



Pharmasiena Service Srl

Registered office in Via Benedetto Zilassi 1/3 – 53100 Siena (SI)
Registered with Siena business register no. 00938410529

ORGANISATION, MANAGEMENT AND CONTROL MODEL

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

General Section

This Organisation, Management and Control Model ("Model or Organisation Model") of Pharmasiena Services Srl, has been written and revised in accordance with the provisions of Articles 6 and 7 of Leg. Dec. no. 231/01.

The revision of the Model was approved by the Company Board of Directors on 14 March 2024 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 Leg. Dec. in accordance with the corporate ethical policy adopted by the Company.

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Update 14 March 2024

Version	Reason for change	Date
1.0	First adoption of Organisation Model by Board of Directors	13 March 2014
2.0	Regulatory and organisational updates	10 March 2020
3.0	Regulatory updates subsequent to first adoption up to Leg. Dec. no. 75/2020	26 March 2021
4.0	General Section: new paragraphs dedicated to Whistleblowing, in accordance with Legislative Decree No. 24, 10 March 2023. Annexes A and B updated. Special Section: added a part dedicated to Smuggling offences and Fraudulent Payment offences.	14 March 2024

INDEX

1.	LEGISLATIVE DECREE NO. 231/2001 - "RULES ON THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS INCLUDING THOSE WITHOUT LEGAL STATUS"	7
	GENERAL PRINCIPLES.....	7
	INDIVIDUALS.....	7
	ENTITY'S INTEREST OR ADVANTAGE	8
	PREDICATE OFFENCES TRIGGERING APPLICATION OF DECREE NO. 231	9
	SANCTIONS	9
	ORGANISATION MODEL – EXEMPTING EFFECT.....	9
	REQUIREMENTS OF THE MODEL.....	9
	GUIDELINES.....	10
2.	THE PHARMASIENA SERVICES ORGANISATION, MANAGEMENT AND CONTROL MODEL	11
	CHARACTERISTICS OF THE MODEL.....	11
3.	PHARMASIENA SERVICES CURRENT STRUCTURE	13
	ORGANISATIONAL STRUCTURE.....	14
	CORPORATE GOVERNANCE.....	15
	INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	16
4.	ACTIVITIES PRELIMINARY TO THE ADOPTION OF THE ORGANISATION MODEL	17
	MAPPING OF "AREAS AT RISK OF OFFENCE" AND ANALYSIS OF POTENTIAL RISKS	18
	RISK ASSESSMENT - ASSESSMENT OF THE SYSTEM OF INTERNAL CONTROL	18
5.	INFORMATION AND TRAINING FOR RECIPIENTS OF THE MODEL	20
6.	INFORMATION FOR THIRD PARTIES	21
7.	DISCIPLINARY AND SANCTION SYSTEM.....	22
8.	SUPERVISORY COMMITTEE	22
	APPOINTMENT AND DURATION OF MANDATE	22
	TASKS	22
	COMPOSITION	23
	REQUIREMENT OF PROFESSIONALISM	23
	REQUIREMENT OF INDEPENDENCE.....	24
	EFFECTIVENESS AND CONTINUITY OF ACTION	24
	REPORTING LINES	24
	OBLIGATION TO INFORM THE SUPERVISORY COMMITTEE.....	24
	REPORTING OF WRONGDOING PURSUANT TO LEGISLATIVE DECREE N. 24 OF 10 MARCH 2023 ON "WHISTLEBLOWING"	26
	COOPERATION BETWEEN SUPERVISORY COMMITTEE AND BW COMMITTEE	27
	FINANCIAL AUTONOMY	27
	SUPERVISORY COMMITTEE REGULATIONS	28
	THE CHOICE MADE BY PHARMASIENA SERVICES	28
9.	PERIODIC CHECKS AND UPDATING OF THE MODEL.....	28

Annexes

"A" – List of predicate offences

"B" – Disciplinary and sanction system

"C" – Supervisory Committee Regulations

DEFINITIONS

<i>Director(s)</i>	Member(s) of the Pharmasiena Services 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 or departments within which, in theory, the Predicate Offences could be committed
<i>National Collective Labour Agreement (CCNL)</i>	National Collective Labour Agreements applied by Pharmasiena Services
<i>Code of Ethics</i>	The Code of Ethics adopted by the parent company IMA Unipersonale, the full text of which is available at www.ima.it . It states the general rules of conduct, recommendations, obligations and prohibitions on which operations at the parent company and the companies within IMA Group are based, and with which Pharmasiena Services employees are expected to comply. 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>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>Managing Director(s)</i>	Director with specific operating powers as authorised by the Pharmasiena Services Board of Directors
<i>Board of Directors</i>	Pharmasiena Services Board of Directors
<i>Consultants</i>	Individuals acting in the name and/or on behalf of Pharmasiena Services by virtue of a mandate agreement or other professional collaboration arrangement
<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

Organisation, Management and Control Model
General Section

<i>Employees</i>	All individuals with a permanent contract of employment or a parasubordinate relationship with Pharmasiena Services, including managers
<i>Entity</i>	Term used by Decree no. 231 to refer generically to the legal entity to whom Decree no. 231 applies
<i>Suppliers</i>	Suppliers of Pharmasiena Services goods and services who are not defined as Partners
<i>IMA Group</i>	I.M.A. Industria Macchine Automatiche SpA Unipersonale and its direct and indirect subsidiaries
<i>Pharmasiena Services or Company</i>	Pharmasiena Services Srl with registered office and headquarters in Via Benedetto Zilassi 1/3, Siena, Italy. Registered with Siena business register no. 00938410529. Company under the direction and coordination of IMA
<i>IMA or Parent Company</i>	I.M.A. Industria Macchine Automatiche SpA Unipersonale, based in Ozzano dell'Emilia (BO), Via Emilia 428/442, the parent company of IMA Group
<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)
<i>Model or Organisation Model or MOGC</i>	The organisation, management and control model adopted by Pharmasiena Services, in accordance with articles 6 and 7 of Decree no. 231. The Model as a whole consists of the General Section, the Special Sections and the annexes
<i>Corporate Bodies</i>	Board of Directors
<i>Supervisory Committee</i>	The committee responsible for supervising the functioning of and compliance with the Model and its updating at Pharmasiena Services in accordance with Article 6 of Decree no. 231
<i>Partner</i>	A party (including customers) with whom Pharmasiena Services has established a contractual relationship, and one that cooperates with Pharmasiena Services with regard to At-Risk Activities
<i>General Section</i>	The section of the Model that contains, among other things, a description of the functions of the Model and of the Supervisory Committee, as well as a description of the organisation and structure of Pharmasiena Services
<i>Special Section(s)</i>	The sections of the Model expressly dedicated to each Offence identified as being relevant to Pharmasiena Services' business. They describe the characteristics of the Offences, the Areas and Activities

Organisation, Management and Control Model
General Section

	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>Public administration (P.A.)</i>	The public-law institutions (government, ministries, regional, provincial and municipal authorities) and at times public-law organisations (agencies, contracting authorities, public/private companies etc.), as well as any other entity acting in some way in the interests of the community and therefore in the public interest
<i>Predicate Offences or Offences</i>	The offences governed by Decree no. 231. Pharmasiena Services' Organisation Model contains a list of the Offences under Decree no. 231, and has been updated to the date on which the Model was published
<i>System of Internal Control</i>	Set of procedures, processes and practices adopted by Pharmasiena Services and addressing the governance and control of all company activities
<i>Health and Safety at Work Management System or SGSL</i>	The organisation and management Model for the definition and implementation of a company health and safety policy, pursuant to art. 6(1), lett. A of Decree no. 231, designed to prevent the offences quoted in art. 589 and 590(3) of the Italian Criminal code, committed in breach of the accident-prevention and health and safety at work regulations
<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 its organisational unit 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>TUS</i>	Safety Consolidation Act, under Legislative Decree no. 81 of 9 April 2008 as subsequently amended and supplemented

PREAMBLE

The Model, approved and adopted by the Board of Directors on 13 March 2014 and updated on 14 March 2024, lays down the rules, procedures and principles adopted and implemented on an ongoing basis by Pharmasiena Services to avail itself of an effective and operational tool for guaranteeing, together with everything already in place for the purposes of control and transparency, maximum reduction of the risks envisaged by Decree no. 231.

1. LEGISLATIVE DECREE NO. 231/2001 - "Rules on the administrative liability of legal persons, companies and associations including those without legal status"

GENERAL PRINCIPLES

Leg. Dec. 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 introduced into our legal system 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.

INDIVIDUALS

The individuals to whose criminal action 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.

Art. 7 states that the Entity is liable if the offence committed by an individual subject to third-party direction was enabled by failure to comply with the obligations of management and oversight; such Obligations shall be considered fulfilled (unless the public prosecutor provides proof to the contrary) if the Company has effectively adopted the prevention model.

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 Company's interest or advantage"⁽¹⁾, 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 (ex plurimis, Criminal Chamber Sect. VI, 18-02-2010 - 16-07-2010, no. 27735). 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 Legislative Decree 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 commission of certain

¹ *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 Sect. 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)

offences that experience has shown to be functional to structured and consistent interests (2). This "fault of the organisation" becomes particularly relevant within a group of companies.

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.

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. disqualification sanctions (disqualification from exercising the activity; suspension or revocation of authorisations, licenses, concessions, functional to the commission of the offence; prohibition of negotiation with the Public Administration; exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted; prohibition of publicising goods or services), are added to the pecuniary penalties and have a duration of no less than three months and no more than two years. Their application is contemplated solely as a consequence of the commission of determined Predicate Offences stated in Decree no. 231. They are envisaged in relation to their dissuasive effectiveness, as they are capable of profoundly affecting the organisation, operation and activity of the company. Disqualification sanctions, where the conditions are met (especially in terms of the severity and relevance of the offences, as well as the possibility of their repetition), can also be imposed as a precautionary measure during preliminary investigations for a maximum duration of one year. The main pre-requisite for imposing precautionary sanctions is their express provision in relation to the individual types of offence, as well as a particular severity of the fact, based on the (dis)value of the "administrative" offence, or on the "dangerousness" of the Entity itself, which, if the offences are repeated, has shown itself to be insensitive to pecuniary sanctions.
- 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.

ORGANISATION MODEL – EXEMPTING EFFECT

The "exempting" effect of an organisation and management model is subject to its having been adopted before the offence was committed. Where adopted after the offence was committed, the model can lead to a reduction in the penalties, and avoid the imposition of precautionary disqualification sanctions. Where adopted after the conviction, together with compensation for damages and restitution of the illicit profit, it can lead to any disqualification sanction given being converted into a pecuniary penalty. The Court of Cassation has underlined on several occasions (for example, in judgement no. 36083/2009) 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.

REQUIREMENTS OF THE MODEL

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

² *Criminal Chamber Sect. VI – 9.07.2009 no. 36083.*

- 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;
- introduce a system of internal disciplinary measures intended to sanction non-compliance with the measures indicated.

In drawing up the Model and consequently evaluating its suitability, it is appropriate to take account of the case-law on the point and the criteria set by the same; in particular: Court of Cassation judgement No. 4677 of 30.01.2014 (against the advice of the preliminary hearing judgement in Milan on 17.11.2009 and the Milan Court of Appeal on 21.03.2012) established, briefly, that "a model is suitable when its supporting procedures are effective at preventing the commission of the predicate offence".

It is also important to underline that established by the Milan preliminary inquiry judge (Dr D'Arcangelo) in November 2010. The ruling established the principle according to which *"acting in compliance with the law does not depend on the discretion of the entrepreneur and the risk of non-compliance cannot fall under the risks deemed acceptable by directors"*.

The same ruling states that *"a judge called upon to rule on the suitability of an organisation Model must refer to the discipline of a specific sector with reference to the time of the contested criminal conduct and verify which precautionary measures were adopted by the company to prevent a given criminal act and how the same may have been implemented in practice with reference to the best technical knowledge available at the time" [...] "the appropriate precautionary Model is (as can be seen, from a methodological point of view, from the preceptive content of art. 30 Leg. Dec. no. 81 of 9.4.2008) one formed from the best knowledge, consolidated and shared in the historical moment in which the offence is committed, with respect to the methods of neutralisation or minimisation of the typical risk"*.

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.

GUIDELINES

Art. 6 of 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 deciding 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.

2. THE PHARMASIANA SERVICES ORGANISATION, MANAGEMENT AND CONTROL MODEL

Pharmasiena Services formally adopted its Organisation and Management Model on 13 March 2014 and updated it on 24 March 2024.

The Organisation Model was drawn up and adopted while taking the following into account:

- the current regulatory framework;
- the governance and organisational structure on the Model adoption date;
- the current case-law and theory;
- the directives given on organisation models and the considerations arising from the experience of their application over the years;
- the best practices used by Italian companies in relation to the drafting and management of organisation models;
- the Guidelines;
- with specific reference to health and safety at work and the provisions under art. 30 of TUS.

CHARACTERISTICS OF THE MODEL

The Model is an integral part of Pharmasiena Services' 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 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 At-Risk Areas (of these documents see, for example, organisation charts, service orders, job descriptions, task descriptions, function charts, etc.);
- safety management system - SGSL: safety management system pursuant to Leg. Dec. no. 81/08.
- the system of internal procedures 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 this Model working in the At-Risk Areas.

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 Company and the Group to operate both inwardly and outwardly in full compliance with the principles of lawfulness and correctness. The Code of Ethics outlines the fundamental ethical principles and the relative rules of conduct that guarantee its implementation, properly govern the behavioural principles to be observed within the company activities to ensure the proper operation, reliability and reputation of the Company, and constitute an effective tool for the prevention of unlawful behaviours by all those acting in the name and on behalf of the Company or working with the same.

With reference to the specific requirements identified by the legislator in the Decree and further outlined in the Guidelines, the activities that the Board of Directors has put in place for the implementation of the Model are as follows:

- detailed mapping of the At-Risk Activities and analysis;
- analysis of the existing System of Internal Control, with reference to the At-Risk Activities, and definition of any corrective actions aimed at ensuring full compliance with the provisions of Decree no. 231. In this area, particular focus is placed on:
 - o the definition of ethical principles in relation to any conduct that may constitute one of the offences covered by the Decree;
 - 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 defining the notice regarding the obligation to comply with the Model adopted by the Company to be provided to outsourcers and to other third parties with which the Company does business;
 - 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;

As suggested by the Guidelines, the Organisational 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 System of Internal Control, the manual procedures and information protocols are intended to regulate the conduct of ordinary activities, by providing appropriate control points (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.

With regard to ordinary treasury management, preventive protocols, periodic reconciliations, supervision and authorisation hubs, segregation of duties and responsibilities have been adopted where possible (e.g.: between accounting, treasury and individuals with spending powers).

Finally, with specific reference to powers of authorisation and signature, these have been allocated in accordance with the organisational and managerial responsibilities defined by the Board of Directors, with the provision, when requested, of a specific limit for the approval.

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 At-risk Activities 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 employees, and represent an essential attribute of the Company's day-to-day activities.

By implementing the Model, Pharmasiena Services, as a company within IMA Group, complies with the

"IMA Group 231 system", which, through its principles, is the reference for all companies within IMA Group. The system can be summarised as follows:

- 1) the directly 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 composition, competence and functionality in compliance with Decree no. 231;
- 4) IMA provides, for its own protection, the minimum criteria of the Organisation Model adopted by the various subsidiaries and the operational criteria of the various supervisory committees.

3. PHARMASIENA SERVICES CURRENT STRUCTURE

Pharmasiena Services was founded on 5 November 1997, began operating on 2 March 1998, and joined the IMA Group in June 2009. The Company's business purpose is to:

- build, maintain, modify, transform, engineer and develop prototypes;
- produce, sell, import and export mechanical instruments and specialist automatic machines.

The Company is based in Siena (SI), where its registered office, administration and production facility are located, the latter comprising a 1,200 m² 2-storey industrial building, including 250 m² office space, and a second 1,000 m² 2-storey industrial building designated to the warehouse and assembly workshop. On the date the Organisation Model was updated, 70% of Pharmasiena Services ordinary shares were held by IMA, the world leader in the design and manufacture of automatic machines for the processing and packaging of pharmaceutical products, cosmetics, tea, coffee and foodstuffs.

The company builds and overhauls pharmaceutical machinery used on production lines to fill, close, wash, sterilise, cool and label pharmaceutical products, in flexible and hard packaging. The Company operates within the "IMA Life" sector of IMA Group.

Pharmasiena Services' main clients are private multinationals operating in the aforesaid sectors that require the implementation within their production process of machinery and equipment for filling liquid products. The Company carries out its own commercial promotion mainly through the IMA Group sales network (Pharma sector) or directly through its contacts or third-party agents. Sales orders are subject to verification and authorisation by the IMA Life Division manager. The Company does not work with entities belonging to Public Administration nor take part in public tenders.

On the date the Model was adopted, the Company has a total of 34 units, divided by function as shown in the table below:

Function	Number
Mechanical Technical Dept.	7
Technical Electrical Department	4
Technical Documentation Department	3
Mechanical Assembly	12

Electrical Assembly	1
General Administration	2
Logistics	4
Switchboard	1

ORGANISATIONAL STRUCTURE

a) Technical Management

Technical management deals mainly with the following:

- plant design according to specific requirements and agreements with the customer and by the IMA Life technical-commercial organisation;
- research and development of new machines with a high level of innovation.

b) Commercial Management

Pharmasiena Services' commercial activity in relation to the production of machinery and sizes is carried out through the IMA Life Division organisational structure and network.

Pharmasiena Services' management operates autonomously in its commercial activity solely for the following:

- Technical support and spare parts, from the request, offer, price setting, order acquisition, and invoicing;
- management of relations with customers of Pharmasiena Services machines in Italy and abroad.

c) Production Management

Production management manages the following:

- negotiation and acquisition of all materials and services directly connected with automatic machine production;
- negotiation and acquisition of materials and services indirectly connected with production;
- warehouse and handling of related incoming and outgoing materials for production picking and sales to third parties;
- packing and shipment of machines and materials;
- all warehouse inventory procedures;
- relations with primary suppliers within the supply chain and dimensional and quality testing of workpieces produced at in-house workshop and by suppliers;

- manufacture, construction, production of some mechanical parts, or of pieces modified as compared to standard sizes, for the automatic packaging machines designed, assembled and sold by Pharmasiena Services to subsidiaries and/or third parties;
- management and coordination of installation and testing activities;
- management of activities to safeguard the external environment, health and safety, plant and factory maintenance, energy resource management and machine tool maintenance.

d) Administration Department

Administration mainly carries out the following:

- management of accounting, preparation of financial statements, management of tax fulfilments and issues;
- management of treasury and relations with banks;
- monitoring of status of loans to customers; analysis and management of expired loans;
- preparation and analysis of management reports;
- preparation and monitoring, together with other company departments, of the company's plan and budget;
- efficiency of warehouses, particularly with regard to work orders managed under stage of contract completion.

CORPORATE GOVERNANCE

Pharmasiena Services' 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 responsible for the legal checking of accounts.

The Pharmasiena Services statute states that the Company is administered by a single director or by a board of directors composed of between 3 and 5 members, which is the body responsible for the Company's strategic and organisational direction. The Board as a whole is exclusively responsible for examining and approving the Company's strategic, industrial and financial plans, and is also in charge of periodically overseeing their implementation, as well as the definition of the Pharmasiena Services corporate governance system.

During meetings, particularly those approving period dates, the Board assesses general management progress as compared to the objectives set out in the budget.

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.

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

The Board has assigned the Chairman of the Board of Directors the broadest powers over ordinary and

extraordinary administration of the Company.

Two executive directors have been appointed to the Pharmasiena Services Board of Directors:

- a) one board member with operational powers in the area of environmental protection, noise and water pollution and waste disposal management, and in injury prevention and hygiene and protection at work, assuming all powers and duties of the "Employer" pursuant to Leg. Dec. no. 81/2008, as well as in the area of Privacy. Powers to enter into contracts within the area of machine sales, purchase of manufacturing material and services, and the purchase of machines and other necessary services, including the filing of patent applications. Powers to manage personnel and consultants, powers of representation in respect of determined Bodies/organisations and powers to manage and coordinate in relation to banks, financing and tenders.
- b) one board member with powers to enter into contracts within the area of machine sales, purchase of manufacturing material and services, and the purchase of machines and other necessary services, including the filing of patent applications. Powers to manage personnel and consultants, powers of representation in respect of determined Bodies/organisations and powers to manage and coordinate in relation to banks, financing and tenders.

By virtue of these appointments, both have assumed the role of Managing Director of Pharmasiena Services.

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.

The Pharmasiena Services 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 Predicate Offences):

- the system of delegations and proxies which is suitably publicised to ensure enforceability on third parties;
- documentation and measures concerning the Company's hierarchical/functional and organisational structure, reflected in the company organisation charts;
- the set of Company directives and procedures designed to govern and regulate its activities.
- 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 body of company regulations must be consistent with its operations and the level of complexity within the organisation, and must guarantee the controls needed to prevent offences 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.

4. ACTIVITIES PRELIMINARY TO THE ADOPTION OF THE ORGANISATION MODEL

The preparation of the Organisation Model was preceded by a series of preliminary activities involving "mapping" At-Risk Areas and checking of the Company's systems of internal control, in line with that laid down in Decree no. 231 and in the Guidelines.

In this regard, it should be noted that the risk management system aimed at putting together the Organisation Model envisages the development of the following components expressly set out by 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 based on an examination of company documentation (organisation charts, corporate delegations and proxies, policies, procedures, guidelines and internal regulations adopted by the Company, etc.) and interviews with Company personnel. In addition, the verification was carried out by analysing further elements relevant to the process of identifying risks and evaluating the areas/activities most exposed to the commission of offences, 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;
- the size of the Company (in relation to information such as sales, 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 individuals whose unlawful conduct may lead to the liability of Pharmasiena Services pursuant to Decree no. 231, including Senior Personnel, Individuals subject to third-party direction and third-party individuals with which the Company interacts;
- communication between management and workers;
- degree of separation of functions;
- practices of Italian companies in relation to the management and drafting of organisation models ("*best practices*");

MAPPING OF "AREAS AT RISK OF OFFENCE" AND ANALYSIS OF POTENTIAL RISKS

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**") have been identified. In this context, the specific "**Activities at Risk of Offence**" were identified in each of these "areas", and the possible methods of committing the offence were identified for each activity.

Of the At-Risk Activities, activities were 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 was 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 was 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.

RISK ASSESSMENT - ASSESSMENT OF THE SYSTEM OF INTERNAL CONTROL

Once the "inherent risk" (and its relevance) is defined as part of the At-Risk Activities, the current System of Internal Control was 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 must be 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 must be 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 control and monitoring oversight of the System of Internal Control is based on verifying the existence of the following criteria and requirements (as laid down in the Guidelines):

- 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 had been performed - which were 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 was considered (in relation to individual Activities at Risk of Offence):

- "**Adequate**", where it was 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 was considered that the system of preventive controls adopted by the Company 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 was considered that the system of preventive controls adopted by the Company 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 control therefore determined - 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.

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

- I. checking, within the At-Risk Areas and with reference to the specific At-Risk Activities, the preventive control systems (i.e. formalised procedures, operating practices, segregation systems, financial resource management systems, etc.) existing at the company and assessing their suitability to ensure that the risk of crimes being committed is brought back 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 At-Risk Areas and At-Risk Activities, and the risk assessment in general, provide confirmation that Pharmasiena Services aligns its procedures (and its System of Internal Control in general) for overseeing the At-Risk Areas with the general principles of an efficient system of internal control indicated above (to be understood as general protocols), i.e.:

- "management and control processes" of At-Risk Activities, put in place in order to
 - 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 tools suitable for ensuring the traceability of actions, operations and transactions through adequate documentary evidence outlining the characteristics and reasons for the operation and identifying the individuals involved in the operation at various levels (authorisation, execution, recording, checking);
- 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.

5. 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 Decree no. 231 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 is given when new employees start work or when there are changes in an employee's duties, changes to the Model or any other factual or legal circumstances that require training in order to ensure the correct application of the provisions of the Decree.

In particular, the following must take place once this document has been approved:

- an initial communication to all personnel regarding the adoption 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, IMA'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).

Communication and training activities also involve tools such as powers of authorisation, reporting lines, procedures, information flows and everything that contributes to 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 of the company information system is dedicated to the topic (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).

6. 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.

Where possible, the contracts will include specific clauses intended to regulate these consequences, such as termination clauses and/or the right of withdrawal in the event of violations of the provisions set out in the Model.

7. 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, Pharmasiena Services has implemented the Disciplinary System set out in sub-Annex "B".

8. SUPERVISORY COMMITTEE

APPOINTMENT AND DURATION OF MANDATE

To ensure proper implementation of the Model, the task of overseeing the functioning and compliance of the Model and ensuring it is updated must be entrusted to a body equipped with autonomous powers of initiative and control. The Pharmasiena Services Board of Directors has therefore set up the Supervisory Committee as per the Regulations attached to this document (Annex "C").

TASKS

The Supervisory Committee has the following tasks:

- oversee the Model's effectiveness by checking consistency between actual behaviour and that envisaged by the Model and by overseeing the At-Risk Areas. To carry out these tasks, the Supervisory Committee may establish control activities at each operative level, using the necessary tools to provide prompt notification of failings and dysfunctions in the Model and verifying the control procedures. Each operation deemed at specific risk must be signalled to the Supervisory Committee by internal managers. This will allow the checks describing the characteristics and aims of the operation to be carried out at any time and the person who authorised, recorded and verified the operation to be identified. The Supervisory Committee must activate control procedures in consideration of the company operability and the fact that the primary responsibility for activity management lies with Department Managers and/or senior management and the responsible corporate bodies.
- Check the adequacy of the Model at regular intervals to ensure it continues to prevent behaviours intended to exclude or cause conflict and remains sound and functional, through constant monitoring of the system of controls, protocols and governance as a whole.
- Propose the board of directors update the Model in the event controls carried out result in a need for corrections or adjustments. In particular, the Supervisory Committee must:

- ensure that the Model is kept up-to-date with changes in the law and with any changes to the company's internal organisation and activities;
- cooperate with the preparation and integration of internal regulations (codes of conduct, operating instructions, protocols, control procedures etc.) for risk prevention;
- promote initiatives designed to raise awareness of the Model amongst Pharmasiena Services departments and employees, providing any necessary instructions and clarifications and working with Human Resources to set up specific training seminars;
- liaise with other company departments on better control of activities and on everything pertaining to correct implementation of the Model;
- arrange special checks and/or targeted investigations with direct access to the relevant documentation in instances where the Model is found to be dysfunctional or offences have been committed.

COMPOSITION

Decree no. 231 makes no stipulation as to Supervisory Committee composition, providing only a brief definition of the same, i.e. "*entity body equipped with autonomous powers of initiative and control*".

Pursuant to paragraph 4 bis of art. 6 Decree no. 231,³ Supervisory Committee functions at corporations may also be carried out by the Board of Auditors.

The legislator leaves all decisions on the composition of the Supervisory Committee to the individual entities intending to comply with the provisions of Decree no. 231 - a choice that must comply with the specific company's needs.

Theory and practice have led to diverse solutions on the possible structure and composition of the Supervisory Committee, depending on the size of the Entity, the relative rules of corporate governance and the need to balance costs and benefits.

To that end, the board of directors has analysed the solutions suggested by trade associations and consultants to identify and compare the various strengths with the criticality of the various solutions suggested.

REQUIREMENT OF PROFESSIONALISM

Compliance with this requirement must be guaranteed by the personal experience of the Supervisory Committee, who must possess the technical and specialist skills to guarantee prompt and proper fulfilment of the legal obligations.

In particular, the skills required are in the following fields:

- criminal law: understanding of the interpretation of legal standards with specific training in offences identifiable in company operability and in the identification of possible sanctionable behaviours;
- organisation skills: specific training in analysis of company processes and analysis of procedures; knowledge of the main legislative principles in compliance and related controls;
- analysis and control skills: experience in System of Internal Controls within companies;
- financial flow control skills.

³ Paragraph added by paragraph 12 of art. 14, L. 12 November 2011, no. 183, valid from 1st January 2012, pursuant to that laid down in paragraph 1 of art. 36 of the same law no. 183/2011.

REQUIREMENT OF INDEPENDENCE

If comprising only one member, the requirement of independence of the Supervisory Committee is met if there is no collaboration or consultancy between the member and the Company. If comprising more than one member, the requirement of independence is guaranteed if the Supervisory Committee is made up mainly of external persons that have no collaboration or consultancy with the Company. The internal member may not be a Pharmasiena Services director and, with sole regard to his/her Supervisory Committee tasks, is not part of the ordinary lines of hierarchical employment.

EFFECTIVENESS AND CONTINUITY OF ACTION

This requirement is necessary to ensure the Supervisory Committee has full knowledge of company activities, operating processes and changes that may occur throughout the company's life. The Supervisory Committee must carry out its activities according to the schedule set out in the Committee's bylaws and, in any event, four times a year.

REPORTING LINES

The Supervisory Committee shall report to the Chair of the Board of Directors and shall, barring specific requirements, provide the Board of Directors with at least one annual report on the Model containing:

- its observations on the effectiveness and efficacy of the Model, with indication of the integrations and/or changes deemed necessary;
- any recommendation to update the Model following changes to the legislation or corporate and organisational system;
- a summary of its findings and corrective/preventive actions to be implemented.

The Supervisory Committee may ask to speak to the Board of Directors whenever it is deemed necessary.

OBLIGATION TO INFORM THE SUPERVISORY COMMITTEE

Art. 6(2) lett. d) states that the adopted Model envisages an obligation to inform the Supervisory Committee. This obligation, applied to company departments at Risk of Offence, will be implemented as a tool for improving monitoring activities and will cover anomalies found within the department.

In particular, to facilitate the activity of monitoring the effectiveness of the Model adopted by the Company, all Recipients are required to inform the Supervisory Committee of 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 exercising its duties, the Supervisory Committee is always able to request data and information from Recipients on company activities, the application and compliance with rules of conduct and company procedures as they are set out in the Model, and check any necessary documents both on a sample basis and systematically. Recipients shall cooperate with the Supervisory Committee and provide all data and information requested from them.

Failure to comply with the obligation to inform is considered a disciplinary offence. Therefore, Recipients who do not correctly meet the obligation to inform the Supervisory Committee in the time and manner identified here may be subject to disciplinary measures, where applicable.

The Supervisory Committee must be informed of the following by Corporate Bodies and/or by department managers:

- 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 from the auditor on aspects relating to deficiencies in the system of internal control;
- copy of the minutes of the meetings of the Board of Directors and of the Board of Statutory Auditors;
- copy of any correspondence sent to the Supervisory Committee (e.g. Italian Competition Authority, Italian Data Protection Authority, etc.);
- copy of the periodic report on environmental and health and safety matters (including the minutes of meetings attended by the Employer, RSPP, Company Physician and RSL pursuant to art. 35 TUS and the review reports).

Information and reports shall be sent to the following e-mail address:

organismovigilanza.pharmasiena@ima.it

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

Pharmasiena Services Supervisory Committee

Via Benedetto Zilassi 1/3

53100 Siena (SI)

stating "PERSONAL AND STRICTLY CONFIDENTIAL" marked on the envelope.

Notwithstanding the above, reports addressed to or brought to the knowledge of the Supervisory Committee shall also be examined, provided they are sufficiently precise and detailed.

Solely the Supervisory Committee has access to its email account. As such, the Supervisory **Committee is oed bligto 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.

Pharmasiena Services, 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 at privacy@ima.it or by registered letter to the Company's headquarters.

**REPORTING OF WRONGDOING PURSUANT TO LEGISLATIVE DECREE N. 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 – the Company 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 Company 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 the Company, including self-employed workers and suppliers/customers) and the protections and rights afforded to whistleblowers.

As part of its WB Procedure, the Company 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 Company 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 Company 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.

COOPERATION BETWEEN SUPERVISORY COMMITTEE AND BW 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.

FINANCIAL AUTONOMY

To guarantee the Supervisory Committee the necessary financial autonomy, the Board of Directors approves the annual spending budget based on the mere request of the Supervisory Committee.

The budget set aside must be sufficient to cover the control, verification and updating of the Model, including, where necessary, the acquisition of consultancy. For spending in excess of the agreed budget and for extraordinary expenses, the Supervisory Committee applies for a spending authorisation in writing on a case by case basis to the Board of Directors, which will assess the substantiated application to determine the necessary financial resources.

SUPERVISORY COMMITTEE REGULATIONS

The Board of Directors establishes the operating principles of the Supervisory Committee through special regulations (Annex "C").

The Supervisory Committee may draw up its own regulations governing its activities, provided such regulations are not in conflict with the Model.

THE CHOICE MADE BY PHARMASIENA SERVICES

Having carefully evaluated that laid down in paragraph 12 of art. 14 Law no. 183 of 12/11/2011, the Pharmasiena Services Board of Directors has opted to adopt a single-member Supervisory Committee comprising a professional with specific past experience in the sector who does not also sit on the current Board of Auditors. Among other things, this choice meets the need to safeguard the Company by ensuring its control bodies are separate and independent of one another, guaranteeing, through specific technical skills and mutual control, the most correct and transparent pursuit of their respective objectives and responsibilities.

Finally, the above option fulfils the requirement of independence of the Supervisory Committee according to the need for separation between the parent company and its subsidiaries in view of effective prevention of the Offences.

If it deems it necessary, the Supervisory Committee may be assisted to better carry out its tasks by experts in the specific sector.

9. 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 Company's organisational structure, including those arising from special finance operations or changes to the company strategy arising from new fields of activity being undertaken.

Specifically, responsibility for updating the Model and, therefore, for making additions and/or amendments to the Model, lies with the same management 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 this end, it will periodically check the effectiveness and implementation of the Model's procedures and protocols;
- 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).



Pharmasiena Service Srl

Registered Office in Via Benedetto Zilassi 1/3 – 53100 Siena (SI)
Registered with Siena business register no. 00938410529

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. 353*bis* 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)¹:

- 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);

¹ Article added from art. 7 of Law 18.03.2008 no. 48.

- Damage to computer or telematic systems of public utility (art. 635-*quinquies* Italian Criminal Code);
- 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).²

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)³:

- 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,

² 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).

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

clandestine weapons as well as more common firearms⁴ (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)⁵:

- 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.)⁶:

⁴ 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.

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

⁶ 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)⁷:

- 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)⁸;
- False reporting or communications by the auditing company (art. 2624 (1) (2) Italian Civil Code)⁹;
- 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".

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

⁸ Article repealed by art. 34, paragraph 2 of Law 28.12.2005 n. 262.

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

- Subversive association (art. 270 Italian Criminal Code);
- 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)¹⁰:

- 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).

¹⁰ 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 quinquies 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)¹¹:

- Receipt (art. 648 Italian Criminal Code);
- Laundering (art. 648 bis Italian Criminal Code);
- Use of money, property or benefits of unlawful origin (art. 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)¹²:

- 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)¹³:

- 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));

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

¹² Article added by art. 3 of Leg. Dec. no. 184 of 8 November 2021.

¹³ Article added from Law no. 99 of 23 July 2009.

- 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));
- 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);¹⁴
- 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)¹⁵:

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

TRANSNATIONAL OFFENCES¹⁶:

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);

¹⁴ 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».

¹⁵ 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*.

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

- 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).

ENVIRONMENTAL OFFENCES (ART. 25-UNDECIES)¹⁷:

- 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)¹⁸;
- 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)¹⁹;
- 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)²⁰:

- 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).

¹⁷ 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.

¹⁸ 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.

¹⁹ 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.

²⁰ 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.

RACISM AND XENOPHOBIA (ART. 25-TERDECIES)²¹:

- 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)²²:

- 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)²³:

- 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)²⁴:

Legislative Decree 14.07.2020 n. 75 inserted the art. into Legislative Decree 231/2001. 25 sexesiesdecies, 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:

²¹ 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.

²² 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.

²³ 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").

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

- 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);
- 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)²⁵:

- 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)²⁶:

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

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²⁵ Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.

²⁶ Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.



Pharmasiena Service Srl

Registered Office in Via Benedetto Zilassi 1/3 – 53100 Siena (SI)
Registered with Siena business register no. 00938410529

ORGANISATION, **MANAGEMENT AND CONTROL MODEL**

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

ANNEX "B" **DISCIPLINARY SYSTEM**

INDEX

FOREWORD - DEFINITIONS	3
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
MEASURES AGAINST DIRECTORS	7
MEASURES AGAINST AUDITORS	8
MEASURES AGAINST COLLABORATORS AND COMMERCIAL PARTNERS.....	9
DISCIPLINARY SYSTEM AND WRONGDOING PURSUANT TO LEGISLATIVE DECREE 24/2023 (“WB DECREE”)	9
OVERSIGHT ROLE OF THE SUPERVISORY COMMITTEE	10

FOREWORD - DEFINITIONS

The disciplinary and sanction system is an integral part of PHARMASIENA'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.

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 and sanction 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.

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. no. 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. no. 81/2008), failure to fulfil the obligations incumbent upon them under Leg. Dec. no. 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.

Equally, the Disciplinary System adopted by the Company, in compliance with that laid down in lett. d), (2)bis of art. 6 Decree no. 231, introduced in the aforesaid article under Law 30 November 2017 no. 179 ("whistleblowing"), applies to those who, with reference to the reports described in point 9, lett. k) of the General Section of the Model:

- breach the Company's measures to protect the whistleblower;
- make reports with malice or misconduct later found to be unfounded.

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.

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 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.

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.

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.

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 who¹, 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 to other persons specifically identified by the WB Decree in art. 3 “Subjective scope”² (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:

¹This provision applies to anyone engaging in Wrongdoing, including employees, directors, administrators, auditors, freelancers and the Company’s commercial partners.

²Pursuant 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.”

- (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.

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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