



**COMPLIANCE PROGRAMME**  
pursuant to Legislative Decree 231/2001

**VIRGIN RADIO ITALY S.p.A.**  
MARCH 25, 2024





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# Legislative Decree 231 of 8 June 2001

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## 1.1 Administrative liability of legal entities, companies and associations

Legislative Decree 231 was issued on 8 June 2001 setting out “Regulations on the administrative liability of legal entities, companies and associations with or without legal personality” (the “Decree” or “Legislative Decree 231/2001”) intended to adapt Italian laws and regulations on the liability of legal entities to several international agreements to which Italy had subscribed: the Brussels Convention of 26 July 1995 on the protection of the European Communities’ financial interests; the Brussels Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union; and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

Legislative Decree 231/2001 introduced into Italian legislation the concept of the administrative liability – principally criminal liability – of entities<sup>1</sup> for a number of crimes or administrative offences committed by the following persons in their interests of advantage, by:

- (i) individuals who hold representative, administrative or managerial positions in the entities in question, or in one of their financially and functionally independent organisational units, or individuals responsible (including de-facto) for the management and control of the said entities (“senior managers”);
- (ii) individuals managed or supervised by one of the persons indicated above.

If the crime or administrative offence is committed by a senior manager then the Company is presumed to be liable, as the senior managers express, represent and implement the Company’s management policies. On the contrary, there is no presumption of corporate liability if the crime or administrative offence is committed by a person subject to the management or supervision of one of the persons referred to in paragraph (i); in such cases the entity is liable for the subordinate’s offence only if it is found that commission of the offence was made possible by the failure of management and/or supervisory obligations.

The entity is held liable in addition to and not instead of the natural person who materially carries out any offence, which, as such, is governed by normal criminal law. In any case, the liability of the entity and of the natural person who materially committed the offence must both be verified in the same proceedings before a criminal court. The entity remains liable even if the natural person who committed the crime has not been identified or is not punishable.

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Liability under Legislative Decree 231/2001 only exists if the unlawful act was carried out in the interests or *advantage* of the entity. Therefore, liability under the Decree does not only exist if the offence resulted in an advantage for the entity (financial or otherwise), but also if – despite the absence of such a tangible outcome – the motivation for the offence can be shown to be in the *interest* of the Company. The entity is not, however, liable when the individual who committed the crime or administrative offence acted exclusively in the interest of a third party.

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<sup>1</sup>On the basis of legal precedent, the addressees of the Decree do not only include the specifically identified addresses (“legal entities, companies and associations with or without legal personality,” with the exception of the State, local government, other public entities and non-economic entities or entities that perform constitutionally significant functions), but also private companies exercising a public service (e.g. through a concession relationship) and subsidiaries of public administrations.

The Decree aims to involve entities that have benefitted from the commission of the crime or administrative offence, or in whose interest the crime or administrative offence was committed, in the prevention of certain crimes and administrative offences. Penalties are established for entities that have not taken organisational steps to avoid internal criminal activities, in the event that individuals functionally attributable to the said entity commit any of the crimes or administrative offences outlined in the Decree.

The objective of Legislative Decree 231/2001 is to build a model for corporate liability that is in line with protective principles but has a preventive function: in practice, by envisaging direct corporate liability in the event of an offence, the Decree intends to encourage the latter to organise its structures and activities in such a way as to ensure appropriate conditions to safeguard the interests protected under criminal law.

The Decree applies to both offences committed in Italy and those committed abroad, provided that: (i) the entity has its main offices in Italy (i.e., the effective headquarters where administrative and management functions are performed) or where it conducts continuous business, or (ii) the country where the crime was committed has not already taken direct action.

\* \* \*

If liability under Legislative Decree 231/2001 is found to exist, the entity is subject to various penalties.

The *penalties* imposed on entities can be either *financial* or *prohibitory*. The most serious prohibitory penalties are: the suspension or cancellation of the authorisations, licences or concessions required for committing the offence; a ban on contracting with the public administration (except for obtaining a public service); a ban on performing the activity in question; exclusion from subsidies, funding, contributions or grants and the eventual revocation of those already awarded; or a ban on advertising goods or services.

*Financial* penalties are applied every time the entity commits one of the crimes or administrative offences covered by the Decree. On the contrary, *prohibitory* penalties can only be applied in relation to the offences for which they are specifically provided for, if at least one of the following conditions applies: (i) the entity has gained a substantial profit and the offence was carried out by senior managers, or by persons subject to the management or supervision of another individual, if the offence resulted from or was facilitated by serious organisational shortcomings; (ii) in the case of repeat offending.

*Prohibitory* measures can also be applied at the request of the public prosecutor as a precautionary measure during the investigative process, if there are serious indications of the entity's liability and there is substantial and specific grounds to believe that offences of the same nature are likely to be committed.

The sentence may also include *confiscation from the entity of the price or profit from the offence*, with the exception of that part which can be restored to the damaged party<sup>2</sup>.

Where prohibitory penalties are applied, the Court may order *publication of the conviction*, which may have a serious impact on the image of the entity.

Finally, in specific circumstances, if the Court applies a prohibitory penalty that would stop the entity from performing its activities, then it can nominate an administrator who will be responsible for supervising these activities for a period of time equal to that of the ban.

The updated text of Legislative Decree 231/2001 is attached hereto as **Annex A**.

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<sup>2</sup>If it is not possible to confiscate the actual assets that form the price or profit of the crime, then sums of money, goods or other assets of value equivalent to the price or of profit of the offence may be confiscated. Assets that correspond to the price or profit of the crime, or their monetary equivalent, may be confiscated as a precautionary measure.



## 1.2 Types of crimes and administrative offences

The *offences* and *administrative offences* involving the liability system provided for by Legislative Decree 231/2001 and originally referred exclusively to a series of offences committed in relations with the Public Administration (such as, inter alia, undue receipt of funds to the detriment of the State, misappropriation of funds from the State, fraud perpetrated against the State or other public bodies, computer fraud perpetrated against the State, extortion and corruption, etc.). Subsequent legislative measures have progressively broadened the list of offences (so-called '*predicate offences*'), the commission of which may give rise to the administrative liability of entities.

Currently, the crimes/administrative offences that qualify as such under the Decree are as follows:

- Article 24, which currently refers to cases concerning “*undue receipt of funds, fraud against the State, a public body or the European Union or to obtain public funds, computer fraud against the State or a public body and fraud in public supplies*”;
- Article 24-bis, concerning “*cybercrime*” and “*unlawful data processing*”;
- Article 24-ter, concerning “*organised crime*”;
- Article 25, which currently refers to cases such as “*Embezzlement, extortion, illegal inducement to give or promise benefits and corruption and abuse of power*”;
- Article 25-bis, which refers to cases of “*forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments*”;
- Article 25-bis.1 with reference to “*Crimes against industry and trade*”;
- Article 25-ter with reference to “*corporate crimes*” (such as, false company statements, market rigging, impeding company controls, transactions to the detriment of creditors);
- Article 25-quater, which refers to “*crimes for the purposes of terrorism or subversion of democracy*”;
- Article 25-quater.1 concerning the crime of “*female genital mutilation practices*”;
- Article 25-quinquies, which aims to prevent a number of “*crimes against the individual*” (e.g., reduction or maintenance of a person in a state of slavery or servitude, prostitution of minors and pornography involving minors, possession of pornographic materials, trafficking in persons, tourist initiatives aimed at the exploitation of child prostitution, illicit intermediation and exploitation of labour);
- Article 25-sexies, concerning “*market abuse*” crimes”;
- Article 25-septies, concerning cases of “*accidental offences (manslaughter and serious or very serious injury) committed in violation of the regulations on health and safety at work*”;
- Article 25-octies, concerning the crimes of “*receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering*”;
- Article 25-octies.1, which extends the administrative liability of the entity to “*crimes relating to payment instruments other than cash and fraudulent transfer of values*”;
- Article 25-novies, concerning crimes referred to the “*protection of copyright and other related rights*”;
- Article 25-decies, concerning “*crimes connected to inducing individuals to refrain from making statements or to making false statements to legal authorities*”;

- Article 25-undecies, concerning “environmental crimes”;
- Article 25-duodecies with regard to the crime of “employment of illegally staying third-country nationals” and other crimes relating to illegal immigration;
- Article 25-terdecies with regard to crimes of “racism and xenophobia”;
- Article 25-quaterdecies concerning the crimes of “fraud in sporting competitions and illegal exercise of gambling and betting activities”;
- Article 25-quinquiesdecies concerning “tax crimes”;
- Article 25-sexiesdecies concerning “crimes of smuggling”;
- Article 25-septiesdecies, concerning “crimes against cultural heritage”;
- Article 25-duodevicies concerning crimes of “laundering of cultural heritage and devastation and looting of cultural and landscape assets.”

The scope of Legislative Decree 231/2001 has also been further extended by the law to “Ratify and implement the United Nations Convention against Transnational Organised Crime and its Protocols” (Law 146 of 16 March 2006), with particular reference to crimes of “*transnational organised crime*” (such as, for example, criminal association, mafia-type association, migrant trafficking, etc.)<sup>3</sup>.

Annex B details the various types of crime/administrative offence that can be categorised as “*predicate offences*” under Legislative Decree 231/2001.

### 1.3 Compliance Programmes

In general terms, the Decree states that entities are liable if they have not adopted the necessary measures to prevent the type of crimes or administrative offences committed.

However, in introducing corporate administrative liability, Article 6 Legislative Decree 231/2001 provides a specific form of “*exemption*” from such liability if the Company can demonstrate that:

- a) the management body of the entity has adopted and effectively implemented “*compliance programmes*” designed to prevent the type of crimes or administrative offences committed;
- b) the task of ensuring that the compliance programmes function and are observed, and that they are kept up-to-date, has been allocated to a *unit of the entity with autonomous powers of initiative and control*;
- c) the people who carried out offences did so by fraudulently ignoring the compliance and management programmes in question;
- d) there was neither insufficient supervision nor a lack of supervision by the unit referred to in letter b) above.

This “*exemption*” from liability is therefore dependent on the *judgement of suitability* on the internal system of organisation and controls, to be made by the judge will make during the criminal proceedings against the person who materially committed the offence (senior manager or subordinate).

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<sup>3</sup>There is also a particular case of administrative liability arising from an administrative offence and provided for outside the scope of Legislative Decree 231/2001. The case in question is governed by Articles 187-*quinquies*, as amended, of Legislative Decree 58 of 24 February 1998 (“*Italian Finance Act*” or “**TUF**”), which set out financial penalties (as well as confiscation - including of equivalent assets - of the product or profit of the offence and the assets used to commit it) against the entity in whose interest or advantage the administrative offences of insider dealing and market manipulation set out in Articles 187-*bis* and 187-*ter* of the TUF were committed.

Therefore when preparing its *compliance programmes*, the entity must aim to ensure that the judgement on their suitability is favourable.

In particular, if the crime is committed by *senior managers*, the entity is liable unless it can prove: (i) that it adopted and effectively implemented, before the commission of the crime, an *adequate* compliance programme to prevent the type of crimes/administrative offences committed; (ii) that it has established a unit with independent powers of initiative, supervision and control, which has effectively monitored the observance of the compliance programme; (iii) that the crime was committed by fraudulent evasion of the compliance programme by a disloyal senior manager.

When, however, the offence is committed by *subordinates*, it must be proved that the commission of the unlawful act was made possible by the non-observance by senior managers of management and supervisory obligations; such obligations, however, cannot be considered to have been violated if, before the commission of the unlawful act, the entity adopted and effectively implemented a *suitable* compliance programme for preventing the type of crimes that occurred.

Legislative Decree 231/2001 also states that the compliance programmes must meet the following requirements:

- 1) identifying so-called “*potential risks*” by identifying the areas of the business or sectors of operations in which it is theoretically possible for the offences set out in the Decree to occur (“*areas of at-risk activities*”);
- 2) providing specific protocols for planning training and implementing the decisions of the entity in relation to the offences to be prevented, with the aim of reducing the identified risks to an acceptable level;
- 3) identifying methods for administrating the financial resources necessary for preventing such offences;
- 4) setting out obligations for sending information to the unit responsible for supervising the functioning and observance of the compliance programmes;
- 5) introducing an internal disciplinary system imposing sanctions for failure by entities to comply with the measures indicated in the compliance programme.

For the construction of the compliance programme, the Decree therefore refers to a typical company *risk management* system.

In addition, in order to ensure that the compliance programmes relating to the types of crimes/administrative offences outlined in the Decree are effectively implemented, they must be checked periodically and – when appropriate – amended in response to any actual violations or changes in the company’s organisation or business activities.

With particular reference to the risks deriving from the commission of unlawful acts related to health and safety at work, Article 30 Legislative Decree 81 of 9 April 2008 (“*Italian Safety Act*”) – as amended by Legislative Decree 106 of 3 August 2009 (“*Additions and corrections to Legislative Decree 81 of 9 April 2008 on health and safety at work*”) – also introduces a presumption of compliance for corporate compliance programmes defined in accordance with recognised international standards (currently, standard UNI ISO 45001 of 2018).

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Finally, it is worth noting a specific administrative liability for entities that operate in the production and sale of virgin olive oils, for a number of administrative offences arising from crimes, (Articles 440, 442, 444, 473, 474, 515, 516, 517, and 517-*quater* of the Criminal Code) as per Article 12 of Law 9 of 14 January 2013 (“*Rules on the indication of origin and classification of virgin olive oils*”).

# The Compliance Programme pursuant to Legislative Decree 231/2001 of VIRGIN RADIO ITALY S.p.A.

( 11 )

## 2.1 General characteristics of the Compliance Programme

Within the framework of the Compliance Programme already existing for some time in the MFE Group and in the belief that the conduct of business and the management of corporate activities must take place on the basis of the values of efficiency, fairness and loyalty, in every process of daily work, VIRGIN RADIO ITALY S.p.A. (“VIRGIN RADIO ITALY” or the “Company”) has put in place the necessary activities to adapt its compliance programme<sup>4</sup> to the provisions of the Decree (hereinafter referred to as ‘Compliance programme’), also constantly updating it, considering the legislative innovations that have occurred from time to time, the consequent expansion of the catalogue of predicate offences, as well as the progressive jurisprudential measures on the subject of compliance programmes.

For the Company, the adoption (and subsequent updates) of the Compliance Programme constitutes an essential tool to ensure that its Addressees - as defined below - adopt, in the performance of their work activities and/or their duties or functions, correct, lawful and straightforward conduct, such as to prevent the risk that the offences covered by the Decree are committed.

Model 231, in its first draft, when the Company was part of the Finelco Group, was approved on 28 May 2013 and then amended by resolution of the Sole Director of RMC on 30 September 2016. Model 231 was subsequently updated, following the Company’s entry into the MFE Group, by a resolution of the Board of Directors on 24 September 2019 and then updated by a resolution of 20 April 2021.

This version - to be considered a replacement for the previous one - was adopted by resolution of the VIRGIN RADIO Board of Directors of 25 March 2024, following an analysis process which took into account: (i) new offences introduced by the legislator as well as other new legislation, such as Legislative Decree No. 24 of 10 March 2023 (“Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and of persons who report breaches of national laws”); (ii) different organisational structures assumed by the Company; (iii) ongoing assessments carried out on the operation and effectiveness of the Compliance Programme over time, and (iv) a comprehensive assessment of the need to update it.

\* \* \*

The Compliance Programme is addressed to all who work for VIRGIN RADIO in any capacity, regardless of the relationship – including temporary – that exists between them. In particular, it is binding for persons who: (i) hold a representative, administrative, managerial or supervisory position in the Company; (ii) are subject to the management or supervision of one of the persons referred to at point (i) above (the “Addressees”).

VIRGIN RADIO’s objective in adopting the Compliance Programme is to introduce a structured and comprehensive system comprising a set of general rules of conduct, procedures and control activities that meets the aims and requirements of Legislative Decree 231/2001, both in terms of

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<sup>4</sup>The compliance programme is to be understood as a set of business rules of a general, behavioural and operational nature, which are expressed - among other things - in the organizational structure of the Company, in the system of allocation of delegations and powers, in organizational guidelines and operating practices, and in the disciplinary system and so on

the preventing crimes/administrative offences referred to in the Decree (preventive controls) and in terms of checking that the Compliance Programme is implemented and that any penalties are enforced (*ex-post controls*).

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The process of adapting the Compliance Programme - for the purposes of its original definition and subsequent updates - was carried out taking into account the provisions of the Guidelines drawn up on the subject by Confindustria<sup>5</sup> as well as the specific initiatives already implemented by the Mediaset Group on internal control and *corporate governance*.

In particular, the amendment process has been used for the following specific types of offences under the Decree:

- *crimes that can be committed during relationships with the Public Administration (Articles 24 and 25)*<sup>6</sup>;
- *cybercrime and unlawful data processing (article 24-bis)*;
- *“organised crime” (article 24-ter)*;
- *crime of “forging money, public credit notes, revenue stamps and distinctive signs and instruments” (article 25-bis)*;
- *“crimes against industry and trade” (article 25-bis 1)*;
- *“corporate crimes,” including “private-to-private corruption” (article 25-ter)*;
- *“crimes of terrorism or subversion of the democratic order as envisaged by the Criminal Code and special laws” (article 25-quater)*;
- *“crimes against the individual” (article 25-quinquies)*;
- *offences involving “market abuse” (article 25-sexies)*;
- *“accidental offences” (manslaughter and serious and very serious injury) committed in violation of the regulations on health and safety at work” (article 25-septies)*;
- *crimes of “receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering” (article 25-octies)*;
- *“offences relating to non-cash payments and fraudulent transfer of values” (article 25-octies.1)*;
- *“copyright infringement and related crimes” (article 25-novies)*;
- *“crimes connected to inducing individuals to refrain from making statements or to making false statements to legal authorities” (article 25-decies)* ;

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<sup>5</sup>The first version of Confindustria's 'Guidelines for the construction of compliance programmes', drawn up in 2002 and approved by the Ministry of Justice in 2004, was subsequently updated several times, partly as a result of the numerous legislative measures that expanded the catalogue of predicate offences. The last update is dated 21 June 2021.

<sup>6</sup>In particular:

- *with regard to Article 24, the following crimes: undue receipt of public funds, fraud (including aggravated fraud) to the detriment of the State, a public body or the European Union for the purpose of obtaining public funds, embezzlement and computer fraud to the detriment of the State or a public body, and disturbance of the freedom of tenders and of the procedure for the choice of contracting parties;*
- *with regard to Article 25, the following crimes: illegal inducement to give or promise benefits, public corruption, private-to-private corruption, incitement to private-to-private corruption and trafficking in illicit influences.*

- “environmental crimes” (article 25-undecies);
- the offence of “employment of illegally staying third-country nationals” (article 25-duodecies);
- crimes of “racism” and “xenophobia” (article 25-terdecies);
- the offence of “fraud in sports competitions, illegal exercise of gambling or betting and games of chance by means of prohibited devices” (article 25-quaterdecies);
- “tax crimes” (article 25-quinquiesdecies);

and the provisions of Law 146/1990 concerning “transnational crimes”<sup>7</sup>.

The individual cases of predicate offences considered theoretically applicable to the Company are indicated in **Annex C Organisational and supervisory controls (for each area of at-risk activities and associated predicate offences)**.

The Compliance Programme will be updated, where necessary, in relation to any further regulatory provisions that may be issued in the future by the legislator in the scope of application of Legislative Decree 231/2001, in order to ensure over time its adequacy and suitability to prevent the predicate offences identified by the Company from being committed.

## 2.2 The Code of Ethics

The Code of Ethics of the MFE Group contains the fundamental principles and values that inspire the Group (and, therefore, the Company) in the pursuit of social objectives and is a founding component of the Compliance Programme and the overall internal control and risk management system.

The aim of the Code of Ethics was to clearly define the principles and values that the MFE Group recognises, accepts and shares, and whose observance is essential for the proper performance of its activities, reliable operations and the image of the Mediaset Group, in the conviction that for the Company to be successful it must carry out its business in an ethical way. The Code of Ethics sets out the fundamental ethical principles and values (such as fairness, propriety, transparency, responsibility and good faith) that permeate every aspect of day-to-day work and are essential for successful relationships with MFE Group companies at every level.

The principles of the Code of Ethics also provide the foundation on which the Compliance Programme is built and act as a useful reference for the actual application of the Compliance Programme within the Group as regards company dynamics, also in order to comply with the provisions of Article 6 Legislative Decree 231/2001.

The rules and guidelines of the Code of Ethics, constituting a common basis of values for all Group companies, are binding for the Addressees: As such, the Code of Ethics applies not only to employees of the Company but also to all who work for/with Group companies, regardless of the relationship between them, which may also be temporary, and including the directors and statutory auditors.

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<sup>7</sup>The assessments of the system of preventive controls considered the offences covered by the Decree at the time of the analysis. Therefore, the amendment process focused on unlawful acts that were considered to be a priority for the Company, given its organisation and the nature of its activities. Moreover, other types of offences covered by the Decree (e.g. those envisaged in Article 25-quater.1) have been excluded because VIRGIN RADIO ITALY has decided that it is extremely unlikely – if not impossible – that they will be committed, due to the nature of its activities.

The Code of Ethics states that respect for the law, current regulations and commonly accepted business ethics is a fundamental principle of the MFE Group's actions. It also establishes the principles that (i) all Addressees must follow in their everyday work/roles/functions; (ii) must guide all operations, conduct and relationships, both within and outside the Group. The Code of Ethics was distributed to all Addressees following its adoption and after all subsequent amendments. In addition, all collaboration and supply contracts and, more generally, contracts concerning third-party business relationships with Group companies have been amended to contain an explicit reference to the Code of Ethics (and the Company's Compliance Programme) and to state that any violation of the fundamental principles of the Code may constitute a breach of contractual obligations.

The penalties that can be imposed if the Code is violated (as indicated in paragraph 2.6 below, System of penalties) demonstrate the importance of the Code of Ethics and its functioning for the *Company and the Group*.

## 2.3 Process for updating the Compliance Programme: aims and procedures

VIRGIN RADIO's decision to adopt a compliance programme pursuant to Legislative Decree 231/2001 (and to ensure that it is constantly updated) is part of a broader Company and MFE Group policy aimed at the education of Addressees, transparent and proper management of company activities, and compliance with current laws and the fundamental principles of business ethics.

The main aim of the Compliance Programme is to establish a structured and comprehensive system of procedures/rules of conduct and control activities, which are to be carried out mainly as preventive measures in order to stop – as far as possible – the various types of crimes/administrative offences referred to in the Decree from being committed.

In particular, the aims of the Compliance Programme are to:

- promote and establish a business culture based on respect for the law and regulations, preventing and as far as possible limiting the possible risks connected to business activities, with particular regard to identifying and mitigating any unlawful conduct;
- promote a culture of “control”, in order to oversee the achievement of the Company's objectives over time;
- ensure efficient and balanced organisation of the business, with specific reference to the decision-making process and decision transparency, as well as preventive controls and follow-up controls, and internal and external information;
- raise awareness among all the Addressees – and in particular all those who work in the name and on behalf of RTI in potentially at-risk areas of business activity (*areas of at-risk activities*) – that if they breach the provisions of the Code of Ethics, the Compliance Programme and/or associated company procedures, these unlawful acts may make them and the Company liable to criminal and administrative penalties;
- emphasise that the Company condemns these forms of unlawful behaviour, regardless of their type or aims, as they are against the law and the ethical principles that the Company and the MFE Group companies follow in their activities and in pursuit of their business objectives;
- enable the Company to maintain constant control and careful supervision of its business activities, so that it can intervene promptly either (i) for preventive purposes, by monitoring the areas of “at-risk activities” and *stopping the commission* of such unlawful acts before they happen, or (ii) applying the disciplinary measures envisaged by the Compliance Programme.



As noted above, when preparing the *Compliance Programme*, VIRGIN RADIO followed established corporate governance and internal control principles, in keeping with the *Enterprise Risk Management* policies adopted by the Group.

According to these principles, a risk management and control system in line with the provisions of Legislative Decree No. 231/2001, integrated and made consistent with the overall management of corporate processes, provides for the following characteristics:

- (i) it identifies and maps the “*areas of at-risk activities*”, i.e. those areas of company activities where crimes/administrative offences could potentially take place;
- (ii) it analyses potential risks by “*areas of at-risk activities*” in terms of the potential ways in which the unlawful acts could be committed;
- (iii) it analyses potential risks by “*areas of at-risk activities*” in terms of the potential ways in which the unlawful acts could be committed.

The process of creating the Compliance Programme was therefore divided into two phases::

- a) identification and formal mapping of risks, i.e., an analysis of the Company context in order to identify (i) the crimes/administrative offences that apply to the Company, (ii) the areas that – based on the actual activities performed by the Company – could potentially involve the commission of crimes and, finally, (iii) the possible ways in which the unlawful events covered by Legislative Decree 231/2001 may occur and its aims;
- b) definition of the Compliance Programme, by evaluating the organisational, management and control system for existing risks within VIRGIN RADIO, and subsequent updates to the compliance programme by adding to or amending the existing preventive controls and formalising them in specific procedures, where necessary, to effectively prevent the identified risks and, in any case, to reduce them to an acceptable level.

## 2.4 The “*Areas of at-risk activities*”

Based on the results of VIRGIN RADIO’s risk identification process, the following “*areas of at-risk activity*” have been identified (i.e. the business areas where offences could potentially occur):

- 1) managing obligations with the Public Administration for authorisations, licences and/or public concessions;
- 2) managing relations with the Public Administration or public supervisory authorities for audits and inspections;
- 3) organising training programmes and/or services for personnel that are financed using public grants;
- 4) obtaining public grants for radio companies;
- 5) managing relations with the Board of Statutory Auditors and investors;
- 6) managing accounts and preparing annual and interim financial statements;
- 7) preparing the sustainability report;



- 8) managing tax obligations;
- 9) managing *intercompany* relations;
- 10) managing extraordinary transactions;
- 11) sourcing and managing insurance services;
- 12) managing relations with credit institutions;
- 13) managing collections and payments;
- 14) managing cash reserves;
- 15) purchasing goods and services;
- 16) purchasing brands and patents;
- 17) managing small production purchases;
- 18) managing logistics;
- 19) obtaining professional assignments;
- 20) obtaining artistic services;
- 21) managing games, prize competitions and contests;
- 22) managing copyright (e.g., SIAE);
- 23) monitoring content for broadcast;
- 24) selling goods and services;
- 25) managing loans;
- 26) managing exchange visibility transactions;
- 27) selecting and hiring personnel;
- 28) managing human resources<sup>8</sup>;
- 29) personnel administration;
- 30) managing social security and pensions compliance obligations;
- 31) managing travel expenses;
- 32) managing expenses for gifts and donations;
- 33) managing entertainment and sponsorship expenses;

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<sup>8</sup>Specifically refers to: incentive system; awards of promotions/pay increases and fringe benefits.

- 34) managing legislative compliance for health and safety at work;
- 35) management of legal compliance for the protection of the environment;
- 36) managing and disclosing inside information;
- 37) obtaining confidential information;
- 38) managing judicial, extra-judicial and arbitration proceedings;
- 39) managing the Company's IT systems<sup>9</sup>;
- 40) managing promotional activities of music tracks.

The results of the process of risk mapping and analysing the “*areas of at-risk activities*” are contained in specific documents kept at the Company's premises.

Annex C contains a description of the “*areas of at-risk activities*” (direct or indirect), associated crimes and the various organisational controls put in place by the Company

## 2.5 Procedures defined in the Compliance Programme 231

Once identification of the risks and “*areas of at-risk activities*” was completed, the next step involved implementing an assessment and evaluation of the effectiveness of the Company's compliance system, duly documenting – where necessary – the standards and control activities to be applied in the various processes in order to prevent the unlawful acts identified by the Decree.

The procedures/rules of conduct referring to the Compliance Programme are defined and updated by the competent corporate functions and brought to the attention of the Addressees by means of appropriate communications and made available through publication on the corporate *intranet* in special sections.

The procedures/rules of conduct covered by the Compliance Programme add to the principles outlined in the Code of Ethics, company regulations, organisational charts, service orders, the system of allocating delegations, powers and company proxies and all other organisational and control tools – also part of the Compliance Programme – that are already used or operational within the Company. .

The procedures outlined in the Compliance Programme and other company provisions correspond to general internal control principles, in keeping with the best practices concerning risk management, aimed at ensuring sound and correct management of the Company that is consistent with its pre-established aims and compliance with the provisions of Legislative Decree 231/2001. In general, the Company's internal control system, as set out in company procedures and other internal company regulations, must:

- ensure, in terms of company processes, an adequate level of separation of functions so as to reduce the possibility of “*at-risk*” conduct and facilitate its rapid identification;
- ensure that powers of authority and signature are allocated in line with the organisational and management responsibilities assigned;
- guarantee the use of operational and administrative-accounting systems and procedures that ensure complete and accurate recording of company events and operations;

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<sup>9</sup>Specifically refers to: *system software* licence management, management of physical and logical security, segregation of duties, website management.

- ensure that financial resources are managed in complete accordance with current laws and that every financial transaction is promptly authorised and accurately and completely recorded and reported;
- guarantee the traceability of control and monitoring activities carried out on the operational processes and administrative-accounting activities.

## 2.6 General Anti-Corruption Guidelines. Prevention of Tax Offences

Considering the constant strengthening of the fight against public and private corruption, both internationally and in view of Italian lawmakers particular focus on combating corruptive practices (from the *Anti-Corruption Law of 2012*), to align the Group with the best practices that have gradually developed to combat corruption, the Compliance Programme also comprises a document dedicated to “**General Anti-Corruption Guidelines**” (Annex D). These set out a systematic reference system on preventing corruptive practices, providing – in accordance with chapter III (Business Conduct) of the Code of Ethics – a summary of the ethical and conduct-related rules that the Addressees must follow (especially if they work in specific “*areas of at-risk activities*,” such as relations with institutions and public officials, procurement of goods and services, *sale of goods and services*) in order to avoid any illicit or improper conduct, and to respect the provisions of current laws and regulations on preventing corruption, and the principles and values contained in the Code of Ethics, the Compliance Programme and company procedures adopted from time to time.

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The broadening of the scope of the underlying offences to include some of the offences provided for by Legislative Decree no. 74 of 10 March 2000 (tax crimes) has prompted the companies to become *increasingly* aware of corporate risks – including at tax level. In this context, therefore, a careful and coordinated intervention was defined, aimed at eliminating or at least mitigating the risk of the offences set out in Article 25-*quinquiesdecies* of the Decree from being committed.

Specifically, the MFE Group has defined a “*Tax Compliance Model*” with the aim of regulating the methods, tools and organisation of the tax risk governance system (understood as the risk of operating in violation of tax regulations or, in general, in contrast with the principles or purposes of the tax system), through the adoption of an appropriate system for the detection, assessment, management and control of this risk (“*Tax Control Framework*” or “*TFC*”).

Based on the reference model developed by the Organisation for Economic Co-operation and Development (OECD) and on national and international *best practices*, the TFC adopted by the Group is aimed at guaranteeing an adequate identification, measurement and management of tax risk, through a clear assignment of roles and responsibilities to the various sectors of the corporate organisation, the adoption of and compliance with specific procedures, as well as the definition of controls to detect any shortcomings in the functioning of the system and for the activation of appropriate corrective actions.

## 2.7 System of penalties

Pursuant to Article 6, paragraph 2, letter a) and Article 7, paragraph 4, letter b) of the Decree, the definition of a suitable disciplinary system that sanctions infringements of the Compliance Programme and the associated company procedures by senior managers and/or persons subject to the management or supervision of others, is an indispensable part of the compliance programme and essential for guaranteeing its effectiveness.

The provision of penalties, duly commensurate with the violation committed and endowed with “*deterrence mechanisms*,” is intended to contribute to ensuring both the effectiveness and effectiveness of the Compliance Programme and of the supervisory and control activities carried out by the supervisory and control body.

In accordance with the Decree, the Company has therefore declared that any violation of the rules of the Code of Ethics or of the provisions of the Compliance Programme and/or associated procedures will result in penalties for the Addressees. Such violations damage the relationship of trust – based on transparency, propriety, integrity and honesty – created with the Company and may lead to disciplinary action being taken against the individuals in question and penalties being imposed. This applies regardless of the initiation of any criminal or administrative proceedings - in cases where the conduct does or does not constitute an offence - and of the outcome of the ensuing judgement.<sup>10</sup>

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The penalties and relative procedures *for* charging violations differ depending on the different categories of Addressees.

### Company Employees

Any conduct by **employees** which violates the principles and rules of conduct contained in the Code of Ethics, the Compliance Programme and/or company procedures is considered to be a breach of the primary obligations of the employment relationship and therefore also qualify as disciplinary offences.

The penalties that can be imposed on employees are covered by the Company disciplinary system and/or the system of penalties provided for by the specific regulations contained in particular in the applicable national collective labour agreement (CCNL) and supplementary company contracts (CIA), in accordance with the procedures contained in Article 7 of Law 300/1970 (Workers' Statute) and any applicable special and/or sector regulations.

The VIRGIN RADIO disciplinary system therefore comprises the regulations contained in the Civil Code, the special laws that exist concerning this matter and the agreed provisions of the CCNL and the CIA. Any violations are verified and the consequent disciplinary procedures are implemented by the relevant company management structure, in accordance with current laws and regulations and with the provisions of the applicable National Collective Labour Agreement and Contracts.

The penalties contained in current contractual provisions (e.g. under the national collective labour agreement - CCNL - for employees of radio, tv, multimedia and multi-platform companies: *verbal warning, written warning, a fine of up to the equivalent of 4 hours' salary, suspension from work and of salary for up to 10 days, dismissal*) are applied taking into account the importance of the obligations violated and:

- the gravity of the conduct and, in particular, the degree of intent in the conduct or the degree of negligence, imprudence or malpractice involved;
- the overall conduct of the employee, with particular regard to the existence or lack of previous disciplinary penalties and to repeat offending;

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<sup>10</sup>In any case, since any violation of the Code of Ethics, the Compliance Programme and/or internal procedures is independent of any violation of the law that may constitute a crime or administrative offence pursuant to Legislative Decree 231/2001, the evaluation by the Company of such conduct by the Addressees may not be the same as the judicial evaluation expressed in a court of law.

- the hierarchical and/or functional position, role and duties of the employee in question;
- the presence of aggravating or mitigating circumstances with particular regard to the professionalism of the person involved and the circumstances in which the violation was committed;
- any shared responsibility with other persons complicit in the violation;
- any other relevant, specific circumstances relating to the violation in question.

Disciplinary penalties may be applied, purely by way of example and by no means exhaustively, to the following actions, including if performed in association with others:

- failure to respect, in general, the rules of conduct contained in the Code of Ethics, the Compliance Programme and/or the associated company procedures, including by omission;
- failure to observe regulations and principles of good conduct as set out in Italian and international laws containing organisational and preventative rules, clearly directed towards committing one of the unlawful acts covered by the Decree;
- failure to act in accordance with the Code of Ethics, the Compliance Programme and/or the associated company procedures, exposing the Company to at-risk situations with regard to the offences outlined in the Decree;
- failure to follow the procedures and/or processes for implementing the decisions of senior managers and/or superiors for organisational and operational activities;
- failure to respect company procedures concerning records and traceability of work performed, with reference to procedures for documenting, conserving and checking records, in such a way as to impede their transparency or verifiability;
- violation and/or evasion of the control system in force by removing, destroying or altering the documentation required under by company procedures;
- conduct designed to obstruct or evade controls and/or unjustifiably preventing persons responsible for controls, including the supervisory and control body, from accessing information and documents;
- breach of the provisions pertaining to powers of corporate signature and, in general, the system of delegated powers;
- lack of supervision by superiors on the conduct of the individuals under their supervision with regard to the correct and efficient application of the principles/rules of conduct contained in the Code of Ethics, the Compliance Programme and/or associated company procedures;
- non-compliance with reporting obligations towards the Supervisory and Control Body or repeated delays in sending the requested data and/or information;
- violation of the measures put in place to protect the confidentiality of the identity of those who, under the *whistleblowing* system adopted by the MFE Group, report offences and/or irregularities, including suspected ones, of violations of the Code of Ethics, of the Compliance Programme (and of the company procedures relating thereto) or of unlawful conduct relevant under Legislative Decree 231/2001;

- groundless reports, made with intent or gross negligence, offences and/or irregularities, including suspected ones, of violations of the Code of Ethics, of the Compliance Programme (and of the company procedures that refer to it) or of significant illegal conduct pursuant to the Decree.

If the disciplinary penalties are applied to employees with the authority to represent the Company, the penalties could result in such authority being withdrawn.

#### Executives

Executives have a relationship with the Company that is pre-eminently based on trust. Therefore it is essential that company executives respect the principles and provisions of the Code of Ethics, the Compliance Programme and/or associated company procedures, and that they ensure that these principles and requirements are respected.

Since these individuals are also employees of the Company, any violations are verified and the consequent disciplinary procedures are implemented by the relevant company management structure, in accordance with current laws and regulations and with the provisions of the National Collective Labour Agreement for Industrial Executives.

In the event of violation, by executives, of the provisions of the Code of Ethics, the Compliance Programme and/or the company procedures that refer to it, or of the adoption, in the performance of activities in the “*areas of at-risk activities*” of conduct that does not comply - including in terms of omission - with the prescriptions contained therein, or in the event that the executive allows persons hierarchically subordinate to them to adopt conduct that does not comply with the aforementioned prescriptions, the Company shall apply to those responsible the most appropriate penalties with respect to the seriousness of the conduct committed, in accordance with the nature of the executive relationship as also resulting from regulations in force and from the National Collective Labour Agreement for Industry Executives (from written reprimand up to, in the most serious cases, dismissal with or without notice, in particular where the conduct seriously undermines the fiduciary relationship, so as not to allow the continuation, whether temporary or not, of the employment relationship).

If the disciplinary penalties are applied to executives with the authority to represent the Company, the penalties could result in such authority being withdrawn.

#### Collaborators, suppliers and/or persons/entities who have business relationships with the Company

The Company believes that any action taken by external persons/entities that could constitute one of the offences referred to in the Decree must be censured and prevented. Therefore, for *collaborators, suppliers and/or persons/entities that have business relations* with MFE Group companies – regardless of the relationship, even temporary, between them – any failure to comply with the Code of Ethics, the Compliance Programme and/or the associated company procedures is a breach of contractual obligations for all legal consequences. In the most serious cases, such a breach can therefore result in termination of contract and/or dismissal, as well as payment of damages claimed by the Company.

#### Directors and statutory auditors

The Company examines any violation by senior managers of the Code of Ethics, the Compliance Programme and/or the associated company procedures very closely, since they are the leaders of the Company and represent it to employees, shareholders, creditors and the market. Indeed, to create and consolidate a company ethic based on the values of propriety, fairness and transparency,

these values must to be embodied and respected above all by company decisionmakers, so that they set an example and act as inspiration for everyone who work in and for the Company at all levels.

Therefore, in the event of any violation by *directors* and/or *statutory auditors* of the principles and provisions of the Code of Ethics, the Compliance Programme and/or the associated company procedures, or if they take decisions as part of their duties that violate these provisions, the competent company bodies will be responsible for adopting the most appropriate protective measures in each case, in accordance with current laws and regulations, including revocation of any delegated powers and/or mandates.

Whether or not any protective measures are invoked, the Company has the right to take the actions allowed under the Civil Code (e.g., actions for liability and/or compensation).

For violations by a senior manager who is also an employee, the relevant disciplinary actions applicable to Company employees will be invoked in addition to – and not instead of – the actions for liability and/or compensation.

### Supervisory and Control Body

For members of Supervisory and Control Body, if they are employed by the Company then the provisions of the sections on “employees” and/or “executives” are applied; if, however, they are collaborators or consultants, then the provisions of the section on “collaborators” are applied.

## 2.8 Supervisory and Control Body

Article 6, paragraph 1, letters b) and d) of the Decree, exempt the entity from liability if it adopts and effectively implements a compliance programme suitable to prevent the commission of predicate offences. These Articles also require the entity to establish a body endowed with an independent power both of control – to supervise the operation of and compliance with the Compliance Programme) and of initiative, to ensure that it is constantly updated.

As such, assigning these tasks and their correct, timely and effective performance are essential prerequisites for exempting the entity from liability. In keeping with the principle of effectiveness, aside from its formal identification, the body must be able to actually complete the complex and sensitive task attributed to it by the Decree.

For the effective and efficient implementation of the Compliance Programme, this supervisory and control body must have the following characteristics:

- i) autonomy and independence - the position of the body within the entity must ensure the autonomy of its inspection and control activities from any form of interference and/or conditioning by any member of the entity (and, in particular, by the management body and senior persons in general). In the event that the body has a mixed collegial composition (i.e., it also includes the presence of persons within the body), the degree of independence of the body is assessed as a whole.
- ii) professionalism – the body must possess appropriate skills to be able to adequately and effectively perform the tasks assigned to it, also with regard to inspection activities and analysis of the control system, as well as in-depth knowledge of the corporate and company organisational structure: Together with its autonomy and independence, these characteristics guarantee the objectivity of its judgements.
- iii) continuity of action – the body must represent a dedicated structure, which - with the necessary

powers of inspection and control - constantly monitors compliance with the Compliance Programme, oversees its implementation and ensures that it is regularly updated

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Considering the size, organisational complexity and activities carried out by the Company, the VIRGIN RADIO supervisory and control body (hereinafter, “Supervisory and Control Body” or “Body”) is a collegial body, appointed by the Board of Directors according to the logic and criteria described below, and is made up of three members, of which at least two are external to the Company<sup>11</sup>.

This choice was deemed appropriate as it satisfies the need for the role and responsibility to be assigned to persons who can wholly guarantee the effective autonomy and independence of the Body. In any case, the identification of the members is assessed on a case-by-case basis, taking into account the characteristics of the Company, the regulatory and jurisprudential developments on the subject, as well as the indications expressed by doctrine and trade associations.

#### Requirements

The members of VIRGIN RADIO's Supervisory and Control Body must meet the same integrity standards as directors of the Company and professional standards commensurate with the position they will hold. In addition they must not be ineligible for any reason or have conflicts of interest with other company departments and/or positions that could undermine their independence and freedom of action and judgement. The Company's Board of Directors must check, from time to time, that the members of Mediaset's Supervisory and Control Body meet these requirements, both before their appointment and periodically – at least once a year – throughout their term in office. If any member of the Body has been definitively convicted by judgment or plea bargain, in particular of one of the offences covered by the Decree, they will be found to be ineligible and dismissed from office for just cause.

#### Appointment, term in office, dismissal

The Board of Directors of VIRGIN RADIO appoints the Supervisory and Control Body, which normally remains in office for the term of the Board of Directors that appointed it or for a different term if so defined in the board resolution on its appointment. Upon expiry of their term of office, members may be reappointed.

To ensure its full autonomy and independence, the Supervisory and Control Body reports directly to the Board of Directors of the Company.

If even one of the integrity, professionalism, eligibility and/ or conflict of interest requirements referred to in the previous section is no longer met while still in office, then the member in question will be dismissed.

The Company Board of Directors is responsible for dismissing members of the Supervisory and Control Body. In the event of dismissal or forfeit, the Board of Directors promptly replaces the outgoing member, subject to prior verification of the subjective requirements indicated above. The term in office of the Supervisory and Control Body will expire in the event of dismissal or forfeit of all its members. In this case, the Board of Directors of the Company shall make a new appointment without delay.

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<sup>11</sup>The Company did not deem it appropriate to entrust the functions of supervisory and control body pursuant to Legislative Decree 231/2001 to the Board of Statutory Auditors.



### Duties and responsibilities

In carrying out its activities, the Supervisory and Control Body - under its direct supervision and responsibility - is mainly supported by the Internal Auditing Department, and may avail itself - where necessary - of the support of other corporate functions (such as, for example, the Legal Affairs Department, the Compliance Programmes Coordinator, the Corporate Affairs Department, the personnel, organisation and training functions, etc.), or of external consultants with specific professional skills.

The Supervisory and Control Body has the following responsibilities:

- i) to ensure that the rules of the Code of Ethics, the Compliance Programme and/or the associated company procedures are observed by Addressees, detecting and reporting any violations and/or deviations from these rules and, in light of any violations, noting the sectors that are most at risk;
- ii) to check the effectiveness and actual ability of the Compliance Programme to prevent the offences referred to in Legislative Decree 231/2001, with regard to individual company departments and the business activities performed;
- iii) to guarantee that Compliance Programme remains robust, effective and functional as time passes;
- iv) to check if the Compliance Programme needs to be updated, where it is found that should be amended and/or supplemented due to changes in regulations, the Company's shareholding/organisational structure and/or how the Company carries on its business, or in the event of significant violations of the requirements of the Code of Ethics, the Compliance Programme and/or associated company procedures;
- v) to obtain from all Addressees of the Compliance Programme the company documents and information deemed useful for fulfilling its duties and responsibilities;
- vi) to verify that Addressees receive suitable information and training on the principles, values and rules of conduct set out in the Code of Ethics, the Compliance Programme and/or associated company procedures, including on each occasion when it receives requests for clarifications and reports;
- vii) to verify the adequacy of the initiatives connected with providing information and training about the principles, values and rules of conduct contained in the Code of Ethics, the Compliance Programme and/or the associated company procedures, as well as the level of knowledge of Addressees, with particular reference to individuals who work in "*areas of at-risk activities*";
- viii) to report periodically to the various company bodies;
- ix) to collect, elaborate and store reports and material information sent in by the various company departments in relation to the Compliance Programme and the associated company procedures, and to store the results of this work and the relevant reports.
- x) to send the Whistleblowing Committee, for the activities falling within its competence, any reports received concerning violations and/or unlawful conduct relevant pursuant to Legislative Decree 231/01 or violations of the Code of Ethics and/or Compliance

Programme, adopting operating procedures to ensure the utmost confidentiality on the identity of the whistleblower (and of other persons deserving protection) and on the content of the report.

To undertake its responsibilities, the Supervisory and Control Body may, at any time whatsoever, at its own discretion and independently, verify the application of the Compliance Programme and the associated company procedures. In doing so its members may act jointly or severally.

In particular, these checks may include:

- i) checks on specific company operations: to this end the Supervisory and Control Body will thoroughly check the acts and/or contracts and in general the company documents relating to the “*areas of at-risk activities*” in the manner and frequency established by the Body itself;
- ii) checks on the procedures/rules of conduct adopted: to this end the Supervisory and Control Body will periodically check the effectiveness and implementation of the procedures/rules of conduct associated with the Compliance Programme.

Following the audits carried out, regulatory and/or organisational changes made from time to time, as well as in the event of new *areas of at-risk activities* or of significant violations of the provisions of the Code of Ethics, Compliance Programme and/or the corporate procedures that refer to it, the Supervisory and Control Body shall inform to the competent corporate functions of the need to update the Compliance Programme and/or the relevant procedures or undertake specific initiatives and/or corrective actions.

The Supervisory and Control Body will carry out follow-up checks to ensure that the recommended corrective actions are implemented by the relevant company departments.

If the Addressees have any queries and/or problems understanding the Code of Ethics, the Compliance Programme and/or associated company procedures, they can ask the Supervisory and Control Body for the necessary clarifications.

To carry out the specific supervisory and control activities assigned to it, the Supervisory and Control Body is provided with annual funding, which is periodically updated according to the specific needs that arise. The funds are designed to enable it to perform the responsibilities referred to above and to ensure that the Board has total financial and managerial independence.

#### Functioning of the Supervisory and Control Body

The Supervisory and Control Body meets as a rule once every two months and whenever any of its members deem it necessary.

Minutes must be kept for every meeting and signed by all members. Meetings are validly constituted with the presence of its members and can also be held remotely, through common IT platforms. The decisions of the Supervisory and Control Body are taken on the basis of a majority vote.

The Supervisory and Control Body has the power to appoint a secretary, who may also be chosen from outside its members, and to regulate all operational aspects concerning its functioning in a specific regulation, drafted and approved by it.

### Information flows to company bodies

With reference to the activity of *reporting* to the company bodies, the Supervisory and Control Body reports at least every six months, through specific written reports: (i) the Board of Directors, concerning the implementation of the Compliance Programme, and (ii) the Board of Statutory Auditors.

At the end of its term in office, the Supervisory and Control Body may - where it deems appropriate - prepare an end-of-term report for the company bodies.

The Board of Directors may ask the Supervisory and Control Body at any time to report on the functioning of the Compliance Programme or on specific situations. In addition, in the event of special needs, it may inform the corporate bodies directly and on its own initiative.

### Information flows to the Supervisory Body

The Addressees of the Compliance Programme must provide data and/or information requested by the Supervisory and Control Body according to the contents, manner and frequency set by the Body. To this end, the Supervisory and Control Body prepares a specific document, called the “*Information Flow Document*” and sends it to the company departments concerned.

The obligations to inform the Supervisory and Control Body are a fundamental tool for the proper performance of supervisory and control activities on the effectiveness of the Compliance Programme and the *ex post* verification of the causes that may have allowed an offence to occur within the Company. For this reason, any failure by the Addressees to comply with these information obligations or repeated delays in sending the requested data and/or information constitute conduct that may lead to the application of the disciplinary penalties set out in paragraph 2.8 above.

Addressees must also immediately send the Supervisory and Control Body any information concerning measures taken by magistrates, the police or any other public body pertaining to investigations or legal proceedings involving any of the offences covered by Legislative Decree 231/2001 regarding the Company and/or the Addressees.

The storing of all information and reports gathered by the Supervisory and Control Body is the responsibility of the Body itself, in accordance with regulations, rules and conditions for access to the data that guarantee its integrity and privacy.

For the aforementioned information purposes (as well as for clarifications and/or information or for any and all reports as indicated in paragraph 2.9 below), the Supervisory and Control Body also has a specific e-mail address ([odv.virginradioitaly@mediaset.it](mailto:odv.virginradioitaly@mediaset.it)), accessible exclusively by its members and - if appointed - by its secretary.

### “SB Portal”

In order to facilitate and support verification and control activities, as well as to ensure an efficient and systematic approach to the management of information flows and, more generally, to the specific performance of its tasks, the Supervisory and Control Body has a dedicated portal, the “**SB Portal**”, which can be accessed by its members via the company *intranet* under “*Compliance 231*”. This tool also allows for the timely filing of both the documentation produced by the Supervisory and Control Body (e.g., minutes of meetings and half-yearly reports to corporate bodies) or received by it from the various corporate functions.

## 2.9 Whistleblowing

Legislative Decree No. 24 of 10 March 2023 adapted Italian legislation to the minimum standards of protection against the so-called “whistleblowers” provided for by Directive (EU) 2019/1937 (“EU Whistleblowing Directive”), ensuring protection - both in terms of safeguard of confidentiality and in case of retaliation - not only of subjects who expose themselves directly by making reports, complaints or public disclosures regarding violations of national regulatory provisions<sup>12</sup>, or EU law and/or illegitimate behaviour, but also of other subjects who contribute to the emergence of such situations.

According to the Decree, entities in both the public and private sectors must implement “their own reporting channels, which ensure, also through the use of encryption tools, the confidentiality of the identity of the whistleblower, of the person involved and of the person in any case mentioned in the report, as well as the content of the report and the report itself.” In addition, reports can also be made using an external channel made available by the ANAC (National Anti-Corruption Authority) or - under certain conditions - through public disclosure.

In the light of these regulatory provisions, the Italian companies belonging to the MFE Group (and, therefore, also the Company) have adapted their whistleblowing system through which offences and/or irregularities, including suspicious ones, can be reported, ensuring absolute confidentiality on the identity of the whistleblowers (and of the other persons deserving protection) and ensuring them maximum protection against retaliatory conduct or any form of discrimination or penalisation (hereinafter, the ‘Whistleblowing System’).

In particular, a specific corporate procedure (LGO MD-HO 125 “Management of Whistleblowing Reports”) has been adopted for the regulation of the System at companies under Italian law (including the Company), which - in line with the reference legislation and policies applicable at Group level - has provided for specific internal reporting channels and has identified a specific committee in charge of managing the System, the Whistleblowing Committee.

Therefore, employees and all those who work for/with the Company (and/or other companies under Italian law), regardless of the relationship, whether or not temporary, that binds them to it (such as, by way of example, collaborators, self-employed workers, consultants, volunteers, trainees, suppliers, customers, partners, members of corporate bodies, shareholders) may report - also anonymously - any conduct, act and/or omission, whether or not suspected, illegal, improper or immoral, that harms the public interest or the integrity of the Group companies, of which the whistleblower has come to learn of as part of their work, through the following internal channels:

- computer platform, also through voice messaging, available at a dedicated [LINK](#);
- e-mail: [comitato.whistleblowing@mediaset.it](mailto:comitato.whistleblowing@mediaset.it);
- certified email (PEC): [comitato.whistleblowing@pec.mediaset.it](mailto:comitato.whistleblowing@pec.mediaset.it);
- direct personal meeting with the Whistleblowing Committee, at the specific request of the whistleblower, formulated using the above channels.

Details and information on the use of internal channels, the conditions for using the external channel, and the Whistleblowing System in general, can be found in the relevant section of the MFE Group’s

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<sup>12</sup>Specifically, with the term ‘violations’ the Decree refers to: conduct, acts or omissions detrimental to the public interest or the integrity of the public administration or private entity, consisting of (i) administrative, accounting, civil or criminal offences; (ii) unlawful conduct relevant under Legislative Decree 231/01 or violations of the Compliance Programmes; (iii) offences falling within the scope of EU or national acts.

corporate website, available at [www.mfemediaforeurope.com/it/governance/compliance/](http://www.mfemediaforeurope.com/it/governance/compliance/) as well as in the new “Whistleblowing” area of the corporate Intranet.

The Supervisory and Control Body is provided by the Whistleblowing Committee - at the intervals provided for in the corporate procedure referred to above - with a special report containing a summary of the reports received, the investigative activities carried out, any corrective actions identified and the follow-up given to them.

## 2.10 Information and training

Specific communication and training plan are periodically defined to ensure that the Addressees are made aware of the principles and provisions of the Code of Ethics, the Compliance Programme and/or associated company procedures/rules of conduct. The Company also adopts specific measures to ensure that the Addressees are actually aware of the aforesaid principles and provisions, with sufficient diversification according to their roles, responsibilities and duties, and with due regard to the areas in which individual Addressees operate. This plan is managed by the competent corporate functions, which coordinate with the Supervisory and Control Body and follow any indications provided by it.

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### Communications

The Company has adopted specific procedures for disseminating the Compliance Programme and the associated company procedures/rules of conduct to the Addressees within the Company that ensure traceable consultation. The Compliance Programme is also published: (i) on the MFE Group’s website at [www.mfemediaforeurope.com/it/governance/compliance/](http://www.mfemediaforeurope.com/it/governance/compliance/); (ii) on the company intranet (where the associated company procedures are also available) under “Compliance 231”.

Knowledge of the provisions on corporate administrative liability and compliance with the resulting rules must be an integral part of the professional culture of all Addressees (especially employees). Therefore, to make information on the Compliance Programme even more accessible, internal Addressees can consult a specific, regularly updated “Compliance 231” portal accessible via the company intranet system. The *portal contains* the text of the Decree and the regulations that introduced the various predicate offences, the Code of Ethics, the Compliance Programme, judgments on Compliance, doctrinal analyses, presentations, *cases studies*, etc.

The adoption of the Compliance Programme and updates to it are also communicated to external Addressees (collaborators, suppliers, etc.). These Addressees’ formal commitment to comply with the principles of the Code of Ethics, Compliance Programme and/or associated company procedures is documented by duly accepted and signed contractual clauses.

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### Training

The training plans take into consideration the many variables present in the reference context, such as (i) the characteristics of the Addressees involved in the training interventions, their level of responsibility and organisational role held; (ii) content (in particular, topics relating to the role of the people involved in the training sessions); (iii) the type of training environment (classroom, *e-learning*); (iv) the time involved in providing, carrying out (preparation and duration of sessions) and accessing the training (time commitment for recipients); (v) the actions necessary to ensure adequate support for the training (promotion, support from direct supervisors).

The courses are also organised according to the key aims of providing: (a) general information and awareness; (b) *ad hoc* training on specific issues (e.g. new company procedures or updates to existing procedures).

The training deals, in general, with the law on corporate administrative liability (i.e., the consequences for the Company of any offences committed by persons/entities who act on its behalf), the essential characteristics of the offences set out in the Decree and, more specifically, with the principles of the Code of Ethics, the Compliance Programme and/or the associated company procedures/rules of conduct, as well as the specific preventive aims of the Compliance Programme in this area.

The training modules take into account, in particular, the risk level of the area of activity in which the Addressees operate.

The training plan takes the form, depending on the case and the specific needs, of courses to be held in the classroom (or via *e-learning*, which allows for the timely and widespread dissemination of the contents common to all internal Addressees of the Company (and is normally also used for new hires).

Where necessary, for those who work within the Company's "*areas of at-risk activity*" (paragraph 2.4 above), targeted meetings are defined in order to disseminate knowledge of the types of offences that can be committed in the specific area of activity, of the control measures defined for the areas of competence, and to illustrate the operating methods with which day-to-day activities must be carried out. Training is highly interactive and use case studies to facilitate learning and understanding.

There is a final test for both the classroom courses and the e-learning modules, designed to check the level of learning (and if necessary propose additional, "*ad hoc*" training).

The training courses are updated to take account of changes to laws and regulations and the Compliance Programme. Specifically, important changes (e.g. extending corporate administrative liability to new types of crimes that directly affect the company or internal organisational changes) are duly integrated into the training courses, ensuring that the Addressees are informed.

Training activities (both classroom and *e-learning* courses) are managed, monitored and documented by the competent corporate function, which is responsible for the relevant traceability.

The Supervisory and Control Body periodically verifies, also by means of the data and information periodically provided by the competent corporate function, the state of implementation of the training plan and, if necessary, may request specific checks on the contents of the training modules, the planning and implementation of the training plans and the level of knowledge and understanding acquired by the Addressees.

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### Occupational Health and Safety. Environmental Protection

In line with the principles and values expressed in the Code of Ethics and the Compliance Programme, VIRGIN RADIO recognises the relevance and importance of occupational health and safety when carrying out business activities. It is committed to constantly improving company *performance* in relation to regulations on preventing accidents and protecting health and safety at work.

In this context, the Company provides specific *information* and *training initiatives* on preventing work-related injuries and, in general, health and safety risks for workers.

As part of the Occupational Health and Safety Management System (OHSMS) – currently compliant and certified in accordance with the new standard UNI ISO 45001:18<sup>13</sup> – VIRGIN RADIO carries out a series of activities aimed at improving the basic knowledge for understanding the operating methods and conduct to be adopted in the workplace. The initiatives aim to ensure that workers (as defined in the amended Italian Safety Act – TUS) are aware of: (i) the role and responsibilities of everybody in the workplace, including how to manage emergency situations; (ii) the risk of unwanted, dangerous effects for the health and safety of people and the surrounding environment deriving from their work activities and conduct; (iii) the potential consequences of failing to respect corporate procedures and operating instructions.

The company's intranet also includes an ad-hoc section called "*Health and Safety*," which is *managed by the Health, Safety and Environment function (HSE Function)*, which illustrates the Occupational Health and Safety Management System (OHSMS) adopted by the Mediaset Group (and therefore by the Company), Group (and, therefore, the Company) and contains a series of documents providing useful information on sector regulations, the company's health and safety organisational chart, the roles and responsibilities assigned, current company procedures<sup>14</sup> and the forms in use (including those regarding contracts).

The Company organises and holds specific mandatory training courses, in accordance with current laws and regulations and the Agreements between the State and the regions and provinces of Trento and Bolzano pursuant to articles 34 and 37 of the Italian Safety Act. This training covers prevention and protection from risks in the workplace in the area of health and safety, diversified according to the recipients (e.g. managers and staff who work in the Prevention and Protection Service, people in charge of managing emergencies, workers' safety representatives, delegated executives, supervisors, workers, etc.). There are also additional training initiatives for workers who perform specific tasks as part of their everyday work duties.

The HSE Function also has the task of ensuring that the Group constantly complies with the regulatory provisions on environmental protection, defining the principles of safeguarding natural resources, minimising/eliminating negative effects on the environment, encouraging the sharing of these objectives with all interested parties (management, workers, suppliers, etc.) and encouraging their active participation.

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<sup>13</sup>Certification according to the new standard UNI ISO 45001:18 was confirmed on 25 January 2024.

<sup>14</sup>Specifically, in addition to general procedures, operating procedures and operating instructions, this section contains the following background documents: (i) Manual; (ii) Policy; (iii) Framework Analysis; (iv) Risks and opportunities.

## ANNEX A

### Legislative Decree 231 of 8 June 2001

#### *Regulations on the administrative liability of legal entities, companies and associations with or without legal personality, pursuant to Article 11 of Law 300 of 29 September 2000*

##### THE PRESIDENT OF THE REPUBLIC

- Having regard to Articles 76 and 87 of the Constitution;
- Having regard to Article 14 Law 400 of 23 August 1988;
- Having regard to Articles 11 and 14 of Law 300 of 29 September 2000, which authorises the Government to adopt, within eight months of its entry into force, a legislative decree governing the administrative liability of legal entities, companies, associations or entities without legal personality that do not carry out duties of constitutional relevance according to the principles and criteria policies contained in Article 11;
- Having regard to the preliminary resolution of the Council of Ministers adopted during the meeting of 11 April 2001;
- Having heard the opinions of the relevant permanent committees of the Senate of the Republic and of the Chamber of Deputies, in accordance with Article 14, paragraph 1, of the aforementioned Law 300 of 29 September 2000;
- Having regard to the resolution of the Council of Ministers adopted during the meeting of 2 May 2001;
- Following the proposal of the Minister for Justice in concert with the Minister for Industry, Trade and Craft and the Minister for Foreign Trade, with the Minister for EU Policies and the Minister for the Treasury;

##### I s s u e s

the following Legislative Decree:

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### ( CHAPTER I )

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## CORPORATE ADMINISTRATIVE LIABILITY

### SECTION I

#### General principles and criteria for attributing administrative liability

##### Article 1. Subjects

1. The present legislative decree governs the liability of entities for administrative offences arising from crimes.
2. The provisions it contains apply to entities with legal personality and to companies and associations with or without legal personality.
3. It does not apply to the State, local public entities, non-economic public entities nor entities that perform constitutionally significant functions).

##### Article 2. Principle of legality

An entity cannot be held liable for an action that constitutes a crime if its administrative liability for that offence and the relative penalties are not expressly envisaged in a law that came into force before the offence was committed.



### **Article 3. Subsequent laws**

4. An entity cannot be held liable for an action that according to a subsequent law no longer constitutes a crime or which no longer entails corporate administrative liability, and, if there has been a conviction, the said conviction will not be enforced and the legal effects will be cancelled.
5. If the law that existed when the offence was committed and the subsequent laws are different, the law that is more favourable is applied, unless definitive judgment has been made.
6. The provisions contained in paragraphs 1 and 2 are not applied if dealing with exceptional or temporary laws.

### **Article 4. Crimes committed abroad**

1. In the cases and under the conditions envisaged in Articles 7, 8, 9 and 10 of the Criminal Code, those entities that have their head offices in Italy are also liable to prosecution for crimes committed abroad, provided that the State where the offence was committed does not intend to prosecute.
2. In those cases where the law provides that the offender is punished on request by the Minister of Justice, the entity in question will only be prosecuted if the request from the Minister also involves the entity itself.

### **Article 5. Liability of the entity**

1. The entity is liable for the crimes committed in its interest or to its advantage:
  - a. by individuals who hold the position of representatives, directors or managers of the entity or of one of its organisational units that enjoys financial and functional independence, in addition to individuals who are responsible for the management or control of the entity;
  - b. by individuals subject to the management or supervision of one of the persons/entities referred to in letter a).
2. The entity is not responsible if the individuals referred to in paragraph 1 have acted exclusively in their own interests or in the interests of a third party.

### **Article 6. Senior managers and the entity's compliance programmes**

1. If the crime has been committed by an individual indicated in Article 5, paragraph 1, letter a), the entity is not liable if it can prove that:
  - a. the management body has adopted compliance programmes designed to prevent the type of crimes committed;
  - b. the task of ensuring that the compliance programmes function and are observed, and that they are kept up-to-date, has been allocated to a unit of the entity with autonomous powers of initiative and control;
  - c. the persons committed the crime by fraudulently circumventing the compliance programmes;
  - d. there was neither insufficient supervision nor a lack of supervision by the unit referred to in letter b).
2. In relation to the extension of delegated powers and the risk of committing crimes, the compliance programmes referred to in letter a) of paragraph 1 must meet the following requirements:
  - a. identifying the activities within which crimes may be committed;
  - b. setting out specific protocols designed to assist management in formulating and implementing the entity's decisions in relation to the crimes to be prevented;
  - c. identifying methods for administering the financial resources necessary for preventing such crimes;
  - d. setting out obligations for sending information to the unit responsible for supervising the functioning and observance of the compliance programmes;
  - e. introducing a suitable disciplinary system capable of penalising failure to comply with the measures set out in the compliance programme;
- 2-bis. The models referred to in paragraph 1 (a) shall, pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, provide for internal reporting channels, the prohibition of retaliation and the disciplinary system adopted pursuant to paragraph 2(e).

3. Compliance programmes may be adopted, ensuring the requirements of paragraph 2, based on the codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may make, within thirty days, observations on the suitability of the programmes for preventing offences.
4. In small entities the duties referred to in letter b), paragraph 1, can be directly carried out by the management body.
- 4-bis. In corporations, the board of statutory auditors, the supervisory board and the management control committee may perform the functions of the supervisory body indicated in paragraph 1, letter b, above.
5. Any profit made by an entity as a result of a crime may be confiscated, including in the form of equivalent assets.

#### Article 7. Individuals subject to management by others and compliance programmes for entities

1. In the case provided for in article 5, paragraph 1, letter b), the entity is liable if committing the offence was made possible by failure to comply with management or oversight obligations.
2. In any case, non-compliance with the obligation for management and supervision is excluded if the entity, before the commission of the crime, adopted and efficiently implemented a compliance programme suitable for preventing crimes of the type carried out.
3. In relation to the nature and size of the organisation, as well as the type of business conducted, the Compliance Programme contains suitable measures to ensure the business is conducted in compliance with the law and to detect and promptly eliminate situations of risk.
4. The effective implementation of the Compliance Programme requires:
  - a. periodic verification and eventual modification of the compliance programme when significant violations of the regulations are discovered or when the organisation or its business activities change;
  - b. an appropriate disciplinary system to sanction non-compliance with the measures indicated in the compliance programme.

#### Article 8. Autonomy of the liability of the entity

1. an entity is also liable when:
  - a. the perpetrator of the crime has not been identified or is cannot be charged;
  - b. the crime is no longer punishable for a reason other than an amnesty.
2. Unless the law states differently, an entity is not prosecuted if an amnesty has been granted for a crime for which it is held liable and the individual in question has declined the application of the amnesty.
3. An entity can decline the application of an amnesty.

## SECTION II General penalties

#### Article 9. Administrative penalties

1. The penalties for administrative offences arising from crimes are:
  - a. the fine;
  - b. prohibitory penalties;
  - c. confiscation;
  - d. publication of judgment.
2. The prohibitory penalties are:
  - a. ban on performing the activity;
  - b. the suspension or withdrawal of authorisations, licences or permits enabling the commission of the offence;
  - c. a ban on contracting with the public administration, other than to obtain a public service;
  - d. the exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted;
  - e. ban on advertising goods or services.

#### **Article 10. Administrative fine**

1. For administrative offences arising from a crime, financial penalties are always applied.
2. Financial penalties are applied of not less than a hundred units and not more than a thousand units.
3. The amount of a unit ranges from a minimum of five hundred thousand lire [€258.23] to a maximum of three million lire [€1549.37].
4. Reduced payment is not allowed.

#### **Article 11. Rules for proportioning for financial penalties**

1. In proportioning financial penalties the judge determines the number of units by taking into account the seriousness of the case, the extent of the entity's liability and what has been done to eliminate or mitigate the consequences of the offence and prevent the commission of similar offences.
2. The amount of each unit is based on the financial situation and earnings of the entity in order to ensure the effectiveness of the penalties.
3. In the cases provided for in Article 12, paragraph 1), the amount of a unit is always two hundred thousand lire [€103.29, ed.]

#### **Article 12. Reductions of financial penalties**

1. Financial penalties are reduced by half and in any case cannot be more than €103,291 if:
  - a. the perpetrator of the crime committed the offence mainly in their own interests or in the interests of a third party and the entity did not receive any advantage or received a minimum advantage;
  - b. the financial damage caused is particularly minor;
2. The penalties are reduced by between a third to a half if, before the first-instance court hearing begins:
  - a. the entity has completely refunded the damage and has either eliminated the damaging or dangerous consequences of the crime or taken effective steps in this direction;
  - b. the entity has adopted and put into practice a Compliance Programme that is suitable for preventing crimes of the same type as the one in question.
3. In cases where both the conditions referred to in the letters of the previous paragraph are true, the sanctions are reduced by between a half and two-thirds.
4. In any case, financial penalties cannot be less than €10,329.

#### **Article 13. Prohibitory penalties**

1. Prohibitory penalties are applied for those crimes for which they are expressly provided for, when at least one of the following conditions exists:
  - a. the entity has gained a substantial profit and the crime was carried out by senior managers, or by persons subject to the management or supervision of another individual, if the crime resulted from or was facilitated by serious organisational shortcomings;
  - b. in the event of repeat offending.
2. Without prejudice to the provisions of Article 25, paragraph 5, the prohibitory penalties shall have a duration of not less than three months and not more than two years.<sup>1</sup>
3. Prohibitory penalties are not applied for those cases referred to in Article 12, paragraph 1.

#### **Article 14. Criteria for selecting prohibitory penalties**

1. Prohibitory penalties are applied to the specific business to which the activity the offence committed by the entity refers. The judge determines the type and duration of the penalties on the basis of the criteria indicated in Article 11, taking into consideration the suitability of each individual sanction for preventing the type of offence committed.

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<sup>1</sup>Paragraph amended by article 1, paragraph 9 of law no. 3 of 9 January 2019, "Measures to combat crimes against the public administration, as well as on the period of time bar of the crime in relation to the transparency of political parties and movements."

2. The ban on contracting with the public administration can also be limited to specific types of contract or to specific types of public administration. Prohibition to perform an activity involves the suspension or withdrawal of authorisations, licences or permits necessary to perform the activity.
3. If necessary, prohibitory penalties can be applied jointly.
4. Disqualification from carrying out an activity is only applied when other prohibitory penalties are inadequate.

#### **Article 15. Court-appointed administrator**

1. If the conditions exist for applying prohibitory penalties that result in the interruption of an entity's business activities, the judge, when applying the penalties, will arrange for the entity's business activities to continue under a court appointed administrator for a period equal to the duration of the prohibitory penalty applied, when at least one of the following conditions applies:
  - a. the entity provides a public service or an essential public service which if interrupted could cause serious harm to the general public;
  - b. interruption to the entity's activity could cause important repercussions on employment, as a result of the dimension of the activity and the economic conditions in the area where it takes place.
2. In the judgment providing for the disqualification of the activity, the judge indicates the responsibilities and powers of the court appointed administrator, taking into account the specific activity in which the entity committed the offence.
3. In the context of the responsibilities and powers indicated by the judge, the court appointed administrator is entrusted with implementing compliance programmes suitable for preventing crimes of the type in question from being carried out. The court appointed administrator cannot carry out extraordinary administration operations without the authorisation of the judge.
4. Any profit deriving from the continuation of the activity will be confiscated.
5. A court appointed administrator cannot be assigned to continue an activity if the prohibitory penalty is definitive.

#### **Article 16. Permanent prohibitory penalties**

1. Disqualification from carrying out an activity may be applied permanently if the entity has obtained a significant profit from the crime and has already been found guilty, at least three times in the last seven years, and sentenced to temporary disqualification from carrying out the activity.
2. The judge may sentence the entity to permanent disqualification from contracting with the public administration or publicising goods or services when the entity has already been sentenced to the same penalties at least three times in the last seven years.
3. If an entity or one of its organisational units is permanently used for the single or prevalent purpose of carrying out or helping to carry out crimes for which it is liable, disqualification from carrying out the activity is always definitive and the provisions contained in Article 17 do not apply.

#### **Article 17. Redressing the consequences of a crime**

1. Without prejudice to the application of financial penalties, prohibitory penalties are not applied when the following conditions exist before the first-instance court hearing begins:
  - a. the entity has completely refunded the damage and has either eliminated the damaging or dangerous consequences of the crime or taken effective steps in this direction;
  - b. the entity has eliminated the organisational deficiencies that allowed the crime to be committed by adopting and implementing compliance programmes that are suitable for preventing crimes of the same type as the one in question;
  - c. the entity has made available for confiscation the profit made from the offence.

#### **Article 18. Publication of the conviction**

1. Publication of the conviction can be ordered when prohibitory penalties are applied to the entity.
2. Publication of the judgment pursuant to Article 36 of the Criminal Code and by public notice in the municipality where the entity has its head office.
3. The publication of the judgment is arranged by the clerk of the court and paid for by the entity.

#### **Article 19. Confiscation**

1. If convicted, the entity will always be subject to confiscation of the price or profit from the crime (excluding the part to be returned to injured parties). Any third parties that have acquired rights in good faith are exempt from this.
2. If it is not possible to enforce confiscation pursuant to paragraph 1, then sums of money, goods or other assets of value equivalent to the price or of profit of the crime may be confiscated.

#### **Article 20. Repeat offending**

1. Repeat offending occurs when an entity, having already been definitively found guilty for an offence arising from a crime, commits another within five years of the definitive judgment.

#### **Article 21. Multiple offences**

1. When the entity is liable for multiple crimes due to one action or omission, or committed as part of the same activity, and before a judgment, either definitive or not, for one of these offences has been passed, the financial penalties provided for the most serious offence, increased by up to three times, are applied. As a result of this increase, the quantum of the financial penalty cannot in any case be more than the sum of the penalties applicable for each offence.
2. In the cases referred to in paragraph 1, if the conditions exist for the application of prohibitory penalties for one or more of the offences, then the sanction for the most serious offence is applied.

#### **Article 22. Prescription**

1. There is a time bar of five years from the date of the crime being committed for administrative penalties.
2. A request to apply precautionary measures and charging an administrative offence in accordance with Article 59 interrupts the time bar.
3. If such an interruption takes place, a new five-year period for the time bar begins.
4. If the interruption was due to charging the administrative offence arising from the crime, the period for the time bar does not start until the judgment becomes final.

#### **Article 23. Non-compliance with prohibitory penalties**

1. Anyone who, when carrying out an activity for an entity for which penalties or precautionary measures have been applied, ignores the obligations or prohibition inherent in the penalties or measures, shall be liable to imprisonment for a term of between six months and three years.
2. In the case referred to in paragraph 1, the entity for whose interest or advantage the crime was carried out is liable to an administrative fine of between two hundred and six hundred units and the confiscation of the profit in accordance with Article 19.
3. If the entity has made a significant profit from the crime referred to in paragraph 1, prohibitory penalties are applied.

## SECTION III

### Administrative liability arising from a crime<sup>2</sup>

**Article 24. Undue receipt of funds, fraud against the State or a public authority or the European Union or to obtain public funds and computer fraud against the State or a public authority and fraud in public supplies<sup>3</sup>**

1. As regards the offences set forth in articles 316-*bis*, 316-*ter*, 353, 353-*bis*, 356, 640, paragraph 2, no. 1, 640-*bis* and 640-*ter* of the Criminal Code, if committed against the State or another public body or the European Union, a financial penalty of up to five hundred units is applied to the entity.
2. If, as a result of the commission of the crimes referred to in paragraph 1, the entity makes a significant amount of profit or particularly serious damage is caused, then the financial penalty of two hundred to six hundred units is applied.
- 2.*bis* The penalties set out in the previous paragraphs on the offence referred to in article 2 of Law no. 898 of 23 December 1986 apply to the entity.
3. In the cases envisaged in the previous paragraphs, the prohibitory penalties referred to in Article 9, paragraph 2, letters c), d) and e) are applied.

**Article 24-*bis*. Cybercrime and unlawful data processing**

1. In relation to the commission of the offences referred to in Articles 615-*ter*, 617-*quater*, 617-*quinquies*, 635-*bis*, 635-*ter*, 635-*quater* and 635-*quinquies* of the Criminal Code, a financial penalty of between one hundred and five hundred units shall be applied to the entity.
2. In relation to the commission of crimes referred to in Articles 615-*quater* and 615-*quinquies* of the Criminal Code, an entity is punished with financial penalties of up to three hundred units.
3. In relation to the commission of crimes referred to in Articles 491-*bis* and 640-*quinquies* of the Criminal Code, with the exception of the provisions contained in Article 24 of the present decree referring to computer fraud against the State or another public entity, and of the offences referred to in Article 1, paragraph 11, of the Decree Law no. 105 of 21 September 2019, financial penalties of up to four hundred units are applied.
4. In the case of a conviction for one of the crimes indicated in paragraph 1, the prohibitory penalties contained in Article 9, paragraph 2, letters a), b) and e) are applied. In the case of a conviction for one of the crimes indicated in paragraph 2, the prohibitory penalties contained in Article 9, paragraph 2, letters b) and e) are applied. In the case of a conviction for one of the crimes indicated in paragraph 3, the prohibitory penalties contained in Article 9, paragraph 2, letters c), d) and e) are applied.

**Article 24-*ter*. Organised crime**

1. In relation to the commission of any of the crimes referred to in Articles 416, paragraph 6, 416-*bis*, 416-*ter* and 630 of the Criminal Code, to crimes committed that come under the conditions referred to in the previously mentioned Article 416-*bis* (in order to facilitate the instances of criminal association envisaged in the article in question), together with the crimes referred to in Article 74 of the Presidential Decree 309 of 9 October 1990, then the financial penalty of four hundred to one thousand units applies.
2. With regard to the commission of any of the crimes referred to in Article 416 of the Criminal Code, with the exclusion of those referred to in the sixth paragraph, or Article 407, paragraph 2, letter a), number 5) of the Code of Criminal Procedure), then the financial penalty of three hundred and eight hundred units will apply.

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<sup>2</sup>Heading replaced by Article 3, paragraph 1, of Legislative Decree 61 of 11 April 2002, effective as of 16 April 2002. Previously the heading was: "Administrative liability for crimes under the Criminal Code".

<sup>3</sup>The heading was supplemented by Article 5, paragraph 1(a), no. 1, of Legislative Decree No. 75 of 14 July 2020, "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law". Previously the heading was: "Undue receipt of funds, fraud against the State or a public authority to obtain public funds and computer fraud against the State or a public authority".

3. In cases of conviction for one of the crimes indicated in paragraphs 1 and 2, the prohibitory penalties envisaged in Article 9, paragraph 2 are applied for a period of not less than one year.
4. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraphs 1 and 2, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

**Article 25 Embezzlement, extortion, illegal inducement to give or promise benefits and corruption and abuse of power**

1. In relation to the commission of the crimes referred to in Articles 318, 321 and 322, paragraphs 1 and 3, and 346-bis of the Criminal Code, a financial penalty of up to two-hundred units is applied. The same penalty applies, when the act damages the financial interests of the European Union, in relation to the commission of the offences referred to in articles 314, paragraph 1, 316 and 323 of the Criminal Code.
  2. In relation to the crimes referred to in Articles 319, 319-ter, paragraph 1, 321, 322, paragraphs 2 and 4 of the Criminal Code, the entity is punished with financial penalties of between two hundred and six hundred units.
  3. In relation to the crimes referred to in articles 317, 319, aggravated pursuant to article 319-bis when the entity has made a significant profit from the crime, 319-ter, paragraph 2, 319-quater and 321 of the Criminal Code, the entity is punished with a financial penalty of three hundred to eight hundred units.
  4. The financial penalties for crimes envisaged in paragraphs 1 and 3 are also applied to the entity when the offences are committed by individuals indicated in Articles 320 and 322-bis.
  5. In cases of conviction for one of the offences indicated in paragraphs 2 and 3, the prohibitory penalties provided for in Article 9, paragraph 2, are applied for a period of not less than four years and not more than seven years, if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a), and for a period of not less than two years and not more than four, if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b).
- 5-bis. If, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred, the prohibitory penalties shall have the duration established by article 13, paragraph 2.

**Article 25-bis. Forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments**

1. In relation to the crimes envisaged by the Criminal Code regarding forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments, the entity is subject to the following financial penalties:
  - a. for the crime referred to in Article 453, the financial penalty of three hundred to eight hundred units.
  - b. for the crimes referred to in Articles 454, 460 and 461, the financial penalty of up to five hundred units;
  - c. for the crime referred to in Article 455, the financial penalties stated in letter a), in relation to Article 453, and in letter b), in relation to Article 454, reduced by a third to a half;
  - d. for the crimes referred to in Articles 457 and 464, second paragraph, financial penalties of up to two hundred units;
  - e. for the crime referred to in Article 459, the financial penalties stated in letters a), c) and d), reduced by a third;
  - f. for the crime referred to in Article 464, first paragraph, the financial penalty of up to three hundred units.

- g. *f-bis.* for the crimes referred to in Articles 473 and 474, the financial penalty of up to five hundred units.
2. In cases of conviction for crimes referred to in Articles 453, 454, 455, 459, 460, 461, 473 and 474 of the Criminal Code, the prohibitory penalties referred to in Article 9, paragraph 2, are applied to the entity for a period of not more than one year.

#### **Article 25-bis.1 - Crimes against industry and trade**

1. In relation to crimes against industry and trade provided for by the Criminal Code, the following financial penalties are applied to the entity:
- a. for the crimes referred to in Articles 513, 515, 516, 517, 517-ter and 517-quater, the financial penalty of up to five hundred units;
  - b. for the crimes referred to in Articles 513-bis and 514, the financial penalty of up to eight hundred units.
2. In the case of conviction for crimes indicated in letter b) of paragraph 1, the prohibitory penalties to be applied are those envisaged in Article 9, paragraph 2.

#### **Article 25-ter. Corporate crimes**

1. In relation to the corporate crimes envisaged by the Civil Code, the entity is subject to the following financial penalties:
- a. for the crime of false company statements envisaged by Article 2621 of the Civil Code, the financial penalty of two hundred to four hundred units;
  - a-bis. for the crime of false company statements envisaged by Article 2621-bis of the Civil Code, the financial penalty of one hundred to two hundred units;
  - b. for the crime of false company statements envisaged by Article 2622 of the Civil Code, the financial penalty of four hundred to six hundred units;
  - c. for the crime of false company statements to the detriment of shareholders or creditors envisaged by Article 2622, third paragraph, of the Civil Code, the financial penalty of four hundred to eight hundred units;
  - d. for the crime of false information in prospectuses set out in Article 2623, paragraph 1, of the Civil Code, a financial penalty of two hundred to two hundred and sixty units;
  - e. for the crime of false information in prospectuses set out in Article 2623, paragraph 2, of the Civil Code, a financial penalty of four hundred to six hundred and sixty units;
  - f. for the crime of false reporting or communications by independent auditors set out in Article 2624, paragraph 1, of the Civil Code, a financial penalty of two hundred to two hundred and sixty units;
  - g. for the crime of false reporting or communications by independent auditors set out in Article 2624, paragraph 2, of the Civil Code, a financial penalty of two hundred to two hundred and sixty units;
  - h. for the crime of impeding company controls set out in Article 2625, paragraph 2, of the Civil Code, a financial penalty of two hundred to three hundred and sixty units;
  - i. for the crime of false creation of share capital set out in Article 2632 of the Civil Code, a financial penalty of one hundred to one hundred and thirty units;
  - l. for the crime of unlawful return of capital set out in Article 2626 of the Civil Code, a financial penalty of one hundred to one hundred and thirty units;
  - m. for the crime of illegal allocation of profits and reserves set out in Article 2627 of the Civil Code, a financial penalty of one hundred to one hundred and thirty units;
  - n. for the crime of unlawful transactions involving shares or stakes of the company or the parent company set out in Article 2628 of the Civil Code, a financial penalty of one hundred to one hundred and eighty units;
  - o. for the crime of transactions to the detriment of creditors set out in Article 2629 of the Civil Code, a financial penalty of one hundred and fifty to three hundred and thirty units;
  - p. for the crime of improper allocation of company assets by liquidators set out in Article 2633 of the Civil Code, a financial penalty of one hundred and fifty to three hundred and thirty units;



- q. for the crime of unlawful influence over the shareholders' meeting set out in Article 2636 of the Civil Code, a financial penalty of one hundred and fifty to three hundred and thirty units;
  - r. for the crime of market rigging set out in Article 2637 of the Civil Code and for the crime of failure to report a conflict of interests set out in Article 2629-bis of the Civil Code, a financial penalty of two hundred to five hundred units;
  - s. for the crimes of hindering public supervisory authorities from performing their functions set out in Article 2638, paragraphs 1 and 2, of the Civil Code, a financial penalty of two hundred to four hundred units;
  - s-bis. for the crime of corruption between private individuals, in the cases provided for by paragraph 3 of Article 2635 of the Civil Code, a financial penalty of four hundred to six hundred units and, in the cases of instigation as per the first paragraph of Article 2365 bis of the Civil Code, a financial penalty of two hundred to four hundred units. The prohibitory penalties provided for in article 9, paragraph 2, also apply;
  - s-ter. for the offence of false or omitted declarations for the issue of the preliminary certificate provided for in the legislation implementing Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019, a financial penalty of between one hundred and fifty and three hundred units.
2. If, as a result of the commission of the crimes referred to in paragraph 1, the entity obtains a significant profit, the financial penalties are increased by a third.

**Article 25-*quater*. Crimes committed for the purposes of terrorism and subversion of democracy**

1. In relation to the commission of the crimes for the purposes of terrorism or subversion of democracy envisaged by the Criminal Code and special laws, the entity is subject to the following financial penalties:
  - a. if the crime is punishable by imprisonment for less than ten years, the financial penalty of between two hundred and seven hundred units;
  - b. if the crime is punishable by imprisonment of not less than ten years or by life imprisonment, the financial penalty of between four hundred and a thousand units.
2. In the case of a conviction for one of the crimes indicated in paragraph 1, the prohibitory penalties contained in Article 9, paragraph 2 are applied for a period of not less than one year.
3. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.
4. The provisions of paragraphs 1, 2 and 3 are applied for the commission of crimes other than those indicated in paragraph 1 that are in any case carried out in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999.

**Article 25-*quater*. I. Female genital mutilation practices**

1. In relation to the commission of crimes referred to in Article 583-*bis* of the Criminal Code, an entity on whose premises the offence was committed is punished with financial penalties of between 300 and 700 units and the prohibitory penalties contained in Article 9, paragraph 2, are applied for a period of not less than one year. In the case of an accredited private body the accreditation is also revoked.
2. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

**Article 25-*quinquies*. Crimes against the individual**

1. In relation to the commission of the crimes envisaged by Book II, Title XII, Chapter III, Section I of the Criminal Code, the entity is subject to the following financial penalties:
  - a. for the crimes referred to in Articles 600, 601, 602, and 603-*bis*, the financial penalty of four hundred to a thousand units;

- b. for the crimes referred to in Articles 600-bis, paragraph 1, 600-ter, first and second paragraph, also if relative to the pornographic material referred to in Article 600-*quater*.1, and 600-*quinquies*, the financial penalty of three hundred to eight hundred units;
  - c. for the crimes referred to in Articles 600-bis, paragraph 2, 600-ter, paragraphs 3 and 4, and 600-*quater*, also if relative to the pornographic material referred to in Article 600-*quater*.1, and for the crime referred to in Article 609-*undecies*, the financial penalty of two hundred to seven hundred units.
2. In cases of conviction for one of the crimes indicated in paragraph 1, letters a) and b), the prohibitory penalties contained in Article 9, paragraph 2 are applied for a period of not less than one year.
  3. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

#### **Article 25-*sexies*. Market abuse**

1. In relation to crimes connected with insider dealing and the market manipulation envisaged in part V, title 1-*bis*, chapter II of Legislative Decree 58 of 24 February 1998, the entity shall be liable to financial penalties of between four hundred and one thousand units.
2. If as a result of the crimes referred to in paragraph 1, the product or profit obtained by the entity is of a significant amount, the penalty is increased by up to ten times the value of said product or profit.

#### **Article 25-*septies*. Manslaughter or serious or very serious personal injury through negligence, committed in breach of the rules on occupational health and safety**

1. In relation to the crime referred to in Article 589 of the Criminal Code, committed in violation of Article 55, paragraph 2, of the Legislative Decree implementing the delegated authority referred to in Law 123 of 3 August 2007 on occupational health and safety, a financial penalty of 1,000 units applies. In the case of conviction for the crime referred to in the previous clause, the prohibitory penalties set out in Article 9, paragraph 2 are applied for a period of not less than three months and not more than one year.
2. Without prejudice to the provisions of paragraph 1, for the crime referred to in Article 589 of the Criminal Code, committed in violation of the regulations on occupational health and safety, financial penalties are applied of not less than 250 units and not more than 500 units. In the case of conviction for the crime referred to in the previous clause, the prohibitory penalties set out in Article 9, paragraph 2 are applied for a period of not less than three months and not more than one year.
3. For the crime referred to in Article 590, third paragraph, of the Criminal Code, committed in violation of the regulations on occupational health and safety, a financial penalty of not more than 250 units is applied. In the case of conviction for the crime referred to in the previous clause, the prohibitory penalties set out in Article 9, paragraph 2 are applied for a period of not more than six months.

#### **Article 25-*octies*. Receiving, laundering and using money, goods or benefits of unlawful origin, as well as**

1. In relation to the crimes referred to in Articles 648, 648-*bis*, 648-*ter*, 648-*ter*.1 of the Criminal Code, the entity is subject to a financial penalty of 200 to 800 units. If the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of more than five years, then the financial penalty of 400 to 1000 units is applied.
2. In the case of a conviction for one of the crimes indicated in paragraph 1, the prohibitory penalties contained in Article 9, paragraph 2 are applied for a period of not more than two years.
3. In relation to the offences referred to in paragraphs 1 and 2, the Ministry of Justice, after hearing the opinion of the Financial Information Unit (UIF), makes a decision in accordance with Article 6 of Legislative Decree 231 of 8 June 2001.

#### **Article 25-octies. I Offences relating to non-cash payments and fraudulent transfer of values**

1. In relation to the commission of the offences provided for in the Criminal Code concerning non-cash payment instruments, the following financial penalties apply to the entity:
  - a. for the crime referred to in Article 493-ter, the financial penalty of 300 to 800 units;
  - b. for the offence referred to in Article 493-quater and for the offence referred to in Article 640-ter, in the case aggravated by the carrying out of a transfer of money, monetary value or virtual currency, a fine of up to 500 units.
2. Unless the act constitutes another administrative offence punishable more seriously, in relation to the commission of any other offence against public faith, against property or which in any case offends property provided for by the criminal code, when it concerns non-cash payment instruments, the following financial penalties shall apply to the entity:
  - a. if the crime is punishable by imprisonment for less than ten years, the financial penalty of up to 500 units;
  - b. if the crime is punishable by imprisonment for not less than ten years, the financial penalty of between 300 and 800 units.
- 2-bis. In relation to the commission of the offence referred to in Article 512-bis of the Criminal Code, a financial penalty of between 250 and 600 units shall be imposed on the entity.
3. In cases of conviction for one of the offences referred to in paragraphs 1, 2 and 2-bis, the prohibitory penalties set out in Article 9, paragraph 2 shall apply to the entity.

#### **Article 25-novies. Copyright infringement and related crimes**

1. In relation to the commission of the crimes referred to in Articles 171, first paragraph, letter a-bis), and third paragraph, 171-bis, 171-ter, 171-septies and 171-octies of Law 633 of 22 April 1941, financial penalties of up to five-hundred units are applied.
2. In the case of a conviction for one of the crimes referred to in point 1, the prohibitory penalties referred to in Article 9, paragraph 2 are applied to the entity for a period of not more than one year, without in any way affecting the provisions contained in Article 174-quinquies of Law 633 of 1941.

#### **Article 25-decies. Inducement to refrain from making statements or to make false statements to the legal authorities**

In relation to the commission of the crime referred to in Article 377-bis of the Criminal Code, the entity is subject to a financial penalty of up to five hundred units.

#### **Article 25-undecies. Environmental crimes**

1. In relation to the commission of the crimes envisaged by the Criminal Code, the entity is subject to the following financial penalties:
  - a. for the violation of Article 452-bis, the financial penalty of two hundred and fifty to six hundred units;
  - b. for the violation of Article 452-quater, the financial penalty of four hundred to eight hundred units;
  - c. for the violation of Article 452-quinquies, the financial penalty of two hundred to five hundred units;
  - d. for the aggravated ancillary crimes referred to in Article 452-octies, the financial penalty of three hundred to a thousand units;
  - e. for the crime of trafficking and abandonment of high-level radioactive material referred to in Article 452-sexies, the financial penalty of two hundred and fifty to six hundred units;
  - f. for the violation of Article 727-bis, the financial penalty of up to two hundred and fifty units;
  - g. for the violation of Article 733-bis, the financial penalty of one hundred and fifty to two hundred and fifty units.
- 1-bis. In cases of conviction for one of the crimes indicated in paragraph 1, letters a) and b), of this article, in addition to the financial penalties set out therein, the prohibitory penalties envisaged by Article 9 are applied for a period of not more than one year for the crime referred to in letter a).

2. In relation to the commission of the crimes referred to in Legislative Decree 152 of 3 April 2006, the entity is subject to the following financial penalties:
  - a. for the crimes referred to in Article 137:
    - 1) for the violation of paragraphs 3, 5, first clause, and 13, the financial penalty of one hundred and fifty to two hundred and fifty units;
    - 2) for the violation of paragraphs 2, 5, second clause, and 11, the financial penalty of two hundred to three hundred units;
  - b. for the crimes referred to in Article 256:
    - 1) for the violation of paragraphs 1, letter a), and 6, first clause, the financial penalty of up to two hundred and fifty units;
    - 2) for the violation of paragraphs 1, letter b), 3, first clause, and 5, the financial penalty of one hundred and fifty to two hundred and fifty units;
    - 3) for the violation of paragraph 3, second clause, the financial penalty of two hundred to three hundred units;
  - c. for the crimes referred to in Article 257:
    - 1) for the violation of paragraph 1, the financial penalty of up to two hundred and fifty units;
    - 2) for the violation of paragraph 2, the financial penalty of one hundred and fifty to two hundred and fifty units;
  - d. for the violation of Article 258, paragraph 4, second clause, the financial penalty of one hundred and fifty to two hundred and fifty units;
  - e. for the violation of Article 259, paragraph 1, the financial penalty of one hundred and fifty to two hundred and fifty units;
  - f. for the offence referred to in Article 260 (to be understood as referring to Article 452-*quaterdecies* of the Criminal Code pursuant to Article 7 of Legislative Decree No. 21 of 1 March 2018), a financial penalty of three hundred to five hundred units, in the case provided for in paragraph 1 and four hundred to eight hundred units in the case provided for in paragraph 2;
  - g. for the violation of Article 260-*bis*, the financial penalty of one hundred and fifty to two hundred and fifty units in the case envisaged by paragraphs 6, 7, second and third clause, and 8, first clause, and the financial penalty of two hundred to three hundred units in the case envisaged by paragraph 8, second clause;
  - h. for the violation of Article 279, paragraph 5, the financial penalty of up to two hundred and fifty units;
3. In relation to the commission of the crimes referred to in Legislative Decree 150 of 7 February 1992, the entity is subject to the following financial penalties:
  - a. for the violation of Articles 1, paragraph 1, 2, paragraphs 1 and 2, and 6, paragraph 4, the financial penalty of up to two hundred and fifty units;
  - b. for the violation of Article 1, paragraph 2, the financial penalty of one hundred and fifty to two hundred and fifty units;
  - c. for the crimes under the Criminal Code referred to in Article 3-*bis*, paragraph 1, of Law 150 of 1992, respectively:
    - 1) financial penalties of up to two hundred and fifty units, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of one year.
    - 2) financial penalties of between one hundred and fifty and two hundred and fifty units, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of two years.
    - 3) financial penalties of between two hundred and three hundred units, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of three years.
    - 4) financial penalties of between three hundred and five hundred units, for the commission of crimes subject to the maximum penalty of imprisonment for not more than three years.
4. In relation to the commission of the crimes referred to in Article 3, paragraph 6 of Law 549 of 28 December 1993, the entity is subject to the financial penalty of one hundred and fifty to two hundred and fifty units.

5. In relation to the commission of the crimes referred to in Legislative Decree 202 of 6 November 2007, the entity is subject to the following financial penalties:
  - a. for the crime referred to in Article 9, paragraph 1, the financial penalty of up to two hundred and fifty units;
  - b. for the crimes referred to in Articles 8, paragraph 1, and 9, paragraph 2, the financial penalty of one hundred and fifty to two hundred and fifty units;
  - c. for the crime referred to in Article 8, paragraph 2, the financial penalty of two hundred to three hundred units;
6. The penalties envisaged in paragraph 2, letter b, are reduced by half in the event of commission of a crime under Article 256, paragraph 4, of Legislative Decree 152 of 3 April 2006.
7. In the case of conviction for crimes indicated in paragraph 2, letters a), no. 2, b), no. 3, and f), and in paragraph 5 letters b) and c), the prohibitory penalties envisaged in Article 9, paragraph 2, Legislative Decree 231 of 8 June 2001, for a duration of not more than six months.
8. If the entity or one of its organisational units is stably used for the sole or prevalent purpose of enabling or facilitating the commission of the offences referred to in Article 260 of Legislative Decree No. 152 of 3 April 2006 (to be understood as referring to Article 452-*quaterdecies* of the Criminal Code pursuant to Article 7 of Legislative Decree No. 21 of 1 March 2018), and Article 8 of Legislative Decree No. 202 of 6 November 2007, the sanction of definitive prohibition to exercise the activity pursuant to Article 16, paragraph 3, of Legislative Decree No. 231 of 8 June 2001 shall apply.

#### **Article 25-*duodecies*. Employment of illegally staying third-country nationals**

1. In relation to the commission of the crime referred to in Article 22, paragraph 12-*bis* of Legislative Decree 286 of 25 July 1998, the entity is subject to a financial penalty of 100 to 200 units, up to a limit of €150,000.
- 1-*bis*. In relation to the crimes referred to in article 12, paragraphs 3, 3-*bis* and 3-*ter* of the Consolidated Act referred to in Legislative Decree no. 286 of 25 July 1998 and subsequent amendments, the entity is subject to a financial penalty of between four hundred and one thousand units.
- 1-*ter*. In relation to the crimes referred to in to the article 12, paragraph 5 of the Consolidated Act referred to in Legislative Decree no. 286 of 25 July 1998 as amended, the entity is subject to a financial penalty of one hundred to two hundred units.
- 1-*quater*. In cases of conviction for one of the crimes indicated in paragraphs 1-*bis* and 1-*ter*, the prohibitory penalties set out in Article 9, paragraph 2, are applied for a period of not less than one year.

#### **Article 25-*terdecies*. Racism and xenophobia**

1. In relation to the crimes referred to in Article 3, paragraph 3-*bis*, of Law No. 654 of 13 October 1975 (to be understood as referring to Article 604-*bis* of the Criminal Code pursuant to Article 7 of Legislative Decree No. 21 of 1 March 2018), the financial penalty of two hundred to eight hundred units shall be applied to the entity.
2. In cases of conviction for one of the crimes referred to in point 1, the prohibitory penalties referred to in Article 9, paragraph 2 are applied to the entity for a period of no less than one year.
3. If the entity or one of its organisational units is permanently used for the sole purpose of allowing or facilitating the crimes indicated in paragraph 1, the definitive prohibition from carrying out the activity as per article 16, paragraph 3, shall apply.

#### **Article 25-*quaterdecies*. Fraud in sports competitions, illegal exercise of gambling or betting and games of chance by means of prohibited devices**

1. In relation to the commission of the crimes referred to in articles 1 and 4 of Law no. 401 of 13 December 1989, the entity is subject to the following financial penalties:
  - a. for the crimes, the financial penalty of up to five hundred units;
  - b. for fines, the financial penalty of up to two hundred and sixty units.

2. In cases of conviction for one of the crimes indicated in paragraph 1, letter a), of this article, the prohibitory penalties contained in Article 9, paragraph 2, are applied for a period of not less than one year.

#### **Article 25-quinquiesdecies. Tax crimes**

1. In relation to the commission of the offences referred to in Legislative Decree no. 74 of 10 March 2000, the following financial penalties apply to the entity:
  - a. for the crime of fraudulent tax return using invoices or other documents for illusory transactions provided for by Article 2, paragraph 1, a financial penalty of up to five hundred units;
  - b. for the crime of fraudulent tax return using invoices or other documents for illusory transactions provided for by Article 2, paragraph 2-bis, a financial penalty of up to four hundred units;
  - c. for the crime of fraudulent tax return using other schemes provided for by Article 3, a financial penalty of up to five hundred units;
  - d. for the crime of issuance of invoices or other documents for illusory transactions provided for by Article 8, paragraph 1, a financial penalty of up to five hundred units;
  - e. for the crime of issuance of invoices or other documents for illusory transactions provided for by Article 8, paragraph 2-bis, a financial penalty of up to four hundred units;
  - f. for the crime of concealing or destroying accounting documents provided for by Article 10, a financial penalty of up to four hundred units;
  - g. for the crime of fraudulent failure to pay taxes provided for by Article 11, a financial penalty of up to four hundred units.
- 1-bis. In relation to the crimes provided for by Legislative Decree 74 of 10 March 2000, if committed within the context of fraudulent cross-border systems and in order to evade value added tax for a total amount of not less than ten million euros, the following financial penalties apply to the entity:
  - a. for the crime of misleading tax return provided for by Article 4, a financial penalty of up to three hundred units;
  - b. for the crime of failure to file a return provided for by Article 5, a financial penalty of up to four hundred units;
  - c. for the crime of undue offset of paying taxes provided for by Article 10-*quater*, a financial penalty of up to four hundred units.
2. If, as a result of the commission of the crimes indicated in paragraphs 1 and 1-bis, the entity obtains a significant profit, the financial penalties are increased by a third.
3. In the cases provided for by paragraphs 1, 1-bis and 2, the prohibitory penalties referred to in Article 9, paragraph 2, letters c), d) and e) apply.

#### **Article 25-sexiesdecies. Smuggling**

1. As regards the crimes provided for by Presidential Decree no. 43 of 23 January 1973, a financial penalty of up to two hundred unit applies to the entity.
2. When the boundary rights due exceed one hundred thousand euros, a financial penalty of up to four hundred unit applies to the entity.
3. In the cases provided for in paragraphs 1 and 2, the prohibitory penalties referred to in Article 9, paragraph 2, letters c), d) and e) apply to the entity.

#### **Article 25-septesdecies. Crimes against the Cultural Heritage**

1. In relation to the crime provided for by article 518-*novies* of the Criminal Code, a financial penalty of one hundred to four hundred units is applied to the entity.
2. In relation to the crimes set out in Articles 518-*ter*, 518-*decies* and 518-*undecies* of the Criminal Code, a financial penalty of two hundred to five hundred units shall be applied to the entity.
3. In relation to the crimes set out in Articles 518-*duodecies* and 518-*quaterdecies* of the Criminal Code, a financial penalty of three hundred to seven hundred units shall be applied to the entity.
4. In relation to the crimes set out in Articles 518-*bis*, 518-*quater* and 518-*octies* of the criminal code, a financial penalty of between four hundred and nine hundred units shall be applied to the entity.

5. In the case of conviction for the crimes referred to in paragraphs 1 to 4, the prohibitory penalties provided for in Article 9, paragraph 2, shall be applied to the entity for a period not exceeding two years.

**Article 25-*duodevicies*. Laundering of cultural heritage and devastation and looting of cultural and landscape assets**

1. In relation to the crimes set out in Articles 518-*sexies* and 518-*terdecies* of the Criminal Code, a financial penalty of five hundred to one thousand units shall be applied to the entity.
2. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

**Article 26. Attempted crimes**

1. The financial and disqualification penalties are reduced by between one third and a half if an attempt is made to commit one of the crimes indicated in the present chapter of this decree.
2. The entity is not liable when it voluntarily prevents the completion of the action or the occurrence of the event.

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( CHAPTER II )

**FINANCIAL LIABILITY AND MODIFICATIONS OF THE ENTITY**

**SECTION I**

**Financial liability of the entity**

**Article 27. Financial liability of the entity**

1. The entity alone is liable for the payment of the financial penalty, using its own assets or common funds.
2. State receivables deriving from administrative offences by the entity arising from crimes take priority over receivables deriving from crimes, as per the provisions Code of Criminal Procedure. For this purpose, administrative fines are the same as financial penalties.

**SECTION II**

**Modifications to entities**

**Article 28. Transformation of the entity**

1. In the event of transformation, the entity remains liable for crimes committed before the date when the transformation took effect.

**Article 29. Merger of the entity**

1. In the event of a merger, including through absorption, the entity resulting from the merger is liable for the crimes that the entities involved in the transaction were responsible for.

**Article 30. Demerger of the entity**

1. In the event of partial demerger, the demerged entity remains liable for crimes committed before the date when the demerger took effect, without prejudice to the provisions of paragraph 3.
2. The beneficiaries of the demerger, whether total or partial, are jointly liable to pay the Financial penalties due from the demerged entity for crimes committed prior to the date on which the demerger took effect. This obligation is limited to the effective value of the net equity transferred to the individual entity, unless it is the entity which received even part of the business unit that committed the crime.

3. The prohibitory penalties relating to the crimes indicated in paragraph 2 apply to the entities where the business division within which the crime was committed is found or has been transferred even in part.

#### **Article 31. Calculation of penalties in the case of mergers or demergers**

1. If the merger or demerger happened before the court case is concluded, the judge, when proportioning the amount of financial penalties on the basis of Article 11, paragraph 2, takes into account the financial situation and the assets of the entity that was originally liable.
2. Without prejudice to the provisions of Article 17, the entity that results from the merger and the entity which, in the case of a demerger, is responsible for the prohibitory penalties can request the judge to replace the prohibitory penalties with financial penalties if, following the merger or demerger, the conditions contained in letter b) of paragraph 1 of Article 17 are applicable and if the conditions contained in letters a) and c) of the same Article apply.
3. If the judge accepts the request, in the conviction he can replace the prohibitory penalties with financial penalties for a quantum equal to either one or two times the financial penalties originally imposed on the entity for the crime.
4. In cases of mergers or demergers after a court case has finished, the entity has the right to request any prohibitory penalties to be converted into financial penalties.

#### **Article 32. Relevance of mergers or demerger in case of repeat offending**

1. In cases of the liability of the entity that results from a merger or benefits from a demerger for crimes committed after the date of the merger or demerger, the judge may consider that a repeat offending has taken place, in accordance with Article 20, if a conviction was obtained against the entities involved in the merger or the demerger for offences committed before the date.
2. In this context, the judge will take into consideration the nature of the offence and the activity involved as well as the characteristics of the merger or demerger.
3. With respect to the entities benefiting from the demerger, repeat offending can be considered, in accordance with paragraphs 1 and 2, only if they have been transferred, even in part, the business unit in which the offence for which the demerged entity was convicted was committed.

#### **Article 33. Disposals**

1. In the case of the disposal of a company where a crime has been committed, the purchaser is obliged, except for the benefits from the examination estimate of the seller and within the limits of the value of the company, to pay the financial penalties.
2. The purchaser's obligations are limited to the financial penalties shown in the accounts, as a result of administrative offences which the purchaser was aware of.
3. The provisions of this article are also applied in the case of the transfer of a company.

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## ( CHAPTER III )

### ASSESSMENT PROCEDURES AND THE APPLICATION OF ADMINISTRATIVE PENALTIES

#### SECTION I General provisions

#### **Article 34. Relevant trial procedures**

For proceedings concerning administrative offences from crimes, the regulations of this chapter are observed together with, when compatible, the provisions of the Code of Criminal Procedure and Legislative Decree 271 of 28 July 1989.

#### **Article 35. Extension of the rules to which the accused party is subject**

Where compatible, the trial procedures to which the accused party is subject as also applied to the entity.



## SECTION II

### Subjects, jurisdiction and competence

#### Article 36. Powers of the criminal judge

1. The judges who are responsible for dealing with administrative offences committed by entities are those responsible for the crimes from which the offences arise.
2. The investigation proceedings for administrative offences committed by entities are based on the provisions on the competence of the courts and the related trial provisions relative to the crimes from which the administrative offences arise.

#### Article 37. No proceedings

1. An investigation of an administrative offence committed by an entity does not proceed when the criminal proceedings can no longer begin or continue against the perpetrator of the crime due to one of the conditions for prosecution not being met.

#### Article 38. Joining and separating proceedings

1. The proceedings for administrative offences committed by an entity are joined to the criminal proceedings against the perpetrator of the crime from which the offence arises.
2. Administrative offences committed by an entity are subject to separate proceedings only when:
  - a. the proceedings have been suspended in accordance with Article 71 of the Code of Criminal Procedure;
  - b. the proceedings have been settled by summary judgment an accelerated procedure or by the application of the penalty in accordance with Article 444 of the Code of Criminal Procedure, or a penalty order has been issued;
  - c. observance of the procedural requirements make it necessary.

#### Article 39. Representation of the entity

1. The entity is present at the criminal proceedings together with their legal representative, unless the legal representative is accused of the crime from which the administrative offence arises.
2. Entities intending to attend the proceedings enter an appearance by submitting a declaration to the clerk's office of the Court in question containing on penalty of inadmissibility:
  - a. the name of the entity and the details of its legal representative;
  - b. the name and surname of the defence lawyer and information on the power of attorney;
  - c. the signature of the defence lawyer;
  - d. declaration or election of address for service.
3. The power of attorney, presented in the form contained in Article 100, paragraph 1 of the Code of Criminal Procedure, must be deposited in the secretariat of the public prosecutor or with the relevant clerk of the court or presented at trial together with the declaration referred to in paragraph 2.
4. When the legal representative does not appear, the entity is represented by a court-appointed lawyer.

#### Article 40. Court-appointed lawyer

1. Any entity that does not nominate a lawyer or has not got a lawyer will be assisted by a court-appointed lawyer.

#### Article 41. Default of the entity

1. Any entity that does not appear at trial will be declared in default.

#### Article 42. Changes to the entity during the proceedings

1. In the case of the transformation, merger or demerger of the entity originally liable, the proceedings will continue against the entities resulting from the modification or benefiting from the demerger, who are participating in the proceedings, in the form they are at the time, depositing the declaration referred to in Article 39, paragraph 2.

#### **Article 43. Summons of the entity**

1. For the first summons of the entity, the provisions of Article 154, paragraph 3, of the Code of Criminal Procedure are observed.
2. Summons sent to the legal representative are also valid, even if the legal representative is accused of the crime from which the administrative offence arises.
3. If the entity has declared or elected an address for service in the declaration referred to in Article 39 or in another document consigned to the legal authorities, the summons are issued in accordance with Article 161 of the Code of Criminal Procedure.
4. If it is not possible to issue the summons in the manner referred to in the previous paragraphs, the legal authorities will use a different method. If this method does not prove successful, the judge, on request from the public prosecutor, will suspend proceedings.

### **SECTION III Evidence**

#### **Article 44. Incompatibility with the position of witness**

1. The following cannot be accepted as witnesses:
  - a. the person charged with the crime from which the administrative offence arises.
  - b. the individual representing the entity indicated in the declaration referred to in Article 39, paragraph 2, and who held that position when the crime was committed.
2. In case of incompatibility the individual who represents the entity may be questioned and examined in the form, within the limits and with the effects provided for by law for the interrogation and examination of individuals involved in a connected case.

### **SECTION IV Precautionary measures**

#### **Article 45. Application of precautionary measures**

1. When there is strong proof which suggests that an entity is responsible for an administrative offence arising from a crime and there are well-founded and specific elements that point to the concrete possibility of the danger that further offences of the same type will be committed, the public prosecutor can ask for the application as a precautionary measure of one of the prohibitory penalties envisaged in Article 9, paragraph 2, presenting the judge with the facts on which this request is based, including any elements in favour of the entity and any deductions and defence statements already submitted.
2. The judge will then make an order based on this request, indicating the method of applying the measure. The provisions of Article 292 Code of Criminal Procedure apply.
3. In the event of precautionary prohibitory measures, the judge may nominate a court-appointed administrator in accordance with Article 15 for a period equal to the duration of the precautionary measure.

#### **Article 46. Criteria for selecting measures**

1. When ordering precautionary measures, the judge takes into account the specific suitability of each of the available measures in relation to the nature and the degree of the need for precautionary measures in the case in question.
2. Each precautionary measure must be proportional to the gravity of the fact and to the penalty that could be applied to the entity.
3. Disqualification from carrying out the activity can only be applied as a precautionary measure when all other measures are judged to be inadequate.
4. Precautionary measures cannot be applied jointly.

#### **Article 47. Competent judge and application procedure**

1. The judge in the case is responsible for deciding on the application and revocation of precautionary measures as well as for amending how they are enforced. The preliminary investigation judge is responsible during the preliminary investigation, and The provisions of Article 91 of Legislative Decree No 271 of 28 July 1989 also apply.
2. If a request for the application of precautionary measures is presented outside the hearing, the judge will fix a date for deciding on the request and will advise the public prosecutor, the entity and the defence lawyers. The entity and the defence lawyers are also advised that the request made by the public prosecutor and the elements the request is based on are available for inspection with the clerk of the court.
3. In the hearing envisaged under paragraph 2, the provisions of Article 127, paragraphs 1, 2, 3, 4, 5, 6 and 10 of the Code of Criminal Procedure apply; the terms envisaged in paragraphs 1 and 2 of the aforementioned Article are reduced respectively to five and three days. No more than fifteen days must elapse between the request being deposited and the date of the hearing.

#### **Article 48. Enforcement obligations**

1. The public prosecutor is responsible for notifying the entity of a ruling concerning the application of a precautionary measure.

#### **Article 49. Suspension of precautionary measures**

1. Precautionary measures can be suspended if the entity requests to be able to invoke the obligations with which the law regulates the exclusion of prohibitory penalties in accordance with Article 17. In this case, the judge, after conferring with the public prosecutor, and if the request is granted, establishes an amount of money as security, suspends the measures and indicates the terms for the reparatory actions as envisaged in article 17.
2. The security consists of depositing an amount of money with the court that must not be inferior to half the minimum financial penalty for the offence in question. Instead of the deposit, a guarantee can be provided by mortgage or joint and several guarantee.
3. In case of incomplete, ineffective or failure to perform the activity in accordance with the established terms, the precautionary measure is reinstated and the deposit or guarantee will be kept by the court.
4. If the conditions referred to in Article 17 are met, the judge will revoke the precautionary measure and return the security or cancel the mortgage; the guarantee therefore lapses.

#### **Article 50. Revocation and substitution of precautionary measures**

1. The precautionary measures are revoked if the conditions for applying them envisaged in Article 45 no longer apply, including for unexpected reasons, or when provisions contained in Article 17 apply.
2. If the need for precautionary measures diminishes or if the measures applied are no longer proportional to the gravity of the offence or to the penalties that could be definitively applied, the judge, on request from the public prosecutor or the entity, may substitute the measure with another, less serious measure or order it to be applied less severely, including by setting a shorter duration.

#### **Article 51. Maximum duration of precautionary measures**

1. When ordering precautionary measures, the judge also decides on the duration.
2. After conviction at first instance, the duration of the precautionary measure may be as long as the corresponding sanction applied with the same judgment. In any case, the duration of the precautionary measure may not exceed one year and four months.
3. The term of the precautionary measure begins from the date on which the ruling is given.
4. The duration of the precautionary measure is calculated on the duration of the penalties definitively applied.

#### **Article 52. Appealing rulings that apply precautionary measures**

1. The public prosecutor and the entity, in the person of its defence lawyer, can appeal against all rulings pertaining to precautionary measures, indicating the reasons for the appeal. The provisions contained in Article 322-*bis*, paragraphs 1-*bis* and 2 of the Code of Criminal Procedure are observed.
2. The public prosecutor and the entity, in the person of its defence lawyer, can appeal for the ruling made in accordance with paragraph 1 to be annulled for violation of the law. The provisions referred to in Article 325 of the Code of Criminal Procedure are observed.

#### **Article 53. Preventive seizure**

1. The judge can order the seizure of assets permitted for confiscation in accordance with Article 19. The provisions contained in Articles 321, paragraphs 3, 3-*bis* and 3-*ter*, 322, 322-*bis* and 323 of the Code of Criminal Procedure are observed, if applicable.
- 1-*bis*. If the seizure, carried out for the purposes of equivalent confiscation envisaged by paragraph 2 of Article 19, concerns companies, businesses or assets, including securities, equities or cash even if on deposit, the court-appointed administration allows the corporate bodies to use and manage them solely to ensure business continuity and development, exercising the powers of supervision and reporting back to the legal authorities. In the event of breach of the aforesaid purpose, the legal authorities shall take the consequent decisions and can appoint an administrator to exercise shareholder powers. This appointment fulfils the obligations under Article 104 of the implementing, coordination and transitional provisions of the Code of Criminal Procedure, referred to in Legislative Decree no. 271 of 28 July 1989. In the event of seizure to the detriment of companies operating establishments of national strategic interest and their subsidiaries, the provisions of Decree-Law 61 of 4 June 2013, ratified with amendments by Law 89 of 3 August 2013, apply.

#### **Article 54. Precautionary seizure**

1. If there is good reason to believe that there is no collateral for the payment of financial penalties, the cost of the proceedings or any other amount due to tax authorities, or that this collateral may be lost, the public prosecutor, at any stage of the case including during any eventual appeal proceedings, may request the precautionary seizure of movable goods and real estate belonging to the entity or of money or goods due to the entity. The provisions of Articles 316, paragraphs 4, 317, 318, 319 and 320 of the Code of Criminal Procedure are observed where applicable.

## **SECTION V** **Preliminary investigations and hearings**

#### **Article 55. Registration of administrative offence**

1. The public prosecutor who collects the information about the administrative offence (arising from a crime) committed by the entity immediately enters, in the register referred to in Article 335 of the Code of Criminal Procedure, the identifying details of the entity together with, if possible, the personal details of its legal representative and the crime from which the offence arises.
2. The entry referred to in paragraph 1 is disclosed to the entity or its defence lawyer, on their request, within the same limitations as for disclosing the details of a crime to the person alleged to have committed it.

#### **Article 56. Time limit for verifying administrative offences in preliminary investigations**

1. The public prosecutor carries out a verification of the administrative offence within the same time limits as those provided for the preliminary investigation for the crime from which the administrative offence arises.
2. The time limit for verifying administrative offences committed by the entity begins from the date of the registration referred to in Article 55.

#### **Article 57. Notice of investigation**

1. The notice of investigation sent to the entity must contain an invitation to declare or elect an address for service and a warning that in order to participate at the proceedings it must deposit the declaration referred to in Article 39, paragraph 2.

#### **Article 58. Dismissal**

1. If the administrative offence is not charged in accordance with Article 59, the public prosecutor issues a decree containing the dismissal of the action and sends a copy to the attorney general at the appeal court. The attorney general can carry out further necessary verifications and, if he believes there is a case to answer, he can – within six months of receiving the copy – charge the entity of having committed administrative offences arising from a crime.

#### **Article 59. Charging an administrative offence**

1. When a dismissal has not been decided on, the public prosecutor notifies the entity that it is accused of an administrative offence arising from a crime. An offence is charged by using one of the documents indicated in Article 405, paragraph 1, of the Code of Criminal Procedure.
2. The charge contains the identifying details of the entity and a statement, written in a clear, precise way, describing the fact that may lead to the application of administrative penalties, with an indication of the crime from which the offence arises, the relative Articles of law and the source of the evidence.

#### **Article 60. Expiry of charge**

1. It is not possible to proceed with the charge referred to in Article 59 when the crime from which the administrative offence arises is no longer valid because it is time-barred.

#### **Article 61. Rulings issued during the preliminary hearing**

1. The judge in the preliminary hearing may rule not to proceed with the case because of a time bar or because the offence does not exist or the proof collected is insufficient, inconsistent or unsuitable for making a judicial case for the liability of the entity. The provisions of Article 426 of the Code of Criminal Procedure apply.
2. The order that, following the preliminary hearing, commits the entity for trial must contain, otherwise it is void, the charge relating to the administrative offence arising from a crime, with a statement, written in a clear, precise way, containing the fact that may lead to the application of administrative penalties, with an indication of the crime from which the offence arises, the relative Articles of law and the source of the proof, together with the identification of the entity.

## **SECTION VI** **Special proceedings**

#### **Article 62. Summary judgment**

1. The provisions of title I of the sixth book of the Code of Criminal Procedure are observed in the case of a summary judgment, as applicable.
2. If the preliminary hearing is not held, the provisions of articles 555, paragraph 2, 557 and 558, paragraph 8, apply, as the case may be.
3. The reduction referred to in Article 442, paragraph 2, of the Code of Criminal Procedure is applied to the duration of prohibitory penalty and to the quantum of the financial penalty.
4. In any case, summary judgment is not permitted when an administrative offence is subject to a definitive prohibitory penalty.

#### **Article 63. Application of penalty on request**

1. It is possible to apply a penalty on request if judgment of the accused is (or can be) decided in accordance with Article 444 of the Code of Criminal Procedure and in all the cases where only

a financial penalty is applied for the administrative offence. The provisions of title II of the sixth book of the Code of Criminal Procedure are observed where applicable.

2. In cases where a penalty on request can be applied, the reduction referred to in Article 444, paragraph 1, of the Code of Criminal Procedure is applied for the duration of the prohibitory penalty and to the quantum of the financial penalty.
3. If the judge considers that a definitive prohibitory penalty should be applied, the request is refused.

#### **Article 64. Penalty orders**

1. When the public prosecutor decides that only financial penalty should be applied, he can provide the judge responsible for the preliminary investigation – within six months of the administrative offence being entered in the register referred to in Article 55 and having already submitted the file - with a reasoned request for an order to be issued applying a financial penalty, indicating the quantum thereof.
2. The public prosecutor may request the application of a financial penalty reduced by up to half compared to the minimum applicable amount
3. If the judge does not accept the request and if he does not have to exclude the entity from liability, he returns the documents to the public prosecutor.
4. The provisions of title V of the sixth book and Article 557 of the Code of Criminal Procedure are observed where applicable.

## **SECTION VII** **Judgement**

#### **Article 65. Deadline for redressing the consequences of a crime**

1. Before the first-instance court case opens, the judge can suspend proceedings if the entity requests to make use of the measures contained in Article 17 and demonstrates that it was impossible for it to do so before. In this case, if the judge accepts the request he calculates the amount of money to be paid into the court as security. The provisions of Article 49 are observed.

#### **Article 66. Judgment excluding the liability of the entity**

1. If the administrative offence of which the entity is accused has not been committed, the judge issues a judgment containing the reason for this. The same procedure is used when there is no evidence, insufficient or inconsistent evidence for the administrative offence.

#### **Article 67. Judgment of no grounds to proceed**

1. The judge issues a judgment of no grounds to proceed in the cases referred to in Article 60 and if the penalty is not applicable having been time-barred.

#### **Article 68. On precautionary measures**

1. When the judge pronounces one of the judgments referred to in Articles 66 and 67, he declares that any precautionary measures that may have been decided on to be null and void.

#### **Article 69. Conviction**

1. If the entity is responsible for committing the administrative offence it is accused of, the judge applies the penalties provided by law and sentences it to the payment of costs.
2. In the case of prohibitory penalties, the judgment must always indicate the activity or structures to which the penalty applies.

#### **Article 70. Judgment in the event of modifications to entities**

1. In the case of transformation, merger or demerger of the entity responsible for the offence, the judge clarifies in the ruling that the judgment applies to the entities that result from the transformation or merger or which benefit from the demerger, indicating the entity that was originally responsible.

2. The judgment handed down to the entity originally liable for the offence also applies to the entities indicated in paragraph 1.

## SECTION VIII Appeals

### Article 71. Appeals of judgments on corporate administrative liability

1. Entities may decide to appeal judgments that apply administrative penalties other than prohibitory penalties in the cases and according to the procedures applicable to the person accused of the crime from which the administrative offence arises.
2. For judgments that apply one or more prohibitory penalties, the entity can in any case appeal even if this is not permitted for the person accused of the crime from which the administrative offence arises.
3. For judgments that concern administrative offences, the public prosecutor may appeal in the same ways admitted for the crime from which the administrative offence arises.

### Article 72. Extension of appeals

1. Appeals by the individual charged with the crime from which the administrative offence arises also apply, respectively, to the entity and the charged individual, provided they are not based on exclusively personal grounds.

### Article 73. Review of judgments

1. When a judgment is passed on an entity, the provisions contained in title IV of the ninth book of the Code of Criminal Procedure are applied, if compatible, except for Articles 643, 644, 645, 646 and 647.

## SECTION IX Enforcement

### Article 74. Enforcement judge

1. The judge indicated in Article 665 of the Code of Criminal Procedure is responsible for recognising the enforcement of the penalties for administrative penalties arising from crimes.
2. The judge indicated in paragraph 1 is also responsible for the rulings concerned with:
  - a. the cessation of the enforcement of the penalties in the cases envisaged by Article 3;
  - b. the cessation of enforcement in cases of prescription of the crime due to amnesty;
  - c. determination of the administrative sanction applicable in the cases envisaged by Article 21, paragraphs 1 and 2;
  - d. confiscation and return of seized items.
3. The provisions of Article 666 of the Code of Criminal Procedure are observed in the enforcement process, as applicable. In the cases referred to in paragraph 2, letters b) and d), the provisions of Article 667, paragraph 4, of the Code of Criminal Procedure are observed.
4. When disqualification from carrying out an activity is applied, the judge, on request from the entity, can authorise ordinary administration that does not include the prohibited activity. The provisions of Article 667, paragraph 4, of the Code of Criminal Procedure apply.

### Article 75. Enforcement of financial penalties

(Article repealed by Presidential Decree No 115 of 30 May 2002).

### Article 76. Publication of conviction implementing the sentence

1. The publication of the conviction is paid for by the entity to which the sanctions apply. The provisions of Article 694, paragraphs 2, 3, and 4 of the Code of Criminal Procedure apply.

#### **Article 77. Enforcement of prohibitory penalties**

1. The abstract of a judgment that contains the application of a prohibitory penalty is notified to the entity by the public prosecutor.
2. The duration of the prohibitory penalties commence from the date of the notification.

#### **Article 78. Conversion of prohibitory penalties**

1. Any entity which is late in adopting the conduct referred to in Article 17 can request the conversion of administrative prohibitory penalties into financial penalties within twenty days of the notification of the judgment abstract.
2. Such a request is presented to the enforcement judge and must contain the documents attesting to the enforcement of the obligations referred to in Article 17.
3. Within ten days of submission of the request, the judge schedules a hearing in chambers and advises the parties involved and the defence; if the request does not appear manifestly unfounded, the judge can suspend the enforcement of the penalty. The suspension is issued in a revocable order that includes explanations.
4. If the request is granted, the judge issues an order converting the prohibitory penalties, establishing the amount of the financial penalty at a sum not less than the amount applied in the judgment and not more than double that amount. In determining the quantum, the judge takes into account the seriousness of the offence as set out in the judgment and the reasons for late compliance with the conditions referred to in Article 17.

#### **Article 79. Nomination of court-appointed administrator and confiscation of profits**

1. When a judgment includes an entity being disqualified from carrying out its activity in accordance with Article 15, the enforcement judge is requested by the public prosecutor to nominate a court-appointed administrator, who does so without delay.
2. The administrator reports to the enforcement judge and the public prosecutor every three months on performance and, once the engagement has ended, sends the judge a report on the activities carried out, the amount of profit to be confiscated and how the compliance programmes were implemented.
3. The judge decides on confiscation in accordance with Article 667, paragraph 4, of the Code of Criminal Procedure.
4. The costs due for the activities carried out by the court appointed administrator and his remuneration are paid for by the entity.

#### **Article 80. National registry of administrative penalties**

(Article repealed by Presidential Decree No 313 of 14 November 2002).

#### **Article 81. Registry certificates**

(Article repealed by Presidential Decree No 313 of 14 November 2002).

#### **Article 82. Disputes concerning records and certificates**

(Article repealed by Presidential Decree No 313 of 14 November 2002).

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## ( CHAPTER IV )

### PROVISIONS FOR IMPLEMENTATION AND COORDINATION

#### **Article 83. Concurrent penalties**

1. Only the prohibitory penalties contained in the present legislative decree are applied to entities, even when different laws provide, as a consequence of conviction for the crime, for the application to the entity of administrative penalties of either identical or similar content.



2. If, as a consequence of an offence, an administrative penalty of identical or similar content to the prohibitory penalty provided for by the present legislative decree is applied to the entity, the duration of the penalty already in force is taken into account when calculating the duration of the administrative penalty arising from crime.

**Article 84. Communications to the control and supervisory authorities**

3. Rulings that apply precautionary measures and irrevocable convictions are disclosed by the clerk of the court where the judge issued them to the authorities responsible for the control and supervision of the entity.

**Article 85. Regulatory provisions**

(Article repealed by Presidential Decree No 313 of 14 November 2002).

This decree, with the seal of state duly affixed, will be added to the Official Compendium of Regulatory Documents of the Italian Republic. All those whom it addresses must observe it and ensure it is observed.

## ANNEX B

### CATALOGUE OF PREDICATE OFFENCES

Predicate Offences		Regulatory references
<b>Article 24</b>	<p>Undue receipt of funds, fraud against the State or a public authority or the European Union or to obtain public funds and computer fraud against the State or a public authority and fraud in public supplies</p> <ul style="list-style-type: none"> <li>- Misappropriation of public funds (Article 316-bis Criminal Code);</li> <li>- Undue receipt of public funds (Article 316-ter Criminal Code);</li> <li>- Fraud against the State or other public body or the European Union (article 640, paragraph 2, no. 1, Criminal Code);</li> <li>- Aggravated fraud for the purpose of obtaining public funds (article 640-bis, Criminal Code);</li> <li>- Computer fraud against the state or other public body or the European Union (article 640-ter, Criminal Code);</li> <li>- Fraud in public supplies (Article 356 Criminal Code);</li> <li>- Fraud against the European Agricultural Fund (Article 2, Law No. 898 of 23 December 1986);</li> <li>- Disturbance of the freedom of tenders (Article 353, Criminal Code);</li> <li>- Disturbance of the freedom of the procedure for the choice of contracting parties (Article 353-bis).</li> </ul>	<p>Article introduced by Legislative Decree 231/01 and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law No. 161 of 19 October 2017;</li> <li>- Legislative Decree No. 75 of 14 July 2020;</li> <li>- Decree Law No. 105 of 10 August 2023, converted with amendments by Law No. 137 of 9 October 2023.</li> </ul>
<b>Article 24-bis</b>	<p>Cybercrime and unlawful data processing</p> <ul style="list-style-type: none"> <li>- Electronic documents (Article 491-bis, Criminal Code);</li> <li>- Malicious hacking of an information or computer system (Article 615-ter, Criminal Code);</li> <li>- Unauthorised possession, dissemination and installation of equipment, codes and other means of accessing computer or telecommunications systems (Article 615-quater, Criminal Code);</li> <li>- Unauthorised possession, dissemination and installation of computer equipment, devices or programmes intended to damage or interrupt a computer or telecommunications system (Article 615-quinquies, Criminal Code);</li> <li>- Wiretapping, blocking or illegally interrupting computer or information technology communications (Article 617-quater, Criminal Code);</li> <li>- Unauthorised possession, dissemination and installation of equipment and other means of intercepting, impeding or interrupting computer or information technology communications (Article 617-quinquies, Criminal Code);</li> <li>- Damaging computer information, data and programmes (Article 635-bis, Criminal Code);</li> <li>- Damaging computer information, data and programs used by the State or any other public entity or by an entity providing public services (Article 635-ter, Criminal Code);</li> <li>- Damaging computer or information technology systems (Article 635-quater, Criminal Code);</li> <li>- Damaging public utility information or computer systems (Article 635-quinquies, Criminal Code);</li> <li>- Computer fraud by providers of electronic signature certification services (Article 640-quinquies, Criminal Code);</li> <li>- Violation of the rules on the National Cybersecurity Perimeter (Article 1, paragraph 11, Decree Law No. 105 of 21 September 2019).</li> </ul>	<p>Article introduced by Law No. 48 of 18 March 2008 and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Legislative Decree No. 7 of 15 January 2016;</li> <li>- Legislative Decree No. 8 of 15 January 2016;</li> <li>- Decree Law 105 of 21 September 2019, ratified with amendments by Law 133 of 18 November 2019.</li> </ul>

Predicate Offences		Regulatory references
<b>Article 24-ter</b>	<p>Organised crime</p> <ul style="list-style-type: none"> <li>- Criminal association (Article 416, Criminal Code)</li> <li>- Mafia-type association, including foreign (Article 416-bis, Criminal Code);</li> <li>- Mafia vote-buying (Article 416-ter, Criminal Code);</li> <li>- Kidnapping for ransom or extortion (Article 630, Criminal Code);</li> <li>- Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances (Article 74, Presidential Decree 309 of 9 October 1990)</li> <li>- All offences if committed by availing oneself of the conditions provided for in Article 416-bis of the Criminal Code or in order to facilitate the activities of the associations provided for in the same Article (Law 203/91);</li> <li>- Illegal manufacture, import into Italy, offer for sale, disposal, possession and carrying in a public place or place open to the public of weapons of war or military weapons or parts thereof, explosives, illegal weapons and more common firearms, except those envisaged in Article 2, third paragraph, of Law 110 of 18 April 1975 (Article 407, paragraph 2, letter a), number 5), Code of Criminal Procedure).</li> </ul>	<p>Article introduced by Law no. 190 of 6 November 2012 and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law no. 3 of 9 January 2019;</li> <li>- Legislative Decree No. 75 of 14 July 2020.</li> </ul>
<b>Article 25</b>	<p>Embezzlement, extortion, illegal inducement to give or promise benefits and corruption and abuse of power</p> <ul style="list-style-type: none"> <li>- Extortion (Article 317, Criminal Code);</li> <li>- Corruption in the performance of duties (Article 318, Criminal Code);</li> <li>- Corruption in an act contrary to official duties (Article 319, Criminal Code);</li> <li>- Aggravating circumstances, when the entity has obtained a significant profit from the offence (Article 319-bis, Criminal Code);</li> <li>- Bribery in judicial proceedings (Article 319-ter, Criminal Code);</li> <li>- illegal inducement to give or promise benefits (Article 319-quater, Criminal Code) [Article added by Law no. 190/2012 and amended by Law no. 69/2015];</li> <li>- Bribery of a public service officer (Article 320, Criminal Code);</li> <li>- Penalties for the corruptor (Article 321, Criminal Code);</li> <li>- Incitement to bribery (Article 322 Criminal Code);</li> <li>- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery, incitement to bribery, or abuse of power of international Courts or of the bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code);</li> <li>- Trafficking in illicit influences (Article 346-bis, Criminal Code);</li> <li>- Embezzlement (limited to the first paragraph), when the act offends the financial interests of the European Union (Article 314, Criminal Code);</li> <li>- Embezzlement by profiting from the error of others, when the act offends the financial interests of the European Union (Article 316, Criminal Code);</li> <li>- Abuse of power, when the act offends the financial interests of the European Union (Article 323, Criminal Code).</li> </ul>	<p>Article introduced by Law no. 190 of 6 November 2012 and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law no. 3 of 9 January 2019;</li> <li>- Legislative Decree No. 75 of 14 July 2020.</li> </ul>

Predicate Offences		Regulatory references
<b>Article 25-bis</b>	<p>Forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments</p> <ul style="list-style-type: none"> <li>- Forgery of money, and spending and import into Italy, through intermediaries, of forged money (Article 453, Criminal Code);</li> <li>- Forging money (Article 454, Criminal Code)</li> <li>- Spending and import into Italy, without intermediaries, of forged money (Article 455, Criminal Code);</li> <li>- Spending of forged money received in good faith (Article 457, Criminal Code);</li> <li>- Forging of revenue stamps, and importing into Italy, purchasing, possessing or circulating of forged revenue stamps (Article 459, Criminal Code);</li> <li>- Forgery of watermarked paper used to produce public credit instruments or revenue stamps (Article 460, Criminal Code)</li> <li>- Manufacture or possession of watermarks or instruments intended for forging money, revenue stamps or watermarked paper (Article 461, Criminal Code)</li> <li>- Use of counterfeit or forged revenue stamps (Article 464, Criminal Code);</li> <li>- Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs (Article 473, Criminal Code);</li> <li>- Import into Italy and sale of products with false signs (Article 474, Criminal Code).</li> </ul>	<p>Article introduced by Legislative Decree No. 350 of 25 September 2001, converted with amendments by Law No. 409 of 23 November 2001, and, modified by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law No. 99 of 23 July 2009;</li> <li>- Legislative Decree no. 125 of 21 June 2016.</li> </ul>
<b>Art. 25-bis.1</b>	<p>Crimes against industry and trade</p> <ul style="list-style-type: none"> <li>- Disruption of freedom of trade and commerce (Article 513, Criminal Code);</li> <li>- Illegal competition with threats or violence (Article 513-bis, Criminal Code);</li> <li>- Fraud against national industries (Article 514, Criminal Code);</li> <li>- Fraudulent trading (Article 515, Criminal Code);</li> <li>- Sale of non-genuine foodstuffs as genuine (Article 516, Criminal Code);</li> <li>- Sale of industrial products with misleading signs (Art 517, Criminal Code);</li> <li>- Manufacture and trade of goods made by misappropriating industrial property rights (Art 517-ter, Criminal Code);</li> <li>- Infringement of geographical indications or designations of origin for agrifood products (Article 517-quater, Criminal Code).</li> </ul>	<p>Article introduced by Law 23 No. 99 of July 2009.</p>

Predicate Offences		Regulatory references
<b>Article 25-ter</b>	<p>Corporate crimes</p> <ul style="list-style-type: none"> <li>- False corporate communications (Article 2621, Civil Code);</li> <li>- Minor instances (Article 2621-bis, Civil Code);</li> <li>- False company statements by listed companies (Article 2622, Civil Code);</li> <li>- Impeding company controls (Article 2625, paragraph 2, Civil Code);</li> <li>- Unlawful return of capital contributions (Article 2626, Civil Code);</li> <li>- Illegal allocation of profits and reserves (Article 2627, Civil Code);</li> <li>- Unlawful transactions involving shares or quotas of the company or the parent company (Article 2628, Civil Code);</li> <li>- Transactions to the detriment of creditors (Article 2629, Civil Code);</li> <li>- Failure to disclose a conflict of interest (Art. 2629-bis, Civil Code);</li> <li>- False creation of share capital (Article 2632, Civil Code);</li> <li>- Improper allocation of company assets by liquidators (Article 2633, Civil Code);</li> <li>- Private-to-private corruption (Article 2635, Civil Code);</li> <li>- Incitement to private-to-private corruption (Article 2635-bis, Civil Code);</li> <li>- Unlawful influence on the shareholders' meeting (Article 2636, Civil Code);</li> <li>- Market rigging (Article 2637, Civil Code);</li> <li>- Hindering public supervisory authorities from performing their functions (Article 2638, paragraphs 1 and 2, Civil Code);</li> <li>- False or omitted declarations for the issue of the preliminary certificate (Article 54, Legislative Decree 19/2023).</li> </ul>	<p>Article introduced by Legislative Decree No. 61 of 11 April 2002, and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law No. 262 of 28 December 2005;</li> <li>- Law No. 190 of 6 November 2012;</li> <li>- Law No. 69 of 27 May 2015;</li> <li>- Legislative decree No. 38 of 15 March 2017;</li> <li>- Legislative decree No. 19 of 2 March 2023;</li> </ul>

Predicate Offences		Regulatory references
<b>Article 25-quater</b>	<p>Crimes for the purposes of terrorism or subversion of democracy as set out by the Criminal Code and special laws</p> <ul style="list-style-type: none"> <li>- Subversive associations (Article 270, Criminal Code);</li> <li>- Crimes for the purposes of terrorism, international terrorism or subversion of democracy (Article 270-bis, Criminal Code);</li> <li>- Aggravating and mitigating circumstances (Article 270-bis.1, Criminal Code);</li> <li>- Assisting association members (Article 270-ter, Criminal Code);</li> <li>- Recruitment for the purposes of terrorism, including international terrorism (Article 270-quater, Criminal Code);</li> <li>- Travel organisation for terrorist purposes (Article 270-quater.1);</li> <li>- Training in activities for the purposes of terrorism, including international terrorism (Article 270-quinquies, Criminal Code);</li> <li>- Financing of conduct for the purposes of terrorism (Law No. 153/2016, Article 270-quinquies.1, Criminal Code);</li> <li>- Removal of goods or money subject to seizure (Article 270-quinquies.2, Criminal Code);</li> <li>- Conduct for the purposes of terrorism (Article 270-sexies, Criminal Code);</li> <li>- Attack for terrorist purposes or subversion (Article 280, Criminal Code);</li> <li>- Act of terrorism with deadly or explosive devices (Article 280-bis, Criminal Code);</li> <li>- Acts of nuclear terrorism (Article 280-ter, Criminal Code);</li> <li>- Kidnapping for the purposes of terrorism or subversion (Article 289-bis, Criminal Code);</li> <li>- Kidnapping for the purpose of coercion (Article 289-ter, Criminal Code);</li> <li>- Incitement to commit any of the crimes identified in the first and second sections (Article 302, Criminal Code);</li> <li>- Political conspiracy through agreement (Article 304, Criminal Code);</li> <li>- Political conspiracy through association (Article 305, Criminal Code);</li> <li>- Armed gangs: forming and participation (Article 306, Criminal Code);</li> <li>- Assistance to participants in conspiracy or armed gang (Article 307, Criminal Code);</li> <li>- Possession, hijacking and destruction of an aircraft (Law No. 342/1976, Art. 1);</li> <li>- Damage to ground installations (Law No. 342/1976, Art. 2);</li> <li>- Sanctions (Law No. 422/1989, Art. 3);</li> <li>- Voluntary repentance (Legislative Decree No 625/1979, Art. 5);</li> <li>- New York Convention of 9 December 1999 (Art. 2).</li> </ul>	<p>Article introduced by Law No. 7 of 14 January 2003.</p>

Predicate Offences		Regulatory references
<b>Article 25-quater.1</b>	Female genital mutilation practices	Article introduced by Law No. 7 of 9 January 2006.
	Female genital mutilation practices (Article 583-bis, Criminal Code)	
<b>Article 25-quinquies</b>	Crimes against the individual	Article introduced by Law no. 228 of 11 August 2003 and amended by the following regulatory provisions: - Law 38 of 6 February 2006; - Legislative decree No. 39 of 4 March 2014; - Law No. 199 of 29 October 2019.
	<ul style="list-style-type: none"> <li>- Enslaving or holding in slavery or servitude (Article 600, Criminal Code);</li> <li>- Child prostitution (Article 600-bis, Criminal Code);</li> <li>- Child pornography (Article 600-ter, Criminal Code);</li> <li>- Possession of or access to pornographic material (Article 600-quater);</li> <li>- Virtual pornography (Article 600-quater.1, Criminal Code);</li> <li>- Tourist initiatives aimed at the exploitation of child prostitution (Article 600-quinquies, Criminal Code);</li> <li>- Trafficking in persons (Article 601, Criminal Code);</li> <li>- Purchase and sale of slaves (Article 602, Criminal Code);</li> <li>- Illegal intermediation and exploitation of labour (Article 603-bis, Criminal Code);</li> <li>- Grooming of minors (Article 609-undecies, Criminal Code).</li> </ul>	
<b>Article 25-sexies</b>	Market abuse offences	Article introduced by Law No. 62 of 18 April 2005
	<ul style="list-style-type: none"> <li>- Market manipulation (Article 185, Legislative Decree No. 58/1998);</li> <li>- Abuse or unlawful disclosure of inside information. Recommending or inducing others to commit insider dealing (Article 184, Legislative Decree No. 58/1998).</li> </ul>	
<b>Article 187-quinquies TUF</b>	Other cases of market abuse	
	<ul style="list-style-type: none"> <li>- Prohibition of insider trading and unlawful disclosure of inside information (Article 14, EU Reg. 596/2014);</li> <li>- Prohibition of market manipulation (Article 15, EU Reg. 596/2014).</li> </ul>	
<b>Article 25-septies</b>	Crimes of manslaughter and grievous or very grievous bodily harm, committed in breach of the rules on accident prevention and protection of health and safety at work	Article introduced by Law No. 123 of 3 August 2007 and amended by Law No. 3 of 11 January 2018.
	<ul style="list-style-type: none"> <li>- Manslaughter (Article 589, Criminal Code);</li> <li>- Personal injury through negligence (Article 590, Criminal Code).</li> </ul>	
<b>Article 25-octies</b>	Receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering	Article introduced by Legislative Decree No. 231 of 21 November 2007 and amended by the following regulatory provisions: - Law No. 186 of 15 December 2014; - Legislative Decree 195 of 8 November 2021.
	<ul style="list-style-type: none"> <li>- Receiving (Article 648, Criminal Code);</li> <li>- Money laundering (Article 648-bis, Criminal Code);</li> <li>- Use of money, goods or benefits of unlawful origin (Article 648-ter, Criminal Code);</li> <li>- Self-laundering (Article 648-ter.1, Criminal Code).</li> </ul>	

Predicate Offences		Regulatory references
Article 25-octies.1	Offences relating to non-cash payments and fraudulent transfer of values	Article introduced by Legislative Decree No. 184 of 8 November 2021 and modified by the Decree Law No. 105 of 10 August 2023, converted with amendments by Law No. 137 of 9 October 2023.
	<ul style="list-style-type: none"> <li>- Undue use and counterfeiting of non-cash payment instruments (Article 493-ter, Criminal Code);</li> <li>- Possession and distribution of computer equipment, devices or programmes aimed at committing offences involving non-cash payment instruments (Article 493-quater, Criminal Code);</li> <li>- Computer fraud aggravated by the transfer of money, monetary value or virtual currency (Article 640-ter, Criminal Code);</li> <li>- Fraudulent transfer of valuables (Article 512-bis).</li> </ul>	
Article 25-octies.1 paragraph 2	Other cases concerning non-cash payment instruments	Article introduced by Legislative Decree No. 184 of 8 November 2021.
	<p>Unless the act constitutes another administrative offence punishable more seriously, in relation to the commission of any other offence against public faith, against property or which in any case offends property provided for by the criminal code, when it concerns non-cash payment instruments, the following financial penalties shall apply to the entity:</p> <ul style="list-style-type: none"> <li>a) if the crime is punishable by imprisonment for less than ten years, the financial penalty of up to 500 units;</li> <li>b) if the crime is punishable by imprisonment for not less than ten years, the financial penalty of between 300 and 800 units.</li> </ul>	



Predicate Offences		Regulatory references
<b>Article 25-novies</b>	Copyright infringement and related crimes	Article introduced by Law No. 99 of 23 July 2009 and amended by Law No. 93 of 14 July 2023.
	<ul style="list-style-type: none"> <li>- Making available to the public, in a system of information technology networks, through connections of any kind, a protected intellectual work, or part of it (Article 171, Law No. 633/1941, paragraph 1, letter a) <i>bis</i>);</li> <li>- Offences referred to in the preceding point committed on other people's works not intended for publication if their honour or reputation is offended (Article 171, Law No. 633/1941, paragraph 3);</li> <li>- Unlawful duplication, for profit, of computer programs; importation, distribution, sale or possession for commercial or business purposes or rental of programs contained in media not marked by SIAE; Preparing means to remove or circumvent computer program protection devices (Article 171-<i>bis</i>, Law No. 633/1941, paragraph 1);</li> <li>- Reproduction, transfer to another medium, distribution, communication, presentation, or public demonstration of the contents of a database; Database extraction or reuse; distribution, sale or lease of databases (Article 171-<i>bis</i>, Law No. 633/1941, paragraph 2);</li> <li>- Unlawful duplication, reproduction, transmission or broadcast in public by any means, in whole or in part, intellectual property intended for television, cinema use, the sale or rental of records, tapes or similar media or any other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images; literary, theatrical, scientific, educational, musical, theatrical-musical multimedia works, including those contained in collective or composite works or databanks; unlawful reproduction, duplication, transmission or broadcast, sale or marketing, or transfer under any title, or unlawful importation of more than fifty copies or originals of works protected by copyright and related rights; entry in a system of telematic networks, through connections of any kind, of intellectual property protected by copyright, or a part thereof (Article 171-<i>ter</i>, Law No. 633/1941);</li> <li>- Failure to notify SIAE of the identification data of media not subject to the mark or false declaration (Article 171-<i>septies</i>, Law No. 633/1941);</li> <li>- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analogue and digital form (Article 171-<i>octies</i>, Law No. 633/1941).</li> </ul>	
<b>Article 25-decies</b>	Inducement to refrain from making statements or to make false statements to the legal authorities	Article introduced by Law No. 116 of 3 August 2009.
	Inducement to refrain from making statements or to make false statements to the legal authorities (Article 377- <i>bis</i> , Criminal Code)	

Predicate Offences		Regulatory references
<p><b>Article 25-undecies</b></p>	<p>Environmental crimes</p> <ul style="list-style-type: none"> <li>- Environmental pollution (Article 452-bis, Criminal Code);</li> <li>- Environmental disaster (Article 452-quater, Criminal Code);</li> <li>- Intentional crimes against the environment (Article 452-quinquies, Criminal Code);</li> <li>- Trafficking and abandonment of high-level radioactive material (Article 452-sexies, Criminal Code);</li> <li>- Aggravating circumstances (Article 452-octies, Criminal Code);</li> <li>- Killing, destruction, capture, taking, and possession of specimens of protected wild fauna and flora species (Article 727-bis, Criminal Code);</li> <li>- Destruction or deterioration of habitats within a protected area (Article 733-bis, Criminal Code);</li> <li>- Import, export, possession, use for profit, purchase, sale, display or possession for sale or commercial purposes of protected species (Law No. 150/1992, Article 1, Article 2, Article 3-bis and Article 6);</li> <li>- Discharges of industrial waste water containing hazardous substances; discharges to soil, subsoil and groundwater; discharge into the waters of the sea by ships or aircraft (Legislative Decree No. 152/2006, Article 137);</li> <li>- Unauthorised waste management activities (Legislative Decree No. 152/2006, Article 256);</li> <li>- Pollution of soil, subsoil, surface water or groundwater (Legislative Decree No. 152/2006, Article 257);</li> <li>- Illegal waste trafficking (Legislative Decree No. 152/2006, Article 259);</li> <li>- Breach of reporting obligations, keeping of compulsory registers and forms (Legislative Decree No. 152/2006, Article 258);</li> <li>- Organized activities for the illicit trafficking of waste (Article 452-quaterdecies, Criminal Code);</li> <li>- False information on the nature, composition and chemical and physical characteristics of waste in the preparation of a waste analysis certificate; Inclusion in the waste traceability controls system (SISTR) of a false waste analysis certificate; omission or fraudulent alteration of the hard copy of the SISTR form - handling area in the transport of waste (Legislative Decree No. 152/2006, Article 260-bis);</li> <li>- Penalties (Legislative Decree No. 152/2006, Article 279);</li> <li>- Malicious pollution caused by ships (Legislative Decree No. 202/2007, Article 8);</li> <li>- Negligent pollution caused by ships (Legislative Decree No. 202/2007, Article 9);</li> <li>- Cessation and reduction of the use of harmful substances (Law No 549/1993, Article 3).</li> </ul>	<p>Article introduced by Legislative Decree No. 121 of 7 July 2011 and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law No. 68 of 22 May 2015;</li> <li>- Legislative Decree No. 21 of 1 March 2018;</li> <li>- Law No. 137 of 9 October 2023.</li> </ul>
<p><b>Article 25-duodecies</b></p>	<p>Employment of illegally staying third-country nationals</p> <ul style="list-style-type: none"> <li>- Provisions against illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, Legislative Decree No. 286/1998);</li> <li>- Employment of illegally staying third-country nationals (Article 22, paragraph 12-bis, Legislative Decree No. 286/1998).</li> </ul>	<p>Article introduced by Legislative Decree No. 109 of 16 July 2012 and amended by the following regulatory provisions:</p> <ul style="list-style-type: none"> <li>- Law No. 161 of 17 October 2017;</li> <li>- Decree Law No. 20 of 10 March 2003;</li> </ul>

Predicate Offences		Regulatory references
Article 25-terdecies	Racism and xenophobia	Article introduced by Law No. 167 of 20 November 2017 and amended by Legislative Decree No 21 of 1 March 2018.
	Propaganda and incitement to commit racial, ethnic and religious discrimination (Article 604-bis, Criminal Code).	
Article 25-quaterdecies	Fraud in sports competitions, illegal exercise of gambling or betting and games of chance by means of prohibited devices	Article introduced by Law no. 39 of 3 May 2019.
	<ul style="list-style-type: none"> <li>- Fraud in sporting competitions (Article 1, Law No. 401/1989);</li> <li>- Unauthorised exercise of gambling or betting activities (Article 4, Law No 401/1989).</li> </ul>	
Article 25-quinquesdecies	Tax crimes	Article introduced by Law No. 157 of 19 December 2019 and amended by Legislative Decree No. 75 of 14 July 2020.
	<ul style="list-style-type: none"> <li>- Fraudulent statement by using invoices or other documents for non-existent operations (Article 2, Legislative Decree No. 74/2000);</li> <li>- Fraudulent tax return using other schemes (Article 3, Legislative Decree no. 74/2000);</li> <li>- Issuance of invoices or other documents for illusory transactions (Article 8, Legislative Decree no. 74/2000);</li> <li>- Concealing or destroying accounting documents (Article 10, Legislative Decree no. 74/2000);</li> <li>- Fraudulent failure to pay taxes (Article 11, Legislative Decree No. 74/2000);</li> <li>- False tax return (Article 4, Legislative Decree No. 74/2000);</li> <li>- Failure to file a return (Article 5, Legislative Decree No. 74/2000);</li> <li>- Undue offset (Article 10-quater, Legislative Decree 74/2000).</li> </ul>	

Predicate Offences		Regulatory references
<p><b>Article 25-sexiesdecies</b></p>	<p><b>Smuggling</b></p> <ul style="list-style-type: none"> <li>- Smuggling in the movement of goods across land borders and customs areas (Article 282, Presidential Decree No. 43/1973);</li> <li>- Smuggling in the movement of goods in border lakes (Article 283, Presidential Decree No. 43/1973);</li> <li>- Smuggling in the maritime movement of goods (Article 284, Presidential Decree No. 43/1973);</li> <li>- Smuggling in the movement of goods by air (Article 285, Presidential Decree No. 43/1973);</li> <li>- Smuggling in non-customs areas (Article 286, Presidential Decree No. 43/1973);</li> <li>- Smuggling for improper use of goods imported with customs facilities (Article 287, Presidential Decree No. 43/1973);</li> <li>- Smuggling in bonded warehouses (Article 288, Presidential Decree No. 43/1973);</li> <li>- Smuggling in the cabotage and traffic (Article 289, Presidential Decree No. 43/1973);</li> <li>- Smuggling in the export of goods eligible for refund of duties (Article 290, Presidential Decree No. 43/1973);</li> <li>- Smuggling on temporary import or export (Article 291, Presidential Decree No. 43/1973);</li> <li>- Smuggling of foreign manufactured tobacco (Article 291-bis, Presidential Decree No. 43/1973);</li> <li>- Aggravating circumstances of the crime of smuggling of tobacco processed abroad (Article 291-ter, Presidential Decree No. 43/1973);</li> <li>- Criminal association involving the smuggling of tobacco processed abroad (Article 291-quater, Presidential Decree No. 43/1973);</li> <li>- Other cases of smuggling (Article 292, Presidential Decree No. 43/1973);</li> <li>- Aggravating circumstances of smuggling (Article 295, Presidential Decree No. 43/1973).</li> </ul>	<p>Article introduced by Legislative Decree No. 75 of 14 July 2020.</p>
<p><b>Article 25-septiesdecies</b></p>	<p><b>Crimes against the Cultural Heritage</b></p> <ul style="list-style-type: none"> <li>- Theft of cultural goods (Article 518-bis, Criminal Code);</li> <li>- Misappropriation of cultural assets (Article 518-ter, Criminal Code);</li> <li>- Receiving of cultural assets (Article 518-quater, Criminal Code);</li> <li>- Forgery in a private contract relating to cultural assets (Article 518-octies, Criminal Code);</li> <li>- Violations in the alienation of cultural assets (Article 518-novies, Criminal Code);</li> <li>- Illegal importation of cultural assets (Article 518-decies, Criminal Code);</li> <li>- Illicit exit or export of cultural assets (Article 518-undecies, Criminal Code);</li> <li>- Destruction, dispersion, deterioration, disfigurement, soiling and illicit use of cultural or landscape heritage (Article 518-duodecies, Criminal Code);</li> <li>- Counterfeiting of works of art (Article 518-quaterdecies, Criminal Code).</li> </ul>	<p>Article introduced by Law no. 22 of 9 May 2022.</p>

Predicate Offences		Regulatory references
Article 25- <i>duodevicies</i>	Laundering of cultural heritage and devastation and looting of cultural and landscape assets	Article introduced by Law no. 22 of 9 May 2022.
	<ul style="list-style-type: none"> <li>- Laundering of cultural assets (Article 518-<i>sexies</i>, Criminal Code);</li> <li>- Devastation and looting of cultural and landscape heritage (Article 518-<i>terdecies</i>, Criminal Code).</li> </ul>	
Article 12, Law No. 9 of 14 January 2013	Liability of entities for administrative offences from crimes [for entities operating in the virgin olive oil sector].	
	<ul style="list-style-type: none"> <li>- Adulteration and counterfeiting of foodstuffs (Article 440, Criminal Code);</li> <li>- Trade in counterfeit or adulterated foodstuffs (Article 442, Criminal Code);</li> <li>- Trade in harmful foodstuffs (Article 444, Criminal Code);</li> <li>- Counterfeiting, alteration or use of distinctive signs of intellectual property or industrial products (Article 473, Criminal Code);</li> <li>- Import into Italy and sale of products with false signs (Article 474, Criminal Code);</li> <li>- Fraudulent trading (Article 515, Criminal Code);</li> <li>- Sale of non-genuine foodstuffs as genuine (Article 516, Criminal Code);</li> <li>- Sale of industrial products with misleading signs (Art 517, Criminal Code);</li> <li>- Infringement of geographical indications or designations of origin for agrifood products (Article 517-<i>quater</i>, Criminal Code).</li> </ul>	
Law 146 of 16 March 2006	Transnational crimes	
	<ul style="list-style-type: none"> <li>- Measures against illegal immigration (Article 12, paragraph 3, 3-<i>bis</i>, 3-<i>ter</i> and 5, Consolidated Act, Legislative Decree 286 of 25 July 1998);</li> <li>- Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances (Article 74 of the Consolidated Act, Presidential Decree 309 of 9 October 1990);</li> <li>- Criminal association involving the smuggling of tobacco processed abroad (Article 291-<i>quater</i>, Consolidated Act, Presidential Decree 43 of 23 January 1973);</li> <li>- Inducement to refrain from making statements or to make false statements to the legal authorities (Article 377-<i>bis</i>, Criminal Code);</li> <li>- Personal aiding and abetting (Article 378, Criminal Code);</li> <li>- Criminal association (Article 416, Criminal Code)</li> <li>- Mafia-type association, including foreign (Article 416-<i>bis</i>, Criminal Code).</li> </ul>	

## ANNEX C

### ORGANISATIONAL AND SUPERVISORY CONTROLS

Below are the organisational and control measures (general and specific) adopted by the Company and considered suitable for preventing the risk of committing offences and/or the administrative offences provided for by Legislative Decree 231/01 within the areas of activity potentially considered at risk of offence.

#### I. GENERAL CONTROL MEASURES

Listed below are the general control measures applicable across all areas of at-risk activity:

- The Company has adopted a **Code of Ethics** governing the fundamental principles and values that guide the Company in the management of its activities, such as:
  - (i) principles applied in business relations (honesty, loyalty, propriety, transparency and good faith) and in relations with public institutions (compliance with current laws and regulations, honesty, fairness, transparency and loyalty);
  - (ii) principles for the selection of professionals that the Group companies may use (reliability and seriousness in terms of compliance with current laws and regulations and the rules governing their profession/work);
  - (iii) principles to which professionals contracted by the company must follow in conducting business (compliance with laws and regulations, propriety, diligence, minimising cost);
  - (iv) ban on illicit payments in relations with institutions and public officials and the prohibition of the offer of money, gifts or benefits of any kind to suppliers, customers and third parties in general, in order to obtain undue advantages, real or apparent, of any kind;
  - (v) prohibition of practices of corruption, favouritism, collusion, direct and/or indirect requests, also through promises of personal benefits against any representative of the Public Administration;
  - (vi) principles related to accounting (management transparency, completeness and transparency of information, legal and substantial legitimacy, clarity and veracity of accounting in accordance with current laws and procedures);
  - (vii) standards in financial reporting (truthfulness, accuracy, traceability, completeness and clarity of the information, in accordance with current rules and regulations and company procedures, the accounting records and in all activities concerning the preparation of the financial reports and other communications required by law and addressed to shareholders and third parties).
- The Company has adopted the “*General Anti-Corruption Guidelines*,” aimed at identifying the principles of conduct and control to be implemented in areas at risk in order to prevent and repress corruption.
- The Company has established powers of attorney and delegated powers for representatives of the Company, in line with their roles and responsibilities and the tasks carried out by them, and to enable them, for example, to:
  - formulate and sign the applications and/or requests aimed at applying for grants/subsidies from organisations and/or national, community and international public institutions, and/or funding to implement initiatives, courses, training programmes and services for employees, and draw up and sign the associated agreements or conventions;
  - represent the Company in Italy and abroad in relations with the state administration, public and private entities, and authorities for obtaining licences and authorisations;
  - represent the company before any judicial authority, whether civil, criminal, ordinary, special, EU, non-EU, national or regional, at any stage and level, as well as before arbitration panels, in all judgments whether active or passive (and whatever the issue of litigation), with the power to establish the individual disputes, accept waivers, court judgments and answering free or formal questions regarding the facts of the case; with the right to have themselves substituted in individual cases by special attorneys for exercising the powers conferred;

- carry out all banking activities (deposits and the issue and collection of cheques and bills);
- make payments from the Company's current accounts (the powers of attorney require, in any case, joint signature by a representative of the Administration Department and a representative of the Finance Division, to ensure that all necessary controls for payments from bank accounts are performed);
- stipulate the most appropriate terms, also in arbitration, as well as modify, terminate and assign contracts for the purchase of goods and services;
- sign contracts which confer professional assignments;
- sign, amend and terminate contracts and collective agreements (and supplementary benefits) for the employment of executives, journalists, managers, office staff and manual workers. The existing powers of attorney and delegated powers are subject to regular monitoring in order to ensure alignment within any intervening organisational changes.
- The **principle of separation of duties between critical business activities** is observed as part of the process for the allocation of roles and responsibilities.
- **Specifically selected units of the business are assigned responsibilities for overseeing** the internal control and risk management system of the Group, each in their own areas of expertise (e.g. Internal Auditing, the team that supports the Financial Reporting Manager, the Prevention and Protection Service). Reporting flows are established between the above units, to provide coordinated and efficient oversight of the Mediaset Group's internal control and risk management system.
- The **Code of Ethics and Compliance Programme** adopted by the Company are **made available to third parties** that have relations with the Company, in order to inform them of the content of the aforementioned documents and their updates.
- **Controls** are in place and have been **formalised** for the processes used to grant money or other **benefits in favour** of those with whom the company conducts business (e.g., management of financial resources, selection and recruitment, management of gifts, donations, sponsorships and entertainment expenses).
- **Periodic training** is provided for staff of the Company on the content of the **Code of Ethics** and the **Compliance Programme** adopted by the Company.
- **Contractual standards** prepared by the **Legal Affairs** Department are used for contractual arrangements with **external professionals**. Involvement of this Department is required for a preventive evaluation of any non-standard contracts.
- **Contracts** entered into with **external professionals** include **specific clauses** relating to the acceptance by the latter of the **Code of Ethics and Compliance Programme** adopted by the Company, with the latter's right to obtain the termination of the contracts in be and to request any compensation for damages suffered in the event of violation by external professionals of the provisions of the aforementioned documents.
- The **traceability and clarity of key controls** for the various areas of business areas of at-risk activity is assured through appropriate documentation activities.

## 2. SPECIFIC CONTROL MEASURES

In order to regulate the key controls governing the areas of at-risk activity, the Company has adopted:

- **Policies, Organisational Guidelines (OGLs), Procedures, Manuals and Operating Instructions**, made available to Company personnel via the intranet;
- **Flow-chart** monitoring the areas of activity resulting from the mapping of the internal control system on financial reporting (*Law 262/05*).
- The specific control measures are set out below with reference to the individual areas of at-risk activity.

## ANNEX C

### ORGANISATIONAL AND SUPERVISORY CONTROLS FOR EACH “AREA OF AT-RISK ACTIVITY”

<p style="text-align: center;"><b>AREA OF AT-RISK ACTIVITY</b></p> <p><b>Managing obligations with the Public Administration for authorisations, licences and/or public concessions</b></p>
<p><b>RELATED CRIMES</b></p> <p>Area of <u>directly at-risk activity</u> for:</p> <ul style="list-style-type: none"><li>- Public corruption<sup>1</sup></li><li>- Fraud against the State or other public body</li><li>- Disturbance of the freedom of tenders</li><li>- Disturbance of the freedom of the procedure for the choice of contracting parties</li></ul>
<p><b>ORGANISATIONAL AND SUPERVISORY CONTROLS</b></p> <ul style="list-style-type: none"><li>• General control measures</li><li>• OGL: “Management of the obligations required for the renewal of authorisations, licences and concessions from the Public Administration and public supervisory bodies”</li><li>• OGL: “Procuring and managing third-party professional services”</li><li>• OGL: “Management of fulfilments relating to contracts for the purchase, surface right and rental of public land”.</li></ul>
<p style="text-align: center;"><b>AREA OF AT-RISK ACTIVITY</b></p> <p><b>Management of relations with the Public Administration or public supervisory authorities for audits and inspections</b></p>
<p><b>RELATED CRIMES</b></p> <p>Area of <u>directly at-risk activity</u> for:</p> <ul style="list-style-type: none"><li>- Fraud against the State or other public body</li><li>- Hindering public supervisory authorities from performing their functions</li><li>- Public corruption<sup>1</sup></li></ul>
<p><b>ORGANISATIONAL AND SUPERVISORY CONTROLS</b></p> <ul style="list-style-type: none"><li>• General control measures</li><li>• OGL: “Procuring and managing third-party professional services”</li><li>• OGL: “Managing relations with the Public Administration or public supervisory authorities as regards audits and inspections”</li></ul>



### AREA OF AT-RISK ACTIVITY

Organising training programmes and/or services for personnel that are financed using public grants

#### RELATED CRIMES

Area of directly at-risk activity for:

- Public corruption<sup>1</sup>
- Undue receipt of grants, financing or other funds from the State or other public body or European Communities
- Aggravated fraud for the purpose of obtaining public funds
- Aggravated fraud against the State or other public authorities
- Misappropriation of public funds
- Incitement to private-to-private corruption
- Private-to-private corruption

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: Access to and management of grants from public bodies for training programmes
- OGL: Access to grants from Public Bodies for employee services
- OGL: "Procuring and managing third-party professional services"

### AREA OF AT-RISK ACTIVITY

Obtaining public grants for radio companies

Area of at-risk activity considered to be not remotely relevant

### AREA OF AT-RISK ACTIVITY

Managing relations with the Board of Statutory Auditors and investors

#### RELATED CRIMES

Area of directly at-risk activity for:

- Impeding company controls

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing relations with the Board of Statutory Auditors"

## AREA OF AT-RISK ACTIVITY

### Managing accounts and preparing annual and interim financial statement

#### RELATED CRIMES

Area of directly at-risk activity for:

- Minor instances
- False corporate communications
- Incitement to private-to-private corruption
- Private-to-private corruption
- Issuing invoices or other documents for non-existent operations
- Transactions to the detriment of creditors
- Unlawful return of capital
- Illegal allocation of profits and reserves
- Failure to disclose a conflict of interest
- Concealing and destroying accounting documents
- Fraudulent transfer of valuables
- Money laundering

Area of indirectly at-risk activity for:

- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Incitement to private-to-private corruption
- Private-to-private corruption
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Procuring and managing third-party professional services"
- OGL: "Preparing financial statements - Italy"
- OGL: "Preparation of consolidated financial statements"
- *Flow-chart*: "Managing Plan of Accounts"
- *Flow-chart*: "Accounting Entries"
- *Flow-chart*: "Consolidated Administrative Accounts"
- *Flow-chart*: "Consolidated Management Accounts"
- *Flow-chart*: "CSIM - Impairment Test"
- *Flow-chart*: "Report on Operations"
- *Flow-chart*: "Accounts Payable Italy"
- *Flow-chart*: "Technical Fixed Assets Management (tangible and intangible)"
- *Flow-chart*: "Rights-of-Use Contract Management"

## AREA OF AT-RISK ACTIVITY

Preparing the sustainability report

### RELATED CRIMES

Area of directly at-risk activity for:

- Market manipulation

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Preparing the sustainability report"

## AREA OF AT-RISK ACTIVITY

Managing tax obligations

### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent tax return by other artifices
- Fraudulent tax return using
- Invoices or other documents for illusory transactions
- False declaration
- Fraudulent failure to pay taxes
- Non-declaration
- Non-payment of VAT<sup>3</sup>
- Non-payment of certified with holding taxes<sup>4</sup>
- Undue offsetting

Area of indirectly at-risk activity for:

- Minor instances
- False corporate communications

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- Policy: "Cross-border Intercompany Transactions"
- Policy: "Tax Strategy of the MFE Group"
- Procedure: "Cross-border Intercompany Transactions"

## AREA OF AT-RISK ACTIVITY

### Managing intercompany relations

#### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Self-laundering Receiving money, goods or assets of unlawful origin
- Money laundering

Area of indirectly at-risk activity for:

- Minor instances
- False corporate communications
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent failure to pay taxes
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences
- Money laundering

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing intercompany contracts - Italy Area"
- Policy: "Cross-border Intercompany Transactions"
- Procedure: "Cross-border Intercompany Transactions"

## AREA OF AT-RISK ACTIVITY

### Managing extraordinary transactions

#### RELATED CRIMES

Area of directly at-risk activity for:

- Unlawful return of capital
- Illegal allocation of profits and reserves
- Unlawful transactions involving shares or quotas of the company or the parent company
- Transactions to the detriment of creditors
- Insider dealing
- Market manipulation
- Market rigging
- Failure to disclose a conflict of interest
- Fraudulent transfer of valuables
- Self-laundering
- Minor instances
- False corporate communications
- False or omitted declarations for the issue of the preliminary certificate

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Incitement to private-to-private corruption
- Private-to-private corruption<sup>5</sup>
- Fraudulent failure to pay taxes
- Fraudulent tax return by other artifices
- False declaration
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Trafficking in illicit influences
- Public corruption<sup>6</sup>

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Procuring and managing third-party professional services"
- OGL: "Managing and disclosing inside information"

## AREA OF AT-RISK ACTIVITY

Procurement and management of insurance services

### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Private-to-private corruption

Area of indirectly at-risk activity for:

- Minor instances
- False corporate communications

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing relationships with insurance companies"

## AREA OF AT-RISK ACTIVITY

Managing relations with credit institutions

### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Private-to-private corruption
- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Self-laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>2</sup>
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Private-to-private corruption

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing relations with banks and factoring companies"

## AREA OF AT-RISK ACTIVITY

### Managing collections and payments

#### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Fraudulent transfer of valuables
- Self-laundering
- Undue use and counterfeiting of non-cash payment instruments

Area of indirectly at-risk activity for:

- Minor instances
- False corporate communications
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>7</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Incitement to private-to-private corruption
- Private-to-private corruption<sup>8</sup>
- Undue use and counterfeiting of non-cash payment instruments
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing collections"
- OGL: "Managing payments"
- *Flow-chart*: "Accounts Payable/Medium-Long Debt Cash Management"
- *Flow-chart*: "Accounts Receivable/Collections Cash Management"
- *Flow-chart*: "Accounts Payable/Payments Cash Management"

## AREA OF AT-RISK ACTIVITY

Managing cash reserves

### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Fraudulent transfer of valuables
- Self-laundering

Area of indirectly at-risk activity for:

- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing cash reserves"



## AREA OF AT-RISK ACTIVITY

### Procuring goods and services

#### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Private-to-private corruption
- Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs
- Import into Italy and sale of products with false signs
- Manufacture and trade of goods made by misappropriating industrial property rights.
- Fraudulent bankruptcy<sup>9</sup>
- Employment of illegally staying third-country nationals
- Illicit intermediation and exploitation of labour
- Fraudulent transfer of valuables
- Self-laundering
- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- Public corruption<sup>10</sup>
- Minor instances
- False corporate communications
- Fraudulent failure to pay taxes
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: “Managing procurement of goods and services”
- OGL: “Managing supplier certification”
- Operating procedure for tender management

## AREA OF AT-RISK ACTIVITY

Purchasing brands and patents

### RELATED CRIMES

Area of directly at-risk activity for:

- Import into Italy and sale of products with false signs
- Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Checks prior to the issue or publication of content"

## AREA OF AT-RISK ACTIVITY

Managing small production purchases

### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Self-laundering
- Use of money, goods or assets of unlawful origin
- Money laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Minor instances
- False corporate communications
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing small production purchases"

## AREA OF AT-RISK ACTIVITY

Managing logistics

### RELATED CRIMES

Area of directly at-risk activity for:

- Counterfeiting<sup>11</sup>
- Employment of illegally staying third-country nationals
- Illicit intermediation and exploitation of labour

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>2</sup>
- Minor instances
- False corporate communications
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Warehouse process management"

## AREA OF AT-RISK ACTIVITY

### Obtaining professional assignments

#### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Private-to-private corruption
- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- Trafficking in illicit influences

Area of indirectly at-risk activity for:

- Public Corruption<sup>12</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Procuring and managing third-party professional services"

## AREA OF AT-RISK ACTIVITY

### Procuring artistic services

#### RELATED CRIMES

Area of directly at-risk activity for:

- Employment of illegally staying third-country nationals
- Illicit intermediation and exploitation of labour
- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Fraudulent transfer of valuables
- Self-laundering
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public Corruption<sup>13</sup>

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public Corruption<sup>12</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Trafficking in illicit influences
- Incitement to private-to-private corruption
- Private-to-private corruption

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Procuring artistic services in the field of radio"
- *Flow-chart*: "Managing artistic resources"
- *Flow-chart*: "Managing artistic collaborators"

## AREA OF AT-RISK ACTIVITY

Managing games, prize competitions and contests

### RELATED CRIMES

Area of directly at-risk activity for:

- Fraud<sup>14</sup>
- Illegal exercise of gambling and betting activities
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Public Corruption<sup>1</sup>
- Fraudulent transfer of valuables

Area of indirectly at-risk activity for:

- Inducement to refrain from making statements or to make false statements to the legal authorities

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing contests and prize competitions"

## AREA OF AT-RISK ACTIVITY

Managing copyright (e.g., SIAE)

### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Private-to-private corruption
- Public Corruption<sup>2</sup>
- Aggravated fraud against the State or other public authorities
- Fraudulent transfer of valuables
- Use of money, goods or assets of unlawful origin
- Money laundering
- Self-laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- Public Corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Minor instances
- False corporate communications
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing copyright"
- *Flow-chart*: "Managing Relations with Collecting Companies – SIAE"

## AREA OF AT-RISK ACTIVITY

### Monitoring content for broadcast

#### RELATED CRIMES

Area of directly at-risk activity for:

- Possession of pornographic material
- Child pornography
- Virtual pornography
- Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs
- Unlawful duplication, for profit, of computer programs; importation, distribution, sale or possession for commercial or business purposes or rental of programs contained in media not marked by SIAE; Preparing means to remove or circumvent computer program protection devices
- Making protected intellectual property, or a part thereof, available to the public, in a system of telematic networks
- Reproduction, transfer to another medium, distribution, communication, presentation, or public demonstration of the contents of a database; Database extraction or reuse; distribution, sale or lease of database
- Unlawful duplication, reproduction, transmission or broadcast in public by any means, in whole or in part, intellectual property intended for television, cinema use, the sale or rental of records, tapes or similar media or any other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images; literary, theatrical, scientific, educational, musical, theatrical-musical multimedia works, including those contained in collective or composite works or databanks; unlawful reproduction, duplication, transmission or broadcast, sale or marketing, or transfer under any title, or unlawful importation of more than fifty copies or originals of works protected by copyright and related rights; entry in a system of telematic networks, through connections of any kind, of intellectual property protected by copyright, or a part thereof<sup>15</sup>
- Failure to notify the SIAE of the identification data of unmarked media or false declaration
- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analogue and digital form
- Offence referred to in the previous point committed on other people's works not intended for publication or with usurpation of authorship

Area of indirectly at-risk activity for:

- Racism and xenophobia

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Checks prior to the issue or publication of content"

## AREA OF AT-RISK ACTIVITY

### Sale of goods and services

Area of at-risk activity considered to be not remotely relevant

## AREA OF AT-RISK ACTIVITY

### Managing loans

Area of at-risk activity considered to be not remotely relevant

## AREA OF AT-RISK ACTIVITY

### Managing exchange visibility transactions

#### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Private-to-private corruption
- Aggravated fraud against the State or other public authorities
- Fraudulent bankruptcy<sup>9</sup>
- Illegal competition with threats or violence.
- Disruption of freedom of trade and commerce
- Fraudulent transfer of valuables
- Money laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Trafficking in illicit influences
- Private-to-private corruption
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Private-to-private corruption
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Goods exchange management in radio sector"



## AREA OF AT-RISK ACTIVITY

### Selection and recruitment of “staff”

#### RELATED CRIMES

Area of directly at-risk activity for:

- Employment of illegally staying third-country nationals
- Illicit intermediation and exploitation of labour
- Incitement to private-to-private corruption
- Private-to-private corruption
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: “Selecting and hiring personnel”

## AREA OF AT-RISK ACTIVITY

### Managing human resources

#### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Money laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>16</sup>
- Incitement to private-to-private corruption
- Private-to-private corruption<sup>17</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: “Short-term incentive system”
- OGL: “Employee remuneration policy”
- *Flow-chart*: “Managing the Company Incentive System”

## AREA OF AT-RISK ACTIVITY

### Personnel administration

#### RELATED CRIMES

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>18</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- *Flow-chart: "Payroll"*

## AREA OF AT-RISK ACTIVITY

### Managing social security and pensions compliance obligations

#### RELATED CRIMES

Area of directly at-risk activity for:

- Non-payment of certified withholding taxes<sup>4</sup>
- Undue offsetting

Area of indirectly at-risk activity for:

- Minor instances
- False corporate communications

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- *Flow-chart: "Payroll"*

## AREA OF AT-RISK ACTIVITY

### Managing travel expenses

#### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Money laundering
- Self-laundering

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing expense sheets"
- OGL: "Managing travel and travel services"
- OGL: "Managing corporate credit cards"
- *Flow-chart*: "Managing travel and expense accounts"

## AREA OF AT-RISK ACTIVITY

### Managing expenses for gifts and donations

#### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Money laundering
- Self-laundering

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Incitement to private-to-private corruption
- Private-to-private corruption<sup>19</sup>
- Trafficking in illicit influences

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing gifts"
- OGL: "Managing expenses for donations"

## AREA OF AT-RISK ACTIVITY

Managing entertainment and sponsorship expenses

### RELATED CRIMES

Area of directly at-risk activity for:

- Fraudulent transfer of valuables
- Money laundering
- Self-laundering

Area of indirectly at-risk activity for:

- Public corruption<sup>20</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration
- Minor instances
- False corporate communications
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy
- Incitement to private-to-private corruption
- Private-to-private corruption<sup>21</sup>
- Trafficking in illicit influences

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing expense sheets"
- OGL: "Managing corporate credit cards"
- OGL: "Managing sponsorships"

## AREA OF AT-RISK ACTIVITY

Managing legislative compliance for health and safety at work

### RELATED CRIMES

Area of directly at-risk activity for:

- Manslaughter
- Personal injury through negligence

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- Manual of the System for Health and Safety in the Workplace
- Policy for Health and Safety in the Workplace
- OGL: "Crisis management organisational model"
- OGL: "Crisis management operating model"
- Occupational health and safety instructions and operating procedures

## AREA OF AT-RISK ACTIVITY

Managing legal compliance for the protection of the environment

### RELATED CRIMES

Area of directly at-risk activity for:

- Environmental pollution
- Discharges into soil, subsoil and groundwater
- Construction or management of an unauthorised landfill
- Collection, transportation, recovery, disposal, trade and brokerage of hazardous and non-hazardous waste without the required authorisation, registration or communication
- Forbidden waste mixing activities
- Construction or management of unauthorised landfill destined, even partially, to the disposal of hazardous waste

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Environmental protection obligations"

## AREA OF AT-RISK ACTIVITY

Managing and disclosing inside information

### RELATED CRIMES

Area of directly at-risk activity for:

- Insider dealing
- Market manipulation
- Market rigging

Area of indirectly at-risk activity for:

- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>22</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Incitement to private-to-private corruption
- Private-to-private corruption<sup>23</sup>
- Trafficking in illicit influences

### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing and disclosing inside information"

## AREA OF AT-RISK ACTIVITY

### Obtaining confidential information

#### RELATED CRIMES

Area of directly at-risk activity for:

- Incitement to private-to-private corruption
- Private-to-private corruption
- Public corruption<sup>2</sup>

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures

## AREA OF AT-RISK ACTIVITY

### Managing judicial, extra-judicial and arbitration proceedings

#### RELATED CRIMES

Area of directly at-risk activity for:

- Public corruption<sup>1</sup>
- Incitement to private-to-private corruption
- Private-to-private corruption
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent transfer of valuables
- Self-laundering

Area of indirectly at-risk activity for:

- Fraudulent tax return by other artifices
- Fraudulent tax return using invoices or other documents for illusory transactions
- False declaration

#### ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- OGL: "Managing legal disputes"
- OGL: "Procuring and managing third-party professional services"

## AREA OF AT-RISK ACTIVITY

### Managing company IT systems

#### RELATED CRIMES

Area of directly at-risk activity for:

- Fraud in a public electronic document or a document with probative force
- Unauthorised possession and distribution of access codes to information and computer systems
- Malicious hacking of an information or computer system
- Installing devices aimed at wiretapping, blocking or interrupting computer or information technologies communications
- Distributing computer equipment, devices or programs for the purpose of damaging or blocking an information or computer system
- Wiretapping, blocking or illegally interrupting computer or information technology communications
- Damaging computer information, data and programs used by the State or any other public entity or by an entity providing public services
- Damaging public utility information or computer systems
- Damaging information or computer systems
- Damaging computer information, data and programs
- Unlawful duplication, for profit, of computer programs; importation, distribution, sale or possession for commercial or business purposes or rental of programs contained in media not marked by SIAE; Preparing means to remove or circumvent computer program protection devices
- Making protected intellectual property, or a part thereof, available to the public, in a system of telematic networks
- Reproduction, transfer to another medium, distribution, communication, presentation, or public demonstration of the contents of a database; Database extraction or reuse; distribution, sale or lease of database
- Unlawful duplication, reproduction, transmission or broadcast in public by any means, in whole or in part, intellectual property intended for television, cinema use, the sale or rental of records, tapes or similar media or any other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images; literary, theatrical, scientific, educational, musical, theatrical-musical multimedia works, including those contained in collective or composite works or databanks; unlawful reproduction, duplication, transmission or broadcast, sale or marketing, or transfer under any title, or unlawful importation of more than fifty copies or originals of works protected by copyright and related rights; entry in a system of telematic networks, through connections of any kind, of intellectual property protected by copyright, or a part thereof<sup>15</sup>
- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analogue and digital form ✓ Offence referred to in the preceding paragraph committed on others' works not intended for publication or with usurpation of authorship
- Computer fraud
- Concealing and destroying accounting documents

Area of indirectly at-risk activity for:

- Minor instances
- False corporate communications
- Disturbance of the freedom of tenders
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Public corruption<sup>2</sup>
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Disturbance of the freedom of the procedure for the choice of contracting parties
- Incitement to private-to-private corruption
- Private-to-private corruption



## ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures
- Operating instructions in the field of Information Security
- Managing the IT Systems
- OGL: "Use of information technology tools"
- OGL: "Managing users and authorisation profiles SAP management and accounting system"
- OGL: "Using control systems for accessing reserved company areas"
- OGL: "Information security policy"
- OGL: "Information security governance"
- OGL: "Information security engineering"
- OGL: "Information security operations"

## AREA OF AT-RISK ACTIVITY

Management of promotional activities of music tracks

### RELATED CRIMES

Area of directly at-risk activity for:

- Money laundering

Area of indirectly at-risk activity for:

- Public corruption<sup>2</sup>
- Incitement to refrain from making statements or to make false statements to the legal authorities
- Incitement to private-to-private corruption
- Private-to-private corruption
- Trafficking in illicit influences

## ORGANISATIONAL AND SUPERVISORY CONTROLS

- General control measures

## ENDNOTES

<sup>1</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code).

This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code)
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-*bis*, Criminal Code).

<sup>2</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-*bis*, Criminal Code).

<sup>3</sup>Article 10-*ter* of Legislative Decree 74/2000.

<sup>4</sup>Article 10-*bis* of Legislative Decree 74/2000.

<sup>5</sup>The risk could be direct where the extraordinary transaction - in itself - constitutes, due to the values and the manner in which it is defined, an improper utility to a competitor (e.g.: a company referable to the family of a top manager of a competing company is purchased at an overestimated cost).

<sup>6</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-*bis*, Criminal Code).

Furthermore, the risk could be direct where the extraordinary transaction - in itself - constitutes, due to the values and methods with which it is defined, a benefit improperly recognised to the public official (or to personnel attributable to or reported by the same) from whom to secure favours (e.g.: a company belonging to a political figure is purchased at an overestimated cost).

<sup>7</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-*bis*, Criminal Code).

The risk could also be direct, where the undue payment is made to a public official (or to personnel who can be traced or reported by him), whose favours are to be secured.

<sup>8</sup>The risk could also be direct, where the undue payment is made in favour of the competitor/counterparty commercial.

<sup>9</sup>Article 216, Bankruptcy Law.

<sup>10</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-*bis*, Criminal Code).

The risk could be direct, where a contract for the purchase of goods or services is concluded - in the absence of legitimate justifying reasons or at disproportionate values - with persons related to or indicated by Public Officials, so as to secure the favour of the latter.

<sup>11</sup>Article 46, Consolidated Law no. 504 of 26 October 1995.

<sup>12</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies

of the European Communities and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code).  
The risk could be direct, where a contract for the purchase of professional assignments is concluded - in the absence of legitimate justifying reasons or at disproportionate values - with persons related to or indicated by Public Officials, so as to secure the favour of the latter.

<sup>13</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code).

The risk could be direct, where a contract for the purchase of artistic services is concluded - in the absence of legitimate justifying reasons or at disproportionate values - with persons related to or indicated by Public Officials or top management of suppliers/ related parties, so as to secure the favour of the latter.

<sup>14</sup>Article 640 Criminal Code.

<sup>15</sup>Amended by Law No. 93 of 14 July 2023.

<sup>16</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code).

The risk could be direct, where bonuses/incentives/benefits are not due and are granted to personnel who can be traced or recommended by public officials, in order to secure their favour.

<sup>17</sup>Furthermore, the risk could be direct, where the recognition of bonuses/incentives/benefits is not due and is given to individuals reported/attribution to top management of counterparties, in order to secure their favour.

<sup>18</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code).

The risk could be direct, where bonuses/incentives/benefits are not due and are granted to personnel who can be traced or recommended by public officials, in order to secure their favour.

<sup>19</sup>The risk could be direct, where the gift or donation is improperly granted/provided for the benefit of persons associated with suppliers/counterparties, in order to secure their favour.

<sup>20</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code).

The risk could be direct, where the sponsorship or representation expense is improperly granted/carried out for the benefit of subjects attributable to personnel associated with or recommended by public officials to secure their favour.

<sup>21</sup>The risk could be direct, where the sponsorship or representation expense is improperly granted/carried out for the benefit of subjects attributable to suppliers/counterparties, to secure their favour.

<sup>22</sup>This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (Article 319-*quater* Criminal Code);
- Penalties for the corruptor (Article 321 Criminal Code), with regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes envisaged in Articles 318 Criminal Code (Corruption in the performance of duties), 319 Criminal Code (Corruption in an action contrary to official duties) and 320 Criminal Code (Bribery of a public service officer);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (Article 322-bis, Criminal Code).

The risk could be direct where the disclosure of privileged information - by virtue of its potential for stock exchange exploitation - constitutes in itself an improper benefit provided to a public official (or to personnel associated with or reported by him), whose favours are to be secured.

<sup>23</sup>The risk could be direct where the disclosure of inside information - by virtue of its potential for stock market exploitation - constitutes in itself an improperly provided benefit to the business counterparty whose favours are to be secured.

## ANNEX D

### GENERAL ANTI-CORRUPTION GUIDELINES<sup>1</sup>

#### REGULATORY CONTEXT

In recent years, there has been a progressive strengthening of the commitment to fight corruption and, to this end, a series of regulatory measures aimed at preventing and suppressing corrupt phenomena within the public and private sector have been adopted by almost all countries, at international<sup>2</sup> and national<sup>3</sup> level.

Italy is among those that have taken action, through **Law 190 of 6 November 2012** (which ratified the *Strasbourg Convention of 1999* on “Measures for the prevention and combating of corruption and illegality in public administration” - the so-called *Anti-Corruption Law*). The law strengthens the tools at Italy’s disposal for tackling corrupt practices, including harsher punishments for the perpetrators of various crimes. It also expanded the so-called catalogue of predicate offences under Legislative Decree 231/01 (i.e. crimes that result in *corporate administrative liability*, adding “illegal inducement to give or promise benefits” (Article 319-*quater*, Criminal Code) to crimes against the public administration and reformulating “private-to-private corruption” (Article 2635 Civil Code) as a corporate crime.

**Legislative Decree 38 of 15 March 2017**, entitled “Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector” then introduced a series of significant changes to private-to-private corruption, in particular a new formulation of Article 2635 of the Civil Code, extending the list of the perpetrators of the crime to include - in addition to those who hold top management and control positions - also those who carry out work activities with the exercise of managerial duties at companies and private entities. Also, Article 2365 bis (*Incitement to private-to-private corruption*) was added, which was therefore added to the list of crimes that can result in corporate administrative liability.

Finally, with **Law No. 3 of 9 January 2019** (“Measures to combat crimes against the Public Administration as well as on the prescription of the crime and on the transparency of political parties and movements”) the main and accessory penalties for corruption crimes were tightened, making the preliminary investigations more effective and limiting the access of convicts to prison benefits. This measure also introduced significant changes to Legislative Decree 231/01, including among the predicate offences “trafficking in illicit influences” (Article 346-*bis* of the Criminal Code) and increasing the duration of prohibitory penalties against companies responsible for offences against the Public Administration

#### DEFINITIONS

**Areas of at-risk activity:** company areas where - due to the activities actually carried out by the MFE Group Companies, as defined below - there is a direct or indirect risk of committing offences provided for by the regulations in force.

**Internal Channels:** the internal reporting channels made available by the MFE Group, in compliance with the applicable EU and national regulations on *whistleblowing*<sup>4</sup>, to allow Recipients and, in general, anyone who is interested, to report, even anonymously, violations of offences and/or irregularities as well as, even suspected ones, that harm the public interest or the integrity of the Companies of the MFE Group, of which they have come to learn of as part of their work (including violations of the provisions of this document).

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<sup>1</sup>Updated to March 2024.

<sup>2</sup>Examples include, but are not limited to, measures such as: the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* (1997); the *EU Convention on the fight against corruption involving officials of the Community or officials of Member States* (1997); the *Council of Europe’s Criminal and Civil Law Convention on Corruption* (1999); the *UN Convention against Corruption* (2003).

<sup>3</sup>See, for example, the *Foreign Corrupt Practices Act (FCPA)*, enacted in the US in 1977 and the *UK Bribery Act*, enacted in the UK in 2010.

<sup>4</sup>In particular, reference is made to Legislative Decree No. 24 of 10 March 2023 (“Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and of persons who report breaches of national laws”).

**Code of Ethics:** the Code of Ethics of the MFE Group currently in force.

**Collaborator:** the person holding an autonomous employment relationship - of any nature - with Group companies.

**Whistleblowing Committee:** the autonomous and independent body, made up of three members, two of whom are internal and one external, identified as the recipient of reports and, in general, as the manager of the *whistleblowing* system implemented by the Group.

**Giving:** the offer or receipt of money, goods or other benefits to or from any person (public or private) intended as an incentive to do something, to refrain from doing something or to influence a decision. For example, “giving” can involve a payment of money in order to (i) obtain, retain or impede commercial activities; (ii) to obtain any undue or improper advantage in the conduct of an activity (such as tax or contribution breaks); or (iii) to influence the judgment or conduct of a third party or cause a desired outcome or action.<sup>5</sup>

**Legislative Decree 231:** Legislative Decree 231 of 8 June 2001 setting out “*Regulations on the administrative liability of legal entities, companies and associations with or without legal personality*”.

**Addressees:** as indicated in Article 1 of the Code of Ethics and Compliance Programmes pursuant to Legislative Decree 231, directors, auditors, and all persons linked by an employment contract with the Group companies (employees) and all those who work for/with these, in whatever capacity and form, even temporary.

**Employee:** the person holding an employment relationship - of any nature - with the Italian companies of the MFE Group.

**Institutions:** national, European and international public institutions.

**Legislative Decree 231:** Legislative Decree 231 of 8 June 2001 setting out “*Regulations on the administrative liability of legal entities, companies and associations with or without legal personality*”.

**Addressees:** as indicated in Article 1 of the Code of Ethics and Compliance Programmes pursuant to Legislative Decree 231, directors, auditors, and all persons linked by an employment contract with the Group companies (employees) and all those who work for/with these, in whatever capacity and form, even temporary.

**Employee:** the person holding an employment relationship - of any nature - with the Italian companies of the MFE Group.

**Institutions:** national, European and international public institutions.

**Anti-corruption laws:** the provisions contained in the Criminal Code, the Civil Code, Legislative Decree 231, the other current norms of public and commercial law against corruption at the national, European and international level (including treaties, international conventions and the UK Bribery Act, etc.).

**Compliance Programmes pursuant to Legislative Decree 231:** the compliance programmes adopted pursuant to Legislative Decree 231 by the Boards of Directors of each of the Italian-law companies of the MFE Group.

**Supervisory and Control Bodies (SB):** the bodies appointed pursuant to Article 6, paragraph 1, letters b) and (d) of Legislative Decree 231 by the Boards of Directors of the individual Italian companies of the MFE Group and as defined in the 231 Organisational Models adopted from time to time by those companies.

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<sup>5</sup>The “other gains” can be both “economic” and “non-economic” and may consist of:

- money;
- loans;
- donations (including charitable donations);
- incentives;
- employment contracts;
- consulting contracts;
- favourable treatment;
- confidential information;
- gifts and hospitality;
- travel;
- any other advantage or benefit that is deemed or perceived to be of value by the recipient or another person (e.g. a family member or friend of the recipient).

**Corrupt practices<sup>6</sup>:** any activity involving giving, offering, promising, granting, requesting or accepting money, goods or any other benefits in order to induce or reward an unlawful act (i.e. illegal, unethical<sup>7</sup> or contrary to the duties of any individual).

**Private individual:** any person that is not a Public Official.

**Company procedures:** the Policies, Procedures, Operating Instructions, Organisational Guidelines, adopted by the Group Companies and applicable - from time to time - to them.

**Public officials:** the public official(s)<sup>8</sup> or public service employees<sup>9</sup>, i.e. bodies, representatives, agents, members, employees, consultants, officers of public functions or services, public institutions, public administrations, public entities, including economic entities or public companies at local, national or international level.

**MFE Group Company or Group Company or Company:** means Mediaset S.p.A. and all the companies/bodies under Italian law belonging to the MFE Group that it directly or indirectly controls.

## AIM AND FIELD OF APPLICATION

In line with the principles and values expressed in the Code of Ethics, all the activities performed by the MFE Group are carried out in compliance with the laws and regulations in force in the legal systems in which it operates and in accordance with the ethical principles commonly recognised in the conduct of business, such as honesty, fairness, loyalty, transparency and good faith. In this regard the Group companies reject and deplore the use of unlawful or improper behaviour (including bribes) to achieve its economic objectives and have adopted appropriate organisational structures designed to prevent any violations of the law (including, in particular, Anti-Corruption Laws), and to pursue the principles and values expressed in the Code of Ethics, the Compliance Programmes pursuant to Legislative Decree 231 and company procedures, and also to ensure continued compliance.

The aim of this document is to provide a systematic framework on preventing corrupt practices, providing a summary of the rules of ethical conduct which the Addressees must strictly follow in order to comply with current laws and regulations on the subject.

The provisions of this document are integrated with the principles and values contained in the Code of Ethics, in the Compliance Programmes pursuant to Legislative Decree 231 and in the Company Procedures in force from time to time, which contain specific indications on both the preventive controls to be implemented and the operating methods to be observed, in order to prevent the commission of offences, including those falling within the scope of Legislative Decree 231.

## REFERENCES

- Code of Ethics of the MFE Group
- Compliance Programmes pursuant to Legislative Decree 231 adopted by the individual Italian companies belonging to the MFE Group
- Anti-corruption laws
- Company procedures

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<sup>6</sup>For the different types of corruption, please refer to the Articles 318, 319, 319-bis, 319-ter, 319-quater, 320, 321, 322, 322-bis and 346-bis of the Criminal Code and Articles 2635, 2365-bis and 2365-ter of the Civil Code (**Annex A**).

<sup>7</sup>"Unethical behaviour" means conduct that, while not illegal, is not "correct" or what should be expected, in general, from an employee of the Group or one of the Addressees.

<sup>8</sup>Article 357 of the Criminal Code: "For the purposes of criminal law, public officials are those who perform a public legislative, judicial or administrative function. For the same purposes, public functions are administrative functions regulated by the provisions of public law and by authoritative acts, characterised by the manifestation of the will of the Public Administration or by its implementation by means of authoritative or certification powers."

<sup>9</sup>Article 358 of the Criminal Code: "Public service officers are those who, for any purpose, perform a public service." A public service is understood to be an activity governed in the same ways as a public function, but characterised by the lack of powers typical of the latter, and excludes the performance of simple duties and works of a merely material nature." This includes, for example, the credit collectors of a gas distribution company, employees of public agencies who assist public officials in their work, the caretaker of a cemetery, security guards driving an armoured cash delivery vehicle. Public service is identified as an activity subject to the same rules of the civil service, but without the typical powers that characterise it, such as deliberative, authoritative and certification powers, which qualify it as a mere material activity. It is therefore a residual category, including those that can not be called either public officials or operators of an essential public service.

## GENERAL PRINCIPLES

MFE Group companies comply with all the rules and provisions contained in the Anti-Corruption Laws. In accordance with the provisions of Article 19 of the company's Code of Ethics, the Mediaset Group Companies require the Addressees to carry on business relationships based on the principles of legality, loyalty, propriety, transparency and efficiency, and to refrain from engaging in corrupt practices of any kind. The MFE Group companies deplore and condemn any and all corrupt behaviour or activity including, without limitation, illegitimate favouritism, collusion, solicitations - made directly and/or through third parties - for personal benefits of any kind for themselves or for others.

Any Addressee acting in the name or on behalf of Group companies in **business relationships with public or private entities** must therefore always and in all circumstances behave in an ethical manner according to the law and in full compliance with the aforementioned principles.

In general, Addressees are forbidden to directly or indirectly give, receive, pay, demand or offer compensation of any kind, promises and/or undue offers of money, gifts, economic benefits, benefits of any kind or other benefits from or to a **Public Official** and/or entity that they directly or indirectly represent that: (i) arise from solicitations of any kind; (ii) are likely to be interpreted as intended to unduly influence the relationship between the Group Companies and the public official and/or the entity represented by the same, irrespective of whether they were pursuing, even exclusively, the interest or advantage of the Group Company.

Similarly, the Addressees are forbidden to directly or indirectly give, receive, pay, demand or offer compensation of any nature, promises and/or undue offers of money, gifts, economic benefits, or benefits of any kind or other gains, either to a **private individual** and/or entity that they directly or indirectly represent that: (i) are not of a modest value or related to solicitations of any kind; (ii) are likely to be interpreted as aimed at unduly influencing the relationships between the MFE Group companies and the private party cited and/or the entity represented by the same, regardless of the purpose of pursuing, also exclusively, the interest or benefit of the Group Company.

Addressees are also prohibited from accepting, exerting, making or giving pressure, recommendations or instructions that could harm the Group companies or result in undue advantages for themselves, for the Group companies or third parties.

In relations with **suppliers, customers and third parties** in general, it is not permitted to make personal promises, offers of money, gifts, payments, economic benefits, benefits or other assets that are aimed at obtaining undue advantages, real or apparent, of any kind.

The **traceability** must also be guaranteed of every operation, transaction or, in general, activity that the Group companies perform and, in particular, those carried out in "*areas of at-risk activities*", as indicated in the Compliance Programmes pursuant to Legislative Decree 231 of the individual companies. This is so that it is always possible to reconstruct *ex post* the reasons for choices made, the persons responsible for the individual activities undertaken, and any further information relevant to the assessment of the substantial correctness, legality and propriety of decisions taken.

## AREAS OF AT-RISK ACTIVITIES

Based on the results of the activities to identify risks within the MFE Group companies, below are the main areas of remotely relevant activities identified as being "*at risk*", with specific reference to the possible commission of the crimes of public and private corruption.<sup>10</sup>

Therefore, this is a summary of the main areas where particular attention must be paid to *corporate compliance*, with specific regard to the prevention and combating of corrupt practices.

- Managing relations with public authorities and institutions
- Procurement of goods and services

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<sup>10</sup>The individual cases are listed in the **Annex A**.



- Sale of goods and services
- Managing relationships with agents and intermediaries
- Managing gifts and entertainment expenses
- Managing sponsorships and donations
- Selecting, recruiting and managing personnel
- Obtaining confidential information
- Managing financial resources

With regard to “*areas of at-risk activity*”, each Group company has defined general and specific controls, also adopting Corporate Procedures where necessary. The “key” preventive controls with regard to the areas of at-risk activities mentioned above are described below. Listed below are the “key” preventive controls with reference to the areas of at-risk activity mentioned above.

#### **Managing relations with public authorities and institutions**

Relations with Public Institutions and Bodies are characterised by cooperation and transparency, and are conducted in compliance with current legislation (including, in particular, Anti-Corruption Laws), with the principles and values expressed in the Code of Ethics, in the Compliance Programmes pursuant to Legislative Decree 231 and in the Corporate Procedures, on the basis of the general criteria of fairness, transparency and loyalty.

Consequently, it is prohibited to make illegal payments in relations with institutions and with Public Officials. Also prohibited are practices of corruption, favouritism, collusion, solicitations for direct and/ or indirect advantage through donations or promises of personal gain with respect to any part of the Public Administration or to other connected parties connected (i.e. relatives, in-laws, etc.).

#### **Procurement of goods and services**

Suppliers of goods and/or services are selected based on checks of their reliability, reputation and diligence in terms of compliance with rules and regulations (with particular reference to the specific provisions governing their own activities) as well as the appropriate technical/professional qualifications.

Activities relating to the selection of suppliers, the procurement of goods and/or services and the definition of the conditions of purchase must:

- (i) ensure the timely identification of suppliers and the traceability of supply channels;
- (ii) be based on the evaluation of objective parameters such as quality, price, service guarantees, timeliness and efficiency;
- (iii) ensure the quality and legitimacy of the goods or services purchased;
- (iv) be characterised by impartiality and the granting of equal opportunities to all suppliers who meet the requirements.

As part of the procurement process for goods and services, it is necessary that:

- (i) relations with suppliers are managed by people of independent judgment and appropriate abilities;
- (ii) the experience, technical requirements and existence of any negative events relating to the suppliers (e.g. absence of pending investigations/judgments, including in relation to corrupt practices) are assured before finalising business relationships;
- (iii) contracts are in writing, according to the standards in use and accompanied by specific clauses that, among other things, oblige counterparts to respect the ethical principles contained in the Code of Ethics and the Compliance Programme pursuant to Legislative Decree 231 (including those relating to anti-corruption);
- (iv) the consideration paid to the counterparts is supported by adequate documentation proving that the services provided by the suppliers are in line with contractual provisions.



### Sale of goods and services

The sales activities are carried out by offering goods and services at competitive conditions, in compliance with the rules of the sector and those for the protection of competition and consumers, recognising that the appreciation of customers is paramount to business success.

As part of the sales process for goods and services, it is necessary that:

- (i) customer relationships are managed by people of independent judgment and appropriate abilities;
- (ii) the reliability of clients with whom business relations are maintained is assured before entering into commercial relations via an analysis of financial indicators, and that clients are reviewed in order to verify corporate transparency and detect any prejudicial events and/or impediments;
- (iii) the contracts governing relations with customers are prepared according to the standards in use, accompanied by specific clauses that, among other things, oblige counterparts to respect the ethical principles contained in the Code of Ethics and the Compliance Programme pursuant to Legislative Decree 231 (including those relating to anti-corruption);
- (iv) services for customers are carried out in accordance with currently valid contracts.

### Managing relationships with agents and intermediaries

If agents and/or intermediaries are employed for the performance of the Group's activities, prior to the establishment of contractual relations with them, it is necessary that:

- (i) the economic utility of the intermediation is verified;
- (ii) the identity, experience, qualifications and reputation of the agents and/or intermediaries are ascertained;
- (iii) it is verified whether the agents and/or intermediaries to be used meet the technical/professional/organisational requirements necessary to adequately perform the activity requested of them; and
- (iv) it is ascertained whether the agents and/or intermediaries to be used have been subject to investigations relating to corruption offences or other illegal or otherwise risky activities.

### Managing gifts and entertainment expenses

MFE Group companies offer gifts and incur expenses on behalf of third parties only for commercial, institutional and promotional purposes, in compliance with current laws and regulations, ethical principles and company procedures. It is also forbidden, in relations with suppliers, customers and third parties in general, to give gifts, offers of money, presents or benefits of any kind - also personally, indirectly or through an intermediary - aimed at obtaining undue advantages, real or apparent of any kind for the Group Companies.

### Managing sponsorships and donations

MFE Group companies grant sponsorships and make donations exclusively for promotional, cultural, philanthropic and sports reasons.

Sponsorships and donations must be granted in line with the principles defined in the Code of Ethics and in line with the procedures established by the company and formalised through the standards in use.

Prior to the award of a sponsorship and/or donation, appropriate checks are carried out on the formal requirements of individual operations and the characteristics of the beneficiary.

### Selecting, recruiting and managing personnel

The process of selection and recruitment of staff is conducted in compliance with the principles defined in the Code of Ethics and the provisions of Corporate Procedures, with the aim of promoting equal opportunities, training, development and professional growth, and the exclusion of all forms of discrimination.

Policies for the management and development of human resources are characterised by personality and enhancement of the skills of each individual, based on a process of assessment of staff skills, conduct and performance.

### Obtaining confidential information

It is not permitted to have direct or indirect relationships with any third party in order to improperly obtain confidential information (e.g. strategic projects, databases of competitors, etc.).

### Managing financial resources

It is not permitted to directly or indirectly give, receive, pay, demand or offer money from or to public and private individuals/entities that: (i) arise from solicitations of any kind that are not supported by an appropriate current legal relationship; (ii) are likely to be interpreted as intended to improperly influence the relationships between the MFE Group companies and the persons mentioned and/or entities represented by the same, irrespective of whether the aim pursued, even exclusively, was in the interest or advantage of individual MFE Group companies and/or of the MFE Group.

## MANAGEMENT OF WHISTLEBLOWING

The Companies of the MFE Group encourage the Addressees and, in general, anyone who has an interest, to report, without detrimental consequences of any kind, any violations of this document. In this sense, in compliance with EU and national legislation, the Group Companies have implemented specific Internal Channels through which offences and/or irregularities, whether or not suspicious, can be reported, ensuring absolute confidentiality on the identity of the reporting parties (and of other persons deserving protection) and ensuring them maximum protection against retaliatory conduct or any form of discrimination or penalisation.

Therefore, any violations of this document may also be reported to the *Whistleblowing* Committee (also anonymously) through the Internal Channels, according to the terms and procedures described in the Company Procedures in force from time to time. Reports concerning violations and/or unlawful conduct relevant under Decree 231 or violations of the Code of Ethics and/or of the Compliance Programmes pursuant to Legislative Decree 231 may also be sent to the e-mail boxes of the Supervisory and Control Bodies, where established by the individual companies. In such cases, the recipient of the report shall in any case refer the handling of the report to the *Whistleblowing* Committee.

## SYSTEM OF PENALTIES

Violations of the provisions of this document may lead - if ascertained - to the application of penalties against the Addressees responsible for them, as indicated, inter alia, in the Compliance Programmes pursuant to Legislative Decree 231, in order to protect the interests of the Companies of the MFE Group. This applies regardless of the initiation of any criminal or administrative proceedings - in cases where the conduct does or does not constitute an offence - and of the outcome of the ensuing judgement.

## INFORMATION AND TRAINING

Within the framework of the information and training activities implemented by the Group's Companies on *compliance* with Legislative Decree No. 231, training initiatives specifically dedicated to the contents of this document are envisaged, with different modalities and levels of detail, depending on the roles covered, the functions, the responsibilities held by the individual Addressees involved, as well as the actual level of risk of the area of activity in which they operate.

## ANNEX A

### **Article 318 of the Criminal Code - Corruption in the performance of duties**

A public official who, in exercising their functions or powers, unduly receives, for themselves or for a third party, money or other benefits, or accepts a promise thereof, shall be liable to imprisonment for a term of three to eight years.

### **Article 319 of the Criminal Code - Corruption in an action contrary to official duties**

A public official who receives money or other benefits (or accepts a promise thereof) for themselves or for a third party, in order to omit or delay (or for having omitted or delayed) an official act, or in order to perform (or for having performed) an act contrary to official duties, shall be liable to imprisonment for a term of six to ten years.

### **Article 319-bis of the Criminal Code - Aggravating circumstances**

The penalty is increased if the offence referred to in Article 319 relates to the allocation of public jobs, salaries or pensions or to the stipulation of contracts involving the public administration to which the public official belongs or the payment or reimbursement of taxes.

### **Article 319-ter of the Criminal Code - Bribery in judicial proceedings**

If the offences identified in Articles 318 and 319 are committed to favour or damage a party in civil, criminal or administrative proceedings, the penalty shall be imprisonment for a term of from four to ten years.

If the offence results in the unjust conviction of another individual to imprisonment of not more than six years, the penalty shall be imprisonment for a term of six to fourteen years; if it results in the unjust conviction to imprisonment for more than five years or a life sentence, the penalty shall be imprisonment for a term of eight to twenty years;

### **Article 319-quater of the Criminal Code - Illegal inducement to give or promise benefits**

Unless the offence constitutes a more serious crime, a public official or public service officer who abuses their powers, inducing someone to give or unduly promise money or other benefits to them or to a third party, shall be liable to imprisonment for a term of six to ten years.

In the cases envisaged in the first paragraph, those who give or promise money or other benefits, shall be liable to imprisonment for a term of up to three years.

### **Article 320 of the Criminal Code - Bribery of a public service officer**

The provisions of Articles 318 and 319 also apply to public service officers.

In any case, penalties are reduced by not more than a third.

### **Article 321 of the Criminal Code - Penalties for the corruptor**

The penalties envisaged in the first paragraph of Article 318, Article 319, Article 319-bis, Article 319-ter and Article 320 in relation to the aforementioned provisions contained in Articles 318 and 319, also apply to those who give or promises money or other benefits to a public official or public service officer.

### **Article 322 of the Criminal Code - Incitement to bribery**

Anyone who offers or unduly promises money or other benefits to a public official or a public service officer, for exercising their functions or powers, shall be liable, when the offer or promise is not accepted, to the penalty established in the first paragraph of Article 318, reduced by one third. If the offer or promise is made to induce a public official or a public service officer to omit or delay an official duty, or to perform an act contrary to his/her duties, the offender is subject, where the offer or the promise is not accepted, to the penalty laid down in Article 319, reduced by one third. The penalty specified in the first paragraph shall apply to a public official or a public service officer who solicits the promise or giving of money or other benefit for exercising their functions or

powers. The penalty referred to in the preceding paragraph shall apply to a public official or an individual responsible for a public service that calls for a promise or a gift of money or other benefits from a private party for the purposes indicated in art. 319.

**Article 322-bis of the Criminal Code - Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery, abuse of power, of international Courts or of the bodies of the European Communities or of international parliamentary assemblies and officials of the European Communities and foreign countries.**

The provisions of Articles 314, 316, 317 to 320, 322, paragraphs 3 and 4, and 323 also apply to:

- 1) members of the European Commission, the European Parliament, the Court of Justice of the European Communities and the European Court of Auditors;
- 2) officials and agents employed by contract under the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities;
- 3) persons delegated by Member States or by any public or private body to the European Communities, who perform functions corresponding to those of officials or servants of the European Communities;
- 4) members and employees of entities constituted in accordance with the treaties establishing the European Communities;
- 5) people who, within the Member States of the European Union, carry out duties or activities that correspond to those of public officials and public service officers.

5-bis) judges, prosecutors, deputy prosecutors, officials and agents of the International Criminal Court, people directed by the States who are party to the Treaty establishing the International Criminal Court who perform functions corresponding to those of officials or servants of the Court, and members and employees of entities constituted under the Treaty establishing the International Criminal Court.

5-ter) persons who perform functions or activities corresponding to those of public officials and persons in charge of a public service within the framework of international public organisations;

5-quater) members of international parliamentary assemblies or of an international or supranational organisation and to judges and officials of international courts.

The provisions of Articles 319-quater, paragraph 2, 321 and 322, paragraphs 1 and 2, are applicable also if the money or other benefits are given, offered or promised to:

- 1) the people indicated in the first paragraph of this article;
- 2) persons carrying out functions or activities corresponding to those of public officials and persons in charge of a public service within other foreign States or international public organisations.

The people indicated in the first paragraph are considered to be public officials, when they perform similar functions, and public service officers in all other instances.

**Article 346-bis of the Criminal Code - Trafficking in illicit influences**

Whoever, with the exception of cases of complicity in the offences referred to in articles 318, 319, and 319-ter and in the corruption offences referred to in article 322-bis, exploiting or boasting existing or alleged relations with a public official or with a person in charge of a public service or one of the other persons referred to in Article 322-bis, unduly causes money or other benefits to be given or promised, to him/herself or others, as the price of his or her own illicit mediation towards a public official or person in charge of a public service or one of the persons referred to in Article 322-bis or to remunerate him or her, in relation to the exercise of his or her functions or powers, shall be punished by imprisonment of one year to four years and six months.

The same penalty applies to those who unduly give or promise money or other benefits.

The penalty is increased if the person who unduly causes money or other benefits to be given or promised to him/herself or to others is a public official or a person in charge of a public service.

Penalties are also increased if the acts are committed in the exercise of judicial activities or to remunerate the public official or the person in charge of a public service or one of the other subjects

referred to in art. 322-bis in relation to the performance of an act contrary to the duties of the office or the omission or delay of an act of his or her office.

If the facts are particularly negligible, the penalty is reduced.

#### **Article 2635 of the Civil Code - Private-to-private corruption**

Unless the offence constitutes a more serious crime, the directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations who, including via an intermediary, solicit or receive money or other undue benefits for themselves or for others or agree to a promise thereof to commit or fail to carry out acts in breach of the obligations arising from their office or duties of loyalty, shall be liable to imprisonment for a term of one to three years. The same penalty shall apply if the offence is committed by those persons who, within the organisation of the company or private organisation, perform managerial functions other than those of the persons referred to in the previous clause.

The penalty of imprisonment up to one year and six months shall be imposed if the offence is committed by those who are subject to the direction or supervision of one of the parties indicated in the first paragraph.

Anyone who, via intermediary, gives or promises money or other benefits to the persons specified in the first and second paragraph shall be liable to the penalties envisaged therein.

The penalties established in the paragraphs above are doubled for companies listed on regulated markets in Italy or other European Union countries or widely circulated among the public pursuant to Article 116 of Legislative Decree 58 of 24 February 1998 as amended.

Without prejudice to the provisions of Article 2641, the confiscation by equivalent value cannot be less than the value of the benefits, promises or offers given.

#### **Article 2365-bis of the Civil Code - Incitement to private-to-private corruption**

Anyone who offers or promises money or other undue benefits to directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations, as well as those who work in them with the exercise of managerial functions, so that they perform or omit an act in violation of the obligations inherent in their office or loyalty obligations, is subject, if the offer or promise is not accepted, to the penalty established in the first paragraph of article 2635, reduced by one third.

The penalty referred to in the first paragraph applies to directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations, as well as those who work in them with managerial functions, who solicit for themselves or others, even through an intermediary, a promise or donation of money or other benefits, to perform or to omit an act in violation of the obligations inherent to their office or loyalty obligations, if the solicitation is not accepted.

#### **Article 2635-ter of the Civil Code - Ancillary penalties**

Conviction for the crime referred to in the first paragraph of Article 2635, in all cases, implies temporary disqualification from the management of legal entities and companies referred to in Article 32-bis Criminal Code against those who have already been convicted for the same crime or for the crime referred to in Article 2635-bis, second paragraph.

