

**Organisation, management and control model  
pursuant to Legislative Decree 231/2001**

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## PART I

### 1. Legislative Decree n° 231 of 8<sup>th</sup> June 2001

Legislative Decree 231/2001 introduced “the administrative liability” of legal entities, companies and associations, including bodies devoid of legal personality, into the Italian legal system, establishing that these bodies may be held liable for certain administrative offences committed in their interest or to their benefit “**a**) by individuals who are representatives, directors or managers of the body or of one of its organisational units that has financial and functional independence, or by individuals with de facto responsibility for the management and control thereof; or **b**) by individuals who are directed or supervised by one of the individuals set forth in paragraph a)”.

This piece of legislation sets out to include the bodies benefiting from these offences in the relative punishment. The administrative sanctions applied to the body include pecuniary sanctions (from a minimum of € 25,823.00 to a maximum of € 1,549,370.00), disqualification sanctions (such as disqualification from exercising an activity, suspension and revocation of authorisations, licences or concessions functional to the perpetration of the unlawful act, prohibition on contracting with the public administration, exclusions from benefits, loans, contributions and subsidies, prohibition on advertising goods or services), confiscation of the price or profit of the offence and publication of the sentence.

Before this Legislative Decree was issued, the offences for which bodies could be held administratively responsible were solely those committed against the State or a public body, in particular:

- undue receipt of contributions, funds or other sums disbursed by the State or another public body;
- defrauding the State or another public body;
- aggravated fraud concerning public funds;
- computer fraud perpetrated against the State or another public body;
- corruption regarding official actions;
- corruption regarding actions contrary to official duties;
- corruption regarding legal transactions;
- instigation to corruption;
- extortion;
- embezzlement against the State or another public body.

Subsequently, the company law reform, and law n° 62 of 18.04.2005 (the market abuse law), law n° 262 of 28<sup>th</sup> December 2005 (the savings reform law) and law n° 146 of 16<sup>th</sup> March 2006, extended the application of the decree to the corporate offences established in the Italian civil code and in the Financial Services Act (TUF), as well as to certain offences against judicial activities (Incitement to withhold information from or make false statements to the judicial authorities and aiding and abetting), and lastly, to crimes of money-laundering, the use of money, goods and other assets of illegal origin (crimes against property).

## **2. Exclusion of administrative liability of the body**

Art. 6 of the Decree establishes that the body is not liable if it can demonstrate that:

- “a) its management organ has adopted and effectively implemented, prior to the commission of the offence, organisational, management and control models aimed at preventing the commission of the criminal offences in question;
- b) it has entrusted an internal organ endowed with powers of independent initiative and oversight, with the task of supervising the functioning and effective compliance with the models in question, as well as of updating the models;
- c) the individuals who committed the offence, fraudulently circumvented the organisation and management models;
- d) there was no lack or insufficiency of oversight by the supervisory body referred to in paragraph b).”

The decree also establishes that, with regard to the scope of the powers delegated and the risk of perpetration of the offences, the relative organisation models must satisfy the following requirements:

- “a) identify the activities in the context of which offences may be committed;
- b) provide specific protocols for planning the formation and implementation of the decisions of the body with regard to the offences to be prevented;
- c) establish methods of managing financial resources able to prevent perpetration of the offences;
- d) define obligations with regard to reporting to the company organ appointed to supervise application of and compliance with the models;
- e) introduce a system of rules and regulations to punish failure to comply with the measures indicated in the model”.

In small companies, the tasks of supervision may be directly performed by the management body.

### **3 Implementation of the organisation and management model by Class Editori S.p.A.**

Consequently, in order to safeguard its position and that of its subsidiaries, and ensure observance of the law and correct conduct in the performance of its activities, Class Editori S.p.A. (hereinafter known as the “Company”) has drawn up and implemented this organisation and management model (hereinafter known as the “Model”) in compliance with the above-mentioned Legislative Decree n° 231 of 2001 (hereinafter known as the “Decree”), for the purpose of establishing procedures for supervising the actions of directors, managers, employees and any other persons working for and on behalf of the Company (hereinafter known as the “Recipients”) in order to prevent them from committing the offences prescribed in the Decree.

This Model was adopted on 13<sup>th</sup> May 2004 by a resolution of the board of directors of Class Editori S.p.A. and was implemented by all the other companies in the Class Editori group (hereinafter known as the “Group”). Subsequently, the Model was updated to comply with new legislation (the market abuse law, the savings reform law and international legislation against organised crime).

The Chairman or the Managing Director of the Company is empowered to make any formal modifications to the text of the Model as may be necessary.

When implementing the Model, the Boards of Directors of the various companies in the Group shall also appoint their Supervisory Body.

### **4 Purpose and contents of the Model**

This Model sets out to establish and illustrate a system of procedures and controls put in place in order to prevent the offences prescribed in the Decree from being committed, in particular by identifying the “sensitive areas of activity” within which the above offences can be committed, and by regulating and proceduralising such areas.

The Model therefore identifies the sensitive areas for each offence or group of offences, the recipients of the regulations, as well as the protocols or procedures adopted governing the decision-making and implementation process and for managing financial resources. It also

defines the tasks and powers of the supervisory body and the obligations to provide information to this body, and also introduces a disciplinary system for punishing behaviour contrary to the requirements of the Model.

In order to achieve the above aims, the Model is communicated and disclosed within the Company to ensure that everyone working for or on behalf of the Company are made aware not only of the illegal nature of any behaviour that may constitute an offence, but also that such behaviour is strongly condemned by the Company which intends to prevent it by ensuring strict compliance with the relative procedures and protocols.

## **5 Supervisory Body**

As previously mentioned, art. 6 of the Decree requires a corporate body, endowed with independent powers of initiative and control, to be appointed to supervise the operation and observance of the Model and to update the latter. For this purpose, the Board of Directors of the Company has appointed Dott. Enrico Maffi to act as supervisory body (hereinafter known as the “Supervisory Body”), considering such person as having sufficient qualities of professionalism and independence to carry out such functions.

## **6 Functions and powers of the Supervisory Body**

Briefly, the Supervisory Body is endowed with independent powers of initiative to supervise the performance of the Model and the observance of the procedures by the Recipients, ensuring the Model is truly able to ensure that the offences prescribed in the Decree are not committed.

The Supervisory Body is thus entrusted with the following tasks and endowed with the powers required to discharge them:

- The task of supervising observance of the requirements of the Model by the Recipients, by implementing control procedures, ascertaining any presumed breaches of such requirements, carrying out periodic audits on certain operations or specific acts implemented in the performance of corporate activities, co-ordinating with the other company functions in order to optimise supervision of the sensitive areas of activity;
- The task of promoting suitable initiatives for communicating the Model and ensuring that all persons working for and on behalf of the Company fully understand it, preparing the internal organisational documentation required for the

operation of the Model, containing instructions and clarifications on the application and the objectives of the same;

- The task of supervising the true effectiveness of the Model in relation to the corporate structure, checking consistency between actual behaviour and the requirements of the same, as well as its ability to actually prevent the offences prescribed in the Decree from being committed;
- The task of updating the Model, where analysis reveals the need for corrections and adaptations, through the updated mapping of the sensitive areas of activity, presentation of the update proposals and verification of the implementation and practical functionality of the solutions proposed.

## **7 Requirement to provide information to the Supervisory Body**

In order to simplify supervision of the effectiveness of the Model, the Supervisory Body must be provided with all information, of any type, concerning or in any way connected with the implementation of the Model, as well as any reports, by anyone who has any knowledge thereof, relative to the committing of any offences prescribed in the Decree.

The various company functions that operate in or supervise the sensitive areas are required to communicate the following to the Supervisory Body: a) the periodic results of the control activity put in place by the same to implement the Model (reports summarising the activities performed, monitoring activities, final indices, etc.); b) any irregular or unusual points in the sphere of the available information.

Including, for example, information concerning:

- provisions and/or notifications of measures taken by the investigative police, or any other authority, indicating that investigations are being carried out, also concerning unknown people, into any of the offences prescribed in the Decree;
- requests for legal assistance made by directors and/or employees against whom judicial proceedings have been taken concerning any of the offences prescribed in the Decree;
- the effective implementation, at all corporate levels, of the Model indicating any disciplinary measures taken and any sanctions imposed, or any dismissals of such procedures with relative justifications;
- commissions of enquiry or internal relations identifying responsibility for actions that may constitute an offences prescribed in the Decree;
- decisions relative to the request, provision and use of public funding;

- summaries of any contracts awarded through Italian and European tenders, or by private negotiation;
- orders awarded by public bodies or subjects performing functions of public utility.

## **8 Reporting by the Supervisory Body**

The Supervisory Body refers continuously to the Managing Director and periodically to the Internal Control Committee, the Board of Directors and the Board of Statutory Auditors; it may be called by the above bodies at any time and, in turn, may request to report on the effectiveness of application of the Model, or specific situations.

The Supervisory Body is also required to draw up an annual report on the implementation of the Model within the Company. This report is based on an analysis of the main corporate acts and the most important contracts stipulated in the sensitive areas of activity, on an overall review of all the reports made received the year and of all the activities performed by the Supervisory Body, and on a random control of effective staff awareness of actions that may constitute any of the offences prescribed in the Decree. This annual report is submitted to the Board of Directors.

## **9 Disciplinary system and sanctions**

A fundamental means of guaranteeing the effectiveness of the Model is the provision of a suitable system of punishing any breaches of the rules of conduct established in the company's Code of Ethics or of the procedures indicated in this Model. Such disciplinary sanctions are imposed regardless of the outcome of any criminal proceedings concerning the offences prescribed in the Decree.

## **10 Sanctions against employees.**

The measures incorporated in the Model are an integral part of the contractual obligations of Employees (clerical workers and middle management). Breaches of these measures may also lead to non-fulfilment of contractual requirements, with all the legal sanctions and consequences, also as regards the possible compensation of damage, especially as regards articles 2103, 2106 and 2118 of the Italian Civil Code, article 7 of Law n° 300/1970 ("Employee's Statute"), Law n° 604/1996 and amendments and additions thereto governing individual dismissals, as well as the collective labour contracts for the applicability of dismissal for just cause.

The above sanctions may be imposed following the conclusion of investigations into the relative violations, according to the disciplinary measures established in the National Collective Labour Agreements applicable to company employees, considering:

- whether the employee's behaviour was intentional or not, his/her level of negligence, incapacity or rashness, also as regards the predictability of the event;
- the overall behaviour of the employee, especially as regards any previous disciplinary measures implemented, within the limits permitted by law;
- the tasks of the employee;
- any other special circumstances involved in the disciplinary breach.

## **11 Sanctions against managers, directors and external collaborators.**

If managers breach the internal procedures prescribed by the Model or behave inconsistently with the prescriptions of the Model while performing activities in sensitive areas, appropriate measures will be taken against those responsible according to the Collective Industrial Managers Agreement.

In case of violations by Company Directors, the Supervisory Body shall inform the entire Board of Directors and the Board of Statutory Auditors accordingly, which will take appropriate initiatives according to current legislation.

Clauses will be introduced into agreements with external collaborators working for and on behalf of the Company in the sensitive areas envisaging, in case of behaviour that is inconsistent with the guidelines and procedures of this Model, termination of the agreement, as well as a possible demand for compensation if such behaviour causes concrete damage to the Company.

## **12 Code of Ethics**

The Company has drawn up and adopted a Code of Ethics, approved by the Board of Directors on 13<sup>th</sup> May 2004, setting out the ethical principles of the company and establishing general rules of behaviour which all company employees, consultants, directors and statutory auditors must comply with, including third parties with relations of any kind with the company, limited to the extent of their relations with the latter.

The rules of behaviour prescribed by this Model are integrated with those of the Code of Ethics which, however, has a more general scope than the Model in that, as well as providing indications about suitable behaviour for the purposes of the Decree, it also sets out to regulate all aspects of corporate activities and relationships within the Company.

## PART II

### Offences against the public administration.

#### 1 Introduction

This section deals with offences against the public administration, as indicated in articles 24 and 25 of the Decree, and goes on to identify the sensitive areas and the recipients of the Model for this type of crime. It then illustrates the rules of behaviour and the procedures dictated by the Model in relation to these crimes.

#### Corruption and extortion

##### **Art. 317 of the Italian criminal code**

(extortion)

*Public officials or individuals responsible for a public service who, by abusing their professional standing or powers, force or induce another individual to unjustifiably give or promise money or other assets to either themselves or a third party, shall be punished by imprisonment from four to twelve years*

##### **Art. 318 of the Italian criminal code**

(corruption in official duties)

*A public official who receives either for himself or for a third party money, other assets or remuneration not due to him, or who accepts the promise of such, for carrying out an official duty, shall be punished by imprisonment from six months to three years.*

*If the public official receives money for an official duty that he has already carried out, he shall be punished by imprisonment for up to one year.*

##### **Art. 319 of the Italian criminal code**

(corruption for actions contrary to official duties)

*A public official who receives either for himself or for a third party money or other assets, or who accepts the promise of such, for omitting or delaying or for having omitted or delayed an official duty or for having carried out an action contrary to his official duties, shall be punished by imprisonment from two to five years.*

**Art. 319 - ter of the Italian criminal code**

(corruption in judicial actions)

*If the actions indicated in articles 318 and 319 are committed in order to favour or damage part of a civil, criminal or administrative court case, the penalty is imprisonment from three to eight years.*

*If the action results in the wrongful conviction and imprisonment of an individual to less than five years, the penalty is imprisonment for a period of between four and twelve years. If the wrongful conviction results in the wrongful imprisonment of an individual to more than five years or to life in prison, the penalty is imprisonment for a period of between six and twenty years.*

**Art. 320 of the Italian criminal code**

(corruption of individuals responsible for a public service)

*The provisions of article 319 also apply to individuals responsible for a public service while the provisions of article 318 also apply to individuals responsible for a public service if the individual is a public employee.*

*In any case, the punishment is reduced by a maximum of a third.*

**Art. 321 of the Italian criminal code**

(penalties for the corrupter)

*The penalties established in the first paragraph of article 318, in article 319, in article 319-bis, in article 319-ter and in article 320 in relation to the cases dealt with in articles 318 and 319, are also applied to individuals who give or promise public officials or individuals responsible for a public service money or other assets.*

**Art. 322 of the Italian criminal code**

(instigation to corruption)

*Whoever offers or promises money or other assets not due to a public official or an individual responsible for a public service who is a public employee, in order to induce them to carry out an official duty, is liable, if the offer or promise is not accepted, to the penalty, reduced by a third, contained in the first paragraph of article 318.*

*If the offer or promise is made in order to induce a public official or individual responsible for a public service to omit or delay an official duty, or perform an action contrary to his duties, the guilty party is liable, whether or not the offer or promise is accepted, to the penalty, reduced by a third, contained in article 319.*

*The penalty referred to in the first paragraph applies to public officials or individuals responsible for a public service who are public employees and who request a promise or a payment of money or other assets from a private individual for the reasons outlined in article 318.*

*The penalty referred to in the second paragraph applies to public officials or individuals responsible for a public service who request a promise or payment of money or other assets from a private individual for the reasons outlined in article 319.*

#### **Art. 322 - bis of the Italian criminal code**

(embezzlement, extortion by colour of office, bribery and incitement to bribery of the members of the European Community's bodies and of the officials of the European Communities and of foreign states)

*The provisions of articles 314, 316, from 317 to 320 and 322, third and fourth paragraphs, shall also apply to:*

- 1. the members of the Commission of the European Communities, of European Parliament, of the Court of Justice and of the Court of Auditors of the European Communities;*
- 2. to officials and contracted agents within the meaning of the Staff Regulations of officials of the European Communities or the conditions of employment of agents of the European Communities;*
- 3. any person seconded to the European Communities by the Member States or by any public or private body, who carries out functions equivalent to those performed by European Community officials or other agents;*
- 4. to members and employees of bodies created on the basis of Treaties establishing European Communities;*

5. *to those who, within other Member States of European Union, carry out functions or activities equivalent to those performed by public officials or persons in charge of a public service.*

*The provisions of arts. 321 and 322, first and second paragraphs, shall also apply if the money or other advantages are given, offered or promised:*

*1. to persons which are referred to in the first paragraph of this article;*

*2. to persons carrying out functions or activities equivalent to those performed by public officials and persons in charge of a public service within other foreign States or public international organizations, when the offence was committed in order to procure an undue benefit for himself or others in international business transactions.*

*The persons indicated in the first paragraph are assimilated to public officials, when they carry out equivalent functions, and to persons in charge of a public service in all the other cases.*

### **Fraud committed against the State**

#### **Art. 640 of the Italian criminal code**

(fraud)

*Whoever, by artifice or trickery leading someone into error, procures, to another's detriment, a wrongful benefit for himself or others, shall be punished with imprisonment from six months to three years and with a fine from € 51.00 to € 1,032.00.*

*The punishment shall be imprisonment from one to five years and a fine of six hundred thousand to three million liras:*

- 1. if the act was committed to the detriment of the State or another public body or on the pretext of securing someone's exemption from military service;*
- 2. if the act was committed by inducing the victim to fear an imaginary danger or to erroneously believe that he is required to comply with an order of the authorities.*

*The crime is punishable if the offended party brings a charge, provided that at least one of the circumstances referred to in the previous paragraph or another aggravating circumstance applies.*

### **Computer fraud**

#### **Art. 640 - ter of the Italian criminal code**

(computer fraud)

*Whoever, by altering in any way whatsoever the way a computer or telematic system functions or tampering in any way without due authorisation with data, information or programmes contained in a computer or telematic system, obtains for themselves or for others an unfair profit at the expense of another individual, shall be punished with imprisonment from six months to three years and with a fine from €309.00 to € 1,549.00.*

*The penalty is imprisonment from one to five years and a fine from six hundred thousand to three million liras if one of the circumstances referred to in number 1) of the second paragraph of article 640 applies, that is, if the offence is committed by an individual abusing his position.*

*The crime is punishable if the offended party brings a charge, provided that at least one of the circumstances referred to in the second paragraph or another aggravating circumstance applies.*

It should be remembered that this type of offence is only significant if perpetrated against the public administration.

### **Offences concerning public disbursement**

#### **art. 316 –bis of the Italian criminal code**

(embezzlement from the state)

*Whoever, outside of public officials, having obtained from the State or from other public bodies or the European Community contributions, grants or funding for initiatives connected with the realisation of work or the carrying out of activities of public interest,*

*does not use said monies for the aforementioned aims, will be imprisoned for a period of between six months and four years.*

**art. 316 –ter of the Italian criminal code**

(unjustified receipt of financial aid from the State)

*Unless this act constitutes an offence as provided for by article 640-bis, whoever uses or presents false declarations or documents or certifies things that are not true, or does not provide all necessary information in order to unjustifiably obtain, either for themselves or for others, contributions, funding, subsidised loans or other monetary allocations of the same type, however denominated, granted or allocated, by the State, other public bodies or by the European Community, shall be punished with imprisonment from six months to three years.*

*When the unjustly obtained sum is equal to or less than € 3,999.96 there is only a fine to pay from €5,164.00 to €25,822.00. This fine may not in any case amount to more than three times the sum resulting from the offence.*

**art. 640 -bis of the Italian criminal code**

(aggravated fraud relating to the allocation of public monies)

*The penalty is imprisonment from one to six years and is a statutory crime if the offence, provided for in Article 640, involves contributions, funding, subsidised loans or other monetary allocations of the same type given, however denominated, granted or allocated by the State, other public bodies or the European Community.*

**2 Sensitive areas of activity**

The above-mentioned offences require relations to be established with the public administration, in the broadest sense of the term, such as to include the Public Administration of foreign countries (hereinafter known as the “Public Administration”).

In relation to the above, analysis of corporate activities has identified the following sensitive areas in which the above offences can be committed:

- stipulation of agreements for the provision of services and products to the Public Administration;
- advertising sales and sales of advertising space for legal or financial announcements;
- participation in tender procedures or direct negotiations held by the Public Administration;
- procedures for obtaining allocations, contributions or funding by the Public Administration and their actual use.
- procedures for issuing authorisations, licences, grants, permits or other measures taken by the Public Administration;

### **3 Recipients and rules of behaviour**

This part of the Model refers to the behaviour of directors, managers and employees (“Company Staff”) and of external collaborators operating in the above sensitive areas (hereinafter collectively known as the “Recipients”).

According to the objectives of the Model, all the Recipients, as indicated above, are required to adopt the following rules of behaviour in order to prevent the offences prescribed in the Decree from being committed.

In particular, it is expressly forbidden, for Company Staff directly, and for external collaborators by means of special contractual clauses, to:

- behave in such a way as to commit one or more of the above offences (arts. 24 and 25 of the Decree);
- behave in such a way that, though not constituting an offence, as indicated above, may potentially become so;
- establish any conflict of interest towards the Public Administration as regards constituting the above offences.
- make gifts of money to public officials;
- distribute gifts and presents in excess of those permitted by company procedures. In particular, no gifts may be made to Italian and foreign public officials or to their families that may influence their independence of judgement or induce them to obtain benefits for the company. Permitted gifts either have a low value, set out to promote company initiatives, or are connected with festivities or other events;

- agree on other advantages of any kind (promises of employment, etc.) in favour of representatives of the Public Administration that may determine the same consequences indicated in the previous point;
- pay fees to external collaborators that are not sufficiently justified in relation to the type of task they perform or to current local practices;
- present false declarations to national or Community public bodies for the purpose of obtaining public allocations, contributions or funding at facilitated terms;
- allocate sums received from national or community public bodies as allocations, contributions or funding for purposes other than those for which they were agreed.

In order to more fully understand the description of the offences referred to in this part of the Organisation Model, and to identify the potential authors of the same, some of the terms used are explained below.

The lists provided below are therefore to be considered as purely exemplifying the categories of subjects qualified as “active subjects” in the relevant offences pursuant to Legislative Decree 231/2001, as indicated in this part of the Organisational Model, that is, those subjects the qualification of which is required to commit the criminal offences indicated in the Decree.

- A “Public Official” is a person who exercises a legislative, judicial or administrative function (art. 357 of the Italian criminal code), such as members of parliament, regional, provincial and municipal councillors; ministers and ministerial directors and officers; servicemen on duty, Military police, Police officers, Revenue corps, as well as private security guards and Local Health Authority (ASL) doctors.
- A “Subject performing a public service” is a person, whatever his status, who performs a public service (art. 358 of the Italian criminal code), such as holders of administrative concessions for the performance of public services or radio-television broadcasts (including RAI (Italian state television) employees), bank employees (when performing activities connected with tax collection or the management of public funding), officials of the State Printing House.

In case of doubt as to the qualifications of subjects with which relations are held, and therefore as to the potential to commit the offences indicated in this section of the Model, Recipients are recommended to contact the Supervisory Body for clarifications.

#### 4 Procedures

- Relations with the Public Administration in the above-mentioned sensitive areas of activity must be managed in overall terms by appointing a manager for each operation performed in the sensitive areas of activity. For this purpose, the Managing Director, Director, or a Manager responsible for the function in question, is required to delegate responsibility for each single operation to an internal subject (hereinafter known as the “Key Officer”).

The Key Officer:

- acts as the focal point and manager of the sensitive operation;
- is responsible in particular for relations with the Public Administration as regards the operation in question.

The Key Manager is also responsible for informing the Supervisory Body of the Company as regards the opening, performance and termination of the sensitive operation, sending it a brief report containing a synthetic description of the operation, an indication of its economic value, Public Administration involved, the initiatives taken and the fulfilments made, as well as any external collaborators appointed to assist the Company in relation to this operation and accompanied by a declaration issued by the Key Manager and a declaration issued by each of the possible external collaborators declaring that they are aware of the procedures and obligations to observe while performing the sensitive operation and that they have not committed any of the offences prescribed in the Decree.

- Any agreements with the Public Administration in the above-mentioned sensitive areas and any agreements with external collaborators must be defined in writing and approved by the Key Manager and a director with functions in the above area of activity.
- In the sphere of the sensitive activity in question, no payment may be made in cash or in kind for whatsoever reason.
- The subject enjoying relations with the Public Administration may access financial resources as follows:
  - a) Registration: each operation involving the use or allocation of economic or financial resources must have an express description and be documented and registered in compliance with professional and correct accounting principles.

b) Formal authorisation: the subjects making payment must be formally authorised to make payment on the basis of spending limits, constraints and responsibilities.

c) Documents: the use of financial resources is motivated by justificatory documents.

- The sale of services in exchange of goods must be performed in compliance with the internal procedures established by the company (cf. Procedure P-20 as indicated in the Procedures Manual [attached hereto] and be recorded in the relative *goods exchange evaluation sheet*.
  
- Subjects controlling or supervising the fulfilments connected with the performance of corporate activities, especially as regards cash flows (invoice payments, issue of credit notes, allocation of incoming financing, etc.) are required to check the implementation of these fulfilments with particular attention in the sensitive areas of activity and promptly report any irregular situations to the Supervisory Body.

**PART III:  
OFFENCES AGAINST THE JUDICIAL AUTHORITIES  
AND PROPERTY**

**1. Introduction**

This section deals with offences against the judicial authorities established in arts. 377-bis and 378 of the Italian criminal code and against property as per arts. 648-bis and 648-ter of the Italian criminal code, articles that were introduced with Law n° 146 of 16<sup>th</sup> March 2006 to establish the liability of bodies.

**Incitement to withhold information from or make false statements to the judicial authorities**

**Art. 377 - bis of the Italian criminal code**

*This crime is committed when, with violence or threats, or with an offer or promise of money or other benefits, an individual induces a person summoned to make declarations to the judicial authorities that can be used in a criminal case, not to make declarations or to make false declarations, when the person has the right to remain in silence provided no other more serious crime has been committed.*

*The perpetrator is punished with imprisonment for 2 to 6 years.*

**Aiding and abetting**

**Art. 378 of the Italian criminal code**

*This crime is committed when a person, after a crime is committed that is punishable with life imprisonment or imprisonment for a fixed term, and not being materially involved in such crime, assists anyone to elude the investigations of the Authorities or to conceal themselves from the latter.*

*The crime is also committed if the abetted person is not chargeable or did not commit the crime.*

*The perpetrator is punished with imprisonment for up to 4 years.*

*For crimes where the law establishes a different punishment, i.e. for violations, the perpetrator is punished with a fine of up to 516.00 euros.*

### **Money-laundering**

#### **Art. 648-bis of the Italian criminal code**

*Except in cases of participation in the offence, any person substituting or transferring money, goods or assets obtained by means of intentional criminal offences, or any person seeking to conceal the fact that the said money, goods or assets are the proceeds of such offences, shall be liable to imprisonment from four to twelve years and to a fine of 1,032 to 15,493 euros.*

*The penalty shall be increased when the offence is committed in the course of a professional activity.*

*The penalty shall be decreased if the money, goods or assets are the proceeds of a criminal offence for which the penalty is imprisonment of up to five years.*

*The above mentioned provisions shall also apply when the person committing the offence which originated said money or goods is not indictable or is not liable to punishment, or when the said offence cannot be prosecuted.*

### **Use of money, goods or assets of unlawful origin**

#### **Art. 648 - ter of the Italian criminal code**

*Except in cases of participation in the offence and in the cases provided for in articles 648 (Receiving stolen goods) and 648-bis (Money-laundering), any person using for economic or financial activities money, goods or assets obtained by means of a criminal offence, shall be liable to imprisonment for four to twelve years and to a fine of 1,032 to 15,493 euros.*

*The penalty shall be increased when the offence is committed in the course of a professional activity.*

*The penalties shall be decreased if the offence is not serious.*

*The above mentioned provisions shall also apply when the person committing the offence which originated said money or goods is not indictable or is not liable to punishment, or when the said offence cannot be prosecuted.*

## **2 Sensitive areas of activity**

As regards the offences against the judicial authorities, analysis of corporate activities has identified the management of disputes in which the company is involved, also through the appointment of external legal consultants, and the management of relations with the judicial authorities, as the sensitive areas of activity for the purposes of this Model.

With reference to the offences of money-laundering and the use of money, assets or goods of unlawful origin, all the areas of activity in which money is transferred and payments are made have been identified as potentially sensitive areas.

## **3 Recipients and rules of behaviour**

This part of the Model refers to the behaviour of directors, liquidators, managers and employees (“Company Staff”) and of external collaborators operating in the above sensitive areas of activity (hereinafter collectively known as the “Recipients”).

According to the objectives of the Model, all the Recipients, as identified above, are required to know and respect the Company's Code of Ethics (including the Charter of Duties for journalists) and to adopt the following rules of behaviour for the purpose of preventing the corporate crimes prescribed in the Decree from being committed.

In particular, when performing sensitive activities, Recipients are required to comply with the following general rules of behaviour:

- abstain from behaving in such a way as to commit one or more of the above offences;

- abstain from behaving in such a way that, though not constituting an offence, as indicated above, it may potentially become so;
- behave correctly and transparently, assuring the full observance of the law, regulations and in-house corporate procedures (cf. Procedures Manual), in the management of disputes involving the Company, of relations with the counterparts of business transactions involving money transfers and of relations with banks and financial brokers;
- fully co-operate the Judicial Authorities and public safety officers as regards investigations, inspections, requests for information and measures that may involve subjects connected with the Company or the Company itself.

It is therefore expressly forbidden for all Recipients, to provide false, incomplete or otherwise misleading information concerning issues being verified, investigated or subject to judicial proceedings, concerning the Company or subjects connected with it;

## **2 Procedures**

To prevent crimes against the administration of justice from being committed, as per this section of the Model, the Company has implemented a special procedure governing the criteria, measures, responsibilities and operating methods identified for efficient dispute management.

For the contents of this procedure, consult Procedure P-26 in the Procedures Manual.

As regards the crimes of money-laundering and the use of money, assets or goods of unlawful origin, and in order to prevent crimes from being committed by subjects that could cause liability to be attributed to the Company, payments concerning all transactions in which Class Editori S.p.A. is involved cannot be made in cash or with bank or postal books to the bearer or bearer bonds when the overall value to transfer is greater than 1,000.00 euros.

Subject enjoying relations with the Public Administration may access financial resources as follows:

- a) Registration: each operation involving the use or commitment of economic or financial resources must have an express description and be documented and registered according to professional accounting standards.
- b) Formal authorisation: subjects making payment must be formally authorised to make payment according to spending limits, constraints and responsibilities.

c) Documents: the use of financial resources must be motivated with justificatory documents.

Specific procedures have also been put in place as regards the management of revenue and cost flows in the various areas of activity of the company. Please refer to the Procedures Manual adopted by the Class Editori Group.

**PART IV**  
**Corporate Crimes**

**1 Introduction**

This section deals with corporate crimes as indicated in articles 25-ter and 25-sexies of the Decree and goes on to identify the sensitive areas of activity and the recipients of the Model for this type of crime. It then illustrates the rules of behaviour and the procedures dictated by the Model in relation to these crimes.

**False corporate communications**

**Art. 2621 of the Italian civil code**

*In addition to the provisions contained in article 2622, any directors, general managers, directors responsible for producing company bookkeeping documents, statutory auditors and liquidators, who, with the intention of deceiving the shareholders or the public in order to obtain either for themselves or for others unjustified profits, include material facts or information when drawing up financial statements, reports and other information required by law destined for the shareholders or the public that does not correspond to the truth even if they are solely assessments or omit to include the information the law requires to be made public about the economic or financial situation of the company or group the individuals concerned represent, in such a way as to induce the individuals who receive the aforementioned information into error, shall be punished with imprisonment for up to two years.*

*The offence also includes instances where the information concerns assets owned or administered by the company on behalf of third parties.*

*The offence is not punishable if the falsehood or omission does not greatly alter the representation of the economic or financial situation of the company or group the individuals concerned represent. The offence is in any case not punishable if the falsehood*

*or omission results in a variation in the financial results for the year, before income taxes, of not more than 5% or in a variation in the shareholders' equity of not more than 1%.*

*In any case the offence is not punishable if the result of the estimated consequence of the action, individually assessed, does not amount to more than 10% of the correct amount.*

*In these cases, the individuals referred to above are liable to administrative sanctions of between 10 and 100 shares and disqualification from managing legal entities and companies for a period between six months and three years, and from the position of director, statutory auditor, liquidator, general manager and director responsible for producing company bookkeeping documents, in addition to any other position with powers of representation of legal entities or companies.*

### **False corporate communications to the detriment of the company, shareholders or creditors**

#### **Art. 2622 of the Italian civil code**

*Any directors, general managers, directors responsible for producing company bookkeeping documents, statutory auditors and liquidators, who, with the intention of deceiving the shareholders or the public in order to obtain either for themselves or for others unjustified profits, include material facts or information when drawing up financial statements, reports and other information required by law destined for the shareholders or the public that does not correspond to the truth even if they area solely assessments or omit to include the information the law requires to be made public about the economic or financial situation of the company or group the individuals concerned represent, in such a way as to induce the individuals who receive the aforementioned information into error, causing financial damage to the company, shareholders or creditors, shall, if the defrauded individuals bring a charge against them, be punished with imprisonment from six months to three years.*

*Such a charge is also brought if the original offence includes other offences, including causing damage to the assets of individuals other than shareholders and creditors, unless it involves damage to the State, other public bodies or the European Community.*

*In the case of companies subject to the provisions of part IV, title III, chapter II, of legislative decree n° 58 of 24<sup>th</sup> February 1988, the penalty provided for the instances referred to in the first paragraph is imprisonment from one to four years and it is a statutory crime. If the offence causes serious damage to savers, imprisonment is from two to six years. The damage is considered to be serious if the number of savers involved exceeds 0.1 per thousand of the population or if it involves the destruction or the reduction of the overall value of shares for an amount exceeding 0.1 per thousand of the gross domestic product.*

*The offences indicated in paragraphs one and three are also punishable if the information concerns assets either owned by the company or administered by the company on behalf of third parties.*

*The offences indicated in paragraphs one and three are not punishable if the falsehood or omission does not greatly alter the representation of the economic or financial situation of the company or group the individuals concerned represent. The offences are in any case not punishable if the falsehood or omission results in a variation in the financial results for the year, before income taxes, of not more than 5% or in a variation in the shareholders' equity of not more than 1%.*

*In any case the offences are not punishable if the result of the estimated consequence of the action, individually assessed, does not amount to more than 10% of the correct amount.*

*In the cases referred to in the last two paragraphs, the individuals referred to in the first paragraph are liable to administrative sanctions of between 10 and 100 shares and disqualification from managing legal entities and companies for a period between six months and three years, and from the position of director, statutory auditor, liquidator, general manager and director responsible for producing company bookkeeping documents, in addition to any other position with powers of representation of legal entities or companies.*

#### **False forward-looking statements**

**[Art. 2623 of the Italian civil code]**

[N.B.: This article was repealed by Law 262/05 and the offence is now contained in art. 173-bis of the TUF. However, there is no co-ordination between legislative decree 231/01 and this reform law. Logically, the crime now covered by art. 173-TUF should be contained among those establishing the liability of bodies, despite the (incorrect) reference to art. 2623 of the Italian civil code that is still present in art. 25-ter of the decree. This crime should therefore be included in this Model.]

#### **Art. 173-bis TUF**

*Any person who, with a view to obtaining an undue profit for himself or for others, in prospectuses required for public offerings or for admission to trading on regulated markets, with the intention of deceiving the recipients of the prospectus, includes false information or conceals data or news in a way that is likely to mislead such recipients, shall be punished by imprisonment from 1 to 5 years.*

*If the offence indicated in the above paragraph has harmed the assets of the recipients of the prospect, the perpetrator shall be punished by imprisonment from one to three years.*

#### **Obstructing control**

##### **Art. 2625 of the Italian civil code**

*Directors who, by hiding documents or by other means, block, prevent or in any way obstruct control or auditing activities legally granted to shareholders, other company bodies or auditing firms, are liable to administrative fines of up to € 10,329.00.*

*If the conduct has caused damage to the shareholders, the penalty is imprisonment for a period of up to one year and the offended individual brings a charge.*

*The penalty is doubled if the company's shares are quoted on a stock exchange.*

### **Illegal distribution of profits or reserves**

#### **Art. 2627 of the Italian civil code – (administrative offence)**

*As long as the action is not part of a more serious offence, directors who distribute profits or advances on profits that have not been effectively realised or that by law are destined to reserve funds, or who distribute reserves, even those not made up of profits, which by law cannot be distributed, are liable to imprisonment for a period of up to one year.*

*Restitution of the profits or the reserves before the prescribed time limit for approving the financial statements nullifies the offence.*

### **Illegal operations in shares or in share capitals, including those of parent companies**

#### **Art. 2628 of the Italian civil code**

*Directors who, apart from cases approved by the law, purchase or subscribe to shares or the share capital, causing damage to the integrity of the share capital or to the reserves that cannot by law be distributed, are liable to imprisonment for a period of up to one year.*

*If the share capital or the reserves are reconstructed before the time limit set for the approval of the financial statements for the year during which the offence was committed, the offence is nullified.*

### **Failure to declare a conflict of interest**

#### **Art. 2629-bis of the Italian civil code**

*This offence is committed if directors or members of the board of directors of a company quoted on a stock exchange violate the obligations contained in article 2391, paragraph one, of the civil code, if such violation causes damage to the company or to third parties.*

*Art. 2391 of the civil code requires each director to inform the other directors and the statutory auditors of any personal interest they may have in a determined operation*

*performed by the company. The managing director, moreover, must request the board of directors to perform the operation on his behalf.*

### **Unjustified distribution of corporate assets by liquidators**

#### **Art. 2633 of the Italian civil code**

*This offence is committed if, when a company goes into liquidation, the liquidators, in distributing company assets among shareholders before paying off the company's creditors or before making provisions for the necessary amount to satisfy the creditors, cause damage to the creditors. In this case, the liquidators are punished, if the offended parties bring a charge against them, with imprisonment from six months to three years.*

### **Illegal influence on shareholders' meetings**

#### **Art. 2636 of the Italian civil code**

*Whoever, by employing fake or fraudulent actions, influences the majority of a shareholders' meeting in order to obtain unjustified profits for themselves or other persons, shall be punished with imprisonment from six months to three years.*

### **Preventing public supervision authorities from carrying out their duties**

#### **Art. 2638 of the Italian civil code**

*Directors, general managers, statutory auditors and liquidators of companies or organisations, and other individuals who by law come under the control of public supervision authorities or have obligations towards them, who, in compliance with the law, provide the aforementioned authorities with information concerning the economic and financial situation of the companies being supervised that does not correspond to the truth, even when dealing with assessments, in order to obstruct the supervision operations, or for the same reasons use other fraudulent means to conceal, either completely or partly, the facts that should be communicated to the authorities concerning the same situation, shall be punished with imprisonment from one to four years. The penalty also covers those cases*

*where the information concerns assets either owned or administered by the company on behalf of third parties.*

*The penalty is doubled if the company's shares are quoted on a stock exchange.*

*The same punishment applies to directors, general managers, statutory auditors and liquidators of the company or organisations and individuals who by law come under the control of public supervision authorities or have obligations towards them, who, in any way, including withholding the required information from the aforementioned authorities, knowingly obstruct the latter's work.*

### **Illegal operations in shares or in share capitals, including those of parent companies**

#### **Art. 2628 of the Italian civil code**

*Directors who, apart from cases approved by the law, purchase or subscribe to shares or the share capital, causing damage to the integrity of the share capital or to the reserves that cannot by law be distributed, are liable to imprisonment for a period of up to one year.*

*The same penalty is applied to directors who, apart from cases approved by the law, purchase or subscribe to shares or stocks issued by the parent company, causing damage to the integrity of the share capital or to the reserves that cannot by law be distributed.*

*If the share capital or the reserves are reconstructed before the time limit set for the approval of the financial statements for the year during which the offence was committed, the offence is nullified.*

### **Operations prejudicial to creditors**

#### **Art. 2629 of the Italian civil code**

*Directors who, in violation of the laws protecting creditors, reduce the share capital or merge the company with other companies or divide the company, causing damage to the creditors, are liable, if the offended party brings a charge, to imprisonment from six months to three years.*

*If the damage suffered to the creditors is paid back before the case arrives in court, the offence is nullified.*

## **Market abuse**

- **Abuse of inside information**

### **Art. 184 Financial Services Act (TUF) - (criminal offence)**

*This offence refers to individuals in possession of inside information as a result of their being a member of the issuing company's board of directors or management or control boards, of having shares in the capital of the company, or of their position, profession, or employment either in the company or in the public services, if they use this information for the following reasons:*

- a) to purchase, sell or carry out other operations, either directly or indirectly, on their own behalf or on behalf of third parties, with financial instruments using the said information;*
- b) to disclose said information to other individuals, outside the normal confines of work, profession, position or office;*
- c) to advise or induce other individuals, on the basis of the said information, to carry out those operations referred to at letter a) above.*

*They are liable to imprisonment from one to six years and a fine of between 20,000 and 3,000,000 euros.*

*The same penalties are applied to whoever is in possession of inside information and uses it for preparing or carrying out criminal activities by performing one of the actions referred to above.*

### **Art. 187-bis TUF - (civil offence)**

*Apart from the criminal sanctions imposed when the fact constitutes an offence, pursuant to art. 184 TUF, the individual is punished with a pecuniary administrative fine of between 20,000 and 3,000,000 euros.*

*The sanctions provided for above are also applied to individuals who are in possession of inside information, and who know or should know, on the basis of ordinary diligence, that they are*

*dealing with inside information, and use this information for carrying out the actions referred to above.*

*The monetary sanctions are increased when, because of the personal position of the guilty party or the amount of the profit produced by the offence, the penalty appears inadequate.*

- **Market manipulation**

**Art. 185 TUF – (criminal offence)**

*This offence refers to individuals who spread false information or carry out fictitious operations or employ other stratagems designed to cause an important alteration in the price of a financial instrument [quoted or for which a request to access negotiations on a regulated market has been presented].*

*Offenders are liable to imprisonment from one to six years and a fine of between 20,000 and 5,000,000 euros. The judge may increase the penalty, when, because of the offensive nature of the actions or the personal position of the guilty party or the amount of the profit produced by the crime, the penalty appears inadequate even when the maximum is applied.*

**Art. 187-ter TUF - (civil offence)**

*Apart from the criminal sanctions imposed when the fact constitutes an offence, pursuant to art. 184 TUF, whoever, by means of the media including the Internet, spreads information, rumours or false or misleading information that provides or could possibly provide false or misleading indications concerning financial instruments is punished with a pecuniary administrative fine of between 20,000 and 5,000,000 euros.*

*The dissemination of information by journalists carrying out their profession must be evaluated while taking into consideration the self-regulation of that profession, unless the journalists in question obtain, either directly or indirectly, advantages or profit from the dissemination of the information.*

*The sanction provided for above is also applied to individuals who:*

- a) *provide, or are capable of providing, false or misleading information about the offer, demand or price of a financial instrument, unless they can demonstrate that they acted for legitimate reasons and in conformity with the market practices of the market in question;*
- b) *allow, by the actions of one or more individuals co-operating together, to fix the market price of one or more financial instruments at an anomalous or artificial level, unless they can demonstrate that they acted for legitimate reasons and in conformity with the market practices of the market in question;*
- c) *apply stratagems or other types of fraudulent actions or devices;*
- d) *apply other stratagems that provide false or misleading information concerning the offer, demand or price of a financial instrument.*

*For the offences referred to in letters a) and b), any individual who demonstrates that they acted for legitimate reasons and in conformity with the market practices of the market in question, will not be liable to administrative sanctions.*

*The sanctions are increased when, because of the offensive nature of the actions or the personal position of the guilty party or the amount of the profit produced by the crime, the penalty appears inadequate even when the maximum is applied.*

#### **Art. 2637 of the Italian civil code – (market rigging)**

*Whoever circulates false information or carries out fake operations or other subterfuges designed to produce significant alterations in the price of non-quoted financial instruments or those for which a request for admission to a regulated market has not been presented, or in order to significantly affect public trust in the stability of a bank's assets or a bank group's assets, shall be punished with imprisonment from one to five years.*

N.B.: this offence refers to non-quoted financial instruments or those that are not intended to be quoted

## **2 Sensitive areas of activity**

As regards the offences indicated above, analysis of corporate activities has identified the following sensitive areas of activity in which the offences prescribed in arts. 25-ter and 25-sexies of the Decree can be committed:

- production of communications to shareholders or the public in general concerning the economic and financial situation of the Company and of the overall Group (financial statements, consolidated financial statements, quarterly interim reports, etc.);
- preparation of prospectuses;
- management of relations with the auditing firm;
- preparation and external communication of figures or news (in addition to those indicated in the previous points) relative to the Company and the overall Group;
- preparation of communications to the public supervisory authorities (Consob, Borsa Italiana, Antitrust Authority, Telecommunications Watchdog, etc.) and the management of relations with the same;
- sale or purchase of shares in other quoted companies held directly or indirectly by Class Editori S.p.A.;
- performance of extraordinary operations such as the purchase of companies or company branches, mergers, separation, sale of significant shares (etc.) concerning companies that are fully or partly owned (quoted) by Class Editori;
- distribution of dividends to partners, increases in company capital and allocation of Stock Options;
- short-, medium- and long-term strategic agreements and joint ventures with partners;
- operations concerning employment levels and trade union agreements of particular economic and social importance;
- changes in the Top Management of the Company;
- publication or communication of news concerning companies directly or indirectly held by Class Editori S.p.A..

### **3 Recipients and rules of behaviour**

This part of the Model refers to the behaviour of directors, statutory auditors, liquidators, managers and employees (“Company Staff”) and of external collaborators operating in the above sensitive areas of activity (hereinafter collectively known as the “Recipients”).

According to the objectives of the Model, all the Recipients, as identified above, are required to know and respect the Company's Code of Ethics (including the Charter of Duties for journalists), the Company's Code of Internal Dealing and the Company's rules of

corporate governance, and to adopt the following rules of behaviour for the purpose of preventing the corporate crimes prescribed in the Decree from being committed.

In particular, when performing sensitive activities, Recipients are required to comply with the following general rules of behaviour:

- abstain from behaving in such a way as to commit one or more of the above Corporate Crimes;
- abstain from behaving in such a way that, though not constituting an offence, as indicated above, it may potentially become so;
- behave correctly and transparently, assuring the full observance of the law, regulations and in-house corporate procedures, when drawing up the financial statements, interim reports and other company communications, for the purpose of providing shareholders and the public in general with truthful and appropriate information concerning the economic and financial situation of the Company and of the overall Group.
- behave correctly and transparently, assuring the full observance of laws, regulations and in-house corporate procedures, when acquiring, processing and communicating the data and information required to allow investors to make well-grounded judgements on the economic and financial situation of the Company and of the overall Group, on the development of its activities and on the financial instruments of the Company and relative rights.
- scrupulously observe all legislation safeguarding the integrity and effectiveness of company capital and always act in respect of the in-house corporate procedures that are based on such legislation, so as not to be prejudicial to creditors and third parties in general.
- assure the regular operation of the Company and of the corporate bodies, guaranteeing and promoting all mandatory internal management control processes, as well as the free and correct execution of the will of the shareholders' meeting.
- promptly, correctly and completely make all the communications required by law and regulations to the public supervisory authorities without obstructing the latter in the performance of their functions.

It is expressly forbidden for all Recipients:

- to prepare or communicate false, incomplete or otherwise misleading information concerning the economic and financial situation of the Company or of the overall Group;

- not to communicate data and information required by current regulations and procedures concerning the economic and financial situation of the Company or of the overall Group;
- not to follow the in-house accounting procedures, the accounting principles drawn up by the Joint Commission of the National Council of Business Consultants and of the National Council of Accountants, or any other accounting principles that may be in force at the time;
- to alter or in any way incorrectly indicate the data and information used to draw up prospectuses;
- to present the data and information in such a way as to give an incorrect and untruthful account of the economic and financial situation of the Company or of the overall Group, of the development of its activities and of the financial instruments of the Company and relative rights;
- to return capital contributions to shareholders or release them from the obligation to make them, apart from legitimate cases of reductions in company capital;
- to distribute profits (or advances on profits) that have not been effectively realised or that by law are destined to reserve funds, or distribute reserves (even those not made up of profits) which by law cannot be distributed;
- apart from cases approved by the law, to purchase or subscribe to company shares causing damage to the integrity of the share capital or to the reserves that cannot by law be distributed;
- in violation of the laws protecting creditors, to reduce the share capital or perform mergers or separations;
- to falsely form or increase the share capital in any way;
- when a company goes into liquidation, to distribute company assets among shareholders before paying off the company's creditors or making provisions for the necessary amount to satisfy them;
- to hide documents or use other fraudulent means to prevent or in any way obstruct the control or auditing activities performed by the Board of Statutory Auditors or the auditing firm;
- to employ fake or fraudulent actions to influence the majority of a shareholders' meeting;
- not to promptly, correctly and completely send the public supervisory authorities (a) all the periodic and occasional communications required by law, and (b) the data and documents prescribed by current regulations and/or specifically requested by the above authorities;

- to include untrue facts in such communications and documents or conceal facts concerning the economic and financial situation of the Company or of the overall Group;
- to behave in such a way as to obstruct the public supervisory authorities in the performance of their functions, also during inspections (explicit opposition, pretextual refusals, obstructive behaviour or non-collaboration, such as delaying the transmission of communications or the provision of documents).

#### **4 Procedures**

The specific procedures which, in relation to each sensitive area of activity (as indicated in paragraph 2 above), must be observed by all the Recipients, together with the other relevant corporate procedures, are indicated below.

**4.1** Concerning the drawing up of communications to shareholders and the general public and, in particular, for the purpose of forming the financial statements, the six-monthly report, the quarterly reports and other interim reports of the Company and the Group, the Company has established a special procedure, contained in the Procedures Manual, to which reference should be made (cf. procedure P-28).

**4.2** The following procedures must be followed when preparing prospectuses:

- acquisition – where this verification is not possible as the information used in the prospectus is of external origin – of a statement of truthfulness issued by the subjects from which such information originates;
- verification of the professional qualifications of the subjects appointed to draw up such documents;
- requirement for each company in the Group, when collecting the elements required to draw up prospectuses, to issue a statement of truthfulness, correctness, precision and completeness as regards the information and data provided, according to the same procedural principles indicated in point 4.1 above.

**4.3** The following instructions must be observed in relations with the auditing firm:

- a) the Administration, Finance and Control staff responsible for transmitting documents to the auditing firm must be identified;

- b) the manager of the auditing firm is empowered to make contact with the Supervisory Body in order to jointly verify situations that may be critical in order to prevent the offences in question from being committed;
- c) it is forbidden to appoint the auditing firm, or other companies in the same “network” as the auditing firm, as a consultant;
- d) it is forbidden to stipulate freelance or employment contracts with employees of the companies conducting mandatory accounting audits for six months following the termination of the contract between the Company and the auditing firm, or upon termination of the labour contract between the employee and the auditing firm.

**4.4** The sale or purchase of shares or other financial instruments of quoted companies by the Company must be authorised by the Administration, Finance and Control directors and by a Managing Director, after verifying any recent communications published by the Group in relation to such quoted companies.

**4.5** When handling, managing and communicating information or data concerning the Company or the Group, and to prevent market abuse and market rigging offences from being committed, regulations for handling and communicating insider information, adopted by the Company on 1<sup>st</sup> April 2006 and attached hereto, must be observed.

**4.6** The Regulations for handling and communicating insider information govern, among other things, the establishment and maintenance of a register containing the names of the subjects having access to the Company’s insider information, in compliance with arts. 115 TUF and 152-*bis* and ss of the Broadcasters’ Regulations.

For the specific procedures prescribed in relation to this register, please consult the Regulations for handling and communicating insider information [attached hereto].

**4.7** Financial information must be managed by journalists according to the Charter of Duties for Journalists [attached hereto].

**4.6** When drawing up communications to the Public Supervisory Authorities (Consob, Borsa Italiana, Antitrust Authority, Telecommunications Watchdog, etc.) and the management of relations with the same, the following procedures must be followed:

- a) all the organisational-accounting activities required to ensure that the process of acquiring and processing data and information ensures the correctness and completeness of the communications and their prompt dispatch to the public

supervisory authorities, according to the methods and times prescribed by applicable regulations, must be performed;

- b) sufficient evidence of the procedures followed to implement the requirements of point a) above must be given, particularly as regards the identification of the managers who collected and processed the relative data and information;
- c) the competent company units must co-operate with the above Authorities should they wish to conduct an audit. In particular, for each audit arranged by the Authority, a Company manager must be appointed to co-ordinate the operators in the various company units in order to allow the latter to correctly perform the activities they are responsible for. These managers are also required to co-ordinate the various competent company offices and the officers of the Authorities in order to allow the latter to acquire the elements they require;
- d) the manager appointed as per point c) above shall draw up a special report on the investigation conducted by the authority which must be periodically updated according to the developments of the investigation and its outcome; this information must be sent to the Supervisory Body and to the other company offices that are competent as regards the matter in point.

