



Penguin
Random
House

Code of
Conduct

Penguin
Random
House

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1

Statement from
the Penguin
Random House
CEO on the
Importance of the
Code of Conduct

Dear Colleagues,

The Penguin Random House Code of Conduct serves as a common guideline for our daily decisions and our actions. It outlines binding minimum standards for responsible behavior toward business partners and the public, as well as for our behavior within the company. By heightening awareness of legal risks it will help prevent any violations of relevant laws. We are all obligated to adhere to the principles laid out in this Code.

With respect to the Code, I would like to underscore the following three points:

- Nothing can take the place of personal integrity and sound judgment. In order to uphold our corporate responsibility, it is essential that all of us are aware of the laws and regulations relevant to our respective fields of work, and take personal responsibility for abiding by them.
- Managers have a special obligation to lead by example. Taking action against business activities that are inconsistent with the law or our company principles is part of every manager's responsibility here at Penguin Random House.
- The company and its management also have the responsibility to create an environment in which topics can be discussed openly and without fear of retaliation. This applies, in particular, to violations of the Code of Conduct. If you become aware of any such violation you should be able to turn to a person you can trust within your immediate work environment. If this is not possible or advisable, depending on the situation, employees can always seek guidance from Ethics & Compliance at Penguin Random House. These and other reporting methods can be found in the Code.

Ultimately, the responsibility for ensuring that our business activities are ethical and legal rests with each and every one of us. Thank you for contributing to this goal through the integrity of your individual actions.

A handwritten signature in black ink, appearing to read 'Markus Dohle', with a stylized flourish at the end.

MARKUS DOHLE

CHIEF EXECUTIVE OFFICER
PENGUIN RANDOM HOUSE

2

Principles

2.1

General Requirements

2.1.1 : COMPLIANCE WITH THE LAW

We comply with all applicable local, national and international laws and regulations wherever we do business.

Compliance with all applicable local, national and international laws and regulations wherever we do business is critically important to the success of our companies worldwide. The violation of laws and regulations can have severe consequences, such as criminal convictions, fines and reputational damage.

All Penguin Random House managers are obligated to be familiar with the basic laws, regulations and corporate policies that are relevant to their areas of responsibility. Comprehensive knowledge of applicable laws and corporate policy is especially important for those managers who, because of their specific functions or appointed positions, have a special responsibility for ensuring compliance (e.g., managing directors, managers in Compliance, Finance, Human Resources, Legal, Audit, Risk Management).

In specific countries, industries or markets as well as with specific business partners, stricter rules than those described in this Code of Conduct may exist. In such cases, employees should assume that the stricter standard applies.

If there is any doubt whether a decision is legally sound, an in-house lawyer or other appropriate person listed in section 4 (“Your contacts for the Code of Conduct”) should be contacted for assistance and clarification.

2.1.2 : FREEDOM TO SPEAK WITHOUT FEAR OF RETALIATION

We encourage our employees to speak up freely and without fear of retaliation. Retaliation against employees who raise good-faith concerns about misconduct occurring in the company is prohibited.

Being able to speak freely helps to prevent misconduct, and to detect and correct it, should it occur. We therefore value an open work environment where employees can approach their supervisors or management to raise issues or voice criticism without any concerns. Managers are responsible for encouraging open dialogue and for supporting their employees and addressing their concerns in a fair and impartial manner.

Intimidation or retaliation against employees who in good faith provide reports of suspected or actual misconduct must not be tolerated. Reporting misconduct “in good faith” means that an individual believes that what he or she is asserting is true, whether a subsequent investigation proves that report to be true or not.

If employees feel uncomfortable raising concerns directly with their manager or another person locally, or if their attempts to do so are ineffectual, we encourage them to make use of the resources listed in section 4 (“Your contacts for the Code of Conduct”).

Contact information is also available online at <http://employee.penguinrandomhouse.com/ethics>.

2.1.3 : MUTUAL TRUST AND RESPECT

We treat each other in a mutually respectful and trusting manner and seek to create a workplace environment that does not allow for discrimination.

Every individual is entitled to fair, dignified and respectful treatment. We are committed to equal opportunities and encourage a respectful and diverse workplace in which each individual's unique value is recognized and each person is treated with courtesy, honesty and dignity. Harassment, bullying or intimidation is prohibited.

All decisions with respect to recruiting, hiring, disciplinary measures and promotion as well as other conditions of employment must be administered free from any illegal discriminatory practices. We do not tolerate discrimination against employees or applicants for employment because of race, national or ethnic origin, gender, pregnancy, marital or parental status, age, disability, religion or belief, sexual orientation or any other characteristic specified under applicable anti-discrimination law or company policy.

We disclose potential or actual conflicts of interest in the workplace in a timely manner for proper review and resolution.

In our daily business we may be faced with situations in which a decision that is in the best interest of the company competes with our personal interests. A conflict of interest can make it difficult for an individual to make impartial decisions that are in the best interest of the company.

Employees with a real or potential conflict of interest must disclose it to their manager or their company's senior management for prompt resolution.

2.1.5 : PROTECTION OF COMPANY ASSETS & ANTI-FRAUD

We deal with company property, products and resources responsibly.

We value the responsible use and handling of any tangible or intangible company assets, such as products, work materials, IT equipment, or intellectual property.

Company assets should be used only for their intended business purposes and not for improper personal, illegal or other unauthorized purposes.

Every form of fraud is prohibited, regardless of whether company assets or third-party assets are affected. Adequate control measures should be in place to prevent any form of fraudulent activity (e.g., fraud, embezzlement, theft, misappropriation, tax evasion or money laundering).

2.2

Interactions with Business Partners and Third Parties

2.2.1 : INTERACTIONS WITH BUSINESS PARTNERS

We act with integrity in our dealing with others, and also expect our business partners to obey the law.

Our business partners (e.g., customers, suppliers, agents and consultants) expect that they can rely on Penguin Random House as a partner that conforms to the law. This demands that we know our contractual obligations to our business partners.

We in turn take care that our business partners' practices are based on respect for the law.

National and international laws regulate the import, export or domestic trade of goods, technology, services, the handling of specific products, as well as capital movements and payments. Adequate procedures must be used to ensure that transactions with third parties do not violate current economic embargoes or regulations of trade, import or export controls, or regulations for the prevention of terrorism financing.

We maintain proper and legally irreproachable relations with all government regulators and agencies.

Business relationships with governmental bodies are often subject to particularly strict requirements. In all our dealings with government and regulatory agencies and officials, we conduct ourselves in an honest and transparent manner and act in compliance with applicable laws. Dealings with governmental entities may occur in the ordinary course of business (obtaining licenses or approvals or entering into contracts), while engaging in political lobbying, or when responding to governmental or regulatory requests or inquiries of any nature (e.g., subpoenas, investigations, legal proceedings).

It is recommended that employees who receive any kind of governmental inquiry immediately contact their company's senior management and in-house legal counsel for assistance prior to taking further action in order to ensure compliance with all legal requirements.

2.2.3 : ANTI-CORRUPTION & ANTI-BRIBERY

We condemn all forms of corruption and bribery.

At Penguin Random House, offering or accepting a bribe, in any form, to or from any person in either the public or private sectors, is prohibited.

Reasonable and bona fide hospitality and promotional or other business expenditures, that seek to maintain cordial relations or present products or services, are recognized as a legitimate part of doing business.

Such advantages may, however, only be given or accepted if they serve a legitimate business purpose and do not serve to obtain or grant an improper advantage. The advantage may not have an unreasonably high value and may not exceed the limits of customary business practice or the recipient's normal standard of living. Generally, public officials should not be offered any advantages.

Caution should be taken when requests or offers are made for sponsorship or a "charitable contribution" to ensure that it is not a request for or offer of bribery in disguise.

2.2.4 : FAIR COMPETITION

We comply with applicable antitrust and competition laws and consult expert company counsel on antitrust and competition issues.

In virtually all countries, laws prohibit relationships or arrangements with competitors, suppliers, distributors or dealers that may interfere with competition in the marketplace. Such legal prohibitions apply to a wide range of activities, including price fixing, allocations of customers or sales territories between competitors, anti-competitive boycotts and other unfair methods of competition. We are committed to fair competition and compliance with these laws.

2.2.5 : PRODUCT SAFETY

We create and develop safe products and services for our customers.

We see ourselves as partners with our customers. Our business success is supported by a long-lasting relationship with our customers. We are, therefore, committed to providing our customers with safe, high-quality products and services.

Our products and services must not contain defects or unsafe features that could lead to the endangerment of health or damage to property.

2.3

Handling of Information

2.3.1 : EDITORIAL INDEPENDENCE

We observe editorial independence.

Editorial independence and autonomy are the foundations of our publishing programs. We support our publishers' choices of the books they want to publish and how they want to publish them.

Neither our shareholders nor corporate senior management interferes with editorial decision-making or the independence of our editorial personnel.

2.3.2 : INTELLECTUAL PROPERTY PROTECTION

We respect and protect all forms of intellectual property and protected content.

As a book publisher, the protection of intellectual property is of particular importance for our business.

Protected intellectual property includes any products of the human mind irrespective of their commercial value. This includes, but is not limited to, literary works, music, films, TV programs, visual works and software that is protected under relevant laws (copyright, trademark, patent) or by trade secret.

Intellectual property infringement includes, but is not limited to, the display, distribution or performance of copyrighted material without permission and the creation and distribution of unauthorized copies of protected intellectual property.

2.3.3 : DATA PRIVACY & PROTECTION

We collect, retain, use and transmit personal data and information in compliance with applicable law and policy.

When we collect, retain, use or transmit personal data (e.g., names, addresses, phone numbers, dates of birth, health information) relating to employees, or customers or other third parties, we do so with great care and sensitivity and in compliance with applicable law and policy.

Personnel involved in the collection, retention, use, or transmission of personal data receive advice and support from the responsible legal departments and corporate data protection officers.

2.3.4 : FINANCIAL INTEGRITY

We conduct our business and manage recordkeeping and financial reporting with integrity and transparency.

All transactions and records relating to our business must be maintained and handled accurately and appropriately. All transactions, assets and liabilities must be properly documented and recorded in accordance with International Financial Reporting Standards (IFRS) and legal requirements.

Maintaining recordkeeping integrity requires applying high standards of accuracy, completeness and accountability in all business dealings.

Financial accounts, documents, contracts, and other company information may not knowingly include incorrect or misleading entries. Any balance sheet manipulation is prohibited.

2.3.5: INSIDER TRADING

We comply with applicable insider trading laws and company policy regarding insider information of our own or other businesses.

The law prohibits the use as well as the sharing with others of insider information in the trading of securities or other financial instruments.

Insider information is concrete information about any circumstance that is not publicly available and that, if made public, could significantly influence the price of securities or similar financial instruments. Examples of such a circumstance include profit increases or drops, major contracts, plans to merge with or acquire a company, significant new products, or significant personnel changes in company leadership.

The scope of the relevant terms and obligations on insider trading may vary from country to country, such that the personnel concerned should seek the advice and support of the company's in-house legal counsel to ensure compliance.

2.3.6 : STATEMENTS REGARDING PRODUCTS & SERVICES

We do not knowingly engage in or promote misrepresentation or fraud in the marketing or advertising of our products and services.

Honesty about our products and services means that we always make truthful statements about our products and services.

Misleading or false information regarding products or services can harm our customers as well as our reputation. This violates our principles and is prohibited.

It is especially important for personnel working in marketing, advertising and sales to observe these guidelines.

We make proper business use of workplace information technology and help to protect systems and equipment against internal and external threats.

In our daily business we use information technology and process data on a regular basis. This requires appropriate security practices (password protection, approved technology and licensed software) to protect intellectual property and personal data. Ignoring appropriate security practices can lead to serious consequences, such as data loss, identity theft or copyright infringement.

Because of the dissemination speed, easy replication and practical indestructibility of digital information, great care needs to be exercised in what is e-mailed, recorded as voice-mail, attached or downloaded.

We commit ourselves to using workplace-related IT systems for legitimate business purposes and not for personal uses that are unreasonable or improper, or for unethical or illegal activities.

All employees need to be aware that workplace-related IT systems in all forms constitute company property.

We have an obligation to take proper measures to protect IT systems against internal and external misuse or threats (such as misusing assigned passwords or downloading inappropriate materials from the internet). We should seek the advice of IT personnel whenever we have a question or concern.

We protect confidential information from unauthorized disclosure and use. We protect the reputation of our company in our public statements.

Confidential information is information that is intended for the named recipient(s) only, not for internal dissemination or external release. It may involve records, reports, contracts, financial and personnel data, investigations, lawsuits, creative work, intellectual property, or new business plans or products, and may appear in many different forms (digital, physical, etc.).

Discussing confidential information in public places or engaging in unauthorized sharing of company or customer information with third parties—for example, with the media or the competition—constitutes a breach of confidentiality and may constitute a violation of applicable antitrust laws.

Employees with access to especially sensitive information (financial, human resources, legal, new product development, insider information on other companies, etc.) must observe strict confidentiality even with colleagues, and should seek legal advice before disclosing any such information to third parties. In such instances, it is important to evaluate whether to enter into confidentiality agreements.

2.3.8 : CONFIDENTIALITY & PUBLIC RELATIONS

When using social media we are aware of our responsibility to our company's reputation. We do not share confidential or sensitive company information and respect the privacy of our colleagues and business partners.

Media inquiries regarding Penguin Random House and its divisions should be immediately referred to the company's corporate public relations departments, senior management, or their designees.

2.4

People & Environment

2.4.1 : HUMAN RIGHTS, HEALTH & ENVIRONMENT

The respect for human rights and the protection of health and the environment, are integral parts of our corporate responsibility.

We respect the dignity and individual rights of employees and third parties with whom we have business relations.

We uphold both the right to freedom of association and the right to engage in collective bargaining in accordance with applicable laws and regulations. We condemn forced or child labor and any form of exploitation or discrimination and strictly comply with applicable laws.

We strive for environmentally responsible procurement and use of natural resources (energy, water, materials and land) in the production and distribution of our products and the performance of our services.

We will provide a healthy and safe workplace for our employees by complying with all applicable health and safety laws and standards. Managers in particular must ensure that appropriate health, safety and security practices and safeguards are in place to comply with applicable laws and management standards.

2.4.2 : FAIR WORKING CONDITIONS

Ensuring fair working conditions is an integral part of our corporate culture.

We comply with legal requirements for the protection of fair working conditions, including those regulating compensation, working hours, and privacy.

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Decision-making guide

If you are ever uncertain whether a particular action or decision is in accordance with the requirements of the Code of Conduct, then consider the following questions.

- ✓ Is my action or decision legal and consistent with company policies?
- ✓ Can I make an impartial decision that is in the best interest of the company and free from any competing personal interests?
- ✓ Can I make the decision in good conscience?
- ✓ Would I feel comfortable if my action or decision were made public?
- ✓ Would my decision hold up to scrutiny by a third party?
- ✓ Am I confident that my action or decision will not hurt our company's reputation?

If you can confidently answer yes to each of these questions, it is likely that your action or decision is appropriate. Should you have any doubts regarding one of these questions, then do not act or make a decision without first seeking qualified advice. The next section describes the available resources you can turn to.

4

Your Contacts for the Code of Conduct

At Penguin Random House, you will always find an open door if you need advice, want to discuss a concern about potential misconduct or want to provide suggestions for improving compliance procedures.

Many concerns about workplace conduct can be resolved by raising them constructively with the persons directly involved or by seeking assistance from local contact persons. Other issues might be better addressed with somebody outside your local environment.

Retaliation against employees who raise concerns in good faith about suspected misconduct is prohibited (see 2.1.2 “Freedom to speak without fear of retaliation”). Employees who have concerns should contact Ethics & Compliance at Penguin Random House.

The following resources are available both for employees and for third parties.



4.1

In your immediate working environment

You can contact a person in your immediate working environment to discuss questions regarding the Code of Conduct or to report violations; for instance:

- Your supervisor
- The senior management of your company
- The Human Resources, Legal, Finance or Audit departments, or, if applicable, your employee representatives.



4.2

Ethics & Compliance at Penguin Random House

If you are uncomfortable addressing your concern locally, if your local queries have been ineffective, or if you wish to do so for any other reason, you may also contact Ethics & Compliance at Penguin Random House. A key responsibility of Ethics & Compliance is to handle requests relating to the Code of Conduct and to ensure that reports of violations are investigated as appropriate. Investigations are conducted with the greatest possible regard for confidentiality and in compliance with data protection requirements.

ETHICS & COMPLIANCE AT PENGUIN RANDOM HOUSE

Phone: +212.572.2001

Email: ethics@penguinrandomhouse.com

Website: <http://employee.penguinrandomhouse.com/ethics>

The postal address for Ethics & Compliance:

Penguin Random House
1745 Broadway
New York, NY 10019
USA
Attn: Ethics & Compliance



4.3

Internet-based system

You may also report substantive violations of the Code of Conduct using an internet-based system. The system allows for a confidential and specially encrypted, secure dialogue with the Ethics & Compliance team.

www.penguinrandomhouse.reportconcerns.com



4.4

Ombudsperson

You may also contact an external ombudsperson appointed by Penguin Random House. The ombudsperson's role is to provide a neutral and independent channel for inquirers seeking confidential guidance in raising and resolving any suspected substantive violations of the Code of Conduct. The ombudsperson holds all communications with those seeking assistance in strict confidence, and does not disclose confidential communications, including the identity of the inquirer, unless given permission to do so by the inquirer.

Email: ombuds@discussconcerns.com

Toll-free phone numbers to reach the Penguin Random House ombudsperson:

ARGENTINA

08 00-666 10 83

AUSTRALIA

18 00-12 50 84

BRAZIL

08 00-891-01 98

CANADA

877-604-92 03

CHILE

800-55 19 00

CHINA (NETCOM)

108 00-744-03 55

CHINA (TELECOM)

108 00-440-03 36

COLOMBIA

018 00-518-10 48

FRANCE

08 05-54 01 86

GERMANY

08 00-664-78 79

INDIA

00 08 00-440-16 70

IRELAND

18 00-81 28 60

MALAYSIA

18 00-88 07 50

MEXICO

001-888-311-50 54

NETHERLANDS

08 00-020-20 08

NEW ZEALAND

08 00-68 89 32

PHILIPPINES

18 00-14 41-03 90

ROMANIA

08 00-89-48 95

SINGAPORE

800-448-16 03

SOUTH AFRICA

08 00-98 18 49

SPAIN

900-81 24 35

UNITED KINGDOM

08 00-783-15 06

URUGUAY

000-411-002-33 56

USA

877-278-0303

A list of toll-free phone numbers is also available online at:
employee.penguinrandomhouse.com/ethics

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For the most current version of the Code of Conduct, updates and other information on Ethics & Compliance at Penguin Random House, please go to <http://employee.penguinrandomhouse.com/ethics>.

