



Organizational, Management and Control Model  
ex Legislative Decree No. 231/2001 - General  
Section

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# 1. Version Updating

Version	Date	Reason	Amendments
V.1.0	12/09/2005	First issue	-
V.2.0	09/11/2009	Revision	Divided into a General Section and a Special Section
V.3.0	28/02/2014	Revision	Updated version
V.4.0	23/03/2015	Revision	Updated version
V.5.0	23/03/2016	Revision	Updated version

## 2. Foreword

This document lays down Buongiorno S.p.A.'s Organizational, Management and Control Model instituted pursuant to and for the intents and purposes of Legislative Decree No. 231/2001 as further amended (the "Decree").

The Decree regulates the vicarious corporate liability of legal entities, and in particular, entrenches the principle that corporations may incur criminal liability for offences materially committed by an individual who is somehow linked to company, with a view to furthering the interests of the latter. The penalties applicable by the courts consist in fines and confiscations ordered pursuant to the criminal law, and, in more serious cases, disqualifications from engaging in certain types of business activities, as well as the publication of the judgment.

Buongiorno S.p.A.'s Model, and all the amendments thereto, have been duly approved by the Company's Board of Directors; more specifically, this version includes provisions on offences placed within the scope of the Decree after the previous version was approved on November 09, 2009.

This document is the fruit of ongoing analysis conducted within Buongiorno S.p.A.'s corporate structure by the Internal Auditing team acting in collaboration with the main corporate players.

The analysis was carried out primarily with a view to endowing Buongiorno S.p.A. with an internal control system featuring an in-built corporate governance system capable of preventing the commission of the offences falling within the scope of the Decree by "key" company officers and executives and any and all persons working under their supervision, and thereby ensuring that the company exempt from corporate liability.

This document has been drawn up in light of system risk assessment conduct in accordance with the July, 2014 Confindustria Guidelines on the basis of different types of internal documents (administrative, accounting, marketing) and interviews with all key company officers and executives, as well as the various heads of department.

### 3. Definitions

Definition	Description
<b>B2C</b>	Business to Consumer
<b>B2O</b>	Business to Operator
<b>BoD</b>	Buongiorno S.p.A.'s Board of Directors
<b>Decree</b>	Legislative Decree 231/2001
<b>Addressees</b>	Addressees of the Model (employees, key executives and managers, consultants, partners)
<b>Group</b>	Buongiorno Group
<b>Model</b>	Buongiorno S.p.A. Organizational, Management and Control Model
<b>SB</b>	Buongiorno S.p.A.'s Supervisory Body
<b>PA</b>	Public Administration
<b>Sensitive processes</b>	Processes within Buongiorno S.p.A., during which one or more of the offences contemplated in the Decree, could potentially be committed
<b>Company</b>	Buongiorno S.p.A.
<b>Offences</b>	Offences falling within the scope of Legislative Decree No. 231 of 2001, as further amended

### 4. Legislative Decree 231/2001

Legislative Decree No. 231/2001, which was promulgated on 8 June 2001 in implementation of enabling provisions set forth in Article 11 of Law No. 300 of 29 September 2000, and entered into force of 4 July 2001, is aimed at bringing the Italian regulatory framework governing the liability of legal entities in line with certain international conventions to which Italy has long been a party, including:

- The Brussels Convention of July 26, 1995 on the protection of the European Communities' financial interests;
- the Brussels Convention of May 26, 1997 on the fight against corruption;
- the OECD Convention of December 17, 1997 on combating bribery of foreign public officials in international business transactions.

#### 4.1 Corporate Liability of Legal Entities

Legislative Decree No. 231/2001, laying down "Rules on the corporate liability of legal entities, corporations and associations, including those without legal personality", introduced for the first time in Italy the notion of the incurrance by

corporations of criminal liability for certain offences committed in their interest or for their benefit by:

- persons vested with powers of corporate representation, and/or functions of business administration or management in respect of the legal entity as a whole and/or one or more of its financially and operationally independent organizational units, as well as by persons who exercise, even if only on a de facto basis, powers of management and control over the same (so-called “key” persons or persons in key positions);
- persons answerable to and/or subject to supervision by one of the persons specified in the preceding point.

Corporate liability is incurred in addition to the criminal liability attributable to the individual who materially committed the offence in question.

In the case only of the Corporate Offences falling within the scope of the Decree, it is sufficient for the criminal activity to be in the interest of the legal entity which, consequently, need not necessarily have gained or benefited from the commission of the offence.

Before the enactment of the Decree, in light of the principle of the personal nature of criminal liability, enshrined in Article 27 of the Italian Constitution, a legal entity could not incur criminal liability for offences committed in its interest, and could, in fact, only be held liable for civil damages covering the harm occasioned by its employees or agents, or bound to the civil obligation arising from criminal judgments, to pay the fines imposed on its employees or agents in the case where the latter prove insolvent (Articles 196 and 197 of the Italian Penal Code).

## 4.2 Offences Falling Within the Scope of the Decree

The list of offences falling within the scope of the Decree has been expanded over time, especially as a result of subsequent regulatory reforms, and currently includes:

1. Offences against the Public Administration (referred to in Articles 24 and 25 of the Decree):

- misuse of public funds to the detriment of the government or other public body (Article 316-bis of the Italian Penal Code);
- illicit collection of funds to the detriment of the Government or other Public Body (Article 316-ter of the Italian Penal Code);
- fraud to the detriment of the Government or a Public Body (Article 640, paragraph 2, subparagraph 1, of the Italian Penal Code);
- aggravated fraud to obtain public funds (Article 640-bis of the Italian Penal Code);
- computer fraud to the detriment of the Government or other Public Body (Article 640-ter of the Italian Penal Code);
- extortion (article 317 of the Italian Penal Code);
- corruption for official acts or in acts against official duties (articles 318-319 of the Italian Penal Code.);

- aggravating circumstances (art. 319-bis of the Italian Penal Code);
- bribery in legal proceedings (319-ter of the Italian Penal Code);
- undue incitement to give or promise benefit (art. 319-quater Italian Penal Code);
- corruption of a person in charge of a public service (art. 320 of the Italian Penal Code);
- instigation to bribery (322 of the Italian Penal Code);
- misappropriation and/or solicitation of a bribe or undue advantages by, and/or bribery or instigation to bribery of members of bodies of the European Communities and officers of the European Communities and Foreign States (Article 322-bis of the Italian Penal Code).

2. Administrative offences involving computer crime and/or unlawful data processing (referred to in Article 24-bis of the Decree):

- forgery of computer documents (Article 491-bis);
- unlawful access to a computer or electronic system (Article 615-ter);
- possession or unlawful distribution of access codes to computers or electronic systems (Article 615-quater);
- distribution of devices, appliances or computer programs aimed at damaging or interrupting a computer or electronic system (Article 615-quinquies);
- interception, obstruction or unlawful interruption of computer or electronic communications (Article 617-quater);
- installation of devices able to intercept, obstruct or interrupt computer or electronic communications (Article 617-quinquies);
- damage of computer information, data or programs (Article 635-bis);
- damage of computer information, data or programs used by the state or by any other public body or body of public usefulness (Article 635-ter);
- damage of computer or electronic systems (Article 635-quater);
- damage of computer or electronic systems that are of public usefulness (Article 635-quinquies);
- computer fraud of subjects employed to supply certification of electronic signatures (Article 640-quinquies).

3. Organized crime offences (referred to in Article 24-ter of the Decree):

- criminal conspiracy to reduce persons to or maintain persons in slavery, or to engage in people trafficking, or in slave trading, as well as offences entailing breaches of provisions targeted at illegal immigration and set forth in Article 12 of Legislative Decree No. 286/1998 (Article 416, paragraph 6, of the Italian Penal Code);
- mafia-type conspiracy, including involving overseas criminal organizations (Article 416-bis of the Italian Penal Code);
- voter fraud involving collusion between politicians and organized crime (Article 416-ter of the Italian Penal Code);

- kidnapping for ransom or extortion (Article 630 of the Italian Penal Code);
- association for the purposes of the illegal trafficking of narcotic or psychotropic substances (Article 74 Presidential Decree 309/90);
- criminal association (Article 416, except paragraph six, of the Italian Penal Code);
- offences involving the manufacture and dealing of illegal weapons, explosives and arms (Article 407, paragraph 2, subparagraph (a) of the Italian Code of Criminal Procedure).

4. Offences involving the counterfeiting of currency, public debt certificates, and legal stamps and identifications signs and instruments (referred to in Article 25-bis of the Decree):

- falsification of currencies, use and introduction into the State after concert, of forfeited currencies (Article 453 of the Italian Penal Code);
- altering of currencies (Article 454 of the Italian Penal Code);
- use and introduction into the State, without concert, of forfeited currencies (Article 455 of the Italian Penal Code);
- use of forfeited currencies received in good faith (Article 457 of the Italian Penal Code);
- falsification of tax stamps, introduction into the State, purchase, possession or placing in circulation of forfeited tax stamps (Article 459 of the Italian Penal Code);
- counterfeiting of watermarked paper used for the manufacture of letters of public credit or tax stamps (Article 460 of the Italian Penal Code);
- manufacture or possession of watermarks or instruments designed for the manufacture of currencies, tax stamps or watermarked paper (Article 461 of the Italian Penal Code);
- use of counterfeited or altered tax stamps (Article 464, paragraphs 1 and 2 of the Italian Penal Code).

5. Corporate offences (referred to in Article 25-ter of the Decree):

- false corporate communications (Article 2621 of the Italian Civil Code);
- false corporate communications to the detriment of the company, shareholders, or creditors (Article 2622, paragraphs 1 and 3, of the Italian Civil Code);
- inspection obstruction (Article 2625 paragraph 2 of the Italian Civil Code);
- illicit return of capital contributions (Article 2626 of the Italian Civil Code);
- illegal distribution of earnings or reserves (Article 2627 of the Italian Civil Code);
- illegal transactions regarding the shares of a company or of the controlling company (Article 2628 of the Italian Civil Code);
- transactions prejudicial to creditors (Article 2629 of the Italian Civil Code);
- fictitious formation of capital (Article 2632 of the Italian Civil Code);
- illegal allocation of corporate assets by the liquidators (Article 2633 of the Italian Civil Code);

- illegal determination of resolutions of shareholders' meetings (Article 2636 of the Italian Civil Code);
  - market rigging (Article 2637 of the Italian Civil Code);
  - failure to communicate a conflict of interest (Article 2629-bis of the Italian Civil Code);
  - obstructed exercise of the duties of public supervisory Authorities (Article 2638, paragraphs 1 and 2, of the Italian Civil Code);
  - private bribery and corruption (Article 2635 of the Italian Civil Code).
6. Crimes of terrorism or subversion of the democratic order (Referred to in Article 25- quarter of the Decree:
- Crimes of terrorism or subversion of the democratic order under the Criminal Code or special laws punishable by imprisonment of less than 10 years;
  - Crimes related to terrorism or subversion of the democratic order under the Criminal Code or special laws punished by imprisonment for not less than 10 years or life imprisonment.
7. Female genital mutilation practices', Article 583-bis of the Italian Penal Code (Article 25 quarter-1 of D. Lgs.231/2001).
8. Offences against individual personality (Article 25-quinquies, introduced by Law No. 228/2003):
- reducing persons to, or keeping them in, slavery or servitude (Article 600 of the Italian Penal Code);
  - trade in persons (Article 601 of the Italian Penal Code);
  - acquiring and alienating slaves (Article 602 of the Italian Penal Code);
  - prostitution of minors (Article 600-bis paragraphs 1 and 2 of the Italian Penal Code);
  - pornography using minors (Article 600-ter of the Italian Penal Code);
  - tourism aimed at exploiting the prostitution of minors (Article 600- quinquies of the Italian Penal Code);
  - possession of pornographic material (Article 600-quater of the Italian Penal Code);
  - Solicitation of minors (Article 609-undecies of the Italian Penal Code).
9. Offences entailing the abuse of inside information and market manipulation, referred to in Article 25-sexies, the so-called market abuse offences:
- Insider Trading (Art. 184 of Legislative Decree no. 58/1998);
  - Market Manipulation (Art. 185 of Legislative Decree no. 58/1998).
10. Manslaughter and negligence resulting in serious or very serious bodily harm, arising from breaches of workplace accident prevention and occupational health and safety regulations (Article 25-septies, Legislative Decree No. 231/2001 – introduced by Article 9 of Law No. 123 of August 3, 2007, subsequently replaced by Article 300 of Legislative Decree No. 81/2008):

- manslaughter (Article 589 of the Italian Penal Code), in breach of articles 55, co.2.italiand.lgs 81/2008 (art.589 of the Italian Penal Code);
- manslaughter (Article 589 of the Italian Penal Code), arising from breaches of workplace accident prevention and occupational health and safety regulations;
- negligent bodily harm (Article 590, comma 3 of the Italian Penal Code), arising from breaches of workplace accident prevention and occupational health and safety regulations.

11. The transnational offences falling within the scope of Article 10 of Law No. 146/2006 regarding the “Ratification and execution of the United Nations Convention against transnational organized crime and the Protocols thereto, adopted by the UN General Assembly on November 15, 2000 and May 31, 2001”.

The Decree applies only if the related criminal behaviour is deemed to be a transnational offence defined as an offence punishable by a maximum deprivation of liberty of at least four years, and involving an organized criminal group, provided, in any event that:

- it is committed in more than one State;
- it is committed in one State but a substantial part of its preparation, planning, direction or control takes place in another State;
- it is committed in one State but involves an organized criminal group that engages in criminal activities in more than one State;
- or it is committed in one State but has substantial effects in another State.

12. Receiving stolen goods, Recycling/Money Laundering Use of the proceeds, in cash or in kind, of unlawful activities and also self-laundering as per Article 25-octies of Legislative Decree No. 231/2001 – (introduced pursuant to Article 63, paragraph 3, of Legislative Decree No. 231/07):

- Receiving stolen goods (Art. 648 of the Italian Penal Code);
- Recycling/Money Laundering (Art. 648-bis of the Italian Penal Code);
- Use of the proceeds, in cash or in kind, of unlawful activities (Art. 648-ter of the Italian Penal Code);
- Self-laundering (art.648 ter.1 c.p.).

13. Copyright infringement offences (referred to in Article 25-novies of Legislative Decree No. 231/2001):

- crimes connected to copyright protection and other rights connected to its exercise (Art. 171 paragraph 1, subparagraph a-bis and paragraph 3 of the Copyright-Law n.633 of April 22th, 1941);
- copyright protection and other rights connected to its exercise (Art. 171-bis, 171-ter, 171-septies and 171-octies of the Copyright-Law n. 633 of April 22th, 1941).

14. Inducement not to make statements or to make false statements to the Court (Article 25- decies, D. Lgs.231/01).

15. Offences against the environment (Article 25- undecies D. Lgs.231/01):

- Killing, destroying, capture, taking or possessing specimens of protected wild animal or plant species (Art. 727-bis Italian Penal Code);
- Destruction or deterioration of protected habitats within a protected site (Art. 733-bis Italian Penal Code);
- Ground discharges and subsurface discharges or discharges into the groundwater (C. amb. d.lgs. 152/06 art. 103, 104);
- Discharges into the sewage network (C. amb. d.lgs. 152/06 art.107);
- Discharges of hazardous substances (C. amb. d.lgs. 152/06 art.108);
- Prohibition to mix hazardous waste (C. amb. d.lgs. 152/06 art.187);
- Prohibition to abandon waste (C. amb. d.lgs. 152/06 art.192);
- Unauthorized waste management activities (D.lgs. 152/2006 art. 256);
- Site reclamation (Art. 257 of Legislative Decree no. 152/2006);
- Violation of reporting requirements, mandatory record keeping requirements and forms (Art. 258 of Legislative Decree no. 152/2006);
- Illegal trafficking of waste (Art. 259 of Legislative Decree no. 152/2006);
- Organized activities for the illegal trafficking of waste (Article 260, of Legislative Decree no. 152/2006);
- False information in the waste traceability electronic system (Article 260-bis Legislative Decree no. 152/2006);
- Crimes referred to protection of wild fauna and flora (Art. 150/1992);
- Illegal dumping of industrial wastewater containing harmful substances and/or exceeding threshold values established by the law and/or competent authorities (Art. 137 of Legislative Decree no. 152/2006);
- Offences related to ozone and atmosphere (Art. 3, para. 6, l. 549/1993);
- Negligent Pollution caused by ships (Art. 9, para. 1, Legislative Decree no. 202/2007);
- Intentional Pollution caused by ships (Art. 8, co. 1, e 9, co. 2, Legislative Decree no. 202/2007);

16. Offences connected with industry and trade (Article 25 bis 1 DLgs 231/01), which are:

- Interference with liberty of industry and trade (Art. 513 Penal Code);
- Unfair competition with threats or violence (Art. 513-bis Penal Code);
- Fraud against national industries (Art. 514 Penal Code);
- Fraudulent interference in trade activities (Art. 515 Penal Code);
- Selling non-genuine food items as genuine (Art. 516 Penal Code);
- Selling industrial products with false signs (Art. 517 Penal Code);
- Fabricating and trading in goods made by appropriating industrial ownership titles (Art. 517-ter Penal Code);

- Forging geographic origin indications or names of the origin of food products (Art. 517-quater Penal Code).

17. Employment of third-country nationals staying illegally (Art. 25 duodecies DLgs. 231/01).

### 4.3 Disciplinary Framework

Under the new concept of vicarious corporate liability introduced by Legislative Decree No. 231/2001, legal entities found to have benefited from the commission of the offences in question, are exposed to sanctions entailing, in particular:

- in respect of all the offences covered under the scope of the Decree, the imposition of fines;
- in more serious cases, and only in respect of offences specifically labeled as punishable by such sanction, disqualification from engaging in business and/or the suspension of licenses and authorizations, for a period of no less than three months and no more than two years (it being understood that, pursuant to Article 14, paragraph 1, of Legislative Decree No. 231/2001, "sanctions entailing disqualifications and suspensions must pertain to specific business activities") including:
  - disqualification from engaging in business;
  - suspension or revocation of the permits, licenses and/or authorizations that were used or relied upon in the commission of the offence in question;
  - disqualification from contracting with the Public Administration;
  - disqualification from applying for subsidies, funding, facilitated loans or government contributions, and, where warranted, the revocation of the facilities and subsidies previously granted;
  - disqualification from advertising goods or services;
- and lastly, the confiscation (and interim attachment ordered during pre-trial proceedings) of the proceeds or benefits of the offence, as well as, in the case where disqualifications and suspensions are imposed, an ancillary publication order.

### 4.4 Conditions for Exemption

In order to highlight, above all, the primarily preventive function of the new regulatory framework, Articles 6 and 7 of Legislative Decree No. 231/2001 provide for a blanket exemption from vicarious corporate liability in the event where the legal entity in question is able to show that:

- prior to the commission of the offence, its governing body had adopted and effectively implemented an Organizational, Management and Control Model suited to preventing offences of the type in question;

- the aforesaid governing body entrusted the task of monitoring the functioning, concrete implementation and updating of the abovementioned Model, to an internal structure endowed with autonomous powers of initiative and oversight;
- the offence in question was committed by fraudulently circumventing the mechanisms entrenched in the Organizational, Management and Control Model;
- the legal entity was not derelict in its oversight duties.

With regard to the extension of delegated powers and the risk of the commission of offences, the Decree also requires the Organization, Management and Control Model to:

- identify the areas of activity at risk to the commission of Offences;
- lay down specific protocols (i.e. procedures) aimed at planning the definition and implementation of the legal entity's policies with regard to the Offences to be prevented;
- regulate the management of financial resources with a view to preventing the commission of Offences;
- impose reporting obligations on the body in charge of monitoring the functioning and proper implementation of the Model;
- introduce a disciplinary framework designed to effectively enforce compliance with the provisions set forth in the Model.

## 5. Buongiorno S.p.A.'s Model

### 5.1 Buongiorno S.p.A.'s Business

The Buongiorno Group is a multinational leader in the global development and management of applications and services for the mobile ecosystem, which provides users with entertainment services via mobile phones and tablets. Buongiorno has over ten years of leadership in the industry, boasts a team of more than 650 professionals and direct connections with more than 130 Telco operators and aggregators which facilitate the use of mobile apps and content.

Following the re-focusing the business on the B2C segment, launched in 2011, the organization and the lines of business of the Group have also been redefined. The breakdown of the takes on two lines of business (services) " Feature Phone Services", or traditional services, and " Smartphone & Tablet Services" , including web apps, B2B business (mobile payments and financial services) and digital music (Play.me).

In 2012, Buongiorno has continued to focus its business on the B2C segment , becoming part of the NTT DOCOMO Group , which has launched a takeover bid in 2012 successfully completed in the month of August 2012.

The company divided its activities on two main lines of business: the value-added services for users of mobile and fixed (B2C and B2O to final consumers through partnerships with mobile operators and business partners).

Buongiorno S.p.A. sells its products through major mobile operators in the global market with their own brands, brands or through direct ownership.

## 5.2 Corporate Governance of Buongiorno S.p.A.

The control model adopted by Buongiorno is based on the so-called “two-tier” corporate governance system regulated pursuant to:

- the Italian Civil Code;
- the Articles of Association;
- the principles underlying national and international best practices.

The “two-tier” system requires the presence of two distinct governing bodies elected by shareholders: the board of management (Board of Directors), and the Audit board (Board of Statutory Auditors).

The objective of the corporate governance system adopted by Buongiorno S.p.A. is to create value for the shareholders, bearing in mind the importance of maintaining a balance among the interests of all stakeholders.

In addition to the corporate governance structure described above, in 2009, the Company’s Corporate Department was endowed with a Business Practices Committee (made up of the managers in charge of financial structure, legal affairs, internal auditing, human resources and information technology), primarily tasked with providing the Chief Executive Officer support in designing, implementing and managing the internal control system, whilst also defining, on an annual basis, the procedures to be adopted by the company and actively collaborating in the implementation of the same.

## 5.3 The Organizational Structure and the System of Delegated Powers

### 5.3.1 The Organizational Structure

In organizational terms, Buongiorno S.p.A. is a typical “operating holding” company that, side by side with “corporate” functions charged with supporting business development in all Group companies, is sided by the production, marketing, administrative and accounting structures of each individual subsidiary.

The Company’s organizational structure is designed to ensure, on the one hand, the separation of the tasks, roles and responsibilities of operating functions from those of control bodies, and, on the other, the optimization of business operations.

### 5.3.2 The System of Delegated Powers

As of 1 April 2008, Buongiorno Group companies have been subject to Management and Coordination by the Company, so as to ensure the implementation of a

streamlined and efficient corporate governance system as intended and approved by the Board of Directors.

As a result, the Group adopted the so-called "Terms of Reference", a system of uniform delegated powers, all subject to the same restrictions and ceilings, to be conferred on the key officers and executives of Group companies. The Terms of Reference were drawn up on the basis of the following procedure:

- Buongiorno Group companies were classified as either Small or Large-sized companies;
- the processes falling within the scope of the Organizational, Management and Control Models of the companies within each of the said classes, were identified and further divided into three broad categories: (i) marketing projects, (ii) financial projects, and (iii) HR projects;
- the transactions and/or strategic agreements or sensitive contracts, in terms of the risk exposure of the companies in question, were duly identified in respect of each of the processes mentioned above;
- each of the aforesaid transactions and/or agreements or contracts were then further analyzed to determine whether local key personnel could be vested with decisional authority in respect of the same, or whether it would be more advisable for the subject the latter to prior authorization by or perhaps, even the co-signature of another local or corporate manager. In defining the powers, we take into account the fundamental principle of segregation of duties.

The system regulated under the Terms of Reference is very complex and subjects the exercise of the related delegated powers to the prior approval, sometimes even with the requirement of countersignature, of local and/or managers, the hierarchical superiors of the persons vested with signatory powers for the transaction in question, through Buongiorno S.p.A.'s Chief Executive Officer.

With the support of the Group Legal Team, the system for delegating powers of Buongiorno Spa complies to the following principles:

- it is formalized in accordance with applicable laws;
- it is based on a clear identification of delegates, competences they are required to have and powers respectively assigned;
- it is based on a clear limitation of powers and spending ones assigned accordingly to the organizational structure adopted;
- it is formalized respecting the internal company regulations and other internal disposition adopted by the company;
- traceability and accountability of the system itself.

The Country Manager of each Group Company, or whoever acts in his stead, is answerable to Buongiorno S.p.A.'s Chief Executive Officer, and consequently to the entire Board of Directors, in respect of the exercise of the powers and authority conferred pursuant to the Terms of Reference, by all the key personnel of the Group company placed under his responsibility.

Any abuse and / or failure to comply with the powers granted and their limits will be treated in accordance with paragraph n° 7 " The Disciplinary System for Violations of the Model " and in compliance with local legislation.

Please note that since March 19<sup>th</sup> 2013 on Buongiorno Spa is subject to the management and coordination by NTT DOCOMO Inc. parent company of Docomo Digital GmbH, Buongiorno Spa current sole shareholder.

## 5.4 Purposes of the Model

Fully aware of the need to create and maintain an environment in which business operations and transactions may be conducted in accordance with principles of correctness and transparency, thereby protecting its reputation, shareholders and employees, Buongiorno S.p.A., decided to implement the organization, management and control model contemplated in Legislative Decree No. 231/2001.

The adoption and effective implementation of the Model is aimed at allowing Buongiorno S.p.A. to not only benefit from the resulting exemption from vicarious corporate liability pursuant to Legislative Decree No. 231/2001, but also, at the same time, to improve its corporate governance and internal control system.

More specifically, by identifying the “sensitive processes”, i.e. the activities most “at risk” to the commission of offences, and consequently regulating the same, the Model aims at:

- ensuring that any and all persons acting in the name and on behalf of the Company are fully aware that failure to comply with the provisions set forth in the said Model, could result in the commission of offences giving rise to liability under both the administrative and the criminal law;
- ensuring that the all the aforesaid persons are fully aware that the aforesaid unlawful behavior could also expose the Company to liability under both the criminal and the administrative law;
- highlighting that unlawful behavior is not tolerated and runs against Buongiorno S.p.A.’s interest even when it seemingly secures a benefit for the company, not just because such behavior is illegal, but also because it runs counter to the Company’s ethical and corporate principles;
- enabling Buongiorno S.p.A. to take timely action to prevent and combat the commission of Offences, thanks to constant monitoring of sensitive processes, and therefore, risks of the commission of Offences.

Buongiorno S.p.A.’s Model is based on the appropriately updated mapping of areas at risk and the related corporate activities and processes, and is designed to ensure compliance with the statutory requirements and general principles set forth below.

## 5.5 Requirements Imposed Under the Decree

The statutory requirements underlying the Model, all imposed under Legislative Decree No. 231/2001, include:

- the setting up of a Supervisory Body tasked with promoting the effective and proper implementation of the Model, especially by monitoring corporate behavior, including by processing reports, received on an ongoing basis, with regard to matters related to compliance with Legislative Decree No. 231/2001;

- the endowment of the Supervisory Body with adequate resources for undertaking its assigned tasks and attaining reasonably feasible results;
- verification of the functioning of the Model, leading to periodic updating of the same (subsequent or “post-implementation” verification);
- the organization of outreach and dissemination initiatives designed to ensure familiarity with related rules of conduct and procedures at all corporate levels throughout the Company.

## 5.6 General Principles of the Model

The Model is drawn up on the basis of the Confindustria Guidelines of July 2014, the main elements of which are summarized below:

- a) mapping of areas at risk with a view to identifying the corporate areas/sectors within which one or more of the Offences could be committed;
- b) the setting up of a control system capable of preventing risks through the implementation of specific procedures. The most significant components of the control system recommended under the Confindustria Guidelines, include:
  - Code of Ethics;
  - Organizational System;
  - Manual and computerized procedures;
  - Delegation of powers of authorization and signature;
  - Internal control systems;
  - Staff training and outreach initiatives.

The components of an appropriate internal control systems must be designed on the basis of the following general principles:

- verifiability, documentability, coherence and congruity of each operation;
  - application of the separation of functions (no individual may be entirely in charge of an entire process);
  - powers of authorization must be delegated in line with the responsibilities assigned;
  - the control system must provide for the documentation of all checks and controls, including oversight tasks;
- c) the implementation of an adequate disciplinary framework in respect of breaches of the rules set forth in the Code of Ethics and/or non-compliance with the procedures entrenched in the Model;
  - d) reporting obligations towards the Supervisory Body.

## 5.7 Procedures to Set Up the Model

The Model as well as any and all amendments thereto, were drawn up following a series of preparatory activities subdivided into various phases, all aimed at setting up a risk prevention and management system in line with the provisions of Legislative Decree No. 231/2001, read in light of the latest Confindustria Guidelines issued in July 2014.

### 5.7.1 Risk assessment

Risk assessment and, therefore, the identification of areas at risk (“as is analysis”) was carried out by first examining corporate documents (organizational chart, the company’s business operations, main processes, the system of delegated powers, corporate procedures, etc.) and then interviewing “key” officers and executives as pinpointed through the organizational chart and the system of delegated powers (in particular, the Chief Executive Officer, the Chief Administrative and Financial Officer of the Group, the General Counsel and the heads of corporate departments) with a view to distinguishing “sensitive processes” and the elements of the preliminary internal control system (current procedures, verifiability, traceability, congruity and coherence of transactions, separation of responsibilities, documentary records of checks, etc).

This preliminary phase was primarily aimed at identifying the corporate processes most exposed to the risk of the commission of offences and at verifying the type and effectiveness of existing checks especially with a view to ensuring compliance with statutory requirements.

In particular, Buongiorno S.p.A.’s “sensitive processes” are described in the Special Sections of this Model.

### 5.7.2 Gap analysis

In light of the provisions and goals set forth in Legislative Decree No. 231/2001, the company profile delineated through “as is analysis” was used as the basis for identifying, within each area and activity at risk, improvements that could be brought to current internal procedures, and more in general, the organizational requirements to be met in order to define a “specific” organizational, management and monitoring model within the meaning of Legislative Decree No. 231/2001 (so-called “Gap Analysis”).

### 5.7.3 Drawing Up of the Model

The activities carried out were used as the basis for drawing up this Model, made up of a “General Section” and several “Special Sections” focusing on the various categories of the offences falling within the scope of Legislative Decree No. 231/2001 and pertinent to Buongiorno S.p.A.

## 5.8 Make-up of the Model

Buongiorno S.p.A.’s model is made up of the following elements:

- a) The Code of Ethics and Conduct;
- b) This “General Section”;
- c) The documents implemented within the company with a view to preventing behaviour falling within the scope of Legislative Decree No. 231, including, above all:
- the Articles of Association;
  - the system of delegated powers defined by the Board of Directors;
  - the internal approval matrix (the “Terms of Reference” procedure) adopted by the company;
  - the Organizational Chart;
  - the Whistle Blowing Policy;
  - the corporate procedures of the Buongiorno S.p.A. Group;
  - the National Collective Bargaining Labour Agreement in force within the Company;
  - the National Collective Bargaining Labour Agreement for Business executives in force within the Company.

The documents listed above are not transcribed in full in the Model since they are part of Buongiorno S.p.A.’s broader corporate governance system and they are in any event specifically referred to in the Model whenever useful for ensuring a better understanding of the document. Should there be several versions of any of the said documents, the most recent version shall be deemed to prevail.

- d) The “Special Sections”, that is to say, specific sections describing in detail, for each of the categories deemed significant for Buongiorno:
- the category and elements of each of the offences in question;
  - the areas at risk and the ways in which offences could be committed within each;
  - existing procedures and guidelines aimed at minimizing the risk of the commission of the offences in question;
  - the general principles underlying the internal control system with a view to minimizing the risk of the commission of the offences in question and reducing the impact thereof;
  - the reporting system toward the Supervisory Body.

e) the preparatory phase preceding the drawing up the Model (As is analysis and Gap analysis) is summarized in the document entitled “Risk Assessment and Gap Analysis” and maintained by the Internal Audit Department.

## 5.9 Areas at Risk Within Buongiorno S.p.A.

The risk analysis conducted by the Internal Auditing team for the intents and purposes of ensuring compliance with Legislative Decree No. 231/2001, resulted in the emergence of the following areas at risk:

- a) Offences against the Public Administration; these offences are analyzed in the annex entitled “Special Section A - Offences against the Public Administration”;
- b) Corporate offences; these offences are analyzed in the annex entitled “Special Section B - Corporate offences”;
- c) Market abuse and administrative offences; these offences are analyzed in the annex entitled “Special Section C - Market abuse and administrative offences”;
- d) Offences against the Person; these offences are analyzed in the annex entitled “Special Section D – Offences against the Person”;
- e) Cybercrime offences: these offences are analyzed in the annex entitled “Special Section E – Cybercrime offences”;
- f) Copyright infringement offences: these offences are analyzed in the annex entitled “Special Section F – Copyright infringement offences”;
- g) Other Offences (e.g. money-laundering and criminal conspiracies), albeit not typical of Buongiorno S.p.A., that is to say, directly connected with the Company’s business operations, have been analyzed and included in the section entitled “Special Section G – Residual Offences”.

The counterfeiting of currency or legal stamps and female genital mutilation practices were found to be impossible to commit within the Company.

The Supervisory Body may identify further activities at risk which as a result of legislative reforms or changes in the Company’s business operations may be included in the list of Sensitive Processes. The said body is also in charge of ensuring that appropriate operating measures are implemented, such as, for instance, amendments to this document to be recommended to the Board of Directors.

## 6. Supervisory Body and Reporting Obligations

### 6.1 Introduction

Legislative Decree No. 231/2001 requires the implementation of the Organizational, Management and Control Model to be accompanied by the setting up of a specific Supervisory Body.

More specifically, this Body is governed under article 6 of the Decree in question, that provides that the Legal Entity is exempt from liability for offences that may have been committed even solely in the Legal Entity's interest or to its benefit, provided that the Legal Entity can show, inter alia (i) that it had in fact implemented a valid Organizational, Management and Control Model; and (ii) that the "task of overseeing the implementation of and compliance with the models and of updating the same, is entrusted to a Board set up within the Legal Entity and endowed with independent powers of initiative and oversight."

## 6.2 The Supervisory Body members and Supervisory Body Requirements

Having highlighted the fact that in order to be endowed of an efficient Organizational, Management and Control Model, a Legal Entity must also ensure the presence of an adequate Supervisory Body, we shall now examine main characteristics of Supervisory Body members.

### Requirements of Supervisory Body members

The Supervisory Board members in accordance with what established by Decree 231 and by the Confindustria Guidelines must meet the following requirements, which are:

- **autonomy and independence** which means
  - a) in the case of people hired by company, they shouldn't be responsible for administrative functions;
  - b) they must be hierarchically independent, in order to ensure the absence of any form of interference and / or influences applied by other organization's subjects;
  - c) both in the case of individuals hired by the company or external from the company, the subject should be free from a related relationship with the administrators and / or other entities within the company, or other elements that may create the appearance of a conflict of interest;
- **professionalism** since the presence of appropriate skills is an essential element for each body member. The goal achieved through the establishment of the principle of professionalism of each Supervisory Body member is aimed at ensuring the presence of the necessary skills both in terms of inspection and analysis of the control system, both in terms of availability of technical skills;
- **integrity** it means that cannot be considered eligible, according the following:
  - a) at the time of appointment , who has proceedings or is under investigation for 231 offenses;
  - b) who is interdict, the incapacitate, the bankrupt, or who has been sentenced even temporarily as barred from holding public office or inability to exercise executive functions.

### Requirements of Supervisory Body

The language of article 6 of Legislative Decree No. 231/2001, as well as best practices that have gained general acceptance, in order to afford a Company protection from liability in criminal-administrative proceedings, the Supervisory Body must meet the following requirements:

- **Autonomy and independence:** the Supervisory Body must be endowed with a sufficient degree of autonomy and independence from the Entity's management and administrative organs. Such autonomy and independence does not entail merely the absence of hierarchical subordination, but also the avoidance of Supervisory Body members from holding operating or decision-making powers within the Company. In assessing this first requirement it is necessary for the mixed composition Supervisory Body, to assess the requirement of independence in its entirety. This is due to the fact that the hired component cannot be completely independent;
- **Internal nature of the Supervisory Body:** in order to ensure the greatest possible effectiveness of the system, the Entity is required to set up an internal company structure;
- **Professionalism:** the Supervisory Body must be endowed with adequate powers and sufficient resources to be able to efficiently carry out the oversight tasks set forth in Legislative Decree No. 231/2001. As a result, in the case where the Supervisory Body is a board and not an individual, the members of such board must have the complementary knowledge and experience required pursuant to the said Legislative Decree No. 231/2001, such as knowledge of the Entity's internal structure, as well as knowledge in the fields of business administration, corporate organization and law. The Supervisory Body, set up in the form of a board, may acquire access to the aforesaid knowledge and experience even by availing of the services of one or more outside consultants. On the other hand, if the Supervisory Body is embodied in a single individual, such individual must necessarily be sufficiently qualified in all the aforesaid fields of business administration, corporate organization and law. In such latter case, the individual serving as the Supervisory Body could be seconded by outside consultants or internal resources temporarily made available to him/her by the Entity;
- **Continuity of action:** in light of the ongoing nature of the monitoring and oversight activities required under Legislative Decree No. 231/2001, the Supervisory Body must be able to ensure a sufficient degree of continuity of action. As a result, the Supervisory Body must be able to ensure ongoing operations as well as, where necessary, constant presence within the Entity.

### 6.3 Buongiorno Spa's Supervisory Body

The Supervisory Body is appointed by the company's Board of Directors for the length agreed during the appointment process and it could be re-confirmed.

The Supervisory Body for performing its function, reports directly to the Board of Directors which assesses the presence of the personal qualifications of the body members, taking into account of the purposes of 231 Decree as well as the primary requirement of ensuring the controls effectiveness and the Model effectiveness and adequacy, promoting the Model updating from time to time when necessary. The Board of Directors also evaluates the operating conditions of the Supervisory Body.

The termination of the appointment of the Supervisory Board or its components can be due to one of the following assumptions:

- Appointment termination;
- Board of Directors revocation;
- Supervisory Body member waiver formalized in writing and officially notified to Board of Directors;
- Occurrence of one of the causes of ineligibility listed above.

It is necessary to specify that the withdrawal of the Supervisory Board or its components can be ordered only for just cause, as for example the following:

- The situation in which a Supervisory Body member is involved into a criminal matter which may affect the integrity requirement;
- In case the confidentiality elements is not respected and it causes the loose of critical information;
- the possible involvement of the company in a proceeding, criminal or civil, which is connected to or a failure to insufficient supervision, or omission by the Supervisory Body.

The withdrawal shall be established by a BoD resolution.

When during the engagement, such matter which causes the appointment revocation occurs, the member of the Supervisory Board is required to immediately inform the Board of Directors.

The Supervisory Body is required to submit a written report on its activities to the Board of Directors on a half-yearly basis.

The Supervisory Body may however be called upon to report to the CEO at any time.

## 6.4 Functions and Powers of the Supervisory Body

Pursuant to Legislative Decree No. 231/2001, Buongiorno SpA's Supervisory Body is entrusted with the following tasks:

- a) monitoring of the actual efficiency and effectiveness and adequacy of the Organizational, Management and Control Model, in preventing the commission of the offences contemplated in Legislative Decree No. 231/2001;
- b) monitoring of compliance with the Buongiorno Group's Organizational, Management and Control Model and Code of Conduct;
- c) monitoring of the constant adequateness of the Organizational, Management and Control Model and updating of the same in light of changes in the corporate structure and/or regulatory framework;
- d) reporting to the Top Management to those violations of the model that could result in to a liability of the entity for making possible the performance of appropriate action;
- e) drafting, at least every six months, a report providing information on the activities of inspection and testing carried out and related results thereof to the Top management;
- f) submitting to the Statutory Auditors the report as per the point above.

In the discharge of its functions, the Supervisory Body may request and require the Internal Auditing department to conduct specific checks on an ad hoc basis or pursuant to an annual plan; both the types of checks in question must in any event be authorized at a meeting of the Supervisory Body.

Pursuant to the provisions of article 6(1)(b) of Legislative Decree No. 231/2001 and in order to ensure that the aforesaid tasks are effectively and efficiently performed, Buongiorno Spa's Supervisory Body, provided with of adequate budget, is vested with powers:

1. to recommend to the Company, the provisions and/or service orders it deems appropriate to ensure proper monitoring and control, as well as the steps to be taken to active the information channels contemplated in paragraph 6.5 below;
2. to collect and archive any and all information and/or data it deems necessary or useful in the pursuit of the goals set forth in the Decree in question;
3. to conduct, directly or through the Internal Auditing department, any and all checks or investigations in respect of transactions, deeds or conduct arising within the Company, even on a random basis;
4. to avail of the services of outside consultants of proven professionalism, using the economic resources earmarked for such purpose by the Company in the annual budget;
5. to process the information and data collected, including through the information channels contemplated in paragraph 6.5 below, as well as the results of the investigations and checks carried out;
6. to submit to the Company recommendations of suitable changes in as well as updates and implementation methods of the Organizational, Management and Control Model. Any changes that do not entail a complete revision of the overall layout of the Organizational, Management and Control Model and the Code of Conduct may be directly implemented by the Supervisory Body without any need for a specific Board of Directors' resolution, given that the Board is bound, in any event, to examine and approve any extensions and/or amendments to the Model and the Code of Conduct, on an annual basis;
7. to implement any and all measures it deems fit for the dissemination of knowledge of the Organizational, Management and Control Model within the Company, as well as among the outside parties (consultants, suppliers, partners) that maintain relations with the Company;
8. to draw up, in concert with the Human Resources Department, suitable staff training initiatives focusing on the provisions of the Decree in question (it being understood that the Human Resources Department will remain the sole party responsible for the concrete implementation of the training modules);
9. to propose to the Company, in concert with the Buongiorno Group's Legal Department, suitable contractual clauses aimed at improving the regulation, pursuant to the Decree in question, of relationships with third parties (it being understood that

the Legal Department will remain the sole party responsible for the concrete implementation of the said contractual clauses).

The Supervisory Body may, in the case of objective necessity, submit to the Chief Executive Officer, a written request, complete with a statement of grounds and supported by justifying documents, seeking the assignment of an annual expense budget to cover its activities.

## 6.5 Reporting Obligations towards the Supervisory Body

In compliance with the provisions of Article 6, paragraph 2, subparagraph (d) of Legislative Decree No. 231/2001, the Supervisory Body must be provided timely information regarding any and all events, documents or conduct that could result in a breach of the Model, or more generally, be deemed relevant for the intents and purposes of the Decree, including through a specific internal reporting system.

Towards such end, all persons employed by or representing the Company shall be bound to report to the Supervisory Body, in a timely manner, by sending an e-mail to the address [organismovigilanza@buongiorno.com](mailto:organismovigilanza@buongiorno.com), any and all information of which they may become aware regarding:

1. violations or suspected violations of the Organizational, Management and Control Model and the Code of Conduct;
2. incongruences and/or shortcomings of the Organizational, Management and Control Model and the Code of Conduct.

Moreover, all persons employed by or representing the Company shall be bound to forward to the Supervisory Body by e-mail to the address [organismovigilanza@buongiorno.com](mailto:organismovigilanza@buongiorno.com), the following documents and information:

1. orders and/or notices from the Public Administration indicating the opening of investigations, even against parties unknown (see Article 8 of Legislative Decree No. 231/2001), in respect of one or more of the offences contemplated in the said Decree;
2. requests for legal assistance forwarded by executives and employees in respect of legal proceedings involving one or more of the offences contemplated in Legislative Decree No. 231/2001;
3. reports drawn up by the heads of corporate departments containing information on events, documents or conduct, including by way of omissions that could be potentially material for the purposes of Legislative Decree No. 231/2001;
4. information pertaining to the commencement and conclusion of disciplinary proceedings, including any disciplinary measures applied and the closure without action of investigations into breaches of the Organizational, Management and Control Model.

The Supervisory Body shall ensure that persons providing the aforesaid information are protected against any and all forms of retaliation, discrimination and/or penalization, especially by ensuring their anonymity and the confidentiality of the

information they provide, to the extent allowed under law and in keeping with the Company's rights.

## **6.6 Requirements of the Supervisory Body**

In undertaking its tasks pursuant to Legislative Decree No. 231 of June 8, 2001, the Supervisory Body is required to comply with its own internal rules that specify in detail the regulations governing its proceedings and functioning, as well as its reporting obligations towards the Board of Directors and other corporate bodies and officers.

# **7. The Disciplinary System for Violations of the Model**

## **7.1 Introduction**

Pursuant to article 6(2)(e) of Legislative Decree No. 231/2001, the Organizational, Management and Control Model must include a suitable disciplinary system designed to ensure the efficiency and effectiveness of the model itself.

This is a necessary requirement, without which the Model would not be able to function efficiently to protect the Company against the consequences contemplated in Legislative Decree No. 231/2001.

The disciplinary system must be efficient but at the same time, fully compliant with the labour laws in force in Italy (in particular: Articles 2104 et seq. of the Italian Civil Code; Article 7 of Law No. 300/1970; Articles 23 et seq. of the National Collective Bargaining Agreement).

Towards this end, in accordance with the provisions set forth in article 7 of law No. 300/1970 (so-called "Workers' Statute"), the Human Resources Department shall, in concert with the Supervisory Body, ensure that all staff are familiar with the Organizational, Management and Control Model and the Code of Conduct, including through an online information system (Intranet website, distribution of hard-copy versions of the Model to all employees).

The aforesaid information activities shall highlight the disciplinary framework set up under the Organizational, Management and Control Model.

The application of disciplinary actions is independent from and autonomous with regards to any criminal proceedings.

## **7.2 The Disciplinary System for Employees**

Any breach of the Organizational, Management and Control Model and the Code of Conduct shall be deemed worthy of disciplinary action.

Disciplinary proceedings, the imposition of disciplinary sanctions as well as the execution, contestation and impugnation of the same are regulated in accordance with the provisions of the Workers' Statute and the National Collective Bargaining Agreement.

In particular:

1. the employer may not apply any disciplinary sanction against an employee without having first notified the latter of the alleged wrongdoing and heard the latter's defence;
2. save in the case of an oral reprimand, the allegations must be brought in writing and disciplinary measures cannot be applied for 5 (five) days thereafter, during which the employee may present his/her justifications;
3. if no disciplinary measures are applied within the 6 (six) days following the submission of the said justifications, the same shall be deemed to have been accepted;
4. the employee may submit his/her justifications orally, or with the assistance of a representative of a trade union to which he/she belongs or that he/she has appointed;
5. the grounds for the application of disciplinary sanctions must be stated and notified to the employee in writing;
6. without prejudice to the right to have recourse to the Courts, the employee against whom disciplinary measures are applied may, within the following 20 (twenty) days, and including through a trade union to which he/she belongs or that he/she has appointed, request the setting up of a conciliation and arbitration panel through the Provincial Labour Office, such panel being made up of a representative of each of the parties and a third member selected by mutual agreement, or in default of such agreement, appointed by the director of the labour office. In such event, the disciplinary sanctions remain suspended until the panel hands down its decision;
7. should the employer fail to appoint his/her representative on the panel mentioned in the preceding point, within 10 (ten) days following an invitation to do so by the labour office, the disciplinary sanctions shall have no effect;
8. should the employer refer the matter to the Courts, the disciplinary measures shall remain suspended until the case is decided;
9. dismissal for cause may be impugned by the employee in accordance with the procedures laid down in Article 7 of law No. 604/1966, as confirmed in Article 18 of the Workers' Statute. As a result, dismissal for cause may be challenged before the industrial relations tribunal within 60 (sixty) days following the date of service of notice of dismissal on the employee, failing which no further relief is available;
10. no account whatsoever may be taken of disciplinary sanctions after 2 (two) years have elapsed since the date of the application thereof.

Non-compliance by employees with the provisions of the Organizational, Management and Control Model and the Code of Conduct may result in the

application of the following disciplinary measures, in accordance with the principle of proportionality imposed under Article 2106 of the Italian Civil Code:

- A. oral reprimand;
- B. written warning;
- C. fine equivalent to no more than 3 (three) hours of hourly remuneration;
- D. suspension from work without pay for a maximum of 3 (three) days;
- E. dismissal for cause.

More specifically:

1. oral reprimands or written warnings are applied in the case of violations of the procedures of the Organizational, Management and Control Model or behaviour in breach of the same;
2. fines equivalent to no more than 3 (three) hours of hourly remuneration are applied in the case of repeated violations of the procedures of the Organizational, Management and Control Model or repeated behaviour in breach of the same;
3. suspension from work without pay for a maximum of 3 (three) days is applied in the case where by breaching the provisions of the Model or engaging in behaviour in violation of the same, the employee occasions harm to the Company, or otherwise exposes the latter to the risk of harm;
4. dismissal for cause with notice is applied in the case of behaviour in violation of the Organizational, Management and Control Model, clearly aimed at the commission of one of the offences contemplated in Legislative Decree No. 231/2001;
5. dismissal for cause without notice is applied in the case where, through behaviour in violation of the Organizational, Management and Control Model, the employee causes the Company to be subjected to the measures contemplated in Legislative Decree No. 231/2001. In the case of dismissal for cause without notice, the Company may also apply interim non-disciplinary suspension of the employee, with immediate effect, for a maximum period of 6 (six) days.

The Supervisory Body is in charge of monitoring the disciplinary system set up under the Organizational, Management and Control Model, and of submitting recommended changes in the same, to the Board of Directors.

### **7.3 Disciplinary System for Executive Officers**

In the case of violations of the procedures and regulations laid down in the Organizational, Management and Control Model by executive officers, the most suitable disciplinary measures contemplated in the National Collective Bargaining Agreement for Industrial Executives shall apply.

### **7.4 Disciplinary System for Company Directors**

In the case of violations of the procedures and regulations laid down in the Organizational, Management and Control Model by Company directors, the Supervisory Body shall give prompt notice thereof to the Board of Directors that shall take such action as it deems fit and appropriate, within the bounds of applicable rules and regulations.

## **7.5 The Disciplinary System for Trade Partners and Other Addressees**

Should specific contractual clauses be inserted in agreements entered into by the company with third parties (consultants, suppliers, partners, etc.), violations of the Organizational, Management and Control Model and the Code of Conduct, by the latter could entail the consequences set forth in the clauses themselves, and entailing, for instance, termination, withdrawal and claims for compensatory damages.

## **7.6 The Disciplinary System for members of the Supervisory Body**

The Board of Directors, acting as a panel body, and after consultation with the Internal Control Committee, shall make any and all decisions regarding the measures to be taken in respect of members of the Supervisory Body with regard to behaviour disregarding of the rules of conduct set forth in the Model and/or its constituent documents, as well as any and all negligent conduct resulting in a dereliction of the duty to monitor the implementation, enforcement and updating of the same.

## **8. Crimes responsibility for groups**

Buongiorno Group is a multinational global leader in the development and management of applications and services for the mobile ecosystem, through a relevant presence of branches in several countries within and outside Europe (such as Italy, Spain, France, UK, South Africa, US Argentina, Brazil, Mexico, Canada, Australia, Turkey and India) offers added value services to users of mobile entertainment and tablets.

Where applicable and in accordance with the relevant law, each company in the group, is required to independently perform the activities required to prepare and revise its organizational model. This activity is conducted in accordance with guidelines and implementation rules provided by Buongiorno Spa according to the organizational and operational structure adopted by the group.

The adoption by each group company of its own independent model (where applicable) allows the drafting of an effective model calibrated to the organizational reality of each company.

In addition, it is desirable that each Group company appoints its own Supervisory Body (if applicable), operating in accordance with its mandate, while respecting the principles, values and objectives determined by the parent company. For more details on this, please refer respectively to the other models adopted by Italian companies.

Buongiorno adopted the principles of ethics and conduct reported by:

- The code of ethics and conduct and
- The group policies

that are sufficiently high level to ensure proper management of key processes in a uniform manner within the group, but left the chance of taking action at the local level more restrictive so as to ensure compliance with any local laws and regulations.

## 9. Dissemination of the Model and Related Staff Training

It is company policy to promote the dissemination of the principles and provisions set forth in the Model and its constituent parts, both within and outside its Organizational structure.

The Human Resources Department is tasked with training staff in respect of the contents of Legislative Decree No. 231/2001, the Organizational, Management and Control Model as well as the Code of Conduct, taking due account of the input provided by the Supervisory Body in such regard.

In such regard, staff training must, in any event, be based on the following guidelines:

1. Executives and persons vested with powers of legal representation of the Company (so-called executive staff): initial seminar, repeated from time to time for each new recruit; preparation of a specific Intranet section focusing on Legislative Decree No. 231/2001, Organizational, Management and Control Model and the Code of Conduct; sending of updates via e-mail, inclusion of adequate information in the recruitment letters of new staff.
2. Other staff (so-called non-executive staff): preparation of a specific Intranet website focusing on Legislative Decree No. 231/2001, Organizational, Management and Control Model and the Code of Conduct; sending of updates via e-mail, inclusion of adequate information in the recruitment letters of new staff.

In light of the recommendations put forward by the Supervisory Body, Company management may introduce new and additional criteria for the selection of third-party contractors (consultants, suppliers, partners, etc.) taking into account the new requirements imposed under Legislative Decree No. 231/2001.

In light of the recommendations put forward by the Supervisory Body, Company management and the Group CFO's staff shall provide adequate information to third party contractors (consultants, suppliers, partners, etc.) in respect of Legislative Decree No. 231/2001 and the Company's implementation and compliance procedures.

## 10. Procedure for the Approval and Updating of the Model

The various tasks and functions of the Supervisory Body include that of promoting the necessary and continuous updating and adaptation of the Model and its constituent elements (such as, procedures, codes of conduct, etc.), recommending

any and all required or useful changes to the governing body or the relevant corporate departments concerned.

Given that, pursuant to Article 6, paragraph 1, subparagraph (a) of Decree 231/2001, the Organizational, Management and Control Model must be “issued by the governing body”, the said Model and any and all amendments thereto and subsequent versions thereof must be approved Buongiorno S.p.A.’s Board of Directors.

The Board of Directors will approve suitable updates to the Model only after consultation with the Supervisory Body and after hearing the latter’s opinions.

Any and all updates of and/or amendments to the Model and/or any constituent element thereof, must be duly disclosed by the Supervisory Body through notices sent by e-mail or published on the Company’s Internet or Intranet website, and, where necessary, through the organization of informational meetings aimed at illustrating the most significant updates and/or amendments.

More specifically, the Supervisory Body is bound to put forward and recommend adequate amendments to the Model, following:

- the inclusion of new offences within the scope of Legislative Decree No. 231/2001;
- organizational changes and amendments to Buongiorno Spa’s business model;
- the results of audits;
- process mapping;
- any and all other relevant internal and external events.

Buongiorno S.p.A.’s Supervisory Body is also tasked with formally assessing, at least on an annual basis, the appropriateness of the Model and the risk mapping carried out by the Company with a view to reducing the risk of the commission of Offences (the “Risk Assessment and Gap Analysis” document). All the Supervisory Body’s recommendations must be formally set forth in a specific “Issue Tracking Report” drawn up by the Internal Auditor.

## 11. Annexes

This General Section is supplemented by the following Annexes:

- Special Section A – Offences against the Public Administration
- Special Section B – Corporate Offences
- Special Section D – Offences against the Person
- Special Section E – Cybercrime offences
- Special Section F – Copyright infringement offences
- Special Section G – Other offences
- List of Company Personnel involved in sensitive processes
- The Whistle Blowing policy.