Such disciplinary action is in compliance with the combined provisions of article 5, letter b) and article 7 of the Decree, as well as with the laws and contracts in force.

I Breaches



The following breaches shall result in the imposition of sanctions:

- a) failure to comply with the Organizational Framework;
- b) failure to keep records, or falsifying records, of any activity carried out which relates to the procedures for filing, storing and checking documents as per Protocols, if doing so has a negative influence on the transparency and verifiability of said activity;
- c) breach and/or avoidance of the internal control system by removing, destroying or altering documentation required by the Protocols, or by preventing persons-in-charge and/or the SB from performing checks or having access to documentation and information that it requests;
- d) failure to comply with regulations related to signing authority and the limits of power, except for emergency situations or when absolutely necessary, in which case the relevant superior shall be promptly informed;
- e) failure on the part of superiors to oversee their subordinates and ensure that the Organizational Framework is being properly and effectively enforced;
- f) failure to report any breaches of the Organizational Framework to the SB and/or to an immediate superior, when said breaches have been committed by other employees and there is direct, indisputable evidence thereof;
- g) should it fall under the executive's authority, failure to train, and/or update, and/or inform personnel involved in processes regulated by the Protocols.

It should be noted that the possible cases warranting sanctions are not limited to this list of examples.

The following disciplinary action can be taken should an executive commit one (or more) of the offences referred to in the previous paragraph, depending on the seriousness of the circumstances and the level of responsibility the executive has with the Company:

- a) written reprimand;
- b) termination of employment without prior notice.

Should the executive involved have power of attorney to represent the Company in external affairs, then the issue of a written reprimand may also entail revocation of that power.

a) Written reprimand

A written reprimand may be issued in cases of negligent breach of the Organizational Framework.

**b) Termination of employment without prior notice**

Termination of employment without notice may be imposed for misconduct of such seriousness that the Company can no longer trust the individual involved, thus rendering it impossible to continue employment, even temporarily. Examples of such conduct include but are not limited to the following:

- i. a breach of the Organizational Framework that has significant consequences outside the Company, and/or the avoidance of the Framework through illicit means, whereby the breach/avoidance is the result of an intention to commit or the outright commission of a crime or corporate criminal offence as defined by the Decree;
- ii. breach and/or avoidance of the internal control system by removing, destroying or altering documentation required by the Protocols, or by preventing persons-in-charge and/or the SB from performing checks or having access to documentation and information that it requests.

Executives are liable to one of the above sanctions, depending on the severity of the case, in the event of:

- a. acts of retaliation or discrimination against the person who reported an unlawful conduct as defined by Legislative Decree no. 231/2001, or a breach of the Framework, for reasons directly or indirectly connected with the Report itself;
- b. breach of the confidentiality requirement over the identity of the person who made the report;
- c. Reports that prove to be groundless, if made with intent or gross negligence.

Should an executive commit one of the breaches that warrants termination of employment, the Company shall be able to suspend him/her as a precautionary measure, effective immediately.

In the event that the Company decides to proceed with termination of employment, said termination shall take effect from the day the precautionary suspension was imposed.

11.3 Senior Management

The sanctions indicated in this section may be applied to Senior Management, as



defined above: Chairman, Chief Executive Officer, other members of the Board of Directors and executives who report directly to the Chief Executive Officer.

I Breaches

The sanctions outlined in this paragraph may be imposed on Senior Management in the event of the following breaches:

- a) failure to comply with the Organizational Framework;
- b) breach and/or avoidance of the internal control system by removing, destroying or altering documentation required by the Protocols, or by preventing persons-in-charge and/or the SB from performing checks or having access to documentation and information that it requests;
- c) failure to comply with regulations related to signing authority and limits of power, except for emergency situations or when absolutely necessary, in which case the Board of Directors shall be promptly informed;
- d) failure to report to the SB and/or to any relevant superior on the observed intent to commit a crime or corporate criminal offence that is covered by the Decree.

It should be noted that the possible cases warranting sanctions are not limited to this list of examples.

II Safeguards

The seriousness of some breaches may be such that certain safeguards shall be put in place. This is contingent on a decision in favour thereof by the Board of Directors, after consulting the Board of Statutory Auditors. These safeguards – which shall remain within the limits of the law in force – could include the revocation of the offender's powers and/or removal from his/her position.

In the most serious of cases, the Board of Directors – after consulting the Board of Statutory Auditors – could ask the Shareholders' Meeting to remove the offender from office.

In any case, the implementation of these safeguards is without prejudice to the Company's right to take further legal action for liability and/or compensatory damages.

III Multiple employment relationships with the same individual

Should a breach be committed by an executive who is also employed under



contract, the sanctions to be imposed will be those defined by the Board of Directors. Nonetheless, the enforceability of the various disciplinary actions reserved for employee infractions shall remain unaffected, as shall any laws that may apply.

11.4 Collaborators, Consultants and other Third Parties

Pursuant to article 1456 of the Italian Civil Code, any contractual relationship with collaborators, suppliers, consultants or Third Parties in general may be legally terminated if said Third Parties – while working for the Company and under the Company’s supervision or coordination – commit any of the breaches included in the document entitled “*Code of Conduct for the Organization, Management and Control Framework*”.

In any case, such termination of contract is without prejudice to the Company’s right to claim any damages.

I Breaches

Arnoldo Mondadori Editore S.p.A. shall have the right to legally terminate a contractual relationship as per article 1456 of the Italian Civil Code in the event that Third Parties:

- a) have breached the Code of Conduct as it pertains to the task they have been contracted to perform, or have conducted themselves with the intention of committing an offence covered by the Decree;
- b) have breached and/or avoided the internal control system in place at Arnoldo Mondadori Editore S.p.A., by removing, destroying or altering documentation related to the task they are performing, or by preventing persons-in-charge and the SB from performing checks and/or having access to documentation and information that it requests;
- c) have failed to provide Arnoldo Mondadori Editore S.p.A. and/or its supervisory bodies with documents that certify the work that has been carried out, or have provided incomplete or falsified documents in that regard, thereby negatively influencing the transparency and verifiability of said work;
- d) have breached or otherwise been negligent of laws, regulations and/or



other company rules regarding the protection of occupational safety and health.

***SECTION IV – Protocols***

- **PT1** *“Management of relations with the Public Administration”*
- **PT2** *“Management of inspections performed by Public Officials or Persons in charge of providing Public Service”*
- **PT3** *“Access to soft financing”*
- **PT4** *“Management of the disposal of obsolete fixed assets”*
- **PT5** *“Taking on positions outside the Company”*
- **PT6** *“Bookkeeping, preparation of financial statements and other related activities”*
- **PT7** *“Management of confidential and sensitive information”*
- **PT8** *“Checks and compliance regarding the Safety Management System”*
- **PT9** *“Management and use of company information systems”*
- **PT10** *“Management of relations with Private Individuals”*
- **PT11** *“Management of procurement of goods and services, consultancy and professional engagements”*
- **PT12** *“Tax management”*
- **PT13** *“Management of the sales cycle, invoicing and credit”*
- **PT14** *“Management of extraordinary transactions and transactions relating to share capital”*