

Arnoia

Distribución nacional e internacional de libros

STATUTE OF THE COMPLIANCE FUNCTION

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1. INTRODUCTION



Arnoia's Statute of the Compliance Function is an integral part of the corporate governance and risk control (Compliance) system. This statute has the nature of a Corporate Policy within the internal regulations of Arnoia, with the aim of being implemented and applied in all the entities that make up the organization. Its mission is to define the bases of the Regulatory Compliance Function, the bodies that must implement it and their interrelation with the operational areas and interested parties.

This statute is aimed at supporting existing controls (Ethical Channel, Code of Ethics) and moving towards greater challenges of commitment and responsibility of the Administration Bodies in the development of all business activities, in order to:

- Strengthen the management of non-compliance risks.
- Promote improvement in the coordination of the prevention of non-compliance behaviors.
- Advance in the comprehensive quality of service to our clients.

In conclusion, this statute is directed towards a deepening of the Arnoia Group's principles of action and values, through management formulas derived from the Regulatory Compliance system (formed by the members of the Corporate Communications Committee).



2. REGULATORY FRAMEWORK

The Function is created taking into account the lines and guidelines derived from the Integrated Internal Control Framework defined by the "Committee of Sponsoring Organizations" (COSO); OECD Recommendations; the ISO 19,600 standard on Compliance Management Systems; the UNE 19.601 standard on Criminal Compliance Management; the Spanish Penal Code; and Circular 1/2016 of the State Attorney General's Office, on Criminal Liability of Legal Persons.



3. DEFINITION AND OBJECTIVES OF THE COMPLIANCE FUNCTION

The Compliance Function is defined as the independent function that, through appropriate policies and procedures, detects, evaluates and manages the risk of non-compliance with regulatory obligations, both external and internal, derived from business activity, developing the tasks of promotion, information, advice, coordination, communication and reporting, necessary for greater efficiency in compliance with the rules, in benefit of the objectives of the Organization.

The objectives of the Compliance Function are:

- The identification and assessment of the risk of non-compliance with the external regulations applicable to the Organization in its different activities, as well as all the rules and principles by which they have decided to self-regulate or to which they have agreed to adhere.
- The determination of the suitability of the Organization's compliance procedures and controls by monitoring the deficiencies detected and making the necessary improvement proposals through a compliance plan, or plans, that guarantee that all areas and sectors of activity are duly covered.
- Advice to company management about compliance with the legal, regulatory and administrative provisions that affect the Organization, as well as the rules and principles of self-regulation that it has developed internally or to which it has adhered.
- The promotion, updating and monitoring of the Code of Ethics and the Ethical Channel.
- The evaluation and report of the impact that any modification of the legal and jurisprudential environment, national or international, could have on the operations of the Organization, as well as the new risks of non-compliance that could derive from such changes.

- The preparation of an Annual Compliance Report for submission to the management of the company.



4. COMPANY MANAGEMENT AND THE CORPORATE COMMUNICATIONS COMMITTEE

The management of the company, as the head of the Organization's management, is entrusted with the functions of government and representation of it.

In relation to the Compliance Function, the Corporate Communications Committee (CCC hereinafter) is responsible for the adoption and effective execution, prior to the commission of the crime, of organization and management models that include the appropriate surveillance and control measures to prevent crimes of the same nature or to significantly reduce the risk of their commission. For these purposes, it assumes the development, management and administration of general policies and strategies, being the ultimate responsible for the general compliance model implemented in the Organization. The rights of the Corporate Communications Committee in order to carry out this task are the following:

- The CCC has functional and organizational independence within the Organization's personnel and department structure, reporting directly to the company's management.
- The CCC has a team at his/hrt service endowed with the material and human resources that are necessary and sufficient for the exercise of its powers.
- The CCC can collect any information within the Organization that is intended to support and justify compliance with corporate policies, procedures and controls implemented, as well as access all the documentation it needs to supervise and verify that the exercise of its function is carried out effectively and efficiently, with the exception of those restricted by legal or regulatory norm.
- The CCC may seek external advice, with the approval of the company's management, for the better performance of the Regulatory Compliance Function.

Arnoia's Head of Corporate Communications is the representative of the Corporate Communications Committee. In relation to the Compliance Function, his position will be renamed the Chief Compliance Officer (CCO hereinafter).

The position of Chief Compliance Officer corresponds to that person who is in charge of the company's Human Resources Department, or failing that, another person designated by the Committee, for a period of four years. If there is no rotation in the position, may designate another person from the same department.



A close-up photograph of a person's hands in a white shirt writing on a document with a silver pen. The document is on a wooden desk, and a pink folder is visible in the foreground. The background is slightly blurred, showing another person's hand pointing at the document.

5. FUNCTIONS OF THE CORPORATE COMMUNICATIONS COMMITTEE AND CHIEF COMPLIANCE OFFICER

- The CCC maintains direct coordination and relationship through the CCO with the different operational areas and departments of the Organization.
- The CCC therefore has a primary role in achieving the objectives of the Compliance Function and in its alignment and direct relationship in the continuous improvement of the management of the Organization's activities.
- The objective of integrating the culture of compliance in all the activities of the Organization, as well as its taking into account in the projects and planning of new actions, will be made possible through the development of its consultative and advisory function.
- The CCC will meet when the company management so decides, a member of the committee requests it, and whenever the CCO requests it.

6. DEVELOPMENT OF THE COMPLIANCE FUNCTION BY THE CHIEF COMPLIANCE OFFICER



The CCO carries out its work attending to the objective of reinforcing the ethical and compliance culture at all levels of the Organization, in order to ensure adequate integration in each of the areas and decision levels and in the tasks to be executed, compliance with both current regulations and Arnoia's internal policies and regulations.

The fields of action in the Compliance Function are:

1. Promotion of the culture of compliance:

- Promote the training, assimilation and effectiveness of knowledge of the responsibilities of each position, guaranteeing the transmission of the concept of cash and real compliance with the regulations that affect it, in collaboration with all areas and departments.
- Submit the Statute of the Compliance Function, the Code of Ethics and the Ethical Channel for approval by the company management, which define the general framework of action of all the people who carry out their activity in the Organization, or in relation to it.
- Define, manage and evaluate the procedures for developing the policies, promoting the proper assumption of the principles of compliance and the assessment of their performance and anticipating, avoiding or mitigating actions that involve committing crimes, non-compliance or irregularities.

2. Compliance risk management:

Preventive Management:

- Identification and assessment of the risk of regulatory non-compliance, whether of external or internal regulations.

- Elaboration of policies, procedures, alerts and controls, aimed at guaranteeing regulatory compliance and collaboration with their implementation in all affected areas.
- Advise the areas and departments on the criteria for applying controls, policies and procedures regarding compliance, so that each area of responsibility has the information, training and training required for their tasks.
- Advise, from the compliance point of view, on the creation or launch of new products or services or on the prospecting of new activities.

Reactive Management:

Monitor and manage the deficiencies detected, formulating the necessary improvement proposals, through specific plans and/or programs or modification of those in force, to guarantee that all areas and sectors of activity are duly covered.

Advice and evaluation of the regulatory framework of reference:

- Advise the company management on compliance with the legal, regulatory and administrative provisions that affect the Organization.
- Report on the level of compliance with the rules and principles of self-regulation that it has developed internally or to which it has voluntarily adhered.
- Evaluate and report the impact that any modification of the legal and jurisprudential environment, national or international, could have on the Organization's operations, as well as the new risks of non-compliance that could derive from such changes.

Reactive control of non-compliance:

- Follow-up of the Ethical Channel in relation to the complaints, complaints and claims presented, in order to proceed to their study and adequate resolution, evaluating the concurrence of non-observance or regulatory non-compliance and its form of correction and prevention.
- Definition, in coordination with the Human Resources areas, of the systems and corrective procedures for irregular or illegal actions.

Information:

- The CCO in the development of the Compliance Function informs the management of the company annually, or with the periodicity in which it is required, of the risk management carried out, its level, existing controls and their effectiveness, as well as of the improvement proposals that are adequate, thus allowing the modification of the management system, the risk levels, or the correction and improvement proposals to be known, accepted or required.
- Regardless of this, the CCO or any other member of the CCC will provide timely and complete information to the company's management, in the event of any relevant situation that affects regulatory compliance, especially regulatory changes that affect the Organization.

7. RELATIONSHIP WITH THE DATA PROTECTION OFFICER

The Chief Compliance Officer and the Data Protection Delegate coordinate their activities in order to guarantee the proper application of the Organization's compliance policies in the areas in which each one affects.



8. STAKEHOLDERS



- The CCC in the development of the Compliance Function takes into account, especially in the development of its task, the paramount importance that, in all the actions of the Organization, the satisfaction of the client's expectations is what matters the most, paying special attention to the due fulfillment of the rules that affect the relationship with the consumer, as well as the principles of action that we have established.
- Adequate, sufficient and effective knowledge of the compliance obligations corresponding to the position held by the employees in the company is promoted, as well as the Code of Ethics in force in the Organization and the assessment of performance consistent with it; Compliance with the rights recognized in the legal regulations or those agreed upon towards the worker, and the functioning of the communication channels provided in the Ethical Channel are guaranteed.
- Regarding the companies that provide products or services, or collaborating companies in the activities of the Organization, they are provided with the means to know the principles of action that they must comply with in order to maintain commercial relations with the Organization. In this sense, it collaborates to enhance compliance synergies, in relation to the codes that they have established, as well as in the actions required for effective coordination to benefit the achievement of common objectives.
- Regarding Organizations, Associations, Institutions, Regulatory Bodies or Public Administrations that, due to their functions or interests, demand information, participation or assistance from Arnoia, every effort is made to collaborate in all those matters that result in advancement in common objectives of progress and construction of the company, and with those who exercise inspection functions, to guarantee an effective response to the requirements of regulatory compliance.



9. APPROVAL AND ENTRANCE INTO VIGOR

This statute has the approval of the members that make up the Corporate Communications Committee, as well as the company's management. This statute will enter into force on January 10, 2020, together with the Code of Ethics and the Ethical Channel, all three forming the company's corporate governance and risk control (Compliance) system.

This statute is periodically reviewed (at the same time intervals as the Code of Ethics and the Ethical Channel) by the Corporate Communications Committee, in order to keep it updated and make corrections if necessary.

In the same way as with the Code of Ethics and the Ethical Channel, the existence and usefulness of the Statute of the Compliance Function have been made known to the company's staff. Likewise, the Statute is easily accessible by any member of the company who wishes to consult it.

A large, modern, light-colored industrial building with a curved facade and multiple rows of windows. The building is situated in a landscape with a rocky hillside and a line of trees in the background. The sky is clear and blue. The building has a logo on its side that reads "Arnoia".

Arnoia

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