



# I.M.A. Industria Macchine Automatiche S.p.A. Unipersonale

Head office Via Emilia 428/442, Ozzano dell'Emilia (province of Bologna)

## ORGANISATION, MANAGEMENT AND CONTROL MODEL

pursuant to Legislative Decree 231 of 8 June 2001

on "Corporate Administrative Liability"

### General Section

*This "Organisation, Management and Control Model" ("Model") of IMA Industria Macchine Automatiche S.p.A. Unipersonale has been written and revised in accordance with the provisions of Articles 6 and 7 of Legislative Decree no. 231 of 2001.*

*The updating of the Model was approved by the Company Board of Directors on 20 November 2023 and will be effectively implemented through progressive implementation by the Board of Directors and the Supervisory Committee.*

*The "Model" is the management reference designed to be the tool for prevention of the offences set out in the aforementioned Legislative Decree in accordance with the corporate ethical policy adopted by the Company.*

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**Current revision: 20 November 2023**

| Version | Reason for change  | Date              |
|---------|--|-------------------|
| 1.0     | First adoption of the Organisation Model   | 26 March 2008     |
| 1.1     | Amendments and supplementations following regulatory changes   | 14 November 2008  |
| 1.2     | Amendments and supplementations following regulatory changes   | 14 May 2009       |
| 1.3     | Amendments and supplementations following regulatory changes   | 26 March 2010     |
| 2.0     | Amended the General Section following structural organisational changes.   | 16 September 2014 |
| 2.1     | Updated the Special Section based on the risk assessment carried out according to the methodologies outlined in Confindustria Guidelines - March 2014 edition.<br>Supplementation of the Predicate Offences List relating to (i) corporate offences, (ii) environmental offences, (iii) receipt, laundering and use of money, property or benefits of unlawful origin, and self-laundering.                    | 14 March 2017     |
| 3.0     | Amendment of the General Section following changes to corporate governance and the introduction of the unlawful behaviour reporting system, i.e. whistleblowing, implementing the new standard EN ISO 9001:2015.   | 14 November 2018  |
| 4.0     | Amended the General Section following structural organisational changes.<br>Supplementation of the Special Section to include the Tax Offences on the Predicate Offences List.   | 22 March 2021     |
| 5.0     | Amended the General Section following structural organisational changes.<br>Updated the Special Section on Environment, Health and Safety crimes.<br>Supplementation of the Special Section to include, among other things, the Smuggling Offences and Fraudulent Payment Offences on the Predicate Offences List.<br>Supplementation of specific protocols relating to the management of internal procurement | 20 November 2023  |

## INDEX

|     |  |    |
|-----|--|----|
| A.  | DEFINITIONS.....   | 4  |
| B.  | PREAMBLE.....  | 7  |
| C.  | LEGISLATIVE DECREE 231/2001 – “RULES ON THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS INCLUDING THOSE WITHOUT LEGAL STATUS” .... | 7  |
| 1.  | GENERAL PRINCIPLES.....  | 7  |
| 2.  | INDIVIDUALS.....   | 7  |
| 3.  | ENTITY'S INTEREST OR ADVANTAGE.....  | 8  |
| 4.  | PREDICATE OFFENCES TRIGGERING APPLICATION OF DECREE NO. 231.....   | 9  |
| 5.  | SANCTIONS.....   | 9  |
| 6.  | THE EXEMPTING EFFECT OF AN ORGANISATION MODEL.....   | 9  |
| 7.  | REQUIREMENTS OF THE MODELS.....  | 10 |
| 8.  | GUIDELINES.....  | 10 |
| D.  | THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF IMA.....   | 10 |
| 1.  | CHARACTERISTICS OF THE MODEL.....  | 11 |
| E.  | CURRENT STRUCTURE OF IMA GROUP AND IMA.....  | 14 |
| F.  | CORPORATE GOVERNANCE.....  | 17 |
| 1.  | DIRECTION AND COORDINATION (ART. 2497 OF THE ITALIAN CIVIL CODE).....  | 17 |
| 2.  | BOARD OF DIRECTORS.....  | 18 |
| 3.  | EXECUTIVE BODIES.....  | 18 |
| 4.  | INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM.....   | 19 |
| 5.  | FINANCIAL REPORTING SYSTEM.....  | 19 |
| 6.  | SUSTAINABILITY REPORT.....   | 20 |
| G.  | ACTIVITIES PRELIMINARY TO THE ADOPTION AND UPDATING OF THE ORGANISATION MODEL.....   | 20 |
| 1.  | MAPPING OF “AREAS AT RISK OF OFFENCE” AND ANALYSIS OF POTENTIAL RISKS.....   | 22 |
| 2.  | RISK ASSESSMENT - ASSESSMENT OF THE SYSTEM OF INTERNAL CONTROL.....  | 22 |
| H.  | INFORMATION AND TRAINING FOR RECIPIENTS OF THE MODEL.....  | 24 |
| I.  | INFORMATION FOR THIRD PARTIES.....   | 25 |
| J.  | DISCIPLINARY AND SANCTION SYSTEM.....  | 25 |
| K.  | SUPERVISORY COMMITTEE.....   | 26 |
| 1.  | INTRODUCTION.....  | 26 |
| 2.  | COMPOSITION OF IMA'S SUPERVISORY COMMITTEE.....  | 26 |
| 3.  | TERM - INELIGIBILITY AND DEBARMENT OF SUPERVISORY COMMITTEE MEMBERS.....   | 28 |
| 4.  | DUTIES, FUNCTIONS AND POWERS OF THE SUPERVISORY COMMITTEE.....   | 29 |
| 5.  | REPORTING ACTIVITIES OF THE SUPERVISORY COMMITTEE.....   | 32 |
| 6.  | INFORMATION FLOWS TOWARDS THE SUPERVISORY COMMITTEE.....   | 33 |
| 7.  | NOTIFYING THE SUPERVISORY COMMITTEE OF CHANGES TO THE COMPANY'S ORGANISATION.....  | 34 |
| 8.  | SUPERVISORY COMMITTEE REGULATIONS.....   | 34 |
| 9.  | ARCHIVING OF INFORMATION.....  | 35 |
| 10. | INTERACTIONS WITH THE SUPERVISORY COMMITTEE.....   | 35 |
| L.  | REPORTING OF WRONGDOING PURSUANT TO LEGISLATIVE DECREE NO. 24 OF 10 MARCH 2023 ON “WHISTLEBLOWING”.....  | 35 |

|    |  |    |
|----|--|----|
| M. | COOPERATION BETWEEN SUPERVISORY COMMITTEE AND WB COMMITTEE ..... | 37 |
| N. | PERIODIC CHECKS AND UPDATING OF THE MODEL .....                  | 37 |

**Annexes**

“A” – List of predicate offences

“B” – Disciplinary and sanction system

“C” – Supervisory Committee Regulations

## A. DEFINITIONS

|  |  |
|--|--|
| <i>Director(s)</i>   | Member(s) of IMA's Board of Directors  |
| <i>Activities at Risk of Offence or Sensitive Activities</i> | Processes, operations or actions, or a set of operations and actions, during which it is theoretically possible for individuals working within the Company's organisation to commit one of the Predicate Offences  |
| <i>Areas at Risk of Offence</i>                              | The functions, offices and/or departments within which Predicate Offences could, in theory, be committed   |
| <i>National Collective Labour Agreement (CCNL)</i>           | National Labour Collective Agreements applied by IMA   |
| <i>Code of Ethics</i>  | The Code of Ethics adopted by the Company and approved by the IMA Board of Directors can be viewed on the website <a href="http://www.ima.it">www.ima.it</a> . It states the general rules of conduct, recommendations, obligations and prohibitions on which the Company's operations are based, and which employees are bound to comply with. For the purposes of the Organisation Model, reference to the "Code of Ethics" is limited exclusively to those rules of conduct and behaviour (specified therein) the breach of which and/or failure to comply with which may result in (or be instrumental to) the commission of a Predicate Offence |
| <i>Board of Directors</i>                                    | IMA's Board of Directors   |
| <i>Collaborators</i>   | This term refers to any individual with an ongoing collaboration agreement, also with powers but without any restriction of permanent employment, agency, representation and/or other professional relations that are not of a permanent nature  |
| <i>Board of Auditors</i>                                     | IMA Board of Auditors  |
| <i>Managing Director(s)</i>                                  | Director with specific operating powers as authorised by the IMA Board of Directors  |
| <i>Consultants</i>   | Persons acting in the name and/or on behalf of IMA by virtue of a mandate agreement or other professional collaboration arrangements   |
| <i>Decree no. 231</i>  | Legislative Decree no. 231 of 8 June 2001, as subsequently amended and supplemented  |
| <i>Recipients</i>  | Individuals required to comply with the provisions of this Model under the terms of the Decree, including but not limited to the Corporate Bodies, Directors, members of the Board of Auditors, Employees, Consultants, agents, Collaborators and Partners and anyone acting on behalf of the Company, and anyone who directly or indirectly, on a permanent or temporary basis establishes any legal or de facto relationship, negotiation or collaboration in the interests of the Company   |
| <i>Employees</i>   | All individuals with a permanent contract of employment or a parasubordinate relationship with IMA, including managers   |
| <i>Divisions</i>   | The industrial and production structures into which the organisation and operations of IMA Sectors are divided   |
| <i>Entity</i>  | Term used by Decree no. 231 to refer to the legal entity to whom the Decree applies  |
| <i>Suppliers</i>   | Suppliers of goods and services who are not defined as Partners  |
| <i>Group or IMA Group</i>                                    | IMA Industria Macchine Automatiche S.p.A. Unipersonale and its direct and indirect subsidiaries  |
| <i>IMA or Company</i>  | IMA Industria Macchine Automatiche S.p.A. Unipersonale with registered office in Ozzano dell'Emilia (BO), Via Emilia 428/442   |
| <i>Guidelines</i>  | "Guidelines for the construction of organisation, management and control Models pursuant to Decree no. 231", prepared by Confindustria in March 2014 (approved by the Ministry of Justice on 21 July 2014)   |

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| <i>Model or Organisation Model or MOGC</i>  | The Organisation, Management & Control Model adopted by IMA, in accordance with articles 6 and 7 of the Decree. The Model consists of the General Section, the Special Sections and the Appendices   |
| <i>Corporate Bodies</i>   | The Board of Directors and Board of Statutory Auditors of IMA  |
| <i>Supervisory Committee</i>  | The Committee appointed pursuant to art. 6 of Decree no. 231 and responsible for supervising the functioning of and compliance with the Model and its updating   |
| <i>Partner</i>  | A party (including customers) with whom IMA has established a contractual relationship, and one that cooperates with IMA with regard to the at-risk activities   |
| <i>General Section</i>  | The section of the Model that contains, among other things, a description of the elements of the Model, the functions and responsibilities of the Supervisory Committee, as well as a description of IMA's organisation and structure  |
| <i>Special Section(s)</i>   | The parts of the Model expressly dedicated to each Offence identified as being relevant to IMA's business. They describe the characteristics of the offences, the areas and activities at risk of those offences, the main characteristics of the control and prevention system, and the auditing and monitoring activities of the Supervisory Committee |
| <i>Safety Management Procedure ("PGS")</i>  | This refers to the provisions, responsibilities and rules in the Health and Safety Management System in the Workplace ("SGSL") adopted by IMA  |
| <i>Environmental Management Procedure ("PGA")</i>   | The set of provisions, responsibilities and rules included in the Environmental Management System ("SGA") adopted by IMA.  |
| <i>Public Administration or P.A.</i>  | Public Administration (P.A.) refers to all the public-law institutions (government, ministries, regional, provincial and municipal authorities), public-law organisations (agencies, contracting authorities, public/private companies etc), and any other entity acting in the interests of the community and therefore in the public interest          |
| <i>Quality &amp; Compliance or Q&amp;C</i>  | The Quality & Compliance department that looks after and manages compliance with various legislative areas and implementation of the System of Internal Control  |
| <i>Predicate Offences or Offences</i>   | The offences governed by the Decree. IMA's Organisation Model contains a list of the potential offences, and has been updated to the date on which the Model was published   |
| <i>Division Manager</i>   | The person responsible for the activity carried out at the Division  |
| <ul style="list-style-type: none"> <li>- <i>Pharmaceutical Sector</i></li> <li>- <i>Food Sector</i></li> <li>- <i>Dairy Sector</i></li> <li>- <i>Automation &amp; Assembly Technology Sector</i></li> <li>- <i>End of Line Sector</i></li> <li>- <i>Special Packaging Technologies Sector.</i></li> </ul> | The "sectors" into which IMA's organisational and productive activities are divided  |
| <i>System of Internal Control</i>   | The set of procedures, processes and practices (including SOP, PGS, PGA, SAP integrated information system procedures) adopted by IMA for the governance and control of all its activities   |
| <i>Environmental Management System ("SGA")</i>  | Organisational and management model for the definition and implementation of a company environmental policy. The SGA is certified according to international standards EN ISO 14001:2015   |

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| <i>Quality Management System (QMS)</i>                               | This is the quality management system that conforms to the 2015 edition of the EN ISO 9001 standard, in relation to the “Design, production, installation and servicing of machines, lines and equipment for the processing and packaging of products for the pharmaceutical, cosmetic and food industries” certified by SGS Italia SpA   |
| <i>Health and Safety Management System in the Workplace (“SGSL”)</i> | The organisation and management model that defines how the company's health and safety policy should be implemented, in accordance with Article 6(1) letter A) of Decree no. 231, intended to prevent the offences governed by Articles 589 and 590 (3) of the Italian Criminal Code, which violate provisions on health and safety in the workplace. The health and safety management system is certified according to the International EN ISO 45001:2018 standards |
| <i>Information Security Management System</i>                        | The Company's information security management system compliant with, and certified by, standard UNI ISO/IEC 27001   |
| <i>Financial reporting system</i>                                    | The risk management system implemented by IMA in relation to the financial reporting process  |
| <i>System 262/05</i>   | The system of checks and inspections adopted by IMA, on a voluntary basis, pursuant to Law no. 262 of 28 December 2005 as amended   |
| <i>Integrated SAP information system</i>                             | The integrated SAP/R3 information system adopted by IMA for the management, processing and storage of data flows between the company's departments  |
| <i>Senior Personnel</i>  | The persons with the autonomous power to take decisions in the name or on behalf of the Company within the remit and limitations of the respective authorisations. Pursuant to art. 5(1), lett. A) of Decree no. 231, they fulfil roles of representation, administration or management of the Company or of one of its organisational units with financial and functional autonomy, and manage and control the company, including on a de facto basis                |
| <i>Individuals subject to third-party direction</i>                  | Persons subject to direct supervision by the Senior Personnel as identified in Article 7 Decree no. 231   |
| <i>Multi-context standard operating procedures “SOP”</i>             | The multi-context operating procedures approved by the Company and published on the MyIMA internal portal   |
| <i>TUS</i>   | Safety Consolidation Act, under Legislative Decree no. 81 of 9 April 2008 as subsequently amended and supplemented  |

## **B. PREAMBLE**

The Model, approved and adopted by the IMA Board of Directors in its first version on 27 March 2008, was most recently updated on 14 November 2023 and constitutes an evolution and update of the previous version, made necessary following regulatory, case-law and doctrinal changes, as well as changes to the Company's structure and organisation.

IMA's objective is to obtain an effective operational tool that will minimise the risks governed by Decree no. 231 in addition to all the other measures in place for control and transparency purposes.

## **C. LEGISLATIVE DECREE 231/2001 – “Rules on the administrative liability of legal persons, companies and associations including those without legal status”**

### **1. GENERAL PRINCIPLES**

Legislative Decree no. 231 of 8 June 2001 implementing art. 11 of Law no. 300 of 29 September 2000 envisages, in addition to the criminal liability of the natural person that actually committed the offence, the criminal liability of the Entity to which the legal person “belongs”, which benefited from or in whose interest the offence was committed.

In compliance with international and EU obligations, Decree no. 231 envisages a form of direct and autonomous liability of collective bodies, associated with the commission of specific offences; this liability is defined as “administrative”, but in practical terms amounts to a real form of criminal liability.

### **2. INDIVIDUALS**

The individuals to whose criminal action the Decree no. 231 associates the occurrence of liability on the part of the Entity must be connected to the Company as an employee and/or through a contractual relationship deriving from a role received from Senior Personnel (suppliers, consultants, collaborators, etc.).

In particular, art. 5 of Decree no. 231 identifies:

- a) individuals holding roles of agency, administration or management of the Entity or of one of its organisational units, in possession of financial and functional autonomy, so-called Senior Personnel;
- b) individuals who effectively carry out the management and control of the Company;
- c) individuals subject to the direction or supervision of one of the persons referred to in subparagraphs a) and b) above.

The legislator has given special significance to “de facto” situations, i.e. those where the powers necessary for independent action cannot immediately be deduced from the individual's role within the organisation, or from official documentation (delegations, powers of attorney, etc.).

Art. 6 of Decree no. 231 states that, in the event the offence is committed by individuals in a senior position, the Company is not liable if it proves that:

- a) the governing body adopted and effectively implemented, before the offence was committed, organisation, management and control models suitable for preventing the offences covered in Decree no. 231;

- b) a body with independent decision-making and control powers had been entrusted with the task of supervising the functioning, observance and updating of the Model;
- c) the individuals who committed the offence fraudulently evaded the organisation and management models;
- d) there was no omission of or insufficient oversight by the Body.

Article 7 provides that the Company is liable if an individual subject to third-party direction was able to commit the offence as a result of non-compliance with the obligations of direction and supervision. Those obligations are considered to have been fulfilled (subject to proof to the contrary, to be demonstrated by the public prosecutor), if the Company had effectively adopted the preventive Model.

### 3. ENTITY'S INTEREST OR ADVANTAGE

In order for the Company to be held liable, it is also necessary for the alleged unlawful conduct to be committed by individuals “in the Entity's interest or advantage”<sup>(1)</sup>, whereas this liability is expressly excluded in the event the offence is committed “in the sole personal interest or that of third parties”.

More precisely, the Court of Cassation has ruled that the Entity does not have administrative liability for the offence when the offence is committed by the individual in his/her own exclusive interest or in the interest of third parties, which cannot be linked even partially to the interest of the Entity, i.e. in the event it is not possible to configure guilt by association between the Company and its bodies.

With the exception of the above the Entity will not be liable for an act committed by an employee or representative if it can prove that it took the measures needed to prevent offences of that type from being committed (the adoption and effective implementation of the Model).

The case-law underlines that the liability borne by the Entity under Decree no. 231 arises from a “fault of the organisation” of the legal entity<sup>2</sup>. Failure to adopt the Model, in the presence of the objective and subjective conditions indicated above (offence committed in the interest or advantage of the company and senior position of the offender) is sufficient to constitute the grounds for punishment set out in the Ministerial Report on the Decree no. 231 and to integrate the disciplinary procedure, constituted by the omission of the foreseen due organisational and managerial precautions designed to prevent certain types of offences. This concept of grounds for punishment is underpinned by a new “regulatory” form of culpability by organisational and managerial omission, since the legislator, reasonably drawn by events in recent decades in the economic and entrepreneurial sphere, has the legitimate and well-founded conviction of the need for any organisational complex constituting an entity pursuant to art. 1(2) of Decree no. 231 to adopt organisation and management models suitable for preventing the

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<sup>1</sup> Regarding the liability of legal entities and companies for criminal offenses, the regulatory expression, which identifies its condition in the commission of crimes “in its interest or to its advantage”, does not contain a hendiadys, because the terms refer to legally different concepts, being able to distinguish an interest “upstream” due to undue enrichment, prefigured and perhaps not realised, as a consequence of the offense, from an advantage objectively achieved with the commission of the crime, even if not proposed ex ante, so that the interest and advantage are in real competition (see Court of Cassation Criminal Chamber Section II, 20.12.2005 no. 3615).

Certainly, the requirement of interest or benefit of the Entity, as a criterion for the objective attribution of liability of the entity itself, can also be supplemented by indirect benefit, understood as being the acquisition for the company of a privileged position on the market arising from the offence committed by senior personnel. Nevertheless, the very nature of the criterion of attribution of liability recognised by law requires the concrete and non-abstract affirmation of the existence of such an interest or benefit, to be understood respectively as potential or actual usefulness, although not necessarily of a financial nature, received by the entity as a result of committing the predicate offence (see Court of Milan – order of 28.04.2008).

<sup>2</sup> see the Court of Cassation Criminal Division Section VI, 18-02-2010 - 16-07-2010, no. 27735

commission of certain offences that experience has shown to be functional to structured and consistent interests<sup>3</sup>). This “fault of the organisation” becomes particularly relevant within a group of companies.

#### **4. PREDICATE OFFENCES TRIGGERING APPLICATION OF DECREE NO. 231**

Decree no. 231 expressly identifies the offences (crimes and contraventions) that may result in the Company being held liable in the event the same are committed in its interest or advantage. Annex A lists the offences covered by the standard, divided by category.

#### **5. SANCTIONS**

The sanctions envisaged by Decree no. 231 are:

- i. pecuniary sanctions, which are always applied in cases where the Company's liability is ascertained, according to a quota system based on the severity of the offence and the company's financial standing, for the sole purpose of “guaranteeing the effectiveness of the penalty”;
- ii. Prohibitive measures (such as a prohibition on trading, the suspension or revocation of authorisations, licences or concessions related to the committing of an offence, a prohibition on contracting with the public administration, exclusion from subsidies or special-rate financing, the possible revocation of any financing already granted, and a prohibition on publicising goods and services), which are imposed in addition to the financial penalties and have a duration of between three months and two years. They are only applied in the event that certain Offences governed by the Decree no. 231 are committed. The measures are applied in relation to their dissuasive effect, as they can have a profound impact on the organisation and on the functioning and activities of the Company. Where the requirements are met (with particular regard to the gravity and significance of the offences and the possibility of their being repeated), these penalties may also be imposed on a provisional basis for a maximum of one year. In order for a provisional measure to be imposed, express provision must be made for the specific type of offence, and it must also be particularly serious with regard to its (negative) value, or the “danger” posed by a company which, in the presence of repeated offences, has shown itself to be indifferent to financial penalties.
- iii. Publication of the judgement, which can only be ordered in cases where a disqualification sanction is imposed on the entity;
- iv. Seizure of the proceeds or profits of the offence, or an equivalent measure.

#### **6. THE EXEMPTING EFFECT OF AN ORGANISATION MODEL**

The “exempting” effect of an organisation and control model is subject to its having been adopted before the offence was committed. Where adopted after the offence was committed, such models can lead to a reduction in the penalties, and avoid the imposition of provisional measures. Where adopted after the order is made, together with compensation for damages and restitution of the undue profits, they can lead to the prohibitive penalty being converted into a financial one. The Court of Cassation has underlined on several occasions <sup>4</sup> that the absence of an Organisation Model effectively prevents any defence of the Entity in the face of allegations of a predicate offence against senior personnel.

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<sup>3</sup> Court of Cassation Criminal Chamber Section VI – 9.07.2009 no. 36083

<sup>4</sup> see Court of Cassation judgement no. 36083/2009)

## 7. REQUIREMENTS OF THE MODELS

In order for a model to be considered effective and fit for its purpose, it must materially fulfil the following requirements:

- identify the areas and activities at risk where offences may be committed;
- put in place appropriate procedures for the implementation of the Company's decisions in relation to such offences;
- identify the procedures for managing financial resources in order to prevent offences from being committed;
- define the flows of information to and from the Supervisory Committee;
- make reference to the disciplinary system in force so that the Model is suitable for penalising failure to comply with the stated measures.

When preparing the Model, and for the purpose of subsequently evaluating its fitness for purpose, due regard should be given to relevant court decisions and the criteria established in them.

Among other things, the Model must also contain details of the financial resources intended to prevent and impede the committing of offences.

The existence of a corporate group is particularly relevant in terms of the suitability of the Model: updates to and adaptations of the Organisation Model cannot ignore legislative developments in relation to a Parent Company's administrative liability for predicate offences committed by personnel (senior or otherwise) belonging to the subsidiaries.

## 8. GUIDELINES

Art. 6 of the Decree no. 231 provides that Organisation, Management and Control Models can be adopted on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice. As such, in preparing this document, the Company took account of the Guidelines whilst taking well-considered decisions as to how to best customise and adapt the principles laid down by the Legislator to its specific situation. However, it is specified that the (necessarily general and standardised) information given in the Guidelines has at times been supplemented or disregarded, where deemed necessary, to adapt the principles contained therein to the Company's own specific circumstances.

### D. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF IMA

IMA formally adopted its Organisation and Management Model on 26 March 2008 and has constantly monitored and updated it. Following changes made to the regulations and the evolution of the Company's corporate and business structure, the Board of Directors has revised various parts of the Organisation Model, most recently on 14 November 2023.

This Organisation Model has been drawn up and adopted in consideration of the following:

- changes in the regulatory framework;
- the corporate and organisational changes occurring since the Model was adopted;
- changes in case law and legal opinion;
- considerations based on experience from application of the Model over the years;
- the best practices used by Italian companies in relation to the drafting and management of organisation models;

- the results of the activities carried out by the Supervisory Committee;
- the Guidelines, it being specified, however, that the (necessarily general and standardised) information given in the Guidelines has at times been supplemented or disregarded where considered necessary in order to adapt the principles contained therein to IMA's own specific circumstances;
- with specific reference to health and safety at work and the provisions under art. 30 of TUS.

#### 1. CHARACTERISTICS OF THE MODEL

The Organisation Model is an integral part of IMA's System of Internal Control, which is made up of a complex system of procedures and processes implemented and applied by the Company to which the Model itself refers for its implementation. The main ones are:

- the general system of governance;
- the delegation and proxy system, as well as all documents describing and allocating responsibilities and/or tasks to those at the Company in the Areas at risk of offence (for example, organisation charts, service orders, job descriptions, etc.);
- quality management system - SGQ: the Quality Management System that conforms to the 2015 edition of standard EN ISO 9001 in relation to the "Design, production, installation and servicing of machines, lines and equipment for the processing and packaging of pharmaceuticals, cosmetics and food" certified by SGS Italia SpA;
- safety management system - SGSL: the Safety Management System that conforms to standard EN ISO 45001:2018 in relation to the "Design, production (through machining and assembly), revision, testing, installation and servicing of machines, lines and equipment for the processing and packaging of pharmaceuticals, cosmetics, food, tobacco, products of various types and automatic end-of-line systems (wrapping machines, cartoners, palletizers, depalletizers). Production through the machining of components" certified by SGS Italia S.p.A.;
- environmental management system - SGA: the Environmental Management System that conforms to standard EN ISO 14001:2015 in relation to the "Design, production (through machining and assembly), revision, testing, installation and servicing of machines, lines or equipment for the processing or packaging of pharmaceuticals, cosmetics, food, tobacco, products of various types and automatic end-of-line systems (wrapping machines, cartoners, palletizers, depalletizers). Production through the machining of components" certified by SGS Italia S.p.A.;
- information security management system – ISMS: The Information Security Management System compliant with standard UNI ISO/IEC 27001;
- the system of policies, procedures (SOP and POG) and Working Instructions (WI): the system of internal directives, processes and controls intended to guarantee adequate transparency, recognition and traceability of decision-making and financial processes and the behaviours to be adopted by the Recipients of the Model working in the Areas at risk of offence.

**Therefore the term "Model" not only refers to this document (the General Section and Special Sections) but also to all the other systems and documents pertaining to the Internal Control System currently in existence and any adopted in the future according to the provisions of the Model in order to pursue its main purposes.**

An essential element of the system of preventive control is the adoption and implementation of ethical principles designed to prevent the Offences laid down by the Decree, stated in the **Code of Ethics** which, though distinct and independent from the Model, is cited by the Model by virtue of the stated aim of

the IMA Group to operate both inwardly and outwardly in full compliance with the principles of lawfulness and correctness.

The Code of Ethics, last updated in July 2023, sets out the ethical commitments and responsibilities with which IMA, its employees and partners are invited to comply in the performance of all activities relating to IMA's business. The Code of Ethics therefore sets out rules of conduct that guarantee its implementation and properly govern the behavioural principles to be observed within company activities to ensure the proper operation, reliability and reputation of the Company and the Group, and constitute an effective tool for the prevention of wrongdoing by all those acting in the name and on behalf of the Company and/or the Group or working with the same.

With reference to the specific requirements identified by the legislator in the Decree no. 231 and further outlined in the Guidelines, the activities that the Board of Directors has confirmed for the implementation of the Model are as follows:

- detailed mapping of the Activities at Risk of Offence and analyses;
- analysis of the existing Internal Control System with reference to the at-risk activities and definition of any corrective actions intended to guarantee full compliance with the Decree no. 231. In this regard specific attention was paid to:
  - o defining ethical principles in relation to the behaviours that may constitute the types of offences provided for by Decree no. 231;
  - o definition of the processes of the Company that may, in theory, generate the conditions, opportunities or means to commit offences;
  - o definition of staff training procedures;
  - o definition of the information relating to the obligation for outsourcers and other third parties with which the Company undertakes contractual relations, to conform to the Model;
  - o definition and application of disciplinary measures designed to sanction non-compliance with the Model, and suitable deterrents;
- identification of the Supervisory Committee's composition and the attribution of specific supervision duties over the proper and correct functioning and updating of the Model;
- definition of the information flows to be submitted to the Supervisory Committee;
- identification of the flows of information between the Supervisory Committee of IMA and the Supervisory Committees of its subsidiaries.

As suggested by the Guidelines, the Organisation Model formalises and clarifies the allocation of responsibilities, hierarchies and job descriptions, with specific provision for control principles such as the segregation of functions. In particular, the Quality Management System, the manual procedures and information protocols (governed by the SAP information system) are intended to regulate the conduct of ordinary activities, by providing transaction release strategies based on check activities (such as authorisations for transaction phases, reconciliations and checks on the work of third parties and peripherals), as well as adequate security levels. In addition, within the process structure, where possible, the segregation of duties and responsibilities among those carrying out crucial activities of a risk process has been reinforced or, in limited cases, introduced. Principles of transparency and verifiability have also been applied according to which each operation, transaction or action must be verifiable, documented, coherent and consistent.

When it comes to financial management, where procedural control uses tested tools, further measures such as preventive protocols, frequent reconciliations, supervision and authorisation gateways, and segregation of duties (e.g. between accounting, treasury and individuals with spending powers) have

been adopted where possible.

The Model also includes a management control system within the Finance and Control Administration function (hereafter “AFC”), an internal audit activity delegated to the Quality & Compliance function, and an independent external audit carried out by a qualified independent auditing firm able to promptly report any irregularities as necessary.

Specific attention has been given to employee bonus systems to ensure that bonuses are stimulating but achievable, and avoid any clearly demotivating or impossible targets that might constitute an incentive to commit an offence.

Finally, with specific reference to powers of authorisation and signature, these have been allocated in accordance with the defined organisational and managerial responsibilities and envisage, when requested, setting a specific limit for the approval of expenses. The limits of powers of authorisation and signature are incorporated, where possible, as blocking protocols, into the process management information systems. In any case, under the current Model, no one is given unlimited powers and appropriate steps are taken to ensure that powers and responsibilities are clearly defined and known within the organisation. As such, no one may manage an entire process independently and every operation requires adequate supporting documents (or electronic files for processes managed by the SAP Information System), which may be checked at any time to ascertain the characteristics and reasons for the operation and identify who authorised, carried out, recorded and verified the operation.

The Model covers every aspect of the Company's activities, through the clear distinction made between operational and control duties. The aim is to correctly manage Activities at Risk of Offence and potential conflicts of interest. In particular, the checks involve, with differing roles and levels, the Board of Directors, the Board of Auditors, the Supervisory Committee, the Quality & Compliance function, the directors and all personnel, and represent an essential attribute of the Company's day-to-day activities.

With regard to control aspects, the Model not only requires the establishment of an autonomous and independent Supervisory Committee but also guarantees the integration and coordination of its activities with the existing System of Internal Control, by utilising the benefit of past experience. Finally, again on the subject of controls, the Model requires any inspections and checks to be documented, by drafting reports if necessary.

As the holding company of a corporate group, after the actions taken in 2008 with a view to further improving the application of the Decree no. 231, in this Model IMA has chosen to adopt a “**231 system**” whose principles constitute a point of reference for the other companies in the Group. The system can be summarised as follows:

- 1) the directly or indirectly controlled Italian companies within IMA Group adopt an Organisation Model autonomously and taking account of the nature of their specific activities and structure;
- 2) the Model, when adopted, is deployed in a way that ensures optimum implementation;
- 3) a Supervisory Committee is appointed for each company, with the appropriate structure, authority and functions as provided for by the Decree no. 231;
- 4) to protect itself, IMA stipulates the minimum requirements for the Model adopted by each subsidiary, and the criteria for the operation of each Supervisory Committee;
- 5) one of the tasks of IMA's Supervisory Committee is to monitor, through appropriate information flows, that all the Supervisory Committees can ensure proper control activity, as required by the Decree no. 231.

## **E. CURRENT STRUCTURE OF IMA GROUP AND IMA**

Founded in 1961, IMA is the head of a world-leading group in the design and manufacture of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, tea, coffee, tobacco and foodstuffs, and for the assembly of automation products. The entire series of products developed and manufactured by the group is marketed and technically supported by commercial companies located in the relevant geographical areas and by a vast network of agents in the territories not covered by a branch.

IMA's organisation, set out in dedicated organisation charts, is based on the management of company processes in accordance with the rules imposed by certified management systems. The structure of the Company organisation chart is organised into Production and Sales Divisions, which characterise the Business activities.

Each Division designs, produces and markets automatic machines for its own line of Business. Machine components are produced in part by third parties and in part at IMA workshops, located at the Ozzano dell'Emilia (BO) production site.

Finished pieces are pre-assembled mainly externally and then assembled and tested at IMA by qualified technicians.

The Divisions have employees in charge of the mechanical and electrical design of automatic machines, marketing and sales, as well as after-sales and spare parts.

IMA's organisation structure can be divided into two areas: Business Area and Staff Area.

### **A. CHAIR'S OFFICE**

The "Chair's office" includes the offices and entities that support the work of the Chair of the Board of Directors.

### **B. BUSINESS AREA**

The Business Area is in turn divided into 3 macro operative sectors, encompassing the various lines of business. A brief description of the activities carried out by each is given below.

#### **➤ Pharma sector**

Covers the production of machines for the packaging of capsules and tablets into blisters and vials, the filling of bottles and vials with liquids and powders, in sterile and non-sterile environments, freeze drying, tube-filling, cartoning, bagging, production of tablets, capsules and coating and granulation, end-of-line, and associated services.

Activities in this sector are mainly carried out by the following companies:

- IMA S.p.A. produces:
  - blister packaging machines and capsule and tablet filling machines for cartoning, through the IMA Safe Division;
  - machines for packaging liquids and powders in aseptic and non-aseptic environments and systems for freeze drying plants through the IMA Life Division;

- tableting and capsule filling machines for coating and granulation, powder handling and tablet dedusting through the IMA Active Division;
- end-of-line machinery through the BFB Division;
- CO.MA.DI.S. S.p.A. produces tube-filling machines for the pharmaceutical, cosmetics, chemical and food market;
- IMA Life (Shanghai) Pharmaceutical Machinery Co. Ltd. produces filling systems in sterile environment;
- IMA Life The Netherlands B.V., IMA Life North America Inc. and IMA Life (Beijing) Pharmaceutical Systems Co. Ltd. produce freeze drying systems for the pharmaceutical industry;
- IMA-PG India Pvt Ltd. produces blister packaging machines and cartoning machines mainly for emerging countries;
- IMA Swiftpack Ltd. and IMA North America Inc. produce machines for packaging capsules and tablets in bottles for the pharmaceutical industry;
- Perfect Pack S.r.l. produces automatic bagging machines and complete lines for single-dose packages for various markets: pharmaceutical, cosmetics, nutraceuticals and chemical;
- Pharmasiena Service S.r.l. produces systems for filling vials and syringes in aseptic environment.

➤ **Consumer Sector**

Covers the production of coffee processing plants, machinery for packaging tea and herbs in filter paper bags and coffee, for food and beverage, personal care, the dairy sector, stock cubes, and for primary packaging in the food sector using flexible material - horizontal and vertical flow packs, for packaging of tobacco and tissues, and related services.

Activities in this sector are mainly carried out by the following companies:

- IMA S.p.A. produces:
  - machinery for packaging tea and herbs in filter paper bags through the Tea & Herbs Division;
  - revision of used machinery for loose cheeses and tea and herbs in filter paper bags through the RI Division;
  - machinery for food and personal care through the GIMA Division;
  - machinery for the coffee sector through the Coffee Division;
  - tobacco packaging machinery through the IMA T&T division;
  - “pouch” filling machinery through the Fillshape Division;
  - machinery and equipment for dosing and packaging cheese portions and stock cubes through the Corazza Division;
- Alphamac S.r.l. designs and manufacturers fluid packaging machinery;
- Benhil GmbH produces form, fill and seal machinery for containers and sticks, for ultraclean closure and wrapping machines;

- Ciemme S.r.l. produces automatic end-of-line case packing machines and systems;
- Eurosicma S.p.A. produces machines and systems for horizontal flowpack and fold packaging for the food and cosmetics industry;
- Hassia Verpackungsmaschinen GmbH, GASTI Verpackungsmaschinen GmbH, Erca S.A.S and INTECMA S.A. produce form, fill and seal machinery for containers and sticks;
- Ilapak International SA, Ilapak Italia S.p.A. and Delta Systems & Automation Llc. produce automatic machines and lines for flexible food and non-food packaging, using horizontal and vertical packaging technologies;
- IMA MAI S.A.U. produces machinery for packaging tea and herb teas in filter bags;
- Petroncini Impianti S.p.A. designs, manufactures, installs and commissions complete systems for processing coffee and similar foodstuffs;
- Record S.p.A. designs and manufactures low-medium speed machines and systems in the flexible packaging sector, i.e. “flow packs”, for food and non-food packaging;
- Spreafico Automation S.r.l. produces machinery for filling and packaging coffee capsules;
- Tecmar S.A. produces packaging machinery for the coffee and food sectors;
- Teknoweb Converting S.r.l. produces machinery for disposable “wet wipes” (converting sector);
- Tissue Machinery Company S.p.A. and Valley Tissue Packaging Inc. produce automatic machines for the packaging and handling of tissues and personal care items.

➤ **Automation Sector**

Covers technological solutions in various market segments, including Personal Care and Pharmaceuticals, particularly the production of systems for assembling medical products, production of electric motors, automotive, e-mobility and caps & closures, as well as related services.

Activities in this sector are mainly carried out by the following companies:

- IMA S.p.A. produces:
  - assembly machinery through the Automation Division in Bologna;
  - machinery for the assembly of plastics in the caps & closures sector through the Automation Division in Alessandria;
- ATOP S.p.A. produces automatic machines and lines for the production of stators and rotors for electric motors for the automotive sector;
- FASP S.r.l. produces automatic machines and lines for the production of electric motors;
- IMA Automation Switzerland SA, IMA Automation USA Inc. and IMA Automation Malaysia Sdn. Bhd. produce machinery for the assembly of self-medication medical products, such as inhalers, insulin syringes and injection systems.

### **C. STAFF AREA**

A series of central departments oversee the above operative sectors and the IMA Group in general, the organisation charts of which can be viewed on the MyIMA company intranet and the activities of which are briefly outlined below.

#### **a) *Research and Innovation – Research and Development Special Projects***

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Each within its own remit, the two bodies coordinate the research and development projects managed by the various divisions and companies within IMA Group, develop cross-departmental projects with their own resources, develop new machinery with a high level of innovation, manage the Group's intellectual property, and handle financing for product innovation and development projects.

#### **b) *Property Management***

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The body handles all activities relating to the management and maintenance (routine and special) of property owned by IMA and IMA Group.

#### **c) *Administration, Finance and Control (“AFC Department”)***

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The offices reporting to Administration (separated into financial statements, customers, suppliers), Finance and Control are subject to the direction of the Administration, Finance and Control Director (“CFO”).

***Import Export, Corporate Legal, Litigation, Post Mergers & Acquisition and Business Development*** also report to the CFO.

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#### **d) *Production Systems***

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The departments in charge of purchasing, coding and logistics of all materials, components and parts required to carry out the Business activities and, in particular, ***Productive and Non-Productive Purchasing, Logistics and commercial parts warehouse, Supply chain and Testing, Workshop and Production Hubs Coordination***, all report to the Productive Systems Manager.

#### **e) *Organisation***

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***Human Resources, Environment, Health and Safety Services (SGAS), Information Systems (Information & Communication Technology), Security and Digital Support, Quality and Compliance (Q&C), and the GDPR & Business Ethics Committee*** all report to the Organisation Manager.

## **F. CORPORATE GOVERNANCE**

### **1. DIRECTION AND COORDINATION (ART. 2497 OF THE ITALIAN CIVIL CODE)**

IMA is subject to the direction and coordination of SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A. pursuant to art. 2497 et seq of the Italian Civil Code. IMA's corporate governance system provides for a distribution of functions and powers according to the traditional model of corporate governance, represented by the Shareholders' Meeting, the Board of Directors and the Board of Auditors.

## 2. BOARD OF DIRECTORS

IMA's company bylaws provide that the company is administered by a 10-member Board of Directors.

The Board of Directors is the body responsible for setting the strategic and organisational direction of the company and its Group. The Board is solely responsible for reviewing and approving the strategic, industrial and financial plans, and also has the task of periodically monitoring the implementation of those plans and of defining IMA's corporate governance system.

During the course of meetings and specifically during meetings approving the figures for the period, the Board will assess the general trend in performance and will also make a comparison against the planned targets.

The Board as a whole is exclusively responsible for the examination and prior approval of the Company's operations when such operations have a significant strategic, economic, equity or financial importance for the Company. Operations of significant strategic, economic, equity or financial importance for IMA are those with a value of more than Euro five million.

## 3. EXECUTIVE BODIES

### a. Chairman and Chief Executive

The Company's legal representation and signing authority lie with the Chairman of the Board of Directors.

Board meetings are called by the Chair of the Board, who coordinates proceedings and ensures all board members are properly informed of the agenda.

The Board of Directors has attributed to the Chair of the Board, through a specific delegation, all powers connected to the ordinary and extraordinary administration of the Company, with the sole exception of the matters listed in art. 2381(4), of the Italian Civil Code, reserved board matters, as defined in the company bylaws, as well as obviously the powers that cannot be delegated and the matters listed below, which remain the exclusive competence of the Board of Directors in its collective form:

- reviewing and approving the Company's and IMA Group's strategic, industrial and financial plans, with the additional task of periodically monitoring their implementation and defining IMA's corporate governance system and IMA Group's corporate structure;
- defining the nature and level of acceptable risk with IMA's strategic objectives;
- assessing the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control system and risk management;
- setting the frequency, no more than quarterly, with which delegated bodies are to report to the board on the activities carried out in the exercise of the powers delegated to them;
- assessing the general performance of management, taking into account, in particular, the information received from delegated bodies, as well as comparing the results achieved with those planned;
- ruling on the operations of the Company and its subsidiaries, when such operations have particular strategic, economic, equity or financial importance for IMA and, in any event, any operation with a value of over Euro 5,000,000 (five million), with the exception of the renewal or extension of bank credit lines already granted to the Company, power for which may be

delegated;

- proposals to the shareholders' meeting.

The provisions of art. 22.12(m) of the company bylaws must be understood as limiting the possibility of entering into contracts governing goods that do not fall within IMA's business purpose.

#### 4. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The System of Internal Control is the set of rules, procedures and organisational structures through which the Company is managed soundly, correctly and consistently with the established goals, through an adequate identification, measurement, management and monitoring of the main risks.

IMA's Board of Directors has defined the main guidelines for the System of Internal Control, and has also adopted general guidelines intended to direct the formation and implementation of the Company's decisions (also in relation to the risks arising from the application of Predicate Offences).

In addition to the Code of Ethics containing the ethical principles of behaviour, recommendations and prohibitions from which IMA's policies and procedures are drawn, with reference to the provisions of Decree no. 231, IMA's Organisation Model consists of the following documents:

- the system of delegations and proxies which is suitably publicised to ensure enforceability on third parties;
- hierarchical/functional and organisational structure, reflected in the organisation charts available on the Company intranet MyIMA;
- the set of Company directives and procedures designed to govern and regulate its activities, including the administrative, accounting and reporting system available on the Company intranet MyIMA;
- company correspondence and circulars to personnel;
- appropriate mandatory training at different levels for all personnel;
- the disciplinary and sanction system applicable to the Company's employees [and] the body of national and foreign legislation and regulations where applicable.

In addition to the specific controls described in the Special Section of this Model, the Internal Control System is based on observance of the following principles and criteria which must be adhered to when carrying out all Company activities including those performed in Areas at Risk of Offence:

- transparency: any operation, transaction or action must be justifiable, verifiable, coherent and congruent;
- separation of functions and powers: nobody can manage an entire process alone, and nobody can have unlimited powers. The powers of authorisation and signature must be defined consistently with the allocated responsibilities within the organisation;
- adequacy of internal regulations: the set of company regulations must be consistent with its operations and with the level of complexity within the organisation, and must guarantee the controls needed to prevent the offences laid down in Decree 231 from being committed;
- traceability/documentability: each operation/transaction/action, and the respective checks and controls, must be documented and documentation must be appropriately held on file.

#### 5. FINANCIAL REPORTING SYSTEM

Within the Internal Control System, there is a specific process for the management, monitoring and

control of financial information (“Financial Reporting System”), which is made up of a series of processes, practices and controls implemented by IMA with the aim of providing reasonable assurance of fulfilment of the following objectives on financial reporting, at consolidation level:

- reliability, i.e. that the information is accurate and conforms to the accounting standards and requirements of applicable laws and regulations;
- accuracy, i.e. that the information is neutral and accurate, and is not distorted with a view to influencing the users' decision-making process to obtain a predetermined result;
- credibility, i.e. that it is accurate and clear enough so that it will allow investors to make informed decisions and facilitate their understanding of complex aspects of the company's organisation without being superfluous;
- timeliness, in other words that it complies with the deadline for publication

The process that makes up the Financial Reporting System is carried out by the Board, the directors and other persons in the organisation responsible for this task. The process also incorporates a risk management system associated to financial reporting, which is therefore a fundamental and integral part of the System.

The System was designed and implemented in accordance with existing international best practices. In particular, when planning the System and in its implementation, monitoring and periodic assessment, the standard used was the “CoSO Report – Internal Control Integrated Framework”. The Model was adopted in reference to the above-mentioned financial reporting objectives, and includes the following components:

- Control environment
- Risk assessment
- Auditing
- Information and communications
- Monitoring

## **6. SUSTAINABILITY REPORT**

In accordance with the GRI (*Global Reporting Initiative*) principles, IMA prepares and approves every year its own “Sustainability Report”, through which the Company notifies its stakeholders of the goals pursued by the Italian companies of the IMA Group so that they can adopt behaviours, practices and products which are sustainable and socially responsible.

The Sustainability Report is drawn up with the widespread participation of the organisational areas operating within IMA, through a “materiality” analysis which reports on the Company's processes, management methods and results obtained where these are identified as being “material”, i.e. capable of influencing stakeholders' decisions or of reflecting the economic, environmental and social impacts of the organisation.

For further details in this regard, see the document “IMA S.p.A. Sustainability Report” available on IMA's website and on the Company's intranet.

## **G. ACTIVITIES PRELIMINARY TO THE ADOPTION AND UPDATING OF THE**

## ORGANISATION MODEL

The preparation and updating of the Organisation Model are supported by preliminary activities involving “mapping” Areas at risk of offence and checking of the Company's internal control systems, in line with the stipulations of Decree no. 231 and with the Guidelines.

In this regard, it should be noted that the main phases into which a risk management system aimed at the construction of the Organisation Model is divided are identified as follows by the provisions of Decree no. 231 and by the Guidelines:

- a) **“risk identification”**, i.e. analysis of the company context to highlight in which area/sector of activity and in which ways events detrimental to the objectives stated in Decree no. 231 may occur;
- b) **“control system design”** (protocols for planning the training and implementation of the Entity's decisions), i.e. assessment of the organisation and control system already in place at the Company and its possible adaptation to make it suitable for effectively countering the identified risks, i.e. to reduce the risks to an “acceptable level” with regard to i) the likelihood of occurrence of the event and ii) the impact of the event.

The preliminary activities in question (i.e. the “mapping of Areas at risk of offence” and verification of systems of internal control) were carried out through self-assessment using company processes and documentation (organisation charts, corporate delegations and proxies, policies, procedures, guidelines and internal regulations adopted by the Company, etc.) drawn up by those responsible for sensitive processes. In addition, the process of identifying risks and assessing the areas/activities most exposed to the commission of offences is carried out through the analysis of further relevant elements, including:

- evolution of the regulatory framework;
- corporate and organisational changes occurring since the date the Model was adopted, as well as the specific “history” of the Company including, in particular, the presence of any criminal, administrative or civil proceedings involving the Company with regard to the At-Risk Activities;
- size of the Company and of the Group to which the Company belongs (in relation to figures such as turnover, number of employees);
- markets and territories in which the Company operates;
- organisational structure;
- pre-existence of corporate ethics;
- quality of existing company climate within the organisation;
- collaboration between department managers;
- identification of the subjects for whose unlawful conduct IMA may be held liable under Decree no. 231, including Senior Personnel, Individuals subject to Third-Party Direction and third parties (professionals, consultants, service providers) with which the Company interacts;
- communication between management and workers;
- degree of segregation of functions;
- changes in case-law and legal theory;
- considerations resulting from the experience of applying the Model over several years;
- practices of Italian companies in relation to the management and drafting of organisation models (“best practices”);
- outcomes of the supervisory activities carried out since the first application of the Model.

## 1. MAPPING OF “AREAS AT RISK OF OFFENCE” AND ANALYSIS OF POTENTIAL RISKS

The first phase of activity consists in identifying the functional areas of the Company in which there is a potential “risk” of offences under the Decree being committed (so-called “Areas at Risk of Offence” or simply “At-Risk Areas”). In this context, the specific “Activities at Risk of Offence” are identified in each of these “areas”, and the possible methods of committing the offence are identified for each activity.

Of the Activities at Risk of Offence, activities are identified that are both directly at risk of such offences being committed and “instrumental”, which are understood as being activities that - though not directly relevant to the Decree - may, as a general rule, be considered as conditions, opportunities or means for committing the offences.

The process of identifying risks and assessing the areas most at risk of offences being committed is conducted using a risk-based approach, i.e. taking account of the inherent or potential risk of Offences being committed (i.e. the risk assumed before the Company has put in place measures to reduce the likelihood and impact of an event). The “inherent risk” level is measured by taking account of both the likelihood of the offence being committed and the impact of such an event, determined by taking account of factors such as the type and entity of penalties (pecuniary or disqualification) that may be inflicted on the Company, the frequency and recurrence of At-Risk Activities, the nature and volume of the relevant transactions, the specific modes of execution, as well as the entity's history and the sector's specific circumstances.

The assessment of the existence (and extent) of the “inherent risk” is conducted by applying the following matrix:

|         |          | Frequenza dell'attività |             |            |            |
|---------|----------|-------------------------|-------------|------------|------------|
|         |          | One off                 | Trimestrale | Ricorrente | Quotidiana |
| Impatto | Moderato | 1                       | 2           | 3          | 4          |
|         | Medio    | 2                       | 4           | 6          | 8          |
|         | Grave    | 3                       | 6           | 9          | 12         |

The “inherent risk” of Activities at Risk of Offence is then classified according to the following scale of severity and importance:

- Low Risk (“B”): score of 1 to 2
- Medium Risk (“M”): score of 3 to 4
- High Risk (“A”): score of 6 to 12

## 2. RISK ASSESSMENT - ASSESSMENT OF THE SYSTEM OF INTERNAL CONTROL

Once the “inherent risk” (and its relevance) is defined as part of the Sensitive Activities, the Company's current System of Internal Control is assessed to establish its “adequacy” to bring the risk down to an “acceptable level”.

The risk's “acceptability” threshold, in malicious offences, cannot be expressed by referring to the mere relationship between costs and benefits as taught in business theory (so a risk may be defined as acceptable when the additional checks “cost” more than the resource being protected). As set out in the Guidelines, economic logic, in the crime prevention system described in Decree no. 231, cannot be the sole definition of an acceptable risk level. Instead, the risk acceptability threshold is represented by the existence of a prevention system that cannot be circumvented except fraudulently, specifying that fraud does not necessarily require artifice and deception, but may also consist in the mere breach of

the provisions set out in the Model, or in the circumvention of the safety measures foreseen by the same. With reference to negligent crimes, and in particular to offences committed in breach of workplace health and safety regulations, the acceptability threshold is even more strictly defined, given that, considering the scale of the assets protected, the risks to workers' health and safety must be completely eliminated or reduced to a minimum, as far as possible through the adoption of the preventive measures available in relation to knowledge acquired on the basis of technical progress.

The assessment of the controls and monitoring of the Company's Internal Control System was based on checking the existence of the following criteria and requirements (as indicated in the Guidelines themselves):

- i) existence and formalisation of written Company procedures and manuals;
- ii) definition of roles and responsibilities with respect to the management of Company processes;
- iii) compliance with the "segregation of duties" principle;
- iv) traceability of Company processes;
- v) communication, training and effective knowledge of Company procedures.

Once these checks have been performed - which are also carried out on the basis of the documentation gathered and evidence obtained during interviews with the Company's management and staff - the Company's Control System is considered (in relation to individual Activities at Risk of Offence):

- "**Adequate**", where it is considered that the system of preventive controls adopted by the Company is suitable as a whole for reducing the risk to an acceptable level (requiring only a number of minor additions);
- "**Improvable/To be Updated**", where it is considered that the system of preventive controls adopted is not entirely suitable for reducing the risk to an acceptable level and therefore requires additions/amendments to existing processes;
- "**Inadequate/Non-existent**", where it is considered that the system of preventive controls adopted is not suitable for reducing the risk to an acceptable level and the Company therefore needs to adopt controls and procedures which are new and/or different from those in force with immediate effect.

The assessment of the adequacy of the system of internal controls determines - with regard to each Sensitive Activity being considered - the "residual risk", determined based on the level of "inherent risk" and the effectiveness/adequacy of the system of controls adopted by the Company, based on the following scale of severity and importance:

- Low Risk ("B"): score of between 4 and 29
- Medium Risk ("M"): score of between 30 and 60
- High Risk ("A"): score of 61 or over

After mapping the At-Risk Areas and Activities at Risk of Offence and, in general, after the risk assessment, a report is drawn up - filed at the Company - which highlights the various stages of the risk assessment, i.e.:

- I. checking, within the At-Risk Areas and in relation to specific Activities at Risk of Offence, the preventive control systems (i.e. formalised procedures, operational practices, segregation systems, systems for managing financial resources, etc.) which may exist within the Company and assessing their suitability for ensuring that the risks of commission of offences are reduced to an "acceptable level" ("**as is analysis**");
- II. identification of existing deficiencies or criticalities within the system of control and the consequent corrective actions needed to improve the system ("**gap analysis**").

The mapping of Areas at Risk of Offence and Sensitive Activities and, in general, the risk assessment activity itself confirmed that IMA's procedures (and, in general, its Internal Control System), in relation to the Areas at Risk of Offence, are in line with the general principles followed in an efficient internal control system as indicated above (considered to be general protocols), i.e.:

- “proceduralisation” of Activities at risk of offence, in order to enable:
  - i. ensure that Company activities are carried out in accordance with current laws and regulations and from the general perspective of protecting the integrity of the Company's assets;
  - ii. define and govern the terms and conditions under which these activities are carried out;
  - iii. ensure, where necessary, that decision-making processes are “standardised” and limit Company decisions based on subjective choices
- clear and formalised allocation of powers and responsibilities, with an explicit indication of operating limits and consistent with the duties assigned and the positions occupied within the organisational structure
- segregation of duties, through the correct distribution of responsibilities and the definition of suitable authorisation levels, in order to avoid overlapping between departments or operational allocations in which critical activities are focussed on a single individual;
- adoption of instruments capable of ensuring the traceability of actions, operations and transactions through suitable documentary evidence which specifies the characteristics and reasons for the operation and identify the individuals involved in the operation in various capacities (authorisation, implementation, recording, inspection of the operation);
- implementation of workers' information and training activities with regard to existing formalised procedures, including when amending/supplementing the same, to ensure adequate recognition and actual implementation
- set up, execute and document the control and supervision of processes and Activities at Risk of Offence;
- existence of security mechanisms that ensure adequate protection of information from physical or electronic access to the data and tools used in the Company's information system, particularly with regard to management and accounting systems.

#### **H. INFORMATION AND TRAINING FOR RECIPIENTS OF THE MODEL**

The Company is aware of the importance of training and information as a vitally important protocol and takes action to ensure that the Recipients understand both the content of the Decree and the obligations arising from it, and the Model itself.

For the purpose of implementing the Model, training, awareness-raising and information given to personnel are managed by the competent company department in close collaboration with the Supervisory Committee and with the heads of other departments involved in applying the Model.

Training, awareness-raising and information relates to all Company personnel, including Senior Personnel.

Information and training activities are planned and provided both on recruitment or at the start of employment and when the employee's role changes, or whenever the Model is amended or other

factual or legal circumstances arise that determine the need for them in order to guarantee the correct application of the provisions foreseen in Decree no. 231.

In particular, the following are envisaged upon approval and updating of this document:

- an initial communication to all personnel regarding the adoption and/or updating of this document;
- subsequently, new recruits are given an information pack containing (in addition to the materials indicated in additional Company policies or procedures, such as data protection and security, health and safety at work) this document, "Organisation, Management and Control Model under Decree no. 231", containing an express reference to consult the Special Section, the Company's intranet site, as well as the Code of Ethics, in order to ensure that new recruits receive knowledge considered essential;
- Employees must sign a form to demonstrate they accept the contents of the documents delivered to them and have read the text of Decree no. 231 as published on the company intranet;
- specific and ongoing training to be organised in a classroom setting or provided via e-learning services and tools (with solutions certifying training has been carried out).

The communication and training initiatives also relate to other instruments such as powers of authorisation, hierarchy, procedures, information flows and anything else which can help to improve transparency in daily operations.

All communication and training initiatives are instigated by the Board of Directors, which requires the recipients to collaborate fully in this regard.

To guarantee the Model is effectively circulated and the Personnel are informed with regard to the contents of Decree no. 231 and the obligations arising from implementation of the same, a specific area dedicated to the topic is available on the company intranet (in which the previously described set of information documents, the forms and tools for reporting wrongdoing to the Supervisory Committee, as well as any other relevant documentation is available for viewing and download).

## **I. INFORMATION FOR THIRD PARTIES**

Collaborators, Suppliers, Consultants and Partners, with particular reference to individuals involved in the provision of activities, supplies or services that affect Sensitive Activities, are informed of the adoption of the Model and the Company's requirement for them to behave in compliance with the principles of conduct set out therein.

Company departments provide the Suppliers and Consultants with which they have dealings with information on the policies and procedures adopted by the Company as a result of the Model, as well as the consequences that behaviour in breach of the Model or current regulations can have with regard to contractual relations.

Contracts include specific clauses covering the governance of such consequences, such as express termination clauses and/or withdrawal rights in the event of conduct contrary to the provisions of the Model.

## **J. DISCIPLINARY AND SANCTION SYSTEM**

A necessary condition for guaranteeing the effectiveness of the Model is the definition of a system of sanctions commensurate with the breach of procedural protocols and/or other rules outlined in the

Model. This system includes, pursuant to art. 6(1) lett. e) of Decree no. 231, an essential requirement for the purposes of exemption from the Company's liability. The disciplinary system must envisage sanctions for each Recipient, in consideration of the type of relationship with the Company. In the same way as the Model, the system is directed at Senior Personnel, Employees, Collaborators and third parties working on behalf of the Company and sets out adequate disciplinary sanctions in some cases and contractual/negotiation sanctions in others.

In light of the above, IMA has implemented the Disciplinary System set out in sub-Annex "B".

## K. SUPERVISORY COMMITTEE

### 1. INTRODUCTION

Article 6 letter b) of Decree no. 231 stipulates, as a prerequisite for the exemption from administrative liability, that the task of supervising the functioning, observance and updating of the Model must be assigned to a body within the Company which has independent powers of action and control.

The autonomy and independence required by law presuppose that the Supervisory Committee, when carrying out its functions, is "external" to the production, commercial, administration and financial processes, and reports directly to the Board of Directors. In consideration of the specific nature of the Supervisory Committee's duties (supervision and control as required by the Model) its mandate is entrusted to a body that, with this document as approved by the Board of Directors, is set up within the Board of Directors and is released from all hierarchical relations with the individual managers of the company's divisions.

When carrying out its supervision and control duties, the Supervisory Committee of IMA is generally supported by all the departments of the company and may also rely on other external consultants if necessary from time to time.

### 2. COMPOSITION OF IMA'S SUPERVISORY COMMITTEE

Various theoretical and practical solutions relating to the possible structure and composition of the Supervisory Committee have been elaborated, in consideration of the size of the company, the related Corporate Governance rules, and the need to achieve a fair balance between costs and benefits.

In this regard, the IMA Board of Directors has analysed various solutions in compliance with that envisaged in Article 6(1), letter b) of the Decree. In this regard the Board of Directors firmly believes that the following aspects should be evaluated when selecting the Supervisory Committee:

#### A. In relation to the overall functions of the Supervisory Committee:

- the autonomy of the body, in the sense of:
  - i. functional autonomy of the body;
  - ii. autonomous powers of action and control;
  - iii. the absence of operational duties;
  - iv. the position on the staff of the Board of Directors;
  - v. the possibility of reporting directly to the Board of Auditors;
- professionalism, in the sense of the required knowledge, instruments and techniques, i.e.:
  - o suitable specialist expertise in the field of audits and consulting (statistical sampling, risk analysis and assessment, risk limitation measures, flow charting of procedures and processes, knowledge of the law and administration/accounting techniques etc);

- continuity of action, to be achieved through the presence within the body of a person who is part of IMA's internal structure.

**B. In relation to the individual members of the Supervisory Committee, that they fulfil the requirements of integrity and morality, i.e. that the following circumstances do not apply to any of them:**

- the conditions laid down in art. 2382 of the Italian Civil Code (prohibition, disqualification, bankruptcy, conviction for an offence that involves permanent or temporary exclusion from public offices or disqualification from holding management positions);
- the status of spouse or the existence of ties of blood or marriage to the fourth degree with the directors of the Company or of companies controlled by the latter, of companies that control the Company or of those subject to common control;
- the existence of a conviction by judgment even where this is not final (including sentence pronounced under art. 444 of the Italian Code of Criminal Procedure):
  - for imprisonment for a period of no less than one year: i) for one of the offences laid down in Royal Decree no. 267/1942, ii) for one of the offences laid down in the laws governing banking, finance, real property, transferable securities and payment instruments; iii) for an offence against the public administration, against public faith, against financial assets, against the public economy or in taxation matters;
  - for imprisonment for a period of no less than two years for any non-negligent offence;
  - for one or more offences including those specified and referred to in the Decree, regardless of the type of sentence imposed;
  - for an offence which entails conviction for an offence that involves permanent or temporary exclusion from public offices or temporary exclusion from management positions in legal entities and companies.
- having the status of member of the Supervisory Committee within companies on which the penalties set out in art. 9 of the Decree have been imposed;
- having suffered the enforcement of one of the prevention measures laid down in art. 3 of Law no. 55 of 19 March 1990 as subsequently amended.

In consideration of the above, and with specific regard to the company's structure and operations, the Board of Directors considers that the solution which best meets the requirements of the Decree would be to attribute the powers of the Supervisory Committee as defined in Decree no. 231 to a panel specifically set up for the purpose, formed of:

- a lawyer expert in criminal law, with particular reference to environmental and work safety offences, traffic offences and issues around personal data protection;
- an independent professional with an economic background and specific competence in controlling cash flows;
- the Company's internal audit department manager.

This solution fulfils all the requirements laid down by legislation in terms of autonomy, independence, professionalism and continuity of action.

Taking into account the special features of the responsibilities attributed to the Supervisory Committee, and the specific professional content required when conducting its supervision and control activities,

the Committee is supported by all the departments of the Company. It may also rely on the support of external consultants if necessary from time to time.

In turn, the Committee will stipulate the rules for its functioning, formalised in a regulation, and the ways in which the required information is handled (please see the contents of the following paragraphs below).

The Board of Directors undertakes to provide the Supervisory Committee (at its justified request) with the financial resources it needs to carry out its function.

In consideration of the above the Board of Directors has established the Supervisory Committee in specific bylaws which form an integral part of this Model.

### **3. TERM - INELIGIBILITY AND DEBARMENT OF SUPERVISORY COMMITTEE MEMBERS**

Members of the Supervisory Committee remain in office for three years and are eligible for re-election. In carrying out their duties, members of the Supervisory Committee must maintain the requirements of autonomy and independence specified in the Decree. They must therefore immediately inform the Board of Directors and the Supervisory Committee itself if any situations arise which prevent those requirements from being fulfilled.

Supervisory Committee members remain in office for the duration of the term for which they were appointed, regardless of any change in the composition of the Board of Directors that appointed them, unless the Board of Directors changes as a result of the commission of one of the Offences provided for in the Decree: in that event, the newly elected board of directors will set up a new Supervisory Committee.

No person may be appointed as a member of the Supervisory Committee and, if appointed, will automatically step down from office if:

- he/she fulfils the conditions laid down in art. 2382 of the Italian Civil Code (prohibition, disqualification, bankruptcy, conviction for an offence that involves permanent or temporary exclusion from public offices or disqualification from holding management positions);
- he/she is the spouse or relative by blood or marriage to the fourth degree of the Company's non-independent directors, the spouse or relative by blood or marriage to the fourth degree of the non-independent directors of the companies controlled by the Company, of the companies that control the Company and of those subject to common control;
- he/she has been convicted by judgment even where this is not final (including sentence pronounced under art. 444 of the Italian Code of Criminal Procedure):
  - for imprisonment for a period of no less than one year: i) for one of the offences laid down in Royal Decree no. 267/1942, ii) for one of the offences laid down in the laws governing banking, finance, real property, transferable securities and payment instruments; iii) for an offence against the public administration, against public faith, against financial assets, against the public economy or in taxation matters;
  - for imprisonment for a period of no less than two years for any non-negligent offence;
  - for one or more offences including those specified and referred to in the Decree, regardless of the type of sentence imposed;
  - for an offence which entails conviction for an offence that involves permanent or temporary exclusion from public offices or temporary exclusion from management positions in legal entities and companies.

- he/she has the status of member of the Supervisory Committee within companies on which the penalties set out in art. 9 of the Decree have been imposed;
- he/she against whom one of the preventive measures laid down in art. 3 of Law no. 55 of 19 March 1990 as subsequently amended has been imposed.

Without prejudice to those situations under which members are automatically required to step down, members of the Supervisory Committee can only be dismissed by the Board of Directors for a valid reason. The following represents situations where there is a valid reason for dismissal:

- the Company is given a conviction under the Decree or a plea bargain is accepted, where the documentation shows “lack of or insufficient supervision” by the Supervisory Committee as provided for in art. 6(1), lett. d) of the Decree;
- failure to maintain confidentiality with respect to information that comes to their attention in the performance of their duties;
- failure to participate in more than three consecutive meetings of the Supervisory Committee without proper reason.

If a member of the Supervisory Committee resigns or steps down automatically, the Committee will immediately inform the Board of Directors, which will take the relevant decisions without delay.

The Supervisory Committee will be considered to have stepped down from office if the majority of members are absent owing to resignations or other reasons. In that case, the Board of Directors will appoint all members of the Supervisory Committee afresh.

If there are serious reasons to do so, the Board of Directors will order the suspension from duty of one or all members of the Supervisory Committee and will make a timely appointment of a new member or the entire Committee on an interim basis.

#### **4. DUTIES, FUNCTIONS AND POWERS OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee performs the supervisory and control duties set out in the Decree and in the Model.

The Supervisory Committee has autonomous powers of initiative and control within the Company so that it can carry out effectively the duties set out in the Decree and in the Model.

For any requirement necessary to ensure that the Supervisory Committee performs its duties correctly, the Committee has adequate financial resources which will be assigned to it on the basis of an annual expenditure budget approved by the Board of Directors. The need to ensure timely prevention of offences remains a priority requirement. Therefore, in the case of exceptional and urgent circumstances, the Supervisory Committee may commit resources beyond its expenditure powers and must notify the Board of Directors immediately.

The activities performed by the Supervisory Committee cannot be checked by any other company body or structure but the Board of Directors is in all cases required to monitor the adequacy of its actions, insofar as the Board of Directors itself has ultimate responsibility for the operation and effectiveness of the Model.

The Supervisory Committee is required to carry out the following activities:

*i) **Checking and supervision***

- monitor compliance with the Model within the Company;

- monitor the validity and adequacy of the Model, with particular regard to the behaviours encountered within the Company;
- check the actual capacity of the Model to prevent the commission of the offences set out in the Decree;
- monitor the correct application of the Disciplinary System by the Company departments responsible for the same;

**ii) Updating of the Model**

- assess over time that the Model remains sound and workable, taking measures to ensure that the Company updates the Model and, where necessary, suggesting alterations to the Model to the Board of Directors or to the Company departments responsible for the same, in order to improve its adequacy and effectiveness in light of changing conditions within the Company and/or legislative changes;
- carry out follow-up activities, i.e. checking that the proposed solutions are implemented and work correctly.

**iii) Information and training**

- promote knowledge and understanding of the Model within the Company;
- promote and monitor initiatives, including courses and communication activities, aimed at promoting an adequate understanding of the Model by all Recipients;
- assess and respond to requests for clarification made by Company departments or by the administrative and supervisory bodies, where those requests are connected with and/or related to the Model.

**iv) Reporting from and to the Supervisory Committee**

- implement, in accordance with the Model, an efficient information flow to the competent corporate bodies about the effectiveness and observance of the Model;
- check the timely fulfilment by the persons concerned of all reporting activities required under the Model;
- examine and assess all information and/or reports received in relation to the Model, including with respect to any breaches of the same;
- in the case of inspections by institutional bodies, including the Public Authority, provide the necessary information materials to the inspectors.

To carry out the supervisory activities described above, the Supervisory Committee shall draw up and submit to the Board of Directors its own annual activity plan ("**Supervisory Committee Activity Plan**"), which shall highlight the following:

- promote knowledge and understanding of the principles outlined in the Model within the Company;
- collect, process, retain and update any relevant information for the purpose of checking observance of the Organisation Model;
- periodically check and monitor Areas at Risk of Offence and, where considered necessary for the performance of its duties, carry out checks not previously planned ("spot checks");
- monitor and check that the Company is complying with accident prevention laws and with the rules governing protection of health and safety at work;

- check that all documentation concerning the activities/operations identified in the Model is being kept properly and is effective;
- check periodically the powers of attorney and internal delegations in force and recommend any necessary changes if these are no longer consistent with organisational and managerial responsibilities;
- assess periodically the adequacy of the Model with respect to the provisions and principles laid down in the Decree and see to the corresponding update requirements;
- assess periodically the adequacy of information flow and adopt any corrective measures;
- periodically inform and report to the Board of Directors about the activities performed, reports received, corrective actions taken and improvements made to the Model and their current status.

In order to carry out the duties entrusted to it, the Supervisory Committee is granted the powers and authorities indicated below:

- issue instructions and service orders intended to regulate the activity of the Committee as well as the information flow from and to the same;
- access any Company document which may be important for the performance of the duties assigned to the Supervisory Committee, including the Company's books pursuant to art. 2421 of the Italian Civil Code;
- request assistance, including on an ongoing basis, from internal departments or use external consultants of established professionalism in cases where this is necessary to carry out checking and control activities or updating of the Model;
- direct the persons to whom a request is made to provide the information, data and/or details requested from them in a timely manner so as to identify aspects connected with the various Company activities which are relevant according to the Organisation Model and to check that those activities are actually being implemented by the Company's organisational structures;
- conduct the internal investigations necessary to ascertain alleged breaches of this Model;
- ask the competent Company departments in charge of managing disciplinary proceedings and of imposing sanctions for all information, data and/or details which may be useful in terms of monitoring the correct application of the disciplinary system;
- request, through the appropriate channels and individuals, a meeting of the Board of Directors to tackle urgent matters;
- take part in meetings of the Board of Directors;
- access to documentation drawn up by the Board of Auditors;
- ask the department managers to take part (but without decision-making powers) in meetings of the Supervisory Committee.

In view of the duties of the Supervisory Committee and the specific professional competencies required for those duties, the Supervisory Committee may, in carrying out its supervisory and control activities, be supported by a dedicated team (used, including on a part-time basis, for those specific duties) and may call on the support of other internal Company departments which are required from time to time to ensure the effective implementation of the Model.

The Supervisory Committee's regulations or specific internal organisational documents will set out the criteria for how that dedicated team works, the personnel that will be used within the team and the specific role and responsibilities assigned by the Supervisory Committee to that team.

Where considered appropriate and/or in cases where the Supervisory Committee is asked to carry out activities that require professional expertise not available within the Committee or within the Company itself, the Committee will have the right to call on the specific professional expertise of external consultants to whom it may delegate pre-defined areas of investigation and the technical operations required to carry out its supervisory duties. The consultants must, in each case, always report on the outcomes of their activities to the Supervisory Committee.

The Supervisory Committee activity is aimed at verifying that the rules of conduct laid down in the Model and in the Code of Ethics are observed by Recipients and that the Company's internal control system is adequate and effectively implemented, in order to prevent the commission of the Offences set out in the Decree. Therefore, it does not fall within the remit of the Supervisory Committee to check the observance of rules of conduct and breaches of Company directives that may result in (or be instrumental to) the commission of offences that are not included among those set out in the Decree. So, for example, the Supervisory Committee will not be responsible for investigating discriminatory or offensive behaviours existing among the Company's employees (other than for the sole purpose of establishing any conducts instrumental to the commission of Predicate Offences).

If the Supervisory Committee learns about facts and conducts relating to the breach of and non-compliance with rules of conduct and Company processes that do not relate to (or are not instrumental to) the commission of offences set out in the Decree, it will notify the competent Senior Personnel so that the appropriate checks and investigations can take place.

## 5. REPORTING ACTIVITIES OF THE SUPERVISORY COMMITTEE

In order to ensure its full autonomy and independence in the performance of its duties, the Supervisory Committee reports directly to the Company's Board of Directors.

The Supervisory Committee reports on the implementation of the Model and on the activities carried out according to the following reporting frequencies:

- a) **on a half-yearly basis**,
  - o **to the Corporate Bodies**, to which a written report must be sent concerning in particular:
    - the overall activities carried out in the period in question;
    - a review of the reports received and actions undertaken by the Supervisory Committee or by other individuals;
    - the critical issues arising in relation to the Model and the actions necessary and/or expedient to correct and improve the Model and their current status;
    - identification and/or confirmation of the Audit Plan.
- b) **on an ongoing basis and where the need arises**, to the Managing Director. In particular, the Supervisory Committee must:
  - notify the Managing Director promptly of any breach of the Model which is considered well-founded by the Committee itself and which comes to its attention as a result of being reported by the employees or which it has itself observed;
  - notify the Managing Director promptly of any organisational or procedural gaps observed which may constitute a specific danger of commission of offences relevant to the Decree;

- notify the Managing Director of the existence of legislative changes which are particularly relevant for the implementation and effectiveness of the Model;
- notify the Managing Director promptly of any other relevant information to ensure that the Committee performs its duties correctly as well as to ensure proper compliance with the provisions set out in the Decree;

it being understood that, where the behaviour or fact reported is attributable to the Managing Director and it is necessary to maintain the confidentiality of the information and not to make the Managing Director aware of it, the report will be addressed to the Board of Directors.

Furthermore, the Supervisory Committee may ask to be consulted by the Board of Directors, as a collegiate body, whenever it is considered appropriate to liaise with the Board. Likewise, the Supervisory Committee has the possibility of requesting clarifications and information from the Board of Directors. Furthermore, the Supervisory Committee may be called at any time by the Board of Directors and by the other company bodies to report on particular events or situations pertaining to the functioning and observance of the Model.

## 6. INFORMATION FLOWS TOWARDS THE SUPERVISORY COMMITTEE

In order to facilitate the activity of monitoring the effectiveness of the Model adopted by the Company, all Recipients are required to inform the Supervisory Committee about any information and report of any kind, including where received from third parties, concerning the implementation of the Model and of all principles of conduct and procedures referred to therein.

In carrying out its supervisory and control duties, the Supervisory Committee always has the right to ask the Recipients for information and details about the Company's activities, about the application and observance of the rules of conduct and procedures set out in the Model and to verify any document necessary both on a sample basis or systematic basis. Recipients will be required to cooperate with the Supervisory Committee and to provide the Committee with any information and details requested from them.

Recipients who do not correctly fulfil the duty to report to the Supervisory Committee in the time and manner identified here may be subject to disciplinary measures.

### A. Information flows from the Heads of Department

Without prejudice to the foregoing concerning the investigation and auditing powers of the Supervisory Committee, the Heads of Department are required, within their area of competence, to send the Supervisory Committee any information and details about the Company activities that they oversee as indicated in the "Flows Protocol" adopted by the Company.

### B. Information flows relating to environment, health and safety in the workplace.

The Supervisory Committee must receive a copy of the periodic reports on environmental matters and health and safety at work (including the minutes of the periodic meetings of the Employer, Head of Prevention and Protection Service (RSPP), Doctor and Workers Safety Representative pursuant to art. 35 TUS and the review reports of the "Senior Management").

### C. Supervisory Committee's address.

Information shall be sent to the Supervisory Committee at the following email address:

**org.vigilanza@ima.it**

or by post, to the Supervisory Committee at the Company's head office, located at:

**IMA Supervisory Committee**

Via Emilia 428-442  
40064 Ozzano dell'Emilia (BO)

stating “PERSONAL AND STRICTLY CONFIDENTIAL” on the envelope.

Solely the Supervisory Committee members have access to its email account. As such, the **Supervisory Committee is obliged to ensure the information and reports received as part of its activities are kept confidential**. The Supervisory Committee acts in such a way as to protect whistleblowers against any form of retaliation, discrimination, penalty or any other consequence, assuring them of their confidentiality and anonymity, notwithstanding legal obligations and the protection of the rights of the Company or of parties wrongly accused and/or accused in bad faith.

IMA, as personal data controller under EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 (hereafter “GDPR”) and Leg. Dec. no. 196/2003, as amended by Leg. Dec. no. 101/2108 (hereafter “Privacy Code”) shall process the personal data acquired through information flows for the purposes associated with compliance with the obligations of Decree no. 231 and the Organisation Model. The data may be processed both in paper and electronic form. Data subjects, as identified under art. 4 no. 1) of GDPR, may exercise the rights recognised to them pursuant to art. 15 – 22 of GDPR, by contacting the data controller by email to [privacy@ima.it](mailto:privacy@ima.it) or by registered letter to the Company's headquarters.

#### **7. NOTIFYING THE SUPERVISORY COMMITTEE OF CHANGES TO THE COMPANY'S ORGANISATION**

The following information must be communicated to the Supervisory Committee by the corporate bodies and/or heads of department:

- information about organisational changes (for example, changes to the organisation chart, revision of existing procedures or adoption of new procedures or policies, etc.);
- updates and changes to the system of delegations and powers;
- significant and/or unusual operations affecting areas at risk of commission of offences identified in the preliminary analyses carried out for the adoption of the Model;
- changes to at-risk or potentially at-risk situations;
- any communication by the Auditor concerning aspects that may indicate shortcomings in the system of internal controls;
- copy of the minutes of the meetings of the Board of Directors and of the Board of Auditors;
- copy of any correspondence sent to the Supervisory Committee (e.g. Italian Competition Authority, Italian Data Protection Authority, etc.);
- any other information that the Supervisory Committee may request in order to carry out its duties.

#### **8. SUPERVISORY COMMITTEE REGULATIONS**

The Supervisory Committee is responsible for drawing up its own internal regulations setting out the specific aspects and manner in which it will carry out its activities, including with regard to its organisational system and functioning.

## 9. ARCHIVING OF INFORMATION

The Supervisory Committee is obliged to provide documentary evidence of its activities (including minutes of meetings) and to archive (while ensuring confidentiality) all reports, correspondence and requests sent to it. This documentation will be kept at the Supervisory Committee's offices.

Any information or report provided for in this Model will be kept by the Supervisory Committee in a special confidential computer file and/or physical folder in accordance with the provisions of GDPR and the Privacy Code for a period of 10 years.

## 10. INTERACTIONS WITH THE SUPERVISORY COMMITTEE

The Supervisory Committee must liaise with the supervisory committees of each company belonging to the Group, on a continual basis, with regard to their planned and completed activities, initiatives undertaken, actual measures prepared and critical issues observed in their supervisory activities.

In particular, the Supervisory Committee must take action so that the supervisory committees of the Group companies report and/or provide timely information about activities including, but not limited to, the following:

- the main planned verifications;
- the periodic reports prepared by the individual supervisory committees for the Board of Directors of the respective companies concerning activities performed.

Information may be exchanged among the Supervisory Committees during joint meetings. Such meetings may be scheduled annually.

## L. REPORTING OF WRONGDOING PURSUANT TO LEGISLATIVE DECREE NO. 24 OF 10 MARCH 2023 ON "WHISTLEBLOWING"

Legislative decree no. 24 of 10 March 2023 on "*the protection of persons reporting breaches of Union law and laying down provisions on the protection of persons reporting breaches of national laws*" ("**WB Decree**"), adopted in implementation of Directive (EU) 2019/1937, amended, rendering it autonomous and up-to-date, the regulation of "*whistleblowing*", i.e., the reporting of wrongdoing within the company.

In accordance with the WB Decree - and in compliance with the new formulation of art. 6(2-*bis*) of Decree 231 - IMA has implemented internal reporting channels, specifically dedicated to the reporting of wrongdoing, as indicated in art. 3 of the WB Decree (Subjective Scope), which the whistleblower has witnessed as part of his/her duties and/or at the IMA work environment where he/she works.

In compliance with that laid down in the WB Decree, the Company has adopted its own internal procedure ("**WB Procedure**"), which sets out the range of wrongdoing/offences that may be reported, the reporting methods, the persons entitled to submit reports (employees, freelancers and all those working at IMA, including self-employed workers and suppliers/customers) and the protections and rights afforded to whistleblowers.

As part of its WB Procedure, IMA has identified a collective body ("**Whistleblowing Officer**"), with a high professional profile, whose task it is to receive and handle internal reports and carry out all activities contemplated under art. 5 of the WB Decree (Management of internal handling channel). As such, the Whistleblowing Officer shall, among other things, be in charge of:

- checking that all communication channels are open and usable by all entitled parties;

- receiving and processing reports;
- keeping report contents and the reporter's identity confidential and private;
- interacting with other Company departments, and with the Supervisory Committee where applicable, in compliance with confidentiality laws.

In order to be taken into consideration, reports must be circumstantiated, i.e. the whistleblower must have reasonable grounds to believe that an offence is being, has been or may be committed involving the commission of a breach relevant under the WB Decree.

In order to be deemed circumstantiated, the following must be provided with each report:

- i. a clear and full description of the reported events;
- ii. an indication of the circumstantial time and place of the reported events;
- iii. details of the accused party, if known, or other elements suitable for identifying the accused party;
- iv. an indication of other parties that may confirm the reported events or add further essential information;
- v. documents that may strengthen and/or confirm the credibility of the reported events;
- vi. any other essential information and/or element that may prove useful.

Reports must be sent to the Whistleblowing Officer via one of the following channels:

- by registered letter in a sealed envelope to the “Whistleblowing Officer” at the IMA registered office. If reporting by post, “Reserved – Confidential” must be written on the sealed envelope;
- by telephone, as indicated in the WB Procedure, with the whistleblower being able to request a face-to-face meeting with the Officer;

using the “My Governance” IT platform accessible through the IMA website, as outlined in the WB Procedure. When making a report, the whistleblower must provide his/her details or, in any event, elements that enable him/her to be identified.

The reporting channels have been created with the specific aim of guaranteeing the reporter's confidentiality; the e-mail box has been specially created outside of the Company's server circuit and is accessible solely by the Whistleblowing Officer.

The Whistleblowing Officer acts in such a way as to protect whistleblowers against any form of retaliation, discrimination, penalty or any other consequence, assuring them of their confidentiality and anonymity, notwithstanding legal obligations and the protection of the rights of the Company or of parties wrongly accused and/or accused in bad faith.

The Whistleblowing Officer shall handle reports in compliance with the provisions of art. 5 of the WB Decree (Management of internal reporting channel) and as set out in the WB Procedure.

Those who breach measures to protect the whistleblower, or whistleblowers making reports with wilful misconduct or gross negligence later found to be unfounded, may be subject to the application of disciplinary sanctions, as laid down in Annex B of this Model.

### **M. COOPERATION BETWEEN SUPERVISORY COMMITTEE AND WB COMMITTEE**

The Whistleblowing Officer and the Supervisory Committee shall liaise on an ongoing basis with regard to their respective activities and any information, alerts and reports that they may receive or acquire, notwithstanding that laid down in art. 4(6) Leg. Dec. 24/2023. In particular, by way of a non-limiting example, these bodies shall promptly report the following to one another:

- any breach of the Model or Code of Ethics of which they become aware;
- any organisational or procedural deficiencies that could lead to the risk of breaches of the Model and/or the Code of Ethics being committed;
- any other information relevant to the proper performance of their respective duties.

In particular, the Whistleblowing Officer and the Supervisory Committee shall consult one another on a case-by-case basis in order to ascertain which of the two bodies has the competence to take action in the individual cases reported to them or about which they have acquired information. If an individual problem falls within the remit of both bodies, they shall coordinate their respective activities in order to promote joint action, without, however, this representing a limitation or constraint on their mutual autonomy.

Notwithstanding the above, the Whistleblowing Officer shall inform the Supervisory Committee at regular intervals about the Reports it has received and handled and any proposals for changing and improving the system.

### **N. PERIODIC CHECKS AND UPDATING OF THE MODEL**

The Decree expressly provides that the Model needs to be updated to ensure it meets the Company's specific requirements and actual operations. The Model is to be adapted and/or updated essentially in the following circumstances:

- legislative changes;
- breaches of the Model and/or findings made during checks on the effectiveness of the Model (which may also be deduced from experiences involving other companies);
- changes to the entity's organisational structure, including where arising from extraordinary finance operations or from changes to the business strategy as a result of new lines of business embarked upon.

Specifically, responsibility for updating the Model and, therefore, for making additions and/or amendments to it, lies with the same executive body to which the legislator has assigned the task of adoption of the Model. Therefore, the Supervisory Committee, in liaison with the heads of department from time to time affected, must:

- check procedures and protocols. To that end, it will periodically check the effectiveness and implementation of the protocols and procedures set out in this Model;
- check the level of awareness of the Model including by analysing requests for clarification or reports received;
- inform the administrative authority of the need to update the Model and/or the risk assessment activity aimed at revising the map of activities potentially at risk, if the above conditions are met

(particularly when the organisation or the company's business is substantially changed, when there is a high staff turnover or when the Decree is added to or amended).

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**I.M.A. Industria Macchine Automatiche S.p.A.  
Unipersonale**

Head office Via Emilia 428/442, Ozzano dell'Emilia (province of Bologna)

**ORGANISATION, MANAGEMENT AND CONTROL MODEL**

under Legislative Decree no. 231 of 8 June 2001  
on "Corporate Administrative Liability"

**ANNEX "A"**

**PREDICATE OFFENCES LIST**

### Foreword

The present list of offences includes the list of all predicate offences covered by Legislative Decree 8 June 2001 no. 231 on "*Rules laying down the administrative liability of legal persons, companies and associations, including those without legal status, under art. 11 of law no. 300 of 29 September 2000*", and implements all the legislative changes occurred in ensuing years, including those introduced with Law 19 December 2019 no. 157 (published in the Official Journal no. 301 of 24 December 2019 and in force from the following day), with Legislative Decree no. 14 July 2020. 75 (published in the Official Journal no. 177 of 15 July 2020 and in force from 30 July 2020), with Legislative Decree no. 8 November 2021 no. 184 (published in the Official Journal no. 284 of 29 November 2021 and in force from 14 December 2021), with Law no. 23 December 2021. 238 (published in the Official Journal no. 12 of 17 January 2022 and in force from 1 February 2022), as well as with Law no. 9 March 2022. 22 (published in the Official Journal no. 68 of 22 March 2022 and in force from 23 March 2022), with Legislative Decree no. 2 March 2023. 19 (published in the Official Gazette no. 56 of 7 March 2023) and, lastly, with Law no. 9 October 2023. 137 (published in the Official Journal no. 236 of 9.10.2023).

#### **MISAPPROPRIATION OF FUNDS, FRAUD AGAINST THE STATE OR A PUBLIC BODY OR TO OBTAIN PUBLIC FUNDS AND COMPUTER FRAUD AGAINST THE STATE OR A PUBLIC BODY (ART. 24):**

- Embezzlement from the State or other public entity (Article 316-*bis* Italian Criminal Code);
- Unlawful receipt of contributions, financing or other disbursements by the State or other public body (art. 316-*ter* Italian Criminal Code);
- Disturbed freedom of enchantments (art. 353 Italian Criminal Code);
- Disturbed freedom of the procedure for choosing the contractor (art. 353bis Italian Criminal Code);
- Fraud in public supplies (art. 356 Italian Criminal Code);
- Fraud against the State or other public entity (Article 640(2), no. 1 Italian Criminal Code);
- Aggravated fraud for the obtainment of public funds (art. 640-*bis* Italian Criminal Code);
- Computer fraud to the detriment of the State or other public entity (Article 640-*ter* Italian Criminal Code);
- Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (art. 2 L. 23/12/1986, no. 898).

#### **COMPUTER CRIMES AND UNLAWFUL DATA PROCESSING (ART. 24 BIS)<sup>1</sup>:**

- Unauthorized access to a computer or telematic system (art. 615-*ter* Italian Criminal Code);
- Detention and unfair distribution of access codes to computer or telematic systems (art. 615-*quater* Italian Criminal Code);
- Broadcast equipment, devices or computer programs designed to damage or disrupt a computer or telematic system (art. 615-*quinquies* Italian Criminal Code);
- Interception, hindrance or illicit interruption of computer or telematic communications (art. 617-*quater* Italian Criminal Code);
- Installation of equipment designed to intercept, hinder or interrupt computer or telematic communications (617-*quinquies* Italian Criminal Code);
- Damage to information, data and computer programs (art. 635-*bis* Italian Criminal Code);
- Corruption of information, data and computer programs used by governments or other public entities or in any case of public convenience (art. 635-*ter* Italian Criminal Code);
- Damage to computer or telematic systems (art. 635-*quater* Italian Criminal Code);
- Damage to computer or telematic systems of public utility (art. 635-*quinquies* Italian Criminal Code);

<sup>1</sup> Article added from art. 7 of Law 18.03.2008 no. 48.

- Computer fraud by the provider of electronic signature certification services (art. 640-*quinquies* Italian Criminal Code).
- Urgent provisions on national cyber security perimeter and regulation of special powers in sectors of strategic importance (art. 1(11), Leg. Dec. no. 105/2019).<sup>2</sup>

Law 18 March 2008 no. 48 further extended the range of so-called "predicate" offences, providing under art. 24-*bis* the hypotheses of forgery of records regarding computer documents according to the notion offered by art. 491 *bis* of the Italian Criminal Code, and therefore re-including the following offences:

- Material forgery committed by the public official in official records (art. 476 Italian Criminal Code);
- Material forgery committed by the public official in certificates or administrative authorisations (art. 477 Italian Criminal Code);
- Material forgery committed by the public official in authentic copies of public or private records and in statements of content of records (art. 478 Italian Criminal Code);
- Ideological forgery committed by the public official in official records (art. 479 Italian Criminal Code);
- Material forgery committed by the public official in certificates or administrative authorisations (art. 480 Italian Criminal Code);
- Ideological forgery in certificates committed by persons providing a public service (art. 481 Italian Criminal Code);
- Material forgery committed by a private individual (art. 482 Italian Criminal Code);
- Ideological forgery committed by a private individual in an official record (art. 483 Italian Criminal Code);
- Forgery of records and notifications (art. 484 Italian Criminal Code);
- Misuse of document signed in blank. Public act (art. 487 Italian Criminal Code);
- Other misuse of document signed in blank. Applicability of provisions on material forgery (art. 488 Italian Criminal Code);
- Use of forged record (art. 489 Italian Criminal Code);
- Suppression, destruction and concealment of genuine records (art. 490 Italian Criminal Code);
- Forgery in holographic wills, bills of exchange or credit instruments (art. 491 Italian Criminal Code).

**ORGANISED CRIME OFFENCES (ART. 24 TER)<sup>3</sup>:**

- Criminal association (art. 416 Italian Criminal Code);
- Criminal association aimed at forcing or keeping persons in slavery, human trafficking, purchase and sale of slaves and offences relating to violations of the guidelines on unlawful immigration pursuant to art. 12 Leg. Dec. no. 286/1998 (art. 416(6) Italian Criminal Code);
- Mafia-type association (art. 416-*bis* Italian Criminal Code);
- Crimes committed making use of the conditions provided for by art. 416 *bis* of the Criminal Code, or in order to facilitate the activity of the associations envisaged by the aforementioned article;
- Political-mafia electoral exchange (art. 416-*ter* Italian Criminal Code);
- Kidnapping for extortion (art. 630 Italian Criminal Code);
- Association aimed at illicit trafficking in narcotic drugs or psychotropic substances (art. 74 Presidential Dec. no. 309 of 9 October 1990);
- Illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or place open to the public of weapons of war or war-like weapons or parts thereof, explosives,

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<sup>2</sup> The Law has been in force since 21.11.2019 but is not applicable before the implementing decrees of the conversion law are approved and published (Law 18.11.2019 n. 133).

<sup>3</sup> Article added from Law 15 July 2009, n. 94 art. 2(29).

clandestine weapons as well as more common firearms <sup>4</sup> (art. 407(2), lett. a), number 5), Italian Criminal Code).

**EMBEZZLEMENT, CRIMES OF BRIBERY, UNLAWFUL INCITEMENT TO GIVE OR PROMISE BENEFITS, CORRUPTION AND ABUSE OF OFFICE (ART. 25):**

- Embezzlement (art. 314 (1) Italian Criminal Code) - when the fact offends the financial interests of the European Union;
- Embezzlement through profit from the error of others (art. 316 Italian Criminal Code) - when the fact offends the financial interests of the European Union;
- Bribery (art. 317 Italian Criminal Code);
- Corruption in the exercise of the function (art. 318 and 321 Italian Criminal Code);
- Corruption for an act contrary to official duties (art. 319 and 321 Italian Criminal Code);
- Corruption in judicial acts (art. 319-ter and 321 Italian Criminal Code);
- Aggravating circumstances (art. 319-bis Italian Criminal Code);
- Unlawful incitement to give or promise benefits (art. 319-quater Italian Criminal Code);
- Corruption of public service personnel (art. 320 and 321 Italian Criminal Code)
- Incitement to bribery (art. 322 Italian Criminal Code);
- Embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption, abuse of office of members of international courts or bodies of the European Communities or of international parliamentary assemblies or of international organizations and of officials of the European Communities and Foreign states (art. 322 bis Italian Criminal Code);
- Abuse of office (art. 323 Italian Criminal Code);
- Unlawful influence (art. 346-bis Italian Criminal Code).

**COUNTERFEITING MONEY, PUBLIC CREDIT PAPERS, REVENUE STAMPS AND TOOLS OR IDENTIFYING MARKS (ART. 25 BIS)<sup>5</sup>:**

- Counterfeiting, spend and introduction in the State, following consultation, of counterfeit money (art. 453 Italian Criminal Code);
- Alteration of coins (art. 454 Italian Criminal Code);
- Spending and introduction in the State, without concert, of counterfeit money (art. 455 Italian Criminal Code);
- Spending of counterfeit money received in good faith (art. 457 Italian Criminal Code);
- Falsification of revenue stamps, introduced in the State, purchase, possession or circulation of counterfeit revenue stamps (art. 459 Italian Criminal Code);
- Counterfeit watermarked paper used for the manufacture of public credit or revenue stamps (art. 460 Italian Criminal Code);
- Manufacture or possession of watermarks or instruments for counterfeiting of coins, revenue stamps or paper filigree (art. 461 Italian Criminal Code);
- Use of counterfeited or altered revenue stamps (art. 464 Italian Criminal Code);
- Forgery, alteration or use of trademarks or patents, designs and drawings (art. 473 Italian Criminal Code);
- Introduction in the State and the marketing of products with false signs (art. 474 Italian Criminal Code).

**CRIMES AGAINST INDUSTRY AND COMMERCE (ART. 25-BIS.1.)<sup>6</sup>:**

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<sup>4</sup> Excluding those called "indoor range" or gas guns, and compressed air or compressed gas guns, both long and short whose bullets dispense kinetic energy over 7.5 joules, and rocket launcher instruments, barring weapons used for fishing or weapons and instruments for which the "Central consultative commission for weapons control" excludes, in relative to the respective characteristics, the aptitude to threaten a person.

<sup>5</sup> Article added from art. 6 Leg. Dec. no. 350 of 25 September 2001, amended in L. no. 409 of 23 November 2001.

<sup>6</sup> Article added from Law no. 99 of 23 July 2009.

- Obstructing of industry or commerce (art. 513 Italian Criminal Code); Illegal competition with threats or violence" (art. 513-*bis* Italian Criminal Code);
- Illegal competition with threats or violence" (art. 513-*bis* Italian Criminal Code);
- Fraud against national industries (art. 514);
- Fraudulent trading (art. 515 Italian Criminal Code);
- Sale of non-genuine foodstuffs as genuine (art. 516 Italian Criminal Code);
- Sale of industrial products with misleading signs (art. 517 Italian Criminal Code);
- Manufacture and sale of goods made by usurping industrial property (art. 517-*ter* Italian Criminal Code);
- Counterfeiting of geographical signs or designations of origin of agri-food products (art. 517-*quater* Italian Criminal Code);

**CORPORATE OFFENCES (ART. 25 TER)<sup>7</sup>:**

- False corporate communications (art. 2621 Italian Civil Code);
- Misdemeanours (art. 2621-*bis* Italian Civil Code);
- False corporate communications of listed companies (art. 2622 Italian Civil Code);
- False statement in a prospectus (art. 2623 (1) (2) Italian Civil Code)<sup>8</sup>;
- False reporting or communications by the auditing company (art. 2624 (1) (2) Italian Civil Code)<sup>9</sup>;
- Prevented control (art. 2625 (2) Italian Civil code);
- Unlawful restitution of contributions (art. 2626 Italian Civil Code);
- Unlawful distribution of profits and reserves (art. 2627 Italian Civil Code);
- Illegal transactions involving shares or shares in the company or of the parent company (art. 2628 Italian Civil Code);
- Operations to the detriment of creditors (art. 2629 Italian Civil Code);
- Failure to disclose conflict of interest (art. 2629-*bis* Italian Civil Code);
- Fictitious capital making (art. 2632 Italian Civil Code);
- Unlawful distribution of corporate assets by the liquidators (art. 2633 Italian Civil Code);
- Unlawful influence over Assembly (art. 2636 Italian Civil Code);
- Insider trading (art. 2637 Italian Civil Code);
- Hindrance to the supervisory functions of public authorities (art. 2638(1,2) Italian Civil Code);
- Corruption between private individuals (art. 2635(3) Italian Civil Code);
- Incitement to corruption between private individuals (art. 2635-*bis* (1), Italian Civil Code);
- False or omitted declarations for the issuance of the preliminary certificate (art. 54 of Legislative Decree 2.03.2023 no. 19)

**OFFENCES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF DEMOCRACY (ART. 25 QUATER):**

Art. 3 law 14 January 2003 no. 7 (ratification and execution of the International Convention for the Suppression of the Financing of Terrorism and adaptation of national regulations) added art. 25-*quater* to Leg. Dec. no. 231, which also extended the administrative liability of entities to "offences with the purpose of terrorism or subversion of democracy, provided for under the criminal code and special laws", and to crimes "that are committed in violation of that laid down in article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999".

- Subversive association (art. 270 Italian Criminal Code);

<sup>7</sup> Added article from art. 3 Leg. Dec. no. 61 of 11 April 2002 as last amended with L. no. 69/2015.

<sup>8</sup> Article repealed by art. 34, paragraph 2 of Law 28.12.2005 n. 262.

<sup>9</sup> Article repealed by art. 37, paragraph 34 of Leg. Dec. 27.01.2010 n. 39.

- Association with the aim of terrorism, including international terrorism, or subversion of the democratic order (art. 270 bis Italian Criminal Code);
- Aggravating and mitigating circumstances (art. 270 bis.1 Italian Criminal Code);
- Assistance to members (art. 270 ter Italian Criminal Code);
- Recruitment for the purpose of terrorism, including international terrorism (art. 270 quater Italian Criminal Code);
- Organization of transfer for terrorist purposes (art. 270 quater.1 Italian Criminal Code);
- Training for activities with the aim of terrorism, including international terrorism (art. 270 quinquies Italian Criminal Code);
- Financing of conduct for terrorist purposes (art. 270 quinquies.1 Italian Criminal Code);
- Subtraction of goods or money subjected to seizure (art. 270 quinquies.2 Italian Criminal Code);
- Conducted for terrorist purposes (art. 270 sexies Italian Criminal Code);
- Attack for terrorist or subversion purposes (art. 280 Italian Criminal Code);
- Act of terrorism with deadly or explosive devices (art. 280 bis Italian Criminal Code);
- Acts of nuclear terrorism (art. 280 ter Italian Criminal Code);
- Kidnapping for the purpose of terrorism or subversion (art. 289 bis Italian Criminal Code);
- Seizure for the purpose of coercion (art. 289 ter Italian Criminal Code);
- Incitement to commit any of the crimes envisaged by the first and second counts (art. 302 Italian Criminal Code);
- Political conspiracy by agreement (art. 304 Italian Criminal Code);
- Political conspiracy by association (art. 305 Italian Criminal Code);
- Armed gang: training and participation (art. 306 Italian Criminal Code);
- Assistance to participants in a conspiracy or armed gang (art. 307 Italian Criminal Code);
- Seizure, hijacking and destruction of an aircraft (art. 1 of Law 10.05.1976 n. 342);
- Damage to ground installations (art. 2 of Law 10.05.1976 n. 342);
- Sanctions (art. 3 of Law 28.12.1989 n. 422);
- Pentimento operaso (art. 5 of Legislative Decree 15.12.1979 n. 625);
- New York Convention of 9 December 1999 (art. 2).

**PRACTICE OF FEMALE GENITAL MUTILATION (ART. 25 QUATER -1):**

Law 9 January 2006 no. 7 introduced art. 25-*quater* I, envisaging the entity's liability for the hypothesis envisaged in art. 583 bis of the Italian Criminal Code (*Practice of female genital mutilation*).

**CRIMES AGAINST THE INDIVIDUAL PERSONALITY (ART. 25 QUINQUIES)<sup>10</sup>:**

- Forcing or keeping in slavery or servitude (art. 600 Italian Criminal Code);
- Child prostitution (art. 600-*bis* Italian Criminal Code);
- Child pornography (art. 600-*ter* Italian Criminal Code);
- Possession of pornographic material (art. 600-*quater* Italian Criminal Code);
- Virtual pornography (art. 600 quater.1 Italian Criminal Code);
- Tourism initiatives for the exploitation of child prostitution (art. 600-*quinquies* Italian Criminal Code);
- Trafficking in persons (art. 601 Italian Criminal Code);
- Purchase and sale of slaves (art. 602 Italian Criminal Code);
- Child grooming (art. 609-*undecies* Italian Criminal Code);
- Illegal intermediation and labour exploitation (art. 603-*bis* Italian Criminal Code).

<sup>10</sup> Article introduced with Law no. 228 of 11 August 2003, in force since 7 September 2003.

**MARKET ABUSE (ART. 25 SEXIES):**

Law 18 April 2005, no. 62 introduced art. 25-*sexies* (*Market abuse*) to Leg. Dec. no. 231, envisaging the entity's liability in relation to insider dealing and market manipulation envisaged by part V, heading I bis, point II of the Consolidation Act under Leg. Dec. no. 58 of 24 February 1998 (art. 184 and 185).

To these must be added the hypotheses referred to in the articles. 14 and 15 of EU Reg. n. 596/2014, provided for by art. 187 quinques of the aforementioned Consolidated Law.

**MANSLAUGHTER OR SERIOUS OR CRITICAL INJURY COMMITTED IN VIOLATION OF THE RULES ON HEALTH AND SAFETY IN THE WORKPLACE (ART. 25 SEPTIES):**

Law 3 August 2007, no. 123 introduced art. 25-*septies* (subsequently amended by art. 300 of Leg. Dec. no. 81 of 30 April 2008), which contemplates the case of Manslaughter or serious or critical injury (art. 589, 590 Italian Criminal Code), *committed in violation of the rules governing accident prevention and health and safety in the workplace*.

**RECEIPT, LAUNDERING AND USE OF MONEY, PROPERTY OR BENEFITS OF UNLAWFUL ORIGIN (ART. 25 OCTIES)<sup>11</sup>:**

- Receipt (art. 648 Italian Criminal Code);
- Laundering (art. 648 bis Italian Criminal Code);
- Use of money, property or benefits of unlawful origin (ar. 648 ter Italian Criminal Code);
- Self-laundering (art. 648-ter. 1 Italian Criminal Code).

**OFFENCES RELATING TO PAYMENT INSTRUMENTS OTHER THAN CASH (ART. 25 OCTIES.1)<sup>12</sup>:**

- Misuse and falsification of credit and payment cards (art. 493-*ter* Italian Criminal Code);
- Possession and dissemination of equipment, devices and computer programs intended to commit offences relating to non-cash payment instruments (art. 493-*quater* Italian Criminal Code);
- Fraudulent transfer of values (art. 512 Italian Criminal Code);
- Computer fraud against the State or other public body (art.640-*ter* Italian Criminal Code);
- Any other crime against public faith, against patrimony or which in any case offends the patrimony provided for by the Penal Code, when it concerns payment instruments other than cash (unless the fact constitutes another administrative offense sanctioned more seriously).

**COPYRIGHT INFRINGEMENT OFFENCES (ART. 25-NOVIES)<sup>13</sup>:**

- Making available to the public a protected intellectual work, or part thereof, in a system of telematic networks through connections of any kind (art. 171, L. 633/1941 paragraph 1 lett. a) *bis*);
- Offences committed in the previous paragraph on others' works not intended for publication if it would hurt their honour or reputation (art. 171, Law no. 633/1941(3));
- Unauthorized duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or business purposes or leased concession of programs in media not covered by SIAE; provision of means to remove or circumvent computer programs protection devices (art. 171-*bis* Law no. 633/1941(1));
- Reproduction, transfer to another medium, distribution, communication, presentation or display, in public, of the contents of a database; extraction or reuse of the database; distribution, sale or leased concession in databases (art. 171-*bis* Law no. 633/1941(2));

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<sup>11</sup> Article added by art. 63 (3) of Leg. Dec. no. 231 of 21 November 2007.

<sup>12</sup> Article added by art. 3 of Leg. Dec. no. 184 of 8 November 2021.

<sup>13</sup> Article added from Law no. 99 of 23 July 2009.

- Unauthorized duplication, reproduction, transmission or public dissemination by any means, in whole or in part, of intellectual works for the television or film circuits, sale or rental of records, tapes or similar media or any other media containing phonograms or videograms of similar musical, cinematographic or audiovisual works or sequences of moving images; literary, dramatic, scientific or educational, musical or dramatic musical and multimedia works, even if included in collective or composite works or databases; reproduction, duplication, transmission or unfair distribution, sale or trade, sale in any way or illegal import of more than fifty copies or copies of works protected by copyright and related rights; placing in a system of telematic networks, through connections of any kind, an intellectual work protected by copyright, or part thereof (art. 171-ter Law no. 633/1941);<sup>14</sup>
- Failure to notify SIAE of the identification data of media not subject to marking or false declaration (art. 171-septies Law no. 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment suitable for decoding conditional access audiovisual transmissions made by wireless, satellite, cable, in both analogue and digital (art. 171-octies Law no. 633/1941).

**INDUCEMENT TO WITHHOLD STATEMENTS OR TO GIVE FALSE STATEMENTS TO THE LEGAL AUTHORITIES (ART. 25-DECIES)<sup>15</sup>:**

- Inducement to withhold statements or to give false statements to the legal authorities (art. 377-bis Italian Criminal Code).

**TRANSNATIONAL OFFENCES<sup>16</sup>:**

Definition of transnational offences:

Under this law, a transnational offence is considered as an offence punished by imprisonment of no less than a maximum of four years, if an organised criminal group is involved, and:

- a) is committed in more than one state;
- b) is committed in one state but a substantial part of its preparation, planning, direction or control took place in another state;
- c) is committed in one state but an organised criminal group active in criminal activities in more than one state was involved;
- d) or it is committed in one State but has substantial effects in another State.

Envisaged offences:

- Criminal association (art. 416 Italian Criminal Code);
- Mafia-type associations, including foreign associations (art. 416-bis Criminal Code);
- Inducement to withhold statements or to give false statements to the legal authorities (art. 377-bis Italian Criminal Code);
- Aiding and abetting an offender (art. 378 Italian Criminal Code);
- Criminal conspiracy to smuggle foreign processed tobacco (art. 291-*quater* Presidential Decree 43/73);
- Conspiracy related to the illegal trafficking of narcotics or psychotropic substances (art. 74 Presidential Decree 309/1990);
- Provisions against unlawful immigration (art. 12 Legislative Decree no. 286/98).

<sup>14</sup> Law 14.07.2023 n. 93 (containing «Provisions for the prevention and repression of the illicit diffusion of contents protected by copyright through electronic communications networks» and which entered into force on 08.08.2023) also intervened on art. 171 ter of Law no. 633/1941, thus determining the extension of the liability of legal persons also for the cases of those who illegally «carry out the fixation on digital, audio, video or audiovideo support, in whole or in part, of a cinematographic, audiovisual or editorial work or carries out the reproduction, execution or communication to the public of the illegally performed fixation».

<sup>15</sup> This article was added from art. 4 L. no. 116 of 3 August 2009, as article 25-*novies*, not taking into account the addition of article 25-*novies* from art. 15(7), letter c) of L. no. 99 of 23 July 1999. As such it has been renumbered article 25 decies.

<sup>16</sup> Law no. 146 of 16 March 2006, which extends the liability of entities to so-called transnational offences.

**ENVIRONMENTAL OFFENCES (ART. 25-UNDECIES)<sup>17</sup>:**

- The killing, destruction, removal or possession of protected plant or animal species (art. 727-*bis*, Italian Criminal Code);
- The destruction or damaging of protected habitats (art. 733-*bis*, Italian Criminal Code);
- Discharge of industrial waste water containing hazardous substances (various cases as provided for under article 137, Leg. Dec. no. 152/2006);
- Handling of unauthorised waste (various cases as provided for under article 256, Leg. Dec. no. 152/2006);
- Pollution of the soil, subsoil, surface or groundwater and exceeding of the threshold risk concentrations (art. 257 Leg. Dec. no. 152/2006);
- Violation of obligations of disclosure, keeping of mandatory records and registers on waste traceability (art. 258 Leg. Dec. no. 152/2006);
- Illegal trafficking of waste (art. 259 Leg. Dec. no. 152/2006);
- Organised activities for the illegal trafficking of waste (art. 452-*quaterdecies* Italian Criminal Code)<sup>18</sup>;
- False indications on the nature, composition and chemical-physical characteristics of the waste when preparing a waste analysis certificate; inclusion of a false waste analysis certificate in SISTRI; omission or fraudulent alteration of the paper copy of the SISTRI form - waste transport handling area (art. 260 bis, Legislative Decree no. 152/2006);
- Atmospheric emissions exceeding limit values or in breach of regulations (art. 279, Leg. Dec. no. 152/2006);
- The holding, importing/exporting or re-exporting without authorisation or with false authorisation of endangered plant or animal species (Law no. 150/1992);
- Production, consumption, import, export, holding and sale of substances harmful to the ozone layer and the environment (Law no. 549/1993);
- Ship-source pollution (Leg. Dec. no. 202/2007);
- Environmental pollution (art. 452-*bis* Italian Criminal Code)<sup>19</sup>;
- Environmental disaster (art. 452-*quater* Italian Criminal Code);
- Negligent offences against the environment (art. 452-*quinquies* Italian Criminal Code);
- Transportation and dumping of highly radioactive material (art. 452-*sexies* Italian Criminal Code);
- Aggravating circumstances (art. 452-*octies* Italian Criminal Code).

**EMPLOYMENT OF THIRD-COUNTRY NATIONALS WITH IRREGULAR PERMIT OF STAY: (ART. 25-DUODECIES)<sup>20</sup>:**

- Employment of third-country nationals with irregular permit of stay (art. 22, paragraph 12-bis, Leg. Dec. no. 286 of 25 July 1998).
- Assisting unlawful immigration (art. 12, paragraphs 3, 3-bis, 3-ter, 5, Leg. Dec. no. 286 of 25 July 1998).

**RACISM AND XENOPHOBIA (ART. 25-TERDECIES)<sup>21</sup>:**

<sup>17</sup> Article added from Leg. Dec. no. 121, of 7 July 2011, under the name of: "Implementation of directive 2008/99/EC on the protection of the environment, and of directive 2009/123/EC, which amends directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements". Published in OJ no. 177, of 1 August 2011, in effect since 16.08.2011 and last amended under Law no. 68/2015.

<sup>18</sup> Following the repeal of art. 260 Leg. Dec. no. 152/2006, in accordance with that laid down in art. 8(1) Leg. Dec. no. 21 of 1 March 2018, since 6 April 2018 references to the provisions of this article, wherever present, are understood as referring to art. 452-*quaterdecies* of the Italian Criminal Code.

<sup>19</sup> Heading VI-bis, including art. 452-*bis* to 452-*terdecies*, was added from art. 1(1), Law 22 May 2015, no. 68, in effect from 29 May 2015, pursuant to that provided for under art. 3(1) of the same Law no. 68/2015.

<sup>20</sup> Article added from Leg. Dec. no. 109/2012, published in OJ no. 172 of 25 July 2012 and entered into force on 9 August 2012.

<sup>21</sup> Article added from art. 5(2), L. no. 167 of 20 November 2017, published in OJ no. 277 of 27 November 2017 and in force since 12 December 2017; following the repeal of art. 3 Leg. Dec. no. 654/1975, in accordance with that laid down in art. 8(1) Leg. Dec. no. 21 of 1 March 2018, since 6 April 2018 references to the provisions of the aforesaid article, wherever present, are understood as referring to art. 604-bis of the Italian Criminal Code.

- Propaganda and incitement for reasons of racial, ethnic and religious discrimination (art. 604 *bis* Italian Criminal Code).

**FRAUD IN SPORTS COMPETITIONS, ILLEGAL GAMBLING OR BETTING CARRIED OUT USING BANNED EQUIPMENT (ART. 25-QUATERDECIES)<sup>22</sup>:**

- Fraud offences in sports competitions, illegal gambling or betting carried out using banned equipment (offences under articles 1 and 4 of law 13 December 1989, no. 401).

**TAX OFFENCES (ART. 25-QUINQUESDECIES)<sup>23</sup>:**

- Fraudulent declaration through the use of invoices or other documents for non-existent operations (art. 2, paragraph 1 and paragraph 2 bis of Legislative Decree no. 74 of 10 March 2000);
- Fraudulent declaration by other devices (art. 3 Leg. Dec. no. 74 of 10 March 2000), when the crime is committed with the aim of evading VAT as part of cross-border fraudulent systems connected to the territory of at least one other EU member state and results or may result in overall damage equal to or greater than 10 million euros;
- Failure to declare (art. 5 of Leg. Dec. no. 74 of 10 March 2000), when the crime is committed for the purpose of evading VAT in the context of cross-border fraudulent systems connected to the territory of at least one other member state of the EU and results or may result in overall damage equal to or greater than 10 million euros;
- Issue of invoices or other documents for non-existent operations (art. 8, paragraph 1 and paragraph 2 bis of Legislative Decree no. 74 of 10 March 2000);
- Concealment or destruction of accounting documents (art. 10 Leg. Dec. no. 74 of 10 March 2000); Undue compensation (art. 10 quater of Leg. Dec. no. 74 of 10 March 2000), when the crime is committed for the purpose of evading VAT in the context of cross-border fraudulent systems connected to the territory of at least one other member state of the EU and results or may result in overall damage equal to or greater than 10 million euros;

**SMUGGLING (ART. 25-SEXIEDECIES)<sup>24</sup>:**

Legislative Decree 14.07.2020 n. 75 inserted the art. into Legislative Decree 231/2001. 25 sexesdecies, thus establishing the Entity's liability in relation to the smuggling crimes envisaged by the Consolidated Law on customs matters referred to in the Presidential Decree. 01.23.1973, n. 43. In light of the subsequent amendments made to the aforementioned T.U. (first with Legislative Decree 16.01.2016 no. 8 and then, lastly, with the same Legislative Decree no. 75/2020), constitute a predicate crime for the purposes of Legislative Decree no. 231/2001 violations of the Consolidated Law. constituting a crime if the amount of border dues evaded is greater than 10 thousand Euros, or the aggravated cases punished (also or only) with a prison sentence, regardless of the amount of border dues evaded:

- Smuggling in the movement of goods across land borders and customs spaces (art. 282 Presidential Dec. no. 73/1943);
- Smuggling in the movement of goods across border lakes (art. 283 Presidential Dec. no. 73/1943);
- Smuggling in the movement of goods by sea (art. 284 Presidential Dec. no. 73/1943);

<sup>22</sup> Article added from art. 5, Law 3 May 2019, no. 39 ratifying and implementing the Council of Europe Convention on the Manipulation of Sports Competitions, signed in Magglingen on 18 September 2014, published in Official Journal General Series no. 113 of 16.5.2019, in force from 17.5.2019.

<sup>23</sup> Article added from art. 39(2), Leg. Dec. no. 124 of 26 October 2019; the standard, pursuant to art. 39(3), of the same Leg. Dec. no. 124/2019 took effect on 25 December 2019 (the day after 24 December 2015, publication date in Official Journal, General Series, no. 301 of conversion law no. 157 of 19 December 2019 "Conversion into law, with amendments, of Decree-Law no. 124 of 26 October 2019, setting forth urgent provisions on fiscal matters and for unavoidable requirements").

<sup>24</sup> Article added by art. 5, paragraph 1 letter. d) of Legislative Decree 14.07.2020 n. 75.

- Smuggling in the movement of goods by air (art. 285 Presidential Dec. no. 73/1943);
- Smuggling in non-customs areas (art. 286 Presidential Dec. no. 73/1943);
- Smuggling for improper use of goods imported with customs facilities (art. 287 Presidential Dec. no. 73/1943);
- Smuggling in customs warehouses (art. 288 Presidential Dec. no. 73/1943);
- Smuggling in cabotage and in circulation (art. 289 Presidential Dec. no. 73/1943);
- Smuggling in the export of goods eligible for duty drawback (art. 290 Presidential Dec. no. 73/1943);
- Smuggling in temporary import or export (art. 291 Presidential Dec. no. 73/1943);
- Smuggling foreign tobacco products (art. 291-*bis* Presidential Dec. no. 73/1943);
- Aggravating circumstances of smuggling foreign tobacco products (art. 291-*ter* Presidential Dec. no. 73/1943);
- Criminal association for the purpose of smuggling foreign tobacco products (art. 291-*quater* Presidential Dec. no. 73/1943);
- Other cases of smuggling (art. 292 Presidential Dec. no. 73/1943);
- Aggravating circumstances of smuggling (art. 295 Presidential Dec. no. 73/1943).

**OFFENCES AGAINST CULTURAL HERITAGE (ART. 25-SEPTIEDECIES)<sup>25</sup>:**

- Theft of cultural goods (art. 518 bis Italian Criminal Code);
- Misappropriation of cultural goods (art. 518 ter Italian Criminal Code);
- Receiving of cultural goods (art. 518 quarter Italian Criminal Code);
- Falsification in private writing relating to cultural goods (art. 518 octies Italian Criminal Code);
- Offences related to cultural property disposals (art. 518 novies Italian Criminal Code);
- Illicit import of cultural goods (art. 518 decies Italian Criminal Code);
- Illicit exit or export of cultural goods (art. 518 undecies Italian Criminal Code);
- Destruction, dispersion, deterioration, disfigurement, fouling and unlawful use of cultural or landscape property (art. 518 duodecies Italian Criminal Code);
- Counterfeiting of works of art (art. 518 quaterdecies Italian Criminal Code);

**RECYCLING OF CULTURAL GOODS AND DESTRUCTION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE (ART. 25-SEPTIEDECIES)<sup>26</sup>:**

- art. 518 sexies Italian Criminal Code (Recycling of cultural goods);
- art. 518 terdecies Italian Criminal Code (Destruction and looting of cultural and landscape heritage).

\* \* \* \* \*

<sup>25</sup> Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.

<sup>26</sup> Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.



**IMA Industria Macchine Automatiche S.p.A.  
Unipersonale**

Head office Via Emilia 428/442, Ozzano dell'Emilia (province of Bologna)

**ORGANISATION, MANAGEMENT AND CONTROL MODEL**

pursuant to Legislative Decree 231 of 8 June 2001  
on "Corporate Administrative Liability"

**ANNEX "B"  
DISCIPLINARY SYSTEM**

## **INDEX**

|     |   |    |
|-----|---|----|
| 1.  | FOREWORD - DEFINITIONS.....   | 3  |
| 2.  | SANCTIONS FOR EMPLOYEES AND MANAGERS .....  | 3  |
| 2.1 | GENERAL PRINCIPLES AND SANCTIONABLE BEHAVIOURS .....  | 3  |
| 2.2 | SANCTIONS ON EMPLOYEES (NON-DIRECTORS) .....  | 5  |
| 2.3 | SANCTIONS ON DIRECTORS.....   | 6  |
| 2.4 | ASCERTAINING VIOLATIONS AND IMPOSITION OF SANCTIONS .....                                     | 7  |
| 3.  | MEASURES AGAINST DIRECTORS .....  | 8  |
| 4.  | MEASURES AGAINST AUDITORS.....  | 8  |
| 5.  | MEASURES AGAINST COLLABORATORS AND COMMERCIAL PARTNERS.....                                   | 9  |
| 6.  | DISCIPLINARY SYSTEM AND WRONGDOING PURSUANT TO LEGISLATIVE DECREE 24/2023 (“WB DECREE”) ..... | 9  |
| 7.  | OVERSIGHT ROLE OF THE SUPERVISORY COMMITTEE.....  | 11 |

## **1. FOREWORD - DEFINITIONS**

This disciplinary and sanction system (“Disciplinary System”) is an integral part of IMA’s Organisation Model. The terms written with an upper case letter in this document shall have the meaning attributed to them in the General Section of the Model (Paragraph “A”).

The Company, in compliance with the provisions of articles 6 and 7 of Decree no. 231, to ensure compliance with, effectiveness and implementation of the principles and rules of conduct set out in the Model (including the Code of Ethics), has adopted this Disciplinary System, which contains a set of rules defining the types of “sanctions” introduced in the event of a breach of the provisions of the Model and the Code of Ethics by Employees, Collaborators, Suppliers, Directors, Senior Personnel and Individuals subject to third-party direction and/or any other individual that has a professional or commercial relationship with the Company.

This Disciplinary System is designed to sanction any breach and failure to comply with rules of behaviour and conduct which may result in (or be instrumental to) the commission of Predicate Offences and/or breach and failure to comply with Company procedures, processes and policies in place in Areas at Risk of Offence. As already indicated in the definitions (see Paragraph “A” of the “General Section”), the reference to the “Code of Ethics” contained in this document is therefore limited exclusively to those rules of conduct and behaviour (specified therein) the breach of which and/or failure to comply with which may result in (or be instrumental to) the commission of a Predicate Offence.

The application of the “disciplinary sanctions” and measures specified below is not, pursuant to the Decree, conditional upon the outcome of any criminal proceedings brought against the perpetrator of the breach, insofar as the rules of conduct laid down in the Model (including the Code of Ethics) are adopted voluntarily by the Company on an entirely independent basis, regardless of whether any conducts may constitute an offence or are pursued by the courts.

In order that the Model can serve to exclude the Company's liability pursuant to art. 6(2) of the Decree, the Disciplinary System adopted by the Company is based on principles of specificity and autonomy (it being designed to sanction any breach of the Model regardless of whether an offence is actually committed) as well as proportionality (insofar as the sanctions applicable must be commensurate with the breaches charged). Furthermore, the System involves a procedure for establishing and imposing disciplinary sanctions consistent with current laws on protection of workers, as well as compliance with the provisions contained in the National Collective Labour Agreement (CCNL). Specific details are given about the System through the Company's information channels (i.e. noticeboard and company intranet) and through staff training.

## **2. SANCTIONS FOR EMPLOYEES AND MANAGERS**

### **2.1 GENERAL PRINCIPLES AND SANCTIONABLE BEHAVIOURS**

Compliance by the Company's employees (including managers) with the provisions contained in the Model, in the Code of Ethics, in the company protocols and in the procedures provided for in the Model or referred to therein, constitutes a fundamental part of their contractual obligations pursuant to article 2104 of the Italian Civil Code.

Therefore, any breach of those provisions will constitute a failure by the employee to perform the obligations arising from the employment relationship and will lead to the imposition of sanctions and/or disciplinary measures, in observance of the principle of graduality and proportionality and in accordance with the procedures laid down by the applicable laws indicated below. Any such breach will entail the consequences laid down by law, including in relation to the continuation of the employment relationship and the obligation to compensate for any harm caused.

The Disciplinary System is applied in the event of breach of the internal procedures, principles and policies (including orders given by the Company both in written and oral form) specified or referred to in this Model and in the Code of Ethics, i.e. where specific sanctionable behaviours are adopted (without prejudice to any consequences, including disciplinary consequences, arising from breaches of other

obligations laid down by law and/or in the National Collective Labour Agreement). The following behaviours in particular constitute breaches of the Model:

- behaviours which constitute, directly or indirectly, offences covered by the Decree;
- behaviours which, although not constituting one of the offences covered by the Decree, are unequivocally intended at committing those offences;
- failure to comply with the Code of Ethics, general principles of behaviour, control principles and systems, preventive protocols, company procedures, internal regulations, written or verbal instructions, guidelines envisaged or quoted in the Model, including, in particular, those envisaged or quoted by Special Section A of the Model with reference to each category of offence;
- lack of evidence or untruthful evidence about activities carried out in relation to the documentation, monitoring and supervision of activities in Areas at Risk of Offence in such a manner as to impede the transparency or verifiability of those activities;
- breach and/or evasion of the control system, by removing, destroying, altering or omitting the documentation required under current procedures or by obstructing the appointed bodies and the Supervisory Committee from monitoring or accessing requested information and documentation;
- failure to comply with the provisions relating to signatory powers and the system of delegations;
- failure on the part of immediate superiors to supervise their subordinates with respect to the correct and effective application of the Code of Ethics and of Company procedures;
- failure to comply with the reporting duties towards the Supervisory Committee;
- failure to take part without justified reason in the inspections scheduled by the Supervisory Committee;
- failure to take part without justified reason in the training events scheduled with respect to the Organisation Model;
- reporting of any of the breaches described above to the Supervisory Committee, to an immediate superior or to another person who is required to report the same to the Supervisory Committee, where the person reporting the breach knows that it is false or malicious;
- failure to report to the Supervisory Committee and/or to the immediate superior about any breaches of the Model notwithstanding direct and certain proof thereof;
- failure to notify/train/update internal and external staff operating in areas potentially at risk of an offence being committed;
- as regards health and safety at work, failure on the part of workers to fulfil the obligations incumbent upon them under current legislation (including, in particular, article 20 of Leg. Dec. 81/2008) and, as far as other safety officers are concerned (i.e. Employer, Managers, Officers, RSPP and ASPP, and other roles provided for under Leg. Dec. 81/2008), failure to fulfil the obligations incumbent upon them under Leg. Dec. 81/2008.

The severity of breaches of the Model will be assessed according to the following circumstances:

- level of responsibility and autonomy of the perpetrator of the breach;
- possible existence of previous situations of breach involving that person;
- existence and intensity of any intent;
- as far as negligent conduct is concerned, existence and degree of negligence, carelessness or imprudence in the failure to observe the precautionary rule;

- foreseeability of the consequences of the conduct;
- severity of the behaviour, by which is meant the level of risk and the consequences to which the Company may reasonably consider that it is exposed, in accordance with the Model, as a result of the censured conduct;
- the time, manner and other circumstances in which the breach took place.

## 2.2 SANCTIONS ON EMPLOYEES (NON-DIRECTORS)

The disciplinary measures that can be taken against employees (non-managers), in accordance with the procedures set out in art. 7 of the Workers' Statute and with any special laws applicable, are the sanctions laid down in the National Collective Labour Agreement, which are listed below in increasing level of severity:

- verbal warning;
- written warning;
- fine of no more than the maximum amount envisaged by the applicable CCNL;
- suspension from work without pay;
- dismissal with notice;
- dismissal without notice.

For example, the sanction of:

- **verbal warning or written warning** is, depending on the severity of the breach, imposed on a worker who commits a minor breach of the rules of conduct and/or internal procedures specified or referred to in this Model or in the Code of Ethics or who fails to carry out orders given by the Company or who, in Areas at Risk of Offence, adopts behaviours that do not conform to the Model, the Code of Ethics or the rules of conduct and/or procedures referred to therein, where the breaches are not serious in nature;
- **fine** is, within the limits laid down in the National Collective Labour Agreement, imposed on a worker who commits the breaches described in the previous paragraph several times (but no more than three);
- **suspension from work without pay** is imposed on a worker who, in breaching the rules of conduct and/or internal procedures specified or referred to in this Model or in the Code of Ethics, causes non-serious harm to the Company or exposes it to the risk of non-serious harm;
- **disciplinary dismissal with notice** is, in accordance with current laws, imposed on a worker who commits the breaches referred to in point 1 more than three times or who, in Areas at Risk of Offence, adopts behaviours that do not conform to the Model or the Code of Ethics or the rules of conduct and/or procedures referred to therein and which are clearly intended at committing one or more offences covered by the Decree or commits other breaches of this Model or the Code of Ethics or the rules of conduct and/or procedures referred to therein, where such breaches are so serious that it is not possible to continue the employment relationship, provided that the conditions laid down in paragraph 5 below are not fulfilled;
- **disciplinary dismissal with just cause, without notice**, is imposed on a worker who, in Areas at Risk of Offence, adopts behaviours manifestly in breach of this Model or the Code of Ethics or the rules of conduct and/or procedures referred to therein, where such breaches may result in the sanctions covered by the Decree being imposed on the Company or result in other serious harm or risk of serious harm being caused to the Company, or where the worker commits other acts or breaches such that it is not possible to continue the employment relationship, even on a temporary basis.

These sanctions are imposed on employees not only in the case of actual breach of the rules of conduct and/or procedures referred to in this Model and in the case of conducts that do not conform to the

Model and the Code of Ethics but also in the case of attempted offences, i.e. behaviours or omissions clearly intended at disregarding the behavioural rules laid down in this Model.

As regards health and safety of workers, since employees are also obliged to comply with the main obligations laid down in art. 20 of Decree no. 81/2008, if those obligations are breached, the aforementioned sanctions will be applied on a graduated basis according to the risk of application of the measures specified in the Decree that their conduct has brought about.

The actual sanction to be applied will be determined according to point 2.4 below.

None of the above affects the right to claim compensation for the harm caused as a result of such behaviours, including harm caused as a result of a judge applying the measures laid down in the Decree.

### **2.3 SANCTIONS ON DIRECTORS**

If the Company's managers breach the provisions, rules of conduct and procedures contained in the Model or in the Code of Ethics or, in Areas at Risk of Offence, adopt behaviours that do not conform to the Model or to the Code of Ethics and where such behaviours can be classified as "sanctionable", as explained in point 2.1 above, the following sanctions will be adopted in relation to those responsible:

- written warning;
- dismissal with notice;
- dismissal without notice.

For example, the director will incur the following:

- **written warning** will be imposed on a manager who commits a non-serious breach of one or more procedural or behavioural rules laid down in the Model or in the Code of Ethics, the observance of which is necessary in order to maintain the relationship of trust with the Company, taking particular account of the responsibilities entrusted to the manager;
- **dismissal with notice** will be imposed on a manager, in accordance with art. 2118 of the Civil Code and with the provisions of the applicable National Collective Labour Agreement, who commits a serious breach of one or more stipulations of the Model or the Code of Ethics (i.e. procedural or behavioural rules laid down therein) or who commits again one or more breaches described in the previous point, such as to constitute, following appropriate and necessary checks by the Company, a substantial failure which can be ascribed to the fault or neglect of the manager;
- **dismissal without notice** will be imposed on a manager, in accordance with art. 2119 of the Civil Code and with the provisions of the applicable National Collective Labour Agreement, who commits a breach of one or more stipulations of the Model or Code of Ethics (i.e. procedural or behavioural rules included therein) where that breach is so serious that it causes irreparable harm to the relationship of trust and it is not possible to continue the employment relationship, even on a temporary basis.

The actual sanction to be applied will be determined according to point 2.4 below.

In each case, for workers with manager status, the following constitute a serious breach of the stipulations of the Model:

- failure to fulfil the duty to manage or supervise their subordinate workers with respect to the correct and effective application of the Model;
- failure to fulfil the duty to supervise other recipients of the Model who, while not being connected to the Company by a subordinate employment relationship, are nonetheless subject to the stipulations of the Model (e.g. Collaborators, Suppliers, Consultants, etc.).

Without prejudice to the foregoing, the Company henceforth reserves the right to take action against any manager who has been subject to the measures indicated above in order to remedy the harm suffered and/or recover any damages that the Company is ordered to pay to third parties.

#### **2.4 ASCERTAINING VIOLATIONS AND IMPOSITION OF SANCTIONS**

Specific company departments will be responsible for ascertaining violations, including those reported by the Supervisory Committee, for managing disciplinary proceedings and for imposing sanctions.

The Supervisory Committee must in all cases be involved in the procedure for ascertaining violations and in the subsequent imposition of sanctions where there is a breach of the Model (or of the Code of Ethics which forms an integral part thereof). A disciplinary measure cannot therefore be dropped or a sanction imposed for a breach of the Model (or of the Code of Ethics which forms an integral part thereof) without having previously informed the Supervisory Committee and sought its opinion, even if the proposal to commence the proceedings comes from the Committee itself.

None of the foregoing affects the provisions set out in art. 7 of Law no. 300/1970 and in the applicable National Collective Labour Agreement regarding sanction procedures, which are deemed to be fully incorporated herein by reference. Disciplinary sanctions and any claim for compensation will be commensurate with the employee's and/or the manager's level of responsibility and autonomy and will take into account the existence of any previous breaches committed by that person, the intentionality of his/her behaviour and the severity of the same, by which is meant the level of risk to which the Company may reasonably consider that it is exposed, in accordance with the Model, as a result of the censured conduct. Furthermore, in assessing the severity of the conduct, account will be taken of the degree of negligence, malpractice or rashness, the severity of any harm caused to the Company, as well as the harmful consequences that the conduct has caused to the Company and/or to individuals from the point of view of the laws on health and safety at work and the existence of mitigating or aggravating circumstances.

The sanctions that can be imposed under this Disciplinary System conform to the specifications of the national collective labour agreements applicable to the sector and, specifically, the applicable CCNL, in accordance, from a procedural point of view, with the provisions of art. 7 of Law no. 300 of 30 May 1970 (Workers' Statute) regarding the notification of the offence and the imposition of the respective sanction, which provisions are deemed to be fully incorporated herein by reference. In particular:

- no disciplinary measures will be adopted without the worker having previously been notified of the offence of which he/she is accused and having had the opportunity to put forward his/her defence;
- disciplinary measures more serious than a verbal warning will not be applied until five days have elapsed from the written notification of the offence giving rise to those measures, during which the worker may put forward his/her explanations and may possibly be assisted by a union representative;
- if the disciplinary measure is not adopted within six days of the submission of those explanations, the latter will be deemed to have been accepted;
- the imposition of any disciplinary measure more serious than a verbal warning will be notified in writing and reasons will be given;
- for the purposes of determining any repeat offending, no account will be taken of disciplinary measures once two years have elapsed from the imposition of those measures.

### 3. MEASURES AGAINST DIRECTORS

If one or more members of the Board of Directors breaches the provisions laid down in the Model and/or Code of Ethics (which is an integral part of it), the other directors and/or the Board of Auditors and/or the Supervisory Committee shall inform, without delay and in writing, the Board of Directors, Board of Auditors and Supervisory Committee via a communication to the chairs of said bodies (or to one of their members if the report directly concerns the body(s)).

Once the reported breach has been examined, the Board of Directors or Board of Auditors will, after checking that the allegations are well-founded (which may involve interviewing the director concerned and consulting with the Supervisory Committee), take appropriate measures from those listed below according to the actual severity of the breach and may, where applicable, call a Shareholders' Meeting.

If one or more Directors who have allegedly committed an offence giving rise to the Company's administrative liability are committed for trial, the Chairman of the Board of Directors or the Chairman of the Board of Statutory Auditors must call a Shareholders' Meeting in order to discuss their possible removal from office or any different options, all of which must be appropriately justified. The same procedure will also apply for any subsequent procedural stages.

The following disciplinary measures may be taken against directors:

- **formal written warning** with an order to comply with the provisions of the Model, which may be given in the event of a minor infringement of the principles and rules of behaviour contained in this Model, in the Code of Ethics or in company procedures;
- in more serious cases of breaches involving a failure to comply with the stipulations and/or procedures and/or internal rules contained in this Model (including the Code of Ethics), even where the same may only potentially constitute an offence and/or an administrative offence and/or a conduct knowingly conflicting with the above stipulations, the following measures may be applied taking into account the intentionality and severity of the behaviour (which may also be assessed according to the level of risk to which the Company is exposed) and the specific circumstances in which that behaviour materialised: i) **total or partial revocation of delegations** that may have been granted, and (ii) **dismissal** with immediate effect.

The resolutions adopted by the Board of Directors, by the Board of Statutory Auditors and/or by the Shareholders' Meeting will be notified in writing to the individual concerned and to the Supervisory Committee.

The procedure described above does not affect the rights and duties attributed to the corporate bodies by law or by the Bylaws.

In all cases where a breach of the Model (and/or of the Code of Ethics) is found to have been committed by a director who is also connected to the Company by a subordinate employment relationship, regardless of whether the breach concerns his/her duties as director or as employee, the procedure described in relation to Managers in point 2 above will be followed. If the individual concerned is dismissed as a result of that procedure, the Board of Directors will immediately call a Shareholders' Meeting in order to discuss the necessary measures, including removal of the Director in question.

None of the above affects the Company's right to compensation for the harm suffered.

### 4. MEASURES AGAINST AUDITORS

In the event one or more members of the Board of Statutory Auditors breaches the provisions of the Model or Code of Ethics, the Board of Directors and/or the Supervisory Committee shall, without delay and in writing, inform the entire Board of Statutory Auditors and all appropriate measures permitted by current legislation shall be taken, including removal of the individual(s) concerned from office.

In cases considered to be more serious, the Board of Directors, having informed the Board of Statutory Auditors, will call a Shareholders' Meeting to discuss the appropriate measures.

If one or more Statutory Auditors who have allegedly committed an offence giving rise to the Company's administrative liability are committed for trial, the Chairman of the Board of Directors or the Chairman of the Board of Statutory Auditors must call a Shareholders' Meeting in order to discuss their possible removal from office or any other options, all of which must be appropriately justified. The same procedure will also apply for any subsequent procedural stages.

In all cases the Company's right to bring actions for liability and compensation will be unaffected.

## **5. MEASURES AGAINST COLLABORATORS AND COMMERCIAL PARTNERS**

If Collaborators, Suppliers or Partners breach the provisions laid down in the Model or Code of Ethics, the Board of Directors (or the Managing Director or otherwise the Company representative responsible for managing contractual relationships) will, having consulted with the Supervisory Committee where necessary, decide whether to terminate the contractual relationship in force and will impose any sanction laid down in the contract pursuant to the specific clauses contained therein. These clauses may, in particular, specify that the Company has the right to terminate the contract and/or impose penalties as well as the right to claim compensation for the harm suffered.

The contract with Collaborators, Suppliers and Partners must be terminated immediately by the Company if the former are responsible for the breach of the stipulations and/or procedures and/or internal rules specified or referred to in this Model (including the Code of Ethics), even where the same may only potentially constitute an offence and/or administrative offence and/or a conduct knowingly conflicting with the above stipulations, if so provided in said contract.

As regards workers connected to the company by employment relationships other than subordinate work (collaborators and, in general, external individuals), the applicable measures and disciplinary procedures will take place in compliance with the law and in accordance with the contractual terms and conditions.

## **6. DISCIPLINARY SYSTEM AND WRONGDOING PURSUANT TO LEGISLATIVE DECREE 24/2023 ("WB DECREE")**

The Disciplinary System – pursuant to art. 21 "*Sanctions*", paragraph 2, of the WB Decree – also applies to those who<sup>1</sup>, in reference to the reports described under L) "*Reporting of wrongdoing pursuant to legislative decree no. 24 of 10 March 2023 on 'Whistleblowing'*" of the General Section of the Model, engage in any of the following wrongdoing pursuant to the WB Decree ("Wrongdoing"):

- i. retaliation - to be understood as any behaviour, deed or omission, even if only attempted or threatened, carried out as a result of the whistleblowing (or report to the judicial or accounting authority or public disclosure) - which causes or may cause, directly or indirectly, unfair harm to the whistleblower, or to the person who made the report or public disclosure ("*Whistleblowers*"), in breach of art. 17 "*Prohibition of retaliation*" of the WB Decree, and/or

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<sup>1</sup>This provision applies to anyone engaging in Wrongdoing, including employees, directors, administrators, auditors, freelancers and the Company's commercial partners.

to other persons specifically identified by the WB Decree in art. 3 “Subjective scope”<sup>2</sup> (so-called “Persons assimilated to the Whistleblower”);

- ii. actions or behaviours by which whistleblowing was obstructed or an attempt was made to obstruct it;
- iii. breach of the obligation of confidentiality of Whistleblowers;
- iv. failure to set up reporting channels, failure to adopt whistleblowing procedures compliant with the regulations, or failure to carry out verification and analysis of reports received.

The Disciplinary System also applies if it has been established, in connection with the report made, that the Whistleblower is liable, even by a first instance decision, for the offences of defamation or slander (or in any case for the same offences committed in connection with the report), or that the Whistleblower is liable in cases of wilful misconduct or gross negligence (“Whistleblower's liability”).

As such, in the event of Wrongdoing, or if the Whistleblower is found to be liable, the Company, after assessing the case in point, shall:

- (i) impose:
  - a. on employees the sanctions set out in point 2.2 of the Disciplinary System;
  - b. on directors the sanctions set out in point 2.3 of the Disciplinary System;
- (ii) implement - in relation to Administrators, Auditors, freelancers and commercial partners - the measures set out in points 3, 4 and 5 of the Disciplinary System.

In any case, the Company shall also sanction, in the appropriate manner in relation to the specific case, any persons and entities not expressly identified among those referred to in points (i) and (ii) above, who engage in Wrongdoing or in respect of whom the Whistleblower is found to be liable.

The following also apply, pursuant to art. 19 of the WB Decree:

- Whistleblowers may inform ANAC of any retaliation they believe they have suffered. If the retaliation took place in the workplace of a private-sector worker, ANAC informs the National Labour Inspectorate for measures within its remit;
- acts committed in breach of article 17 “Prohibition of retaliation” of the WB Decree are null and void. Whistleblowers who have been dismissed as a result of whistleblowing, public disclosure or reports to the judicial or accounting authority are entitled to be reinstated in their jobs, pursuant to article 18 of law no. 300 of 20 May 1970 or article 2 of legislative decree no. 23 of 4 March 2015, as a result of the specific legislation applicable to the worker. Furthermore, pursuant to art. 17(2) of the WB Decree, in the context of judicial or administrative proceedings or in extrajudicial disputes concerning the ascertainment of behaviours, deeds or omissions prohibited under said article in relation to Whistleblowers, it is presumed that the same have been committed as a result of the whistleblowing, public disclosure or report to the judicial or accounting authorities; as such, the burden of proving that such behaviours or deeds are motivated by reasons unrelated to the whistleblowing, public disclosure or report lies with the person who carried them out.

<sup>2</sup>Pursuant to art. 3(5), the protective measures, in addition to Whistleblowers, also apply to “a) facilitators; b) persons in the same work environment as the whistleblower, the person who has made a complaint to the judicial or accounting authority or the person who has made a public disclosure, and who are linked to them by a stable emotional or kinship relationship up to the fourth degree; c) work colleagues of the whistleblower or person who made a complaint to the judicial or accounting authority or who made a public disclosure, who work in the same work environment and who have an ongoing and current working relationship with them; d) entities owned by the whistleblower or person who made a complaint to the judicial or accounting authority or who made a public disclosure, or for which said persons work, as well as entities operating in the same work environment as those persons.”

## **7. OVERSIGHT ROLE OF THE SUPERVISORY COMMITTEE**

The disciplinary system described here is constantly monitored by the Supervisory Committee.

In particular, the Supervisory Committee checks that the Company has provided all workers and all recipients of the Organisation Model with adequate information about the existence of the Disciplinary System and about the consequences that may arise from breach of the principles and of the rules of conduct specified or referred to in the Model and in the Code of Ethics.

Furthermore, the Committee reports promptly to the Company's senior bodies about any reports that it has received concerning possible breaches of the Model or of the Code of Ethics, and asks the relevant company departments responsible for managing disciplinary proceedings and for imposing sanctions for information, data and/or facts which may be helpful in terms of monitoring the correct application of the Disciplinary System.

Finally, the Supervisory Committee, although not having direct disciplinary or sanctioning powers, must be informed about any disciplinary proceedings carried out and any sanctions imposed or about decisions made by the Company to abandon disciplinary proceedings brought against staff.

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