

BOOM Image Studio S.p.A.

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BOOM!

ORGANISATION AND MANAGEMENT MODEL - SUMMARY

BOOM Image Studio S.p.A.

Summary

COMPANY'S LIABILITY PURSUANT TO LEGISLATIVE DECREE 231/2001. ORGANISATION AND MANAGEMENT MODEL OF BOOM IMAGE STUDIO S.P.A.

This document contains a Summary of the Organisational and Management Model of BOOM Image Studio S.p.A., with its registered office in Via Galvano Fiamma, no. 19, 20129, Milan (M), Italy (hereinafter "**BOOM**" or "**Company**").

1. Administrative liability for offences committed by organisations under Legislative Decree 231/2001

Legislative Decree no. 231 of 2001 (hereinafter the "Decree") introduced into the Italian legal system the **administrative liability of legal entities** (including companies) **for criminal offences**: a company may be held liable for criminal conduct committed by individuals part of said company, with the consequential application of the various types of sanctions provided for in Article 9 - namely, monetary sanctions (applied in "quotas" in proportion to the entity's economic capacity), disqualification sanctions, confiscation and publication of the conviction -.

Article 5 of the Decree identifies two categories of persons whose criminal conduct may give rise to the Company's liability:

- **top management**, i.e. those who perform functions of representation, administration or management of the entity or one of its organisational units with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the entity (hereinafter "**Managers**");
- **non-managerial persons**, i.e. those who are subject to the supervision or direction of others (hereinafter "**Non-managers**").

According to the Decree, the company is liable for the criminal conduct carried out by the subjects identified in Art. 5, only if the following two conditions are matched:

1. the criminal offence committed by the natural person must be one of the crimes expressly listed in Articles 24 et seq. of the Decree (hereinafter, "**Relevant Criminal Offences**");
2. the Relevant Criminal Offence must have been committed "**in the interest or to the advantage of the entity**".

In the following cases, the company is not liable for the Relevant Criminal Offence committed:

- the natural person acted solely in his/her own interest or for his/her own benefit;
- the company has deliberately prevented the action from being carried out or the event from taking place.

The Decree excludes, under certain conditions, the liability of the company which proves that active steps were taken to prevent the commission of the Relevant Criminal Offence.

In order to do so, it is necessary that the company demonstrates that it has adopted and effectively implemented, before the Relevant Criminal Offence was committed, an **Organisational and Management Model** (the so-called “**MOG 231**”) capable of preventing that kind of Relevant Criminal Offences and that it has duly nominated an autonomous body, with adequate control and initiative powers, specifically dedicated to the supervision of the effectivity, the adequacy, the correct functioning and the constant update of the MOG 231 (the so-called “**Supervisory Board**” or, in Italian, “**Organismo di Vigilanza**”, or “**OdV**”).

In particular, a company with a MOG 231 shall not be held liable when:

- the Relevant Criminal Offence has been committed by a Manager who has fraudulently evaded the MOG 231, even though the appropriate steps and security precautions have been carried out by the Supervisory Board;
- the Relevant Criminal Offence was committed by a Non-manager for reasons other than non-compliance with the company's management and supervisory obligations, and the MOG 231 adopted is adequate, correctly updated and is accompanied by a disciplinary system of sanctions.

2. The Organisation and Management Model of BOOM

In order to comply with the regulations contained in the Decree and create an adequate tool that, by integrating and coordinating with Company procedures, constitutes an effective prevention system and an efficient control plan for monitoring the risks relating to the commission of conduct that could in abstract give rise to any form of responsibility for BOOM, the Company has deemed it appropriate to establish an adequate and efficient internal compliance system, preparing and adopting a specific MOG 231 and setting up, for the purposes of monitoring its effective implementation, a **Supervisory Board** with autonomous powers of control and expenditure.

The structure of BOOM's MOG 231 is divided into a General Section, where the framework on which the entire Model is based is defined, and various Special Sections, which are drawn up in relation to the various types of Relevant Criminal Offences covered by the Decree for which an abstract risk of commission has been identified during the risk assessment phase carried out for BOOM.

BOOM has also adopted its own Code of Ethics, formalising the principles and general rules of conduct that must inspire the performance of all Company activities. This Code of Ethics is also an integral part of BOOM's MOG 231.

2.1 General part

The General Part of the MOG 231 adopted by BOOM is divided into four sections, each dedicated to a very important element characterising the structure of the whole MOG 231:

a) Whistleblowing process

This procedure has been defined with the aim of encouraging the various recipients of the Model to make proper use of whistleblowing, i.e. the tool with which each recipient is granted the right to report, in a serious and detailed manner, any breach of laws or regulations, of the principles stated in the Code of Ethics, of Company rules and procedures or any other fact or omission of which he/she is aware of, which may directly or indirectly cause economic, financial or image damage to BOOM, or an harm to recipients or employees.

In accordance with the provisions of the Model, the Supervisory Board is the sole recipient of a whistleblowing report, guaranteeing its confidentiality.

The report may be sent to the Supervisory Board by internal mail or by e-mail to odv@boom.co. The Supervisory Board shall then initiate the process of verifying the validity of the report, at the end of which it may, alternatively:

- i) close the proceedings and, in the case of an obviously untrue report made on purpose or under gross negligence, initiate a sanctioning procedure for the reporter;
- ii) notify the outcome of the assessment to the Corporate Management and to the competent department to take disciplinary action and to adopt any further measures and actions that may be necessary in the specific case to protect the Company, or, where necessary, to file a complaint with the competent judicial authority.

b) Supervisory Board

BOOM's Supervisory Board is a body with autonomous powers of initiative, control and expenditure, which is responsible for supervising the functioning of and compliance with the Model, as well as for periodic updates. The Company has entrusted this task to a monocratic board, whose members have the necessary requisites of autonomy and independence, honourableness, and professionalism.

In carrying out its activities, the Supervisory Board may require help from any BOOM member if specific knowledge and skills are needed for special analysis and the required person shall guarantee full cooperation.

In addition to the documentation expressly indicated in each Special Part of the Model, in accordance with the procedures contemplated therein, the Supervisory Board shall be informed of any other information relating to the implementation of the Model in the Activities at risk, as well as that relating to any violations of the provisions of the MOG 231 itself.

In any event, the Supervisory Board must always be informed of all information concerning:

- decisions relating to the application for, disbursement and use of public funds;
- requests for legal assistance made by employees (including Managers) against whom the judiciary is proceeding for any of the Relevant Criminal Offences;
- measures and/or news coming from the Judiciary and the Judicial Police or any other authority, from which it results that investigations are being carried out, even against unknown persons, for facts potentially involving the Company's business activities;
- the results and conclusions of commissions of enquiry, inspections, audits or other internal reports from which hypotheses of liability for the Relevant Criminal Offences emerge;
- information on the effective implementation, at all levels of the Company, of the Model;

- disciplinary proceedings carried out, any sanctions imposed or orders to discontinue such proceedings with specific reasons.

c) **Disciplinary system**

Pursuant to Article 6(2)(e) of the Decree, the Company, in order to guarantee the effectiveness of the supervisory and preventive action entrusted to the Supervisory Board and the effectiveness of the application of the MOG 231, has introduced a disciplinary system suitable for sanctioning violations of the MOG 231.

In particular, the disciplinary system is aimed at:

- all those who hold, even *de facto*, functions of representation, administration or management of the Company or of one of its organisational units with financial and management autonomy;
- persons subject to the direction or supervision of one of the above-mentioned persons, and in general to all employees as well as to all those who, in any capacity and at various levels of responsibility, operate within the Company, contributing, with their own acts, to the performance of the overall business activity, including collaborators, business partners and suppliers.

Finally, it is worth mentioning that the application of disciplinary sanctions is irrespective of the outcome of any criminal proceedings, since the rules of conduct imposed by the MOG 231 are assumed by the Company in full autonomy, regardless of the criminal offence that such conduct may constitute.

d) **Spreading and knowledge of the Model**

The Company is exempted from administrative liability only if the MOG 231 is effective and concretely applied.

Precisely for this purpose, the Company has undertaken to adopt initiatives to ensure its spreading among all potential recipients of the Model, both internal and external to the Company, who are required to know its content, to comply with it and to contribute to its better implementation.

Within these initiatives, the following are worth mentioning: staff training activities, differentiated on the basis of the qualifications, functions and roles covered by the Recipients; the spreading of an internal information note explaining the Model and its functions; the dissemination through an internal circular of an information note explaining the whistleblowing system; information during recruitment; the publication of the MOG 231 on the Company's website.

2.2 Special Part

The Special Part of BOOM's MOG 231 is divided into several sections, each dedicated to a different class of Relevant Criminal Offences, identified among those expressly indicated in Articles 24 ss. of the Decree.

As a result of the risk assessment activities carried out, the Company decided to expressly take into consideration only the Relevant Criminal Offences to which the Company is theoretically more exposed. For some Relevant Criminal Offence, on the other hand, no specific section of the Special Section has been drafted.

In particular, with regard to the Relevant Criminal Offences referred to in Articles 25-bis (Counterfeiting money, public credit cards and revenue stamps); 25-bis1 (Crimes against industry and commerce); 25-quater (Crimes having the purpose of terrorism or subversion of the democratic order); 25-quater1 (Mutilation of female genital organs); 25-sexies (Market abuse); 25-undecies (Environmental offences); 25-terdecies (Racism and xenophobia) 25-quaterdecies (Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices) and 25-sexiesdecies (Smuggling) of the Decree, it was considered that the risk of commission and/or facilitation of such offences is absolutely remote, taking into account the activity carried out by the Company. These offences do not seem to be able to creep into the Company's operations and its departments, not even in abstract terms; that's why the Company decided not to introduce any dedicated section in the Special Part, ensuring the maximum effectiveness and conciseness of the MOG 231.

With regard to Organised crime offences (Article 24-ter) and Transnational crimes (Article 10 of Law 146/2000), the Company considered unnecessary to prepare a dedicated section of the Special Part, given that the association type offences are generally connected with and aimed at committing the Relevant Criminal Offences covered by the other Special Sections (e.g., tax offences, corporate offences, money laundering and self-money laundering). It is therefore considered that, through the sections of the Special Part above mentioned, the Company has adequately mapped and effectively prepared the necessary measures to also prevent the occurrence of the association-type offences indicated above.

As mentioned above, for each of the other Relevant Criminal Offences expressly referred to in Articles 24 et seq. of the Decree (i.e. Crimes against the Public Administration and the Administration of Justice, Corporate Crimes, Crimes committed in violation of the regulations on Health and Safety at Work, Laundering, Receiving and Use of Money Goods or Benefits of Unlawful Origin, Computer Crimes or Copyright Crimes, Crimes against the Individual, Employment of third country citizens whose stay is irregular, Tax Crimes), there is a dedicated section of the Special Part of the MOG 231, in which, at the outcome of the risk assessment activities carried out, the following have been fully defined:

- the extent and scope of the offences covered by the specific class of Relevant Criminal Offences;
- identification of the main activities and risk areas in which, from a theoretical point of view, offences could be committed;
- the principles of conduct to which the MOG 231 requires all addressees to adhere when carrying out activities deemed to be at risk;
- the main safeguards adopted by the Company to prevent the recipients of the MOG 231 to commit those specific Relevant Criminal Offences.

The identification of the Relevant Criminal Offences pursuant to MOG 231, as well as the mapping of the activities at risk and the identification of the principles of conduct and the controls adopted to prevent the commission of unlawful conduct, are subject to constant updating by BOOM.

2.3 Code of Ethics

Finally, BOOM has adopted a Code of Ethics, which includes the general principles that the Company undertakes to apply and enforce in the performance of all its activities, as well as a specific indication of the rules of conduct governing governance activities, the management of relations with employees and third parties, the management of relations with the community and the organisation of the system of health and safety at work and environmental protection.

The rules of the Code of Ethics apply to all BOOM's management and employees, as well as to all those who cooperate in the performance of its activities and the pursuit of its goals.

The principles of the Code of Ethics must inspire the members of the Company's Board of Directors in any decision or action relating to the management of the same; likewise, all collaborators, in the concrete implementation of their activities, must be inspired by the same principles. Employees and all those who work with BOOM are required to adapt their behaviour to the provisions and principles of the Code.

The full version of the Code of Ethics is available on the Company's website at www.boom.co.