Radiocattleya S.r.l.

Organization, Management and Control Model pursuant to Legislative Decree 8 June 2001 no. 231

Approved by Sole Director on December 15, 2020

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Foreword

Radiocattleya S.r.l. (or the "**Company**" or "**Radiocattleya**"), with its registered office in Rome in Piazzale Valerio Massimo n. 7/8, deals mainly with the creation and marketing in songs and marketing of songs and musical works (soundtracks), entirely controlled by Cattleya S.r.l.

The following documents are an integral element of and linked to this Model of Organization, Management and Control, the Code of Ethics, the Anti-corruption Policy and Whistleblowing Policy of the Group, the text of which is available on the website of Cattleya S.r.l.

GENERAL PART

1 The administrative responsibility of institutions: legislative framework

1.1 The legal regime of administrative liability: Legislative Decree 8 June 2001, no. 231 and its evolution

Legislative Decree 8 June 2001, no. 231 (hereinafter referred to as the "**Decree**")[1], introduced into the Italian legal system a peculiar form of liability, nominally administrative, but substantially subject to punishment in the manner of a violation of criminal law, charged to companies, associations and institutions in general for particular offenses committed in their interest or advantage by a natural person who holds a top or a subordinate position within the relevant entity.

The conditions under which the new legislation are assumed to be applied can be summarized as follows:

a) inclusion in Decree category application;
b) commission of a crime included by the Decree, in the interest of or to the advantage of the entity;
c) offender is an individual invested with top or subordinate functions within the entity;
d) lack adoption of a model suitable to prevent offences of the kind that has occurred;
e) for the sole case of an offence committed by top management, also the failure to grant autonomous powers of initiative and control to a specific body of the entity (or insufficient supervision).

In the event of a crime committed by a subordinate, the reoccurrence of each of the aforementioned circumstances is the subject of a specific probative burden, the fulfillment of which is borne by the Public Prosecutor; on the other hand, in the case of a crime committed by a top manager, the occurrence of each of the conditions is subject to a simple presumption of guilt (juris tantum) without prejudice to the authority to provide proof to the contrary (the so-called reversal of the burden of proof).

From the examination of all these conditions the entity is subject to sanctions of various kinds, which are particularly onerous, amongst which the pecuniary sanctions (up to a maximum of Euro 1549,00 pro quota) and interdictory ones, variously structured (up to the disqualification from conducting the company's business).

The sanction implementation procedure reflects in its fundamental features the current criminal process, of which, and it is no coincidence, the first one shall form a possible appendix; equally, albeit of the *nomen juris* adopted, the whole substantial framework in which the Decree is inserted is openly inspired by a conceptual apparatus of criminal matrix.

The implementation of the new previsions, originally limited to articles 24 and 25 of the Law, was subsequently extended, either by amending the Decree, or by means of referrals to the Decree itself.

As a result of these progressive enlargements, the Degree shall apply to the following offences, either committed or, limited to the categories of crimes, attempted:

- Undue receipt of disbursements, fraud against the State or a public institution or to obtain public funding, and computer fraud against the State or a public institution;
- Extortion, corruption and induced bribery (namely, when a public officer/person charged with a public service, with abuse of authority, unlawfully induce a private party to give or promise money or other advantages);

[1] The provision in question ("Discipline of the administrative liability of legal entities, companies and associations also without legal personality"), published in the Official Gazette no. 140 of 19 June 2001, was issued in implementation of the delegation to the Government pursuant to Article 11 of the Law of 29 September 2000, n. 300. The latter finds its logical antecedent in a whole series of internationally agreed acts, drawn up on the basis of Article K.3 of the Treaty on European Union: Convention on the Protection of the Financial Interests of the European Communities, concluded in Brussels July 26, 1995; its first Protocol signed in Dublin on 27 September 1996; Protocol concerning the preliminary interpretation by the Court of Justice of the European Communities of the said Convention, with attached declaration, signed in Brussels on 29 November 1996; as well as the Convention on the Fight against Corruption involving officials of the European Communities or EU Member States signed in Brussels on 26 May 1997 and the OECD Convention on the Fight against Corruption of Foreign Public Officials in International Business Operations, with Annex, Signed in Paris on 17 December 1997.

- Computer crimes and unlawful processing of personal data;
- Organised crime offenses;
- Counterfeiting in coins, in public credit cards, in titles and identification instruments;
- Crimes against industry and commerce;
- Corporate crimes;
- Crimes for the purpose of terrorism or overthrow of democratic order;
- Practice of female genital mutilation;
- Crimes against individuals;
- Market abuse;
- Manslaughter or severe or very severe injuries committed by breaching occupational health and safety regulations;
- Receiving of stolen goods, money laundering, utilization of money, goods or benefits of unlawful origin and self-laundering;
- Transnational crimes;
- Offences related to copyright infringement;
- Induction not to make statements or to give untruthful statements to the judicial authorities;
- Environmental crimes;
- Employment of illegally staying third-country nationals;
- Racism and xenophobia;
- Tax Offences;
- Smuggling.

1.2 The case envisaged by the law and the sanctions imposed

The positive elements of the case in point

The case in relation to which the Decree indicates the presence of the specific form of responsibility contemplated by its provisions, postulates the simultaneous presence of a series of positive elements (i.e. elements must necessarily be combined) and the concomitant absence of specific negative elements (the absence of which, in contrast, constitutes an absolving factor).

With regard to the positive elements, it should first be noted that the Decree applies **to any company or association, even without legal personality**, **and any other legal entity** (hereinafter, for the sake of brevity, the "**Entity**"), except for the State and Constitutional bodies, regional and local authorities and other non-economic public bodies.

In consideration of the above, the liability under the Decree lied with the Entity applies where has been committed an **offence** that:

a) It is included among those indicated by the Decree or by any laws through referrals (hereinafter, for the sake of brevity, the "**Relevant Offences**");
b) has been carried out also or exclusively **in the interest of or for the advantage of the Entity**:

   1) **in a top position** (namely persons holding a representative, administrative or management role in the Entity or one of its organizational units with financial and functional autonomy, or who exercise, also de facto, its management and control;
   2) subject to the direction or supervision of a subject described above (read point 1).

List of offences

The Offences that, to date, may involve the application of the sanctions set out in the Decree, according to the

macro-categories mentioned in Paragraph 1.1. above, are listed in the Annex “List of Offences”.

The negative elements of the present case

Albeit all the positive elements hereinabove have been integrated, the liability under the Decree lied with the Entity does not apply if the Offence has been committed[2]:

I) by an Apical Subject, if the Entity proves that:

   a) the supervisory body has adopted and effectively implemented, prior to the commission f the fact, an organization and management model suitable to prevent offences of the kind as the offence in question (hereinafter, for the sake of brevity, the “**Model**”);
   b) the task of monitoring the Model implementation a compliance and updating was entrusted to a corporate body with independent powers of initiative and control (hereinafter, for the sake of brevity, the “**Supervisory Body**” or “**SB**”);
   c) persons have committed the offence by fraudulently eluding the organization and management models;
   d) there was no omission or insufficient control by the Supervisory Body.

II) By a Subordinated Subject, if the Public Persecutor does not prove that the commission of the Offence was made possible by the non-performance of management or supervision duties. However, such non-compliance with management or supervisory duties does not entail liability if the Entity, prior to the commission of the offence, adopted and efficiently implemented a Model (apt to prevent offences relevant for the decree).

The sanctions laid down in the Decree (artt.9-23) lied with the Entity are:

a) financial penalty;
b) disqualification sanctions;
c) confiscation;
d) publication of the judgment.

The aforementioned sanctions are applied at the end of a complex proceeding, on which see below; disqualification sanctions can also be applied on a precautionary basis, albeit never jointly with each other, upon request to the judge by Public Prosecutor, when both of the following condition occurs:

a) there are serious indications of an involvement of the Entity pursuant to the Decree;
b) there are well-founded and specific elements that point to the concrete possibility of the danger that further offences of the same type will be committed.

When ordering the precautionary measures, the Judge takes into account each specific suitability in relation to the nature and degree of precautionary needs to be satisfied in the concrete case, of the necessary proportion between the entity of the fact and the sanction that may be applied to the Unit in a definitive way.

The financial penalty

The financial penalty consists in the payment of an amount of money laid down in the Decree and, in any

[2] In truth, in corporate matters, the wording adopted by the delegated legislator (Article 3 of Legislative Decree No. 11 April 2002, No. 61) contains a textual variant with respect to the provisions of the Law. It is in fact envisaged that the Entity for the Crimes referred to above is "[...] if committed in the interests of the company, by directors, general managers, liquidators or by persons subject to their supervision, if the fact would not have occurred if they had supervised in accordance with the obligations inherent in their office ". It is not clear whether the formulation adopted is derogatory from that valid in general or whether it is attributable to a mere lack of coordination with the latter.

event, not less than EUR 25.800,00 and not more than EUR 1,549.000,00, to be concretely determined by the Judge through a two-stage evaluation system (the so-called "*quota*" system).

In this case, an appropriate number of quotas are applied as penalty where the corresponding money-value of a quota ought to be multiplied by the total number of quotas (e.g. 100 quotas with a single value of 30.000 €, the final penalty applied will be 300.000 €).

Disqualification sanctions

The disqualification sanctions consist in:

a) the disqualification from exercise of the activity[3];
b) the suspension or revocation of authorizations, licenses or permits functional to the commission of the unlawful act;
c) the provisional or definitive prohibition against negotiating with the Public Administration, other than obtaining a public service[4];
d) the exclusion from incentives, loans, grants or subsidies and possible revocation of the ones already granted;
e) the temporary or permanent ban on advertising goods or services.

The disqualification sanctions exclusively apply, also jointly, for those offences for which they are expressly provided by the Decree, when at least one of the following conditions applies:

a) the Entity has made a profit of significant magnitude from the offence and the offence has been committed by an Apical Subject or by a Subordinate Subject when the offence when the offence was either helped by or carried out as a result of serious management deficiencies;
b) in the case of offences being committed again.

When one or both the prior conditions are fulfilled, the disqualification sanctions (artt. 13 and ff.) do not apply even if one of the following circumstances occurs:

a) the offender has committed the offence in its own prevailing interest or in the interest of third parties and the Entity has not obtained an advantage, namely the body has obtained a minimum advantage; or
b) the financial damage caused is particularly slight; or
c) before the declaration of opening of the trial of First Instance, all the following conditions apply (hereinafter, Conditions preventing the application of a disqualification sanction):
   1) the Entity has fully compensated the damage and has cured the harmful or hazardous consequences of the offence, namely the Entity has been active in this way;
   2) the Entity has eliminated the organizational deficiencies underlying the offence by adopting and implementing the Model;
   3) Any profit obtained by the Entity has been made available for the purpose of confiscation.

Confiscation

Confiscation consists in the State's coercive acquisition of the proceeds or profits of the Offence, except for the part that can be returned to the damaged party and without prejudice to the rights acquired in good faith by third parties; when it is not possible to execute confiscation in-kind, the above mentioned confiscation may concern sums of money, property or other assets of an equivalent value to the proceed or the profit of the

[3] It involves the suspension or revocation of the authorizations, licenses or concessions functional to the activity.
[4] Also limited to certain types of contracts or to certain administrations.

Offence.

The publication of the judgment

The publication of the judgment consists in the publication of an abstract of the conviction or the entire judgment by the Clerk of the Court, with the expenses borne exclusively by of the Entity, on one or more newspapers decided by the Judge in the judgment and the publication in the municipality in which the Entity has its principal office.

The publication of the judgment can be ordered when a disqualification sanction is applied to the Entity.

1.3 The Organization, Management and Control Model: its adoption

The Decree[5] introduces a **particular form of exemption from the liability** in question if the Entity demonstrates:

a) to have adopted and effectively implemented, through the operational committee, before the commission of the fact, models of organization and management suitable for preventing the aforesaid offences similar to those occurred;

b) to have entrusted the task of overseeing the functioning and observance of the models, as well as of updating them, to a body of the entity, endowed with independent power of initiative and control;

c) that the people who committed the offence acted by fraudulently evading the aforementioned organizational and management models;

d) that there is no omission or insufficient supervision by the body referred to the previous lett.b).

1.3.1 Model as exemption in case of offences

The Decree also establishes that, regarding the extension of delegated powers and the risk of committing offences, the organization, management and control models must **meet the following requirements**[6]:

1) identify the sensitive areas at risk of commission of the offences established by the Decree;
2) provide specific protocols aimed at planning for development and implementation of the decisions of the Entity in order to prevent offences;
3) provide for the identification and management of financial resources suitable to impeding the commission of these offences;
4) prescribe obligations to inform the body deputed to supervise the functioning and observance of the Model itself;
5) introduce an appropriate internal disciplinary system to punish the failure to comply with the measures set out in the Model.

The Decree provides that the models of organization, management and control can be adopted, guaranteeing the above needs, based on codes of conduct (for example, Guidelines) drawn up by representative associations of category, communicated to the Ministry of Justice that, in agreement with the competent Ministries, it ca formulate (within 30 days), observations on the suitability of the models to prevent crimes[7].

Finally, it is established that, in small entities, the vigilance duties may be absolved directly by the directive

[5] Art. 6, paragraph 1.
[6] Art. 6, paragraph 2.
[7] Art. 6, paragraph 3.

organ[8].

1.4 The Guidelines drawn up by trade associations

The various trade associations, in application of the Decree, have drawn up specific Guidelines for constructing the Model. In particular, on March 7th, 2002 Confindustria approved the final text of its "Guidelines for the construction of organization, management and control models pursuant to Legislative Decree 231/2001", subsequently updated on March 31st, 2008.

The aforementioned Confindustria Guidelines can be summarized according to the following basic steps:

- "risk identification: that is the analysis of the company context to highlight where (in which area/sector of activity) and how such events, detrimental to the objectives set out in the Legislative Decree 231/2001, might occur;
- "designing the control system (the so-called protocols for the scheduling of training and implementation of the Entity's decision) namely, the assessment of the existing internal system within the Entity and its possible adjustment, in terms of the ability to deal effectively with the risks identified".

It should be pointed out that the discrepancy with respect to specific points of the various Guidelines does not in itself affect the validity of the Model. As each Model must, in fact, be developed in regard to the effective reality of the particular company, it may well differ from the Guidelines which, by their nature, are of a general character.

The most predominant control system components that can also be deduced from the Guidelines of the trade associations are:

- Ethical code;
- Organizational system;
- Manual and IT procedures;
- Authorization and signatory powers;
- Management control systems;
- Communication to staff and their training.

The control system components must comply with the following principles:

- Verifiability, documentability, consistence and congruity of each transaction;
- Application of the principle of segregation of powers (for example, no one can independently manage an entire process);
- Documentation of checks;
- Introduction of an appropriate disciplinary system with regard to violation of the regulations, a code of conduct and the procedures envisaged by the Model;
- Identification of the requirements of the Supervisory Body, which can be summarized as follows:
  - Autonomy and independence;
  - professionalism;
  - continuity of action;
- obligation of information of the Supervisory Body.

Following the extensive and thorough review work aimed at the adjustment of the 2008 Guidelines to the changes in regulations, to the previous jurisprudential guidelines and/or new application practices,

[8] Art. 6, paragraph 4.

Confindustria published in 2014 a further update of the "Guidelines of the construction of organization, management and control models pursuant to Legislative Decree 231/2001".

In particular, the main amendments and additions of the **General Section** concern:

- the features of liability for crimes (in particular the paragraph on the assumption of participation in a crime for the purposes of estimating the liability of the Entity);
- the summary table of the alleged offences;
- the disciplinary system and the sanctioning mechanisms;
- the Supervisory Body, with particular reference to its composition;
- the phenomenon of groups of undertakings.

The **Special Part**, dedicated to the deepening of the predicate offences through specific case studies, was subject to a careful review, aimed not only at dealing with the new kind of predicate offences, but also at introducing a schematic method of analysis which is easier to be used by the interested operators.

The document was submitted to the Ministry of Justice which announced its final approval on July 21st, 2014.

1.5 Legal Development

For the purposes of the drafting of the Model, Radiocattleya also took into consideration the jurisprudential guidelines that emerged in this regard.

In particular, although the judgments that to date have dealt with administrative responsibility of the bodies pursuant to Legislative Decree no. 231/01 made no representation regarding the adequacy of the control systems, they already offer initial indications regarding the characteristics that the Judges consider essential in order to assess the suitability of the Model to prevent the commission of offences.

In the variety of decisions emerge some constant references in order to verify the suitability of the adopted Model, such as the reference to criminal conducts for which proceeds, the organizational structure, the size, type of activity and the legal history of the company involved in the method.

More specifically, the Judges evaluated:

(i) The autonomy and independence of the Supervisory Body in concrete terms;

(ii) The analytical and completeness of the identification of the areas at risk;

(iii) The provision of specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the crimes to be prevented;

(iv) The provision of information obligations towards the body appointed to oversee the operation and compliance of the models;

(v) The introduction of a disciplinary system capable of punishing failure to comply with the measures indicated.

Radiocattleya, therefore, proceeded to draft the Model also in light of these first Jurisprudential decisions.

2 The Adoption of the Model

2.1 Radiocattleya S.r.l.

Radiocattleya, as the parent company Cattleya S.r.l., is sensitive to spreading and consolidating the cultural aspects of transparency and integrity, and conscious as well as committed in assuring correctness in the business management and corporate activities to protect its position and image of the expectations of members and of its contractual counterparties, **adopts the Organization, management and Control Model** pursuant to the Decree, establishing its reference principles.

2.1.1 Objectives of the Model and its key points

As known, the adoption of an Organization, Management and Control Model is not imposed by the provisions of the Decree[9]. Radiocattleya intends to raise awareness on all the persons who act in the name and behalf of the same, so that they behave correctly when performing their activities, thus preventing the risk of committing the Offences contemplated in the Decree itself.

The Model has been prepared on the basis of the provisions of the Decree and the Guidelines drawn up by Confindustria. Furthermore, in the preparation of the Model, as stated above, were taken into account the most relevant jurisprudential judgements pronounced to date.

The Model's main objective is to set up a structured and organic system of control procedures and activities, aimed at preventing, as far as possible, the committing of behavior able to constitute the crimes contemplated by the Decree.

Through the identification of the activities exposed to the risk of offence perpetration ("**sensitive activities**") and their subsequent their consequent formalization in procedures, the aim is to:

- On the one hand, make aware all those who work in the name or on behalf of Radiocattleya that they may incur in a punishable offence the commission of which is strongly censored by the Company, as it is contrary to its interests even when, apparently, it could derive an immediate economic advantage;
- On the other hand, tank to constant monitoring of the activity, allowing timely intervention to prevent or counteract the commission of the crimes themselves.

Key points of the Model, in addition to the principles above mentioned, are:

- The mapping of activities at risk, namely those activities in the context of which the commission of the offences envisaged by the Decree appears more probable, i.e. "sensitive activities";
- Assignment to the Supervisory Body of specific supervisory task for the effective and correct functioning of the Model;
- Verification and documentation of each relevant transaction;
- Application and compliance with the principle of separation of functions, according to which no one can independently manage an entire process;
- The assignment of power consistent with the organizational responsibilities;
- Ex post verification of corporate behavior, as well as the functioning of the model, with consequent periodic updating;
- The dissemination and involvement of all company levels in the implementation of behavioral rules, procedures and company policies.

[9] The Decree, in fact, indicates the Model as an optional and not mandatory element. However, with regard to the adoption of the Model, the Court of Milan's ruling no. 1774/2008 according to which "The failure to prepare an adequate organizational model pursuant to Legislative Decree no. 231/2001 determines the civil liability of the directors towards the company for the CD. bad management (Article 2392 of the Civil Code). "

2.1.2 Model Structure: General Section and Special Section

The Model is divided in two parts:

- The General Section, which contains the key points of the model and it concerns the functioning of the Supervisory Body and the penalties system, with reference also to the Code of Ethics of the Group;
- The Special Section, whose content consists of sensitive activities in relation to the various types of offences envisaged in the Decree and deemed – subject to the outcome of the *Risk Assessment* activity conducted on the key corporate processes - that are more relevant also considering the type of Company's business model.

2.1.3 Approval of the Model

The Organization, Management and Control Model was adopted by Radiocattleya's Sole Director on December 19, 2018.

2.1.4 Amendments and updating of the Model

As established by the Decree, the model is the "emanation of a corporate governance body" [10]. As a consequence, subsequent amendments and any substantial additions are the exclusive jurisdiction of Radiocattleya's Sole Director.

2.2 Methodological Approach to the Model

Fort the purposes of drafting and implementing the organization and management Model pursuant to Legislative Decree no. 231/2001, the methodological approach adopted envisaged the following phases:

- Identification of those areas potentially exposed to the risk of commission of offences;
- "*risk assessment*" of the processes relating to the identified risk areas, describing the relative critical factors eventually found;
- Devising ways of ensuring the overcoming or mitigation of the critical aspects detected;
- Adaptation and drafting of organizational procedures on those areas considered to be potentially at risk, containing binding provisions for the purposes of reasonably preventing the irregularities referred to in the aforementioned Decree;
- Elaboration of the Code of Ethics;
- Drafting a disciplinary system to sanction failure to comply with the measures indicated in the Model;
- Elaboration of the Model training and communication plan.

2.2.1 Risk assessment methodology

The effective performance of the project and the need to adopt adjective, transparent and traceable criteria involved in the construction of the Organization Model require the use of the proper integrated methodologies and tools.

The activity carried out is bound to the compliance with the Decree and other rules and regulations applicable to the Company and, for those aspects which are non-regulated, it is in compliance with:

- The guidelines issued by Confindustria regarding "organization and management models";

[10] Article 6, paragraph 1, letter. a) of the Decree.

- The principles of the "*best practice*" on controls (C.O.S.O. *Report*; *Federal Sentencing Guidelines*).

The preliminary evaluation activity was addressed to the company processes and functions which, based on the results of the "preliminary *risk assessment*" analysis, were identified as more exposed to the offences envisaged by the Decree such as, for example:

- Corporate Departments that usually engage significant relations with Italian, foreign or supranational Public Administrations;
- Corporate processes and Departments important in administrative and financial area which, also due to explicit regulatory requirements, constitute areas at a higher risk exposure.

As regarding the methodology for identifying the processes and control systems to prevent irregularities, an approach based on an evaluation model made up of *eight components* was adopted, in line with the best International practice, with an essential contribution generated by the *US Federal Sentencing Guidelines*, from which the "*compliance programs*" experience was born.

Inter alia, these rules, according to the "*position paper*" on the Decree published on October, 2001 and issued by the Italian Association of *Internal Auditors*, constitute the most authoritative reference relating to the evaluation of corporate responsibility, taken into consideration by the Italian legislator as shown in the government report to the Decree itself.

In particular, the components of the evaluation model adopted are the followings:

Government In this context, were examined the procedures concerning the conferral of the power of the relevant bodies, involved in the management of the internal control systems.	**Code of Ethics and government procedures** In this context were examined the organizational systems adopted in order to verify their consistency with the results of the "risk assessment" process, with rules and regulations, with the current organizational structure, with the methodology to manage the corporate processes and human resources.
Communication In this context, was examined the internal communication system in relation to the elements of the Model and, particularly, to the adequacy of the contents, the lines used, the periodicity/frequency of communication, the differentiation by hierarchy, function and risk levels and the comprehensibility of the language.	**Training** In this context, were examined the practices and procedures used for the training of personnel to apply the Model, both within the framework of programs with general content and those with specific content, those developed or to be developed, for those working in the sensitive areas.
Human resources In this context, were examined the practices and management procedures of human resources in managing the main aspects of the employment relationship; also other relevant	**Control** **I**n this context, were examined the practices and procedures used to control and monitor the performance of the elements of the model; therefore, will be examined the adequacy of

aspects will also be assessed in terms of prevention of offences such as, for example, incentive, dissuasive and sanction system, including the removal of personnel, specified from Law.	the control processes of those sensitive areas and operations through warning signals *("red flags*"), anomalies (process *audits*), "routine" checks in areas at risk (perform *audits*) and finally, the adequacy of the Model (the so-called "*compliance program*", or *audit* of the Model).
Information	**Violation**
In this context, the characteristics and methods of generation, access and management reporting were examined for the information necessary, in order to allow effective supervision of risks by the bodies involved and, firstly, by the Supervisory Board envisaged by Decree; therefore, it was analyzed the availability of the data needed to ensure an effective prior and subsequent supervision of the activities at risk, the existence of preferential communication lines for the reporting of transactions exposed to risk, both by third parties and from the staff (so called "*help line*"), the prompt reporting of changes in risk profiles (e.g. New regulations, acquisitions of new activities, violations of the internal control system, accesses and inspections by supervisory bodies, etc.), as well as the regular registration and "reporting" of the events described above, with the related subsequent actions implemented and the results of the checks carried out.	In this context, the characteristics and methods carried out by the *"audit*" and/or internal and external investigation activities were analyzed, in order to verify their effectiveness both in terms of professional and/or qualitative standards, and in terms of effect on updating the elements of the internal control system and "*corporate governance*".

2.2.2 Exploitation phases

The methodological approach adopted has been implemented and developed through a series of exploitation phases. The beginning of this activity required a prior acquisition of data and information on the Company's organizational system and on the operational processes, for the purpose of the detailed planning of each stage.

The implementation of the aforementioned methodology was comprised of the following phases described below in greater detail:

- Planning;
- Diagnosis;
- Design;
- Preparation;
- Implementation.

2.2.3 Phase 1: Planning

This phase is aimed at collecting documentation and obtaining information useful for the knowledge of the Company's organizational activity and system.

The aforementioned information concern, inter alia, merely as an example:

- The economic sectors in which the Company operates;
- The type of relation and activities (e.g. commercial, financial, regulatory control, representation, collective bargaining, etc.) held with the public administrations, Italian or foreign;
- The cases of any alleged irregularities occurred in past *("incident analysis*");
- the internal regulatory and procedural framework (e.g. segregation of duties, decision-making processes, operating procedures, protocols);
- The documentation concerning service orders, internal communications and any other documental evidence useful for a better understanding of the activities performed by the Company and the organizational system.

The collection of information is carried out through documental analysis, interviews and questionnaires administered by those responsible for the various departments/business sectors and, in any case, to the personnel deemed useful to the purpose, based on specific expertise.

It should be underlined that the notion of Public Administration adopted for the purpose of identifying areas at risk has been taken from Articles 357 and 358 of the Italian Criminal Code, whereby are considered civil servants and public officers those that, with or without a subordinate employment relationship with public authorities, carry out activities which are governed by public law and authoritative acts.

On the basis of this concept, by way of example, are shown below:

1) *subjects who perform a legislative or administrative function such as, for example:*

   - parliamentarians and members of the Government;
   - regional and provincial councilors;
   - European parliamentarians and members of the Council of Europe;
   - Subjects who perform ancillary functions (employees in the preservation of parliamentary acts and documents, in the rafting of shorthand reports, economists, technicians, etc.);

2) *Subjects that perform a judicial function, such as, for example:*

   - Magistrates (ordinary judiciary of Courts, Court of Appeal, Supreme Court of Cassation, Superior Court of waters, TAR, Council of State, Constitutional Court, Military Courts, popular judges of the Court of Assizes, Judges of Peace, Vice-Honorary Judges (*Pretori*) and aggregates, members of ritual arbitration colleges and parliamentary committees of inquiry, magistrates of the European Court of Justice, as well as the various International Courts, etc.);
   - Subjects who perform related functions (officers and judicial police officers, finance guards and carabinieri, chancellors, secretaries, judicial guardians, bailiffs, conciliation posts, bankruptcy trustees, certificate issuers at the Courts of the Courts, experts) and advisors of the Public Prosecutor, liquidators of the arrangement with creditors, extraordinary commissioners of the extraordinary administration of large companies in crisis, etc.);

3) *Subjects who perform an administrative public function, such as, for example:*

- Employees of the State, international and foreign bodies and local authorities (for example, officials and employees of the State, of the European Union, of supranational health organizations, foreign States and local authorities, including the Regions, Provinces, Municipalities, subjects that perform ancillary functions with respect to the institutional aims of the State, such as members of the municipal technical office, members of the building commission, chief administrative office of Amnesty office, municipal messengers public sector occupation workers, correspondents municipal employees of the employment office, employees of state companies and municipal companies, people involved in the exaction of taxes, personnel of ministries, superintendence, etc.). In particular, attention is drawn to the relationships with University professors; University assistants who assist the owner both in research and in teaching activities; Primary and primary hospital help, Committee components Tenders Asl and AO; Nas; Health inspectors; Health officials; doctors; Pharmacists.
- Employees of other public, National and international bodies (for example, officials and employees of the Chamber of Commerce, the Bank of Italy, the Supervisory Authorities, the public welfare institutions, the ISTAT, the UN, the FAO, etc.).
- Private operators of public functions or public services (for example notaries, private subjects operating under concession or whose activity is in any case regulated by public law and authoritative acts, etc.).

In this regard, it should be noted that the Public Administrations indicated are considered equivalent to those that perform functions similar to the ones aforementioned within Community bodies, to other Member States of the European Union, foreign States or international public organizations.

The information described above constitute the required and necessary elements to enable the beginning of the *risk assessment*.

2.2.4 Phase 2: Diagnosis

This phase is characterized by the completion of *Risk Assessment* analysis launched in the previous planning phase, in order to:

- Carry out a Survey of the Company departments/activities potentially exposed to the risk of offences as per Legislative Decree no. 231/2001.
- Analyze the organizational and control system as whole, having regard, in particular, to the following elements that make up the Organizational model and their characteristics:

  - Leadership & Governance;
  - Standard of behavior;
  - Information, internal reporting & communication;
  - Training & Development;
  - Evaluation of performance;
  - Internal control and monitoring;
  - Model reaction to violation.

In summary, the analysis and evaluation of the aforementioned components focuses on:

- Verification of the adequacy of the organizational system, according to the following criteria:
  - Formalization of the system;
  - Clear definition of the responsibilities assigned and lines of hierarchical dependence;
  - Segregation of duties;
  - Correspondence between the activities carried out and job description;

- Verification of the existence of protocols and formal procedures to regulate the activities carried out by the structures in the areas potentially at risk, taking into account the phases of education and training of company decisions;
- Verification of the existence of poker of authorization and the signature consistent with the organizational and management responsibilities assigned and/or concretely performed. The assessment was conducted on the basis of the examination of the powers of attorney issued and of the internal management powers;
- Verification, for individual activities potentially at risk of crime, of the existence of protocols, procedures and rules of conduct, identifying the additions necessary for greater adherence to the principles expressed by the Legislative Decree;
- Verification of the adequacy of the current disciplinary system aimed at penalizing any violation of the principles and provisions aimed at preventing the commission of crimes, both by employees of the company and by Director and collaborators;
- Verification of the existence of forms of communication and training for staff, in consideration of the need that, initiatives aimed at implementing the Legislative Decree, must be planned and aimed at communicating the Organizational model.

At the end of this phase a summary document was prepared containing:

- Map of potential risk pursuant to Legislative Decree no. 231/2001 referred to the Company and the company department;
- Company departments performing activities potentially exposed to risk pursuant to Legislative Decree no. 231/2001;
- Responsibility centers for each company activities;
- Corporate activities that are theoretically and potentially more exposed to the risk-offence as per Legislative Decree no. 231/2001;
- Type of contacts with the Public Administration, public officials and public service officers;
- Types of crime theoretically attributable to the activities carried out;
- Risk potential impact in terms of sanctions, also in terms of probability of occurrence of event.

The results obtained from the abovementioned analysis, offer the basis for the design of the Organization Model, as specified below.

2.2.5 Phase 3: Design

This phase is articulated in the performance of the *As is analysis* on existing protocols, procedure and/or control instruments in order to verify the reasonable effectiveness of the *existing controls* to prevent irregularities. This activity is based on the understanding of the level of formalization in procedures of the company activities that are exposed to risk, as well as the degree of knowledge, application, communication, updating and control of any procedures, existing protocols placed to their control.

More specifically and consistently with the results of the company “mapping” of the risk, this phase concerns:

- Verification/census of *protocols, operating procedures and/or control instruments* already in place for each are potentially at risk with specific reference to critical issues and weaknesses in existing control systems with a view to reasonably preventing the alleged offenses envisaged by the Decree;
- Formulation of recommendations, suggestions and guidelines on additions and improvements to be made in order to reasonably manage the criticalities detected.

The aforementioned verification activity, consistent with the above-mentioned methodological criteria, is carried out through the preliminary request to the involved structures to start a self-analysis on potential risk

areas within the activities carried out by each of them and the verification of the procedures, internal protocols existing in the identified areas. The request is conducted through meetings with the structures involved, during which the appropriate clarifications are provided on the various aspects of the discipline in question.

The design of the actions to enhance the elements constituting the organizational Model comprehends:

- The Code of Ethics of the Group, on the disciplinary system and on ethical training;
- Activities within the competence of the Supervisory and Control Body.

The design of the informative *reporting* system allows the Supervisory Board to receive information and updates on the status of the activities potentially exposed to risk.

2.2.6 Phase 4: Preparation

This phase in aimed at drafting the organizational Model through the material predisposition and/or adaptation of the organizational tools of which it is composed, deemed most appropriate to enhance the effectiveness of the crime prevention action, such as:

- drafting and reviewing protocols/procedures for areas/activities deemed potentially at risk;
- elaboration of the code of ethics and therefore of ethical principles for areas/activities deemed potentially at risk;
- elaboration of the internal disciplinary system graduated according to the severity of the violations;
- definition of the powers, duties and responsibilities of the Supervisory Body and its relations with the corporate structures;
- planning of initiatives regarding communication and ethics training and crime prevention.

2.2.7 Phase 5: Implementation

In this phase, the activity aims to make operational the Model as a whole by:

- Its formal adoption by means of approval by the Sole Director;
- The definitive implementation and communication of the elements of which it is composed: Code of Ethics, operational procedures, control system, communication and training program, disciplinary system.

It is clear that it will be up to the Supervisory Body, while conducting its first interventions and the dynamic management of the Control Model, to identify the criteria to be inspired by in:

- conducting periodic checks on the Model and its constituent elements;
- evaluating the necessity of updating of the “map” of the areas at risk and the actions necessary to preserve over the time the effectiveness of the Model preventing the crimes;
- *reporting* to the Corporate Bodies in case of necessity of modification or integration of the substantial elements of the Model.

2.3 Comparison between the Model and the Code of Ethics

The Model responds to the need to prevent, as far as possible, the commission of those offences envisaged by the Decree trough the establishment of specific rules of conduct.

From this it emerges clearly the difference with the Code of Ethics, which is a tool of general scope, aimed at promoting a “business ethics”, but without a specific formalization in procedures.

However, even in consideration of the contests of the Confindustria Guidelines, there is a tendency to achieve a close cooperation between the Model and the Code of Ethics, so as to form a *corpus* of internal rules with the aim of encouraging the culture of ethics and corporate transparency.

The behavior of employees, collaborators in any capacity and Director (hereinafter also "**Collaborators**"), of those who act, also in the role of consultants or with the power of representation of the company ("**Consultants**") and other Radiocattleya contractual counterparts, must comply with the rules of conduct - both general and specific – referred to in the Company Model and in the Group's Code of Ethics The Recipients of the Model

The rules contained in the Model apply to those who perform, even de facto, management, administration, management or control department in Radiocattleya, to employees, collaborators and those who, although not belonging to the Company, operate on the same mandate or are in any case related to society.

Radiocattleya communicates this Model through suitable methods to ensure the effective knowledge to all the Collaborators.

The subjects to whom the Model is addressed are obliged to comply promptly with all the provisions, also in fulfillment of the duties of loyalty, correctness and diligence that arise from legal relationship established with the Company.

Radiocattleya condemns any behavior that is different from the law, the provisions of the Model, the Code of Ethics and the Anti-Corruption Policy of the Group, even if the conduct is carried out in the interest of the Company or with the intention of giving it an advantage.

2.4 Review of the Model

Model 231 must be reviewed periodically in order to guarantee its updating and relative adequacy. Its updating is then necessary on the occasion of *(a)* legislative changes with reference to the regulation of the liability of institutions for administrative offenses dependent on a crime, *(b)* the periodic revision of the Model also relation to significant changes in the organizational structure or sectors of activity of the Company, *(c)* significant violations of the Model and/or outcomes of checks on the effectiveness of the same.

The aforesaid activity is functional to the maintenance over the time of the effectiveness of the Model and must take part in the following subjects:

- ✓ Sole Director;
- ✓ Supervisory Body.

3 The Supervisory Body

In the event that the expected crimes occur, the Decree[11] sets as a condition for the granting of the exemption from the administrative responsibility that has been entrusted to a body of the Unit (endowed with autonomous poker of initiative and control) the task of monitor the functioning of and compliance with the Model, as well as to update it.

3.1 Identification of the Supervisory Body

Implementing provisions established by the Decree, the body entrusted with this task is identified by the Sole Director, whose choice is determined by the fact that the members are recognized as the most suitable subjects to assume the role of members of the Supervisory Body (hereinafter also "**SB**") given the requirements of autonomy, integrity, independence, professionalism and continuity in action required for this function. With regard to these, there are no grounds for incompatibility or conflicts of interest due to significant patrimonial or family relations with the Company, its representatives, the other subjects in a top position.

The Sole Director certifies at the time of identification of the members of the Supervisory Body the compatibility with the appointment, independence and autonomy of the members of the body itself.

The Company, in the context of the adjustment its organization and control system in compliance with the Legislative Decree, set up a Supervisory Body in charge of supervision the adequacy and functioning of the Model.

3.2 Functions and powers

The Supervisory Body is entrusted with the task of monitoring the following:

- Effectiveness of the Model: which is to ensure that the behaviors implemented within the Company correspond to the Model prepared;
- Efficacy of the Model: that is to verify that the Model established is concretely suitable for preventing the occurrence of the offenses envisaged by the Decree and subsequent measures that modify its scope;
- Opportunities to update the Model in order to adapt it to environmental and legislative changes as well as changes to the company structure.

On a more operational plan, the Supervisory Body is entrusted with the task of:

- Periodically check the map of areas at risk of crime (or "sensitive activities"), in order to adapt it to changes in the activity and/or company structure. To this end, the Supervisory Body must notified by the Management and by the people in charge of control activities within the functions, any situations that may expose the Company to risk of crime. All communications must be in written form only;
- Periodically carry out, also using external professionals, checks aimed at ascertaining the provisions of the Model, in particular ensuring that the procedures, protocols and controls envisaged are implemented and documented in a consistent manner and that ethical principles are respected. However, it is noted that the control activities are entrusted to the primary responsibility of the operational management and are considered an integral part of every business process (so called "line control"), hence the importance of a personnel training process;
- Verify the adequacy and effectiveness of the Model in preventing the offenses referred to in the Decree;
- Periodically carry out targeted checks on specific acts carried out, above all, within sensitive activities, the results of which are summarized in a specific report, the content of which will be disclosed during communications to corporate bodies;

[11] Art. 6, letter b).

- Coordinate with other company departments (also through special meetings) for an exchange of information to keep the areas at risk of crime/sensitive updated for:

  - Monitor their evolution in order to carry out constant monitoring;
  - Verify the various aspects concerning the implementation of the Model (definition of standards clauses, staff training, regulatory and organizational changes, etc.);
  - Guarantee that the corrective actions necessary to make the Model adequate and effective are undertaken promptly;

- Collect, process and store all the relevant information received in compliance with the Model, as well as update the list of information that must be transmitted to the SB. To this end, the Supervisory Body has free access to all the relevant company documentation and must be constantly informed by the management:

  - On the aspects of the Company to the risk resulting from the commission of one of the offences envisaged by the Decree;
  - On the relations with Consultants and Partners;

- Promote initiatives for training and communication on the Model and prepare the necessary documentation for this purpose;
- Interpreting the relevant legislation and verify the adequacy of the internal control system in relation to these regulatory provisions;
- Reporting periodically to the Sole Director on the implementation of company policies for the implementation of the Model.

The structure thus identified must be able to act in compliance with the need to transpose, verify and implement the models required by art. 6 of the Decree, but also, necessarily, with respect to the need to constantly monitor the implementation status and the actual compliance of the same models with the prevention needs that the law requires. This activity of **constant verification** must aim in a two-fold direction:

- If it emerges that the process of implementation of the required operating standards is deficient, it is the duty of the Supervisory Body to take all necessary steps to correct this “pathological” condition. It will be then, according to the cases and the circumstances, of:

  - Solicit the managers of the individual organizational units to respect the behavioral model;
  - Indicate directly which corrections and modifications should be made to the ordinary business practices;
  - Report the most serious cases of non-implementation of the Model to the managers and to the people in charge of controls within the single functions.

- If, on the other hand, the monitoring of the implementation status of the Model shows the need for adjustment, which is therefore fully and correctly implemented, but proves to be inadequate for the purpose of avoiding the risk of the occurrence of some of the offences envisaged by the Decree, will be the Supervisory Body in question must take action promptly to ensure updating, timing and form of such adjustments[12].

To this end, as anticipated, the Supervisory Body must have free access to the people and to all the corporate

[12] Times and forms of course, not predetermined, but the times must be understood as the most prompt, and the content will be the one imposed by the surveys that have determined the need for adjustment.

documentation and the possibility of acquiring relevant data and information from the responsible parties.

3.3 Revocation and renunciation of members

Where a member of the Body incurs in a cause of incompatibility (e.g. conflict of interest), the Sole Director, after appropriate investigations and hearing the interested party, establishes a term - of no less than 30 days - within which the incompatibility situation must cease. After this deadline, the Sole Director must revoke the mandate. In any case, the member who finds himself in a situation of conflict with the subject matter of the activity or of the decision, must abstain from participating in the same. The mandate will also be revoked for:

- lack of autonomy and independence required by law;
- integrity infringements;
- non-participation in more than three consecutive meetings without justified reason.

The member of the Body may be dismissed for just cause at any time by the Sole Director. In this regard, for a just cause of revocation must be understood:

- disqualification or incapacitation, or a serious disability that makes unfit to supervisory functions, or an infirmity that determines a prejudice / impediment to the regular performance of the activities;
- a serious breach of duties as defined in the Organization, Management and Control Model;
- a sentence of condemnation of the Company pursuant to the Decree, which has become final, or a criminal proceeding concluded by "plea bargain", where the "omitted or insufficient supervision" by the Supervisory Body, according to the provisions of art. 6, paragraph 1, lett. d) of the Decree;
- a sentence of *res judicata*, against one of the members of the Supervisory Body, for having personally committed one of the offenses envisaged by the Decree;
- a sentence of res judicata, against one of the members of the Supervisory Body, to a penalty that imposes the interdiction, even temporary, from public offices, or the temporary interdiction from the management offices of legal entities and companies.

In case of renunciation, supervening incapacity, death, revocation or forfeiture of an effective member of the Body, timely notice must be given to the Sole Director to resolve the appointment of the substitute.

The waiver by the members of the Supervisory Body may be exercised at any time and must be communicated to the Sole Director in writing together with the motivations that determined it.

In these cases, the Sole Director will appoint the new member of the Supervisory Body to replace the one whose mandate has been revoked. In case of sentence conviction has been issued, the CEO, pending the resignation of the sentence, may also order the suspension of powers of the Body, and the appointment of an *interim* Supervisory Body, or the appointment of a new member.

3.4 Reporting of the Supervisory Body to the Corporate Bodies

The Supervisory Body has the responsibility towards the Sole Director to communicate:

- At the beginning of the activity and, subsequently, at the beginning of each year: the plan of activities that it intends to carry out to fulfill the tasks assigned to it;
- Periodically: the progress of the program defined and any changes made to the plan, motivating them;
- immediately: any significant problems arising from activities.

The Supervisory Body also has the duty to report, at least annually, on the implementation of the Model.

The Supervisory Body may be invited to report periodically to the Sole Director regarding its activities.

The Supervisory Body, assessing the individual circumstances, must also:

1) communicate the results of their assessments to the heads of the functions and/or processes, if the activities are likely to improve. In this case it will be necessary for the Supervisory Body to obtain from process manager san action plan, with relative timing, for the activities that can be improve, as well as the specifications of the operational changes necessary to implement the implementation;
2) to report any behaviors/actions not to line with the Code of Ethics of the Group and with company procedures and/or protocols, in order to:
   i) acquire all the elements to make any communications to the structures responsible for the evaluation and application of disciplinary sanctions;
   ii) avoiding the recurrence of the event, living indications for the removal of the deficiencies.

The activities indicated in point 2) must be communicated from the Supervisory Body to the Sole Director as soon as possible, also requiring the support of the other corporate structures, which may collaborate in the assessment activity and in the identification of actions aimed at preventing the recurrence of such circumstances.

Copies of the related reports will be kept by the Supervisory Body and by the bodies involved from time to time.

3.5 Reporting: general requirements and mandatory specific requirements

The Supervisory Body must be informed, through appropriate reports from the subjects require to comply with the Model, regarding events that could generate Radiocattleya's responsibilities pursuant to the Decree.

3.5.1 General requirements

The following **general provisions** apply in this regard:

- Each employee must report the violation (or presumed violation) of the Model by contacting his direct hierarchical superior and/or the Supervisory Body (with the Supervisory Body's instructions "dedicated lines" are set up to facilitate the flow of reports and information);
- Consultants, collaborators and business partners, as regards their activities carried out in relation to Radiocattleya, make the report directly to the Supervisory Body through "dedicated reporting lines";
- The Supervisory Body evacuate the reports received and the activities to be carried out; any consequent measures are defined and applied in compliance with the provisions of the disciplinary system.

3.5.2 Mandatory specific requirements

In addition to the reports relating to violations of a general nature described above, the related information must be sent to the Supervisory Board:

- To criminal and disciplinary proceedings initiated in connection with news of breach of the Model;
- The penalties imposed (including the measures taken towards employees) or the provisions for the filing of these proceedings with the relative reasons;
- Inspections or initiatives of any public supervisory authority.

3.5.3 Reporting by company representatives or third parties

In the company sphere, in addition to the documentation prescribed in the Special Part of the Model according to the procedures contemplated therein, any other information, of any kind, coming from third parties and

related to the implementation of the Model in the areas must be brought to the attention of the Supervisory Body of at-risk activities.

In this regard the following **provisions** apply:

- Any reports relating to the commission of offenses envisaged by the Decree in relation to the company activities must be collected or, in any case, to conduct that is not in line with the policies adopted by the Company;
- The inflow of reports, including those of unofficial nature, must be channeled to the Supervisory Board which will evaluate the reports received and any consequent provisions at its reasonable discretion and responsibility, possibly listening to the author of the report and/or the responsible for the alleged violation and motivating in writing any waste to proceed to an internal investigation;
- The reports, in line with provisions of the Model and the Code of Ethics, may be writing and have as object every violation or suspected violation of the Model;
- The establishment of "dedicated reporting lines", with a dual function: to facilitate the flow of reports and information to the Supervisory Body and to quickly resolve cases of doubt;
- The Supervisory Body coordinates with the management of the Whistleblowing Policy of the Group in order to be informed about non-compliance with the Organizational Model.

3.6 Dedicated reporting lines

In this regard, the Supervisory Body, for the purposes of this Model, has activated an e-mail box through which the various Departments will be able to make any reports and send the requested information. The e-mail address of the Company's Supervisory Body is as follows:

✓ odv.radiocattleya@cattleya.it

Reporters in good faith will be guaranteed against any form of reprisals, discrimination or penalization and, in any case, the confidentiality of the identity of the reporter will be guaranteed, without prejudice to legal obligations and the protection of Radiocattleya's tights or of the people accused in bad faith.

3.7 Whistleblowing Policy

Italian Law n. 179 30 November 2017, has introduced special provisions to protect employers in case of reporting of malpractice or fraud.

To raise a concern, it is important to have firm evidence of malpractice and follow the step of ITV Group Whistleblowing Policy by contacting:

✓ e-mail: advice26@pcaw.co.uk
✓ telephone number: 800 985 551

Matter will be handled by Indipendent Charity, whistleblower's identity will not be disclosed. Reprisals against whistleblowers are not tolerated pursuing Chapter 5.6.

3.8 Collection, storage and maintenance of information

All information, reports and notification provided for the Model are kept by the Supervisory Body in a special computer and/or paper database.

The data and information stored in the database are made available to parties external to the Supervisory

Body with the prior authorization of the Body itself. The latter defines with special internal provision criteria and conditions for access to the database.

4 Training and Communication of the Model

4.1 Employees

4.1.1 Employees training

Radiocattleya recognizes and believes that, for the purposes of the effectiveness of this Model, it is necessary to guarantee the correct knowledge and disclosure of the rules of conduct contained therein with regard to all the Employees.

To this end, Radiocattleya carries out training and information programs implemented with a different level of involvement of these resources in “sensitive activities”.

Participation in the classroom sessions must be documented with signature collection and a written final assessment of knowledge acquired.

Staff training is considered by Radiocattleya a *condicio sine qua non* for the effective implementation of the Model, and is carried out periodically and in ways that guarantee the compulsory participation in the courses, the frequency controls, the quality of the program content and the verification learning.

The training is managed by the Supervisory Body in close cooperation with the Business & Legal Affairs Department of Cattleya S.r.l. and it is based on the levels indicated below:

- Managerial staff with representative functions of the Company and Directly subordinated to the latter; initial seminar extended from time to time to all newly hired staff; annual updated seminar; access to the section of the intranet dedicated and updated also on impulse of the Supervisory Body; occasional update e-mails; information with the employment letter for the new hired;
- Other staff: annual update seminar, also on e-learning platform, internal information note; information with the employment letter for the newly hired; access to the section of the intranet dedicated and updated also on impulse of the Supervisory Body; occasional update e-mail.

4.2 External Collaborators and Partners

4.2.1 Information to External Collaborators and Partners

It is also provided to subjects outside Radiocattleya (for example, Consultants and Partners) specific information on the policies and procedures adopted on the basis of the Organizational Model, as well as the texts of the contractual clauses normally used in this regard.

5 The Disciplinary System

5.1 General Principles

Pursuant to Articles 6, paragraph 2, letter e), and 7, paragraph 4, letter b) of the Decree, the Model can be considered effectively implemented only if it provides a suitable disciplinary system to punish the failure to comply with the measures set out in the Model.

This disciplinary system targets employees and managers, providing appropriate disciplinary sanctions.

The violation of the rules of conduct of the Ethical Code of the Group and of the measures provided by the Model of Radiocattleya, by the company's employees in any capacity and, therefore, even managers, constitutes a breach of the obligations arising from the employment relationship, pursuant to Art. 2104 of the Italian Civil Code and of Art. 2106 of the Italian Civil Code.

The application of disciplinary measures is irrespective of the outcome of a possible penal proceeding, as the rules of conduct, protocols and internal procedures are binding on the recipients, irrespective of whether an offence has actually been committed as consequence of the conduct.

5.2 Measures againts employees

Art. 2104 of the Italian Civil Code, by identifying the duty of "obedience" dependent on the worker, provides that the employee must observe in its work the provisions of both legal and contractual nature issued by the employer. In case of failure to comply with these provisions, the employer may impose disciplinary sanctions, graduated according to the seriousness of the violation, in compliance with the provisions contained in the applicable CCNL.

The disciplinary system adopted by Radiocattleya respects the limits granted to the sanctioning power imposed by Law no. 300 of 1970 (the so-called "Statute of the workers") and by the collective bargaining agreements of the sector, with regard not only to the penalties that can be imposed, but also in respect of the way in which this power is exercised.

In particular, the disciplinary system shall comply with the following **principles**:

a) The system is duly advertised, through the posting in a position where it can be accessed by all employees and where it can be object of specific training and information;

b) Penalties comply with the principle of proportionality based on to the infringement, whose specification is entrusted, pursuant to Art. 2106 Italian Civil Code., to the sector's collective bargaining;

c) the suspension from the service and from the salary cannot overcome three days[13];

d) The right of defense is assured to the worker to whom the charge is contested.

5.3 Measures against Directors

In case of violation of the legislation in force, of the Model or of the Ethical Code of the Group by the Sole Director, the Supervisory Body shall inform the Cattleya S.r.l.'s management board through the Business & Legal Affairs Department, which shall proceed to adopt the suitable measures foreseen by the regulations in

[13] According to the CCNL cineaudiovisivo.

force.

5.4 Measures towards external subjects: collaborators, advisors and other third parties

Any behavior carried out by collaborators, consultants or other subjects connected to Radiocattleya by a non-employment contract, in violation of the provisions of the Model and / or the Code of Ethics, may determine, by application of the specific contract clauses set on the letter of appointment or even if missing, the termination of the contract, without prejudice to any claim for damages if such behavior causes harm to the Company, even if not directly linked to the resolution of the contract.

5.5 Measures against the members of the Supervisory Body

In case of violation of the legislation in force, of the Model or of the Ethical code by the members of the Supervisory Body, the Sole Director must be promptly informed for the assessment of facts and the adoption of the appropriate provisions.

5.6 Confidentiality and security of whistleblowing report

Anyone who violates the confidentiality of reports (through the dedicated lines), revealing the content and identity of whistleblower, may incur a disciplinary measure, raised by the competent bodies of the Company, according to the criteria set out in this paragraph. Reports that, with malice or gross negligence, have brought back events or facts that are clearly groundless for the sole purpose of the delict are also taken into consideration.

6 Company Structure and Governance

6.1 Company structure

The company has small organizational dimensions and uses the Group's structures to carry out control processes.

It must be specified that the Corporate & Finance Administration and Business & Legal Affairs departments of the parent company Cattleya S.r.l. also perform services in favor of the subsidiaries: Think Cattleya and Radiocattleya.

The CFO, Treasury, Production Administration Supervisor, Payroll, Accountant, Library Sales Functions are part of the Corporate & Finance Administration area.

The Business & Legal Affairs department deals with the negotiation and elaboration of commercial agreements concerning e. g. the purchase of works or reproduction rights and the sale of exploitation rights, supporting the Company for everything concerning copyright and the various legal aspects of production as well as for corporate affairs and compliance issues.

6.2 Governance

The company is managed by the Sole Director, named by the partners, in accordance with procedures laid down in the statutes.

More specifically, as follows, will be processed the main actors of the organizational and control system adopted by the Company, specifying their roles and interrelations, also by referring to specific documents.

The administrative body is invested with the widest powers of ordinary and extraordinary management and, in particular, of the power to complete all the actions necessary for the achievement of the corporate purpose, with the only exclusion of powers expressly reserved for partners by the law or by the instrument incorporation.

The Sole Director may, within the constraint of the law, delegate some of his powers both jointly and severally pointing out the limits of such delegation.

6.3 Internal system of sources

Radiocattleya has decided to adopt a set of Governance documents, with the aim of ensuring the correct and conscious management of the company structure.

The system of internal sources is t structured as follows:

- **Group Dispositions**: the regulation coming from the Parent Company and directed to all subsidiaries with objectives of compliance with the UK legislation or to the applicable the international legislation. The Code of Ethics, the Anti-corruption Policy and the Whistleblowing Policy of the Group are part of this set of provisions.
- **Business procedures:** represent the documents that define the structure of internal responsibilities, both in terms of functions and processes.
- **Protocols**: express the behavior guidelines and the prohibited actions in relation to specific risks identified in the analysis of business processes. They are reported on the Special Part of the Model.