



MEMBER OF THE NIDEC CORPORATION

PR 042

OFFENCE MANAGEMENT PROCEDURE

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REFERENCE DOCUMENTS

Code	Document title
-	Guide for making a Report

1 PURPOSE AND SCOPE

This Procedure aims to protect anyone deciding to report unlawful conduct, as better described below, as well as to regulate the procedures for managing the whistleblowing channel.

The Procedure therefore summarises the whistleblowing procedures, the protections envisaged for the Whistleblower and the reference disciplinary system.

More specifically, in accordance with the provisions of law, the operating procedures are regulated of the process for reporting conduct, acts or omissions of which the Whistleblower has become aware in a Working context¹, and which consist of violations:

- i. of the **Organisation, Management and Control Model pursuant to [Italian] Legislative Decree 231/2001**;
- ii. of **national regulations**, such as civil, administrative, criminal and accounting offences;
- iii. of **European Union law**, such as:
 - offences committed in violation of EU legislation in the sectors of public contracts, services, financial markets and products and the prevention of money laundering and terrorist financing; product safety and conformity; transport security; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and protection of personal data and security of networks and information systems (such as, for example, environmental offences);
 - acts or omissions that harm the financial interests of the EU, as identified in the EU regulations, directives, decisions, recommendations and opinions (such as, for example, fraud, corruption and any other related illegal activity at the expense of the Union);
 - acts or omissions that regard the domestic market and compromise the free movement of goods, persons and capital services, including the violation of EU rules governing competition and government aid, corporate tax and mechanisms aiming to obtain a tax

¹ The meaning to be assigned to the term “Working context” shall be broad and considered not only as an employee of PAMA S.p.A. in the strictest sense. Indeed, anyone who has established any form of legal relationship with public or private subjects shall be included. Amongst others, these could be consultants, collaborators, volunteers, trainees and shareholders of PAMA S.p.A. and persons with administrative, managerial, supervisory, controlling or representative roles, including in connection with pre-contractual positions, trial periods or situations following the dissolution of the legal relationship, as long as the information about the violations was acquired during the course of such relationship.

benefit that nullifies the purpose and aim of applicable legislation governing corporate tax;

- acts or omissions that nullify the purpose and aim of EU provisions in the above-specified sectors. For example, this area shall include unlawful practices as defined by the EU Court of Justice case law.

This procedure **does not apply**:

- to disputes, claims or demands linked to a personal interest of the Whistleblower or the person who notified the legal or accounting authority relating exclusively to personal and individual employments or to employments with higher-ranking hierarchical figures;
- to Reports of violations that are already mandatorily disciplined by the ² or national acts, as well as Reports of violations relating to matters of national security and tenders relating to defence or national security matters, unless such aspects should come under legislation set forth in EU regulations, directives, decisions, recommendations and opinions.

This is without prejudice to the fact that all Reports shall be duly verified to consider whether or not they effectively come under the scope of the procedure.

2 SCOPE OF APPLICATION

This Procedure applies to all sites of PAMA S.p.A. companies intended as recipients of the Organisation, Management and Control Model pursuant to [Italian] Legislative Decree 231/2001.

3 VALIDITY

This Procedure shall be valid from its date of issue. All and any subsequent updates thereto shall cancel and replace all previous versions, from the date of such issue.

4 INTERNAL REFERENCES

- The **PAMA S.p.A. Code of Ethics**, which expresses the values and standards of conduct that the Company upholds as its own and with which it demands all those operating to achieve PAMA S.p.A.'s objectives, comply.
- The **Organisation, Management and Control Model pursuant to [Italian] Legislative**

² Through a series of legislative acts in the financial services sector, the EU has acknowledged the value of protecting Whistleblowers with the obligation to institute internal and external reporting channels, also setting forth an explicit prohibition of Retaliation.

Decree 231/01 and related internal procedures.

5 EXTERNAL REFERENCES

- **[Italian] Legislative Decree 24 of 10 March 2023**: Implementation of Directive EU 2019/1937 of the European Parliament and of the Council on the protection of persons who report violations of Union law and setting out provisions regarding the protection of persons who report violations of national regulatory provisions.
- **[Italian] Legislative Decree 231 of 08 June 2001, as subsequently amended/supplemented**: the administrative liability for offences of companies and entities.
- **ANAC Guidelines** on the protection of persons who report violations of Union law and the protection of persons who report violations of national regulatory provisions - protection for the submission and management of External Reports.

6 TERMS AND DEFINITIONS

ANAC: the Italian National Anti-Corruption Agency;

PAMA S.p.A.: the Company PAMA S.p.A. and all the sites included in the scope of validity of this Procedure.

Unlawful conduct: any behaviour, act or omission that violates national regulatory provisions, such as civil, administrative, criminal and accounting offences, or the law of the European Union, within the above limits;

Whistleblower: the natural person reporting unlawful conduct on the basis of information acquired within their Working context. Whistleblowers may be employees, self-employed workers, anyone entertaining a professional collaboration with the entity, professional freelancers and consultants, volunteers, trainees, paid or otherwise and, also, shareholders and persons with administrative, managerial, supervisory, controlling or representative roles. The term shall also include any potential contractors/employees in connection with pre-contractual positions, trial periods or situations following the dissolution of the legal relationship, as long as the information about the violations was acquired during the course of such relationship;

Supervisory Body: board established in accordance with [Italian] Legislative Decree 231/2001 and appointed to verify compliance with the Organisation, Management and Control Model;

Report: the written or verbal communication of information about violations;

Internal Report: the written or verbal communication of information about violations submitted via

the internal reporting channel, as described in this Procedure;

External Report: the written or verbal communication of information about violations submitted via the external reporting channel, as instituted by ANAC;

Report Manager: committee made up of two external members, which receives the report and duly investigates it. The committee is tasked with coordinating and running all suitable checks and assessments following a report received;

Facilitator: a natural person who assists a Whistleblower in the reporting process, operating within the same work context and whose assistance must be kept confidential;

Working context: present or past working or professional activities in the context of which, regardless of the nature of such activities, a person acquires information about violations and under the scope of which they may risk suffering Retaliation in the event of reporting, publicly disclosing or notifying the legal or accounting authorities of such violations;

Person Concerned: the natural person or legal entity mentioned in the Internal or External Report or public disclosure as the person alleged of committing the violation or as a person in any case involved in the violation reported or publicly disclosed;

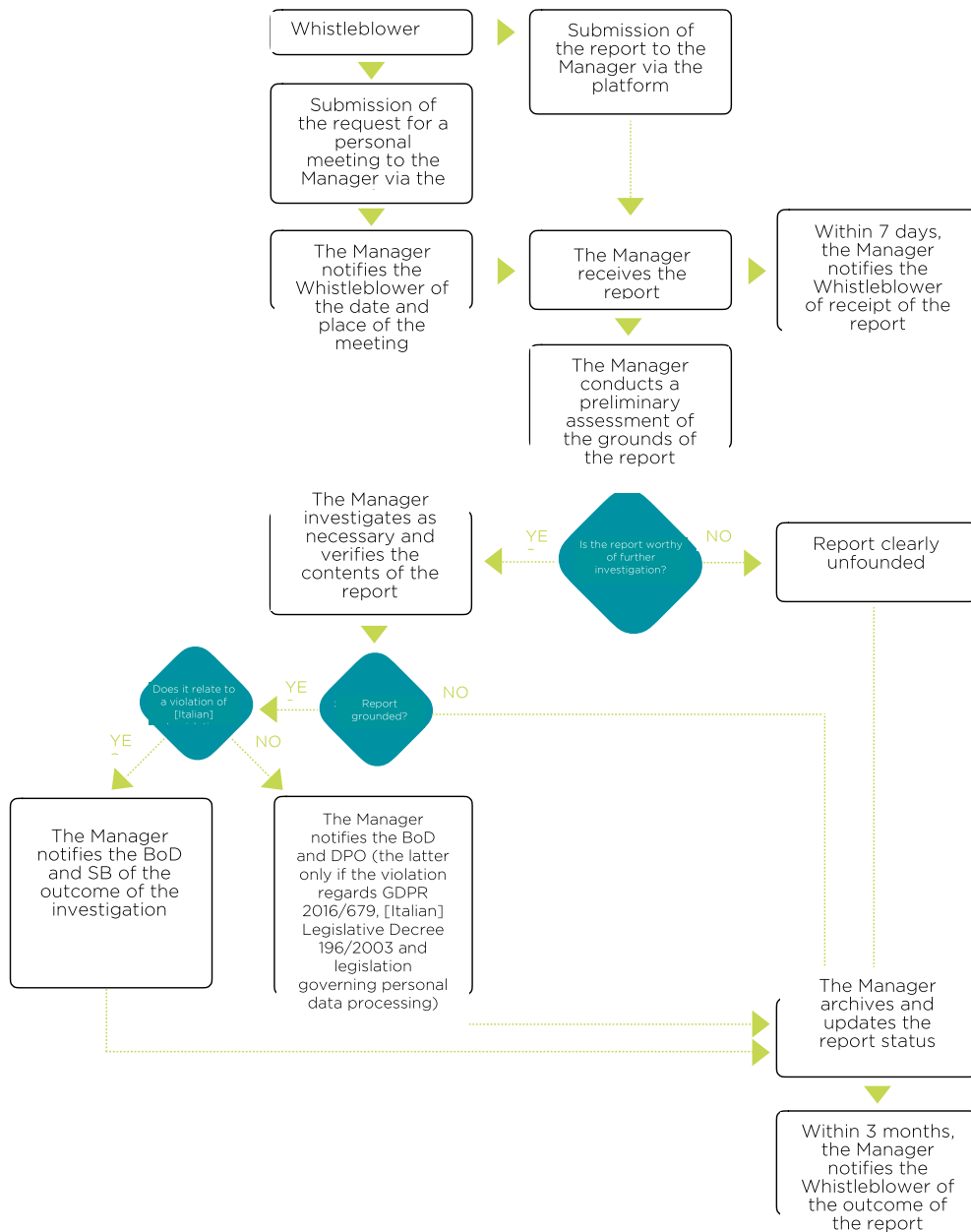
Retaliation: any conduct, act or omission, even if only attempted or threatened, occurring as a result of the Report, the notification of the legal or accounting authority or the public disclosure and which directly or indirectly causes or may cause the Whistleblower or the person notifying the matter, unfair damage;

Follow-up: the action taken by the person entrusted with managing the reporting channel to assess the existence of the events reported, the outcome of the investigation and any steps taken;

Feedback: communication to the Whistleblower of information relating to the follow-up or intended follow-up on the Report;

Public disclosure: releasing information on violations to the public domain through the press or electronic media or in any case through means of dissemination able to reach a large number of people.

7 FLOW CHART



8 THE PROTECTIONS

8.1 Protected persons

- All Whistleblowers making Reports in good faith are guaranteed protection against any form of Retaliation, discrimination or penalisation. Sanctions are envisaged for those who violate the Whistleblower protection measures. Such disciplinary sanctions are assigned by the Human Resources Department in compliance with the provisions of the reference Italian national collective bargaining agreement.
- Protection is also extended to the following persons:
 - Facilitators, as defined above;
 - colleagues working in the same Working context as the Whistleblower and who entertain regular, current relations with him/her;
 - persons in the same Working context who are bound to the Whistleblower by long-standing emotional relationships³ or family relationship up to the fourth degree;
 - entities owned by the Whistleblower or for which he/she works or which work in the same Working context.

8.2 Protection of the Whistleblower's privacy

- The privacy is protected of the Whistleblower, the Facilitator, the Person Concerned and the persons mentioned in the Report, also in order to avoid their exposure to any Retaliation that may occur following the Report. More specifically, the identity of the Whistleblower and any other information as may directly or indirectly lead to such identification cannot be disclosed to anyone other than the persons competent to receive or follow-up on Reports, without the express consent of the Whistleblower.
- Note that in criminal proceedings, the Whistleblower's identity is covered by secrecy in the manner and within the limits set forth by Art. 329 of the [Italian] Code of Criminal Procedure⁴

³ This shall refer first and foremost to those who live with the Whistleblower. In line with the aim of extending protection against Retaliation as far as possible, it is considered that the notion of "long-standing emotional relationship" may be construed not only as persons living together but also those frequenting each other in a stable manner, both in terms of length of time and sharing of lifestyles. Therefore an emotional bond with a specific person. For example, a colleague (or former colleague) of the Whistleblower who, however, entertains an emotional relationship with him/her, even if not actually and concretely sharing the same home.

⁴ Art. 329, [Italian] Code of Criminal Procedure I. The investigations carried out by the public prosecutor and legal police force, requests made by the public prosecutor to authorise investigations and the acts of the judge in response to such requests are covered by secrecy until such time as the defendant can be made aware of such and, in any case, no later than the closure of the preliminary investigations.

II. Where strictly necessary for the pursuit of the investigations, the public prosecutor may, in derogation from the provisions of article 114, allow, with decree explaining the reasons for such, the publication of individual acts or parts thereof. In such cases, the acts published shall be filed with the public prosecution service.

III. Even when the acts are no longer covered by secrecy in accordance with paragraph 1, if necessary to the pursuit of investigations, the public prosecutor may order, by decree explaining the relevant reasons:

a) the obligation to secrecy for individual acts, when the defendant agrees to such or when awareness of the act may hinder

- Under the scope of proceedings before the Court of Auditors, the identity of the Whistleblower cannot be revealed until the preliminary investigations have been concluded.
- Under the scope of disciplinary proceedings, the identity of the Whistleblower may not be disclosed, if the disciplinary charge is based on separate and additional investigations to the Report, even if consequent to it.
- If the accusation is based, in whole or in part, on the Report and knowledge of the identity of the Whistleblower is essential for the defence of the accused, the Report will be used for the purposes of disciplinary proceedings only if the Whistleblower has expressly consented to the disclosure of their identity. Consent will be given via the platform.
- To protect the Whistleblower's identity, the Company has decided to handle Reports by computer, using an encrypted channel, as well be specified below.
- In any case, confidentiality is also guaranteed by meeting directly with the person handling the Report (on the Whistleblower's request).
- If the Manager should use external parties to investigate the contents of the Reports, such will be named as data supervisors on the basis of an agreement specifically stipulated to this end with the Manager and shall offer sufficient guarantees of implementing adequate technical and organisational measures as well as of ensuring compliance with confidentiality, data protection and secrecy. If it is essential to disclose the Whistleblower's identity, the Manager can only proceed after obtaining express consent to do so from such Whistleblower.
- The information acquired will be handled in compliance with principles governing personal data protection.
- The protection of privacy does not apply if the Whistleblower should deliberately have disclosed their identity, for example via web platforms or social media in the context of Public Disclosure.

8.3 The protection of the privacy of the Whistleblower and other parties

- The protection of the identity of the Persons Concerned and persons mentioned in the Report is guaranteed until all proceedings initiated by virtue of the Report have been concluded, in compliance with the same guarantees envisaged for the Whistleblower.

8.4 Protection against potential Retaliation

- All and any behaviour, act or omission, even if only attempted or threatened, as a result of the Report, the notification of the legal or accounting authority or Public Disclosure, or

investigations regarding other persons;

b) the prohibition to publish the contents of individual acts or specific information relating to certain operations.

which directly or indirectly causes, or may cause, the Whistleblower and other persons protected by the regulation any unfair damages, with unfair damages meaning an effect directly or indirectly brought about by the Retaliation and relating to the contents of such Retaliation, is strictly prohibited.

- Merely by way of example, the following shall be considered as prohibited forms of Retaliation:
 - a) dismissal, suspension or equivalent measures;
 - b) demotion or lack of promotion;
 - c) change of duties, change of workplace, reduction of salary, change of working hours;
 - d) suspension or training or any form of restriction to access to such;
 - e) notes of demerit or poor references;
 - f) adoption of disciplinary measures or other sanctions, including fines;
 - g) coercion, intimidation, harassment or ostracism;
 - h) discrimination or otherwise unfavourable treatment;
 - i) failure to convert a fixed-term employment contract into a permanent employment contract where the employee had a legitimate expectation of such conversion;
 - j) non-renewal or early termination of a fixed-term employment contract;
 - k) damage, including to a person's reputation, particularly on social media, or economic or financial loss, including loss of economic opportunities and loss of income;
 - l) inclusion in improper lists on the basis of a formal or informal sector or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future;
 - m) early termination or cancellation of a contract for the supply of goods or services;
 - n) cancellation of a licence or permit;
 - o) request to undergo psychiatric or medical examinations.
- The Whistleblower is protected if they reasonably believe, also in view of the circumstances of the actual case at hand and data available at the time of the Report, notification or Public Disclosure, that the information about the violations reported, notified or disclosed is truthful. Simple supposition or rumour shall not suffice to guarantee such protection.
- In terms of affording protection, the personal and specific reasons for which the persons made the Report shall be irrelevant.
- The protection envisaged in the event of Retaliation shall not be guaranteed when the criminal liability of the Whistleblower is ascertained, including by a judgement of first instance, for offences of defamation or slander or, in any case, for the same offences committed with the notification the legal or accounting authorities, or indeed their civil liability, for the same title, in cases of wilful misconduct or gross negligence.

8.5 Protection from Retaliation

- Any Retaliation, including where merely attempted or threatened, must be reported to ANAC, which is tasked with ascertaining if such is a consequence of the Report, notification or Public Disclosure.
- Acts carried out in violation of the prohibition of Retaliation shall be null.
- Anyone retaliating or discriminating against protected persons shall be subject to disciplinary sanctions.

9 LIMITS TO THE LIABILITY OF THOSE MAKING REPORTS, NOTIFICATIONS OR PUBLIC DISCLOSURES

- The disclosure and use of official secrets (art. 326, [Italian] Criminal Code), the disclosure of professional secrets (art. 622, [Italian] Criminal Code), the disclosure of scientific and trade secrets (art. 623, [Italian] Criminal Code), the violation of the duty to loyalty (art. 2105, [Italian] Civil Code), the violation of provisions governing the protection of copyright, the protection of personal data and the disclosure or dissemination of information about violations that offend the reputation of the Person Concerned shall not be punishable, as long as:
 - there are grounded reasons to believe that the disclosure or dissemination of information is required in order to reveal the breach. The Whistleblower shall therefore reasonably consider that such information is to be revealed insofar as it is essential to reveal the violation, with the exclusion of any superfluous and other different reasons (for example gossip, revenge, opportunism or scandal);
 - the Report, notification or Public Disclosure was made in compliance with the conditions set forth by [Italian] Legislative Decree 24/2023 and set forth in this Procedure.
- Both conditions must be met if the Whistleblower's liability is to be excluded. If met, the Whistleblowers, persons notifying the matter or making a Public Disclosure shall incur no form of civil, criminal, administrative or disciplinary liability (art. 20, paragraphs 1 and 2, [Italian] Legislative Decree 24/2023).

10 REPORT CONTENTS

- The Reports must provide information useful to allowing the appointed parties to proceed with all due, appropriate verifications and ascertainments. More specifically, the following must be clear: the circumstances of time and place where the event reported occurred; a description of the events; elements enabling the person to whom the reported events are

attributed to be identified.

- Reports can also be made anonymously.

11 PROCESS

11.1 Making the Report

The Whistleblower may either:

- a) Use the dedicated reporting channel, accessible at <https://areariservata.mygovernance.it/#!/WB/PAMA>, to make a Report. This platform uses encryption to guarantee the confidentiality of the identity of the Whistleblower, the Person Concerned and the person in any case mentioned in the Report, as well as the contents of the Report and related documentation. An anonymous report can also be made through this channel.
- b) Request a meeting with the Report Manager, via the platform. In this case, the Report will be made verbally at a protected place agreed with the Manager, where the confidentiality of the Whistleblower's identity can be assured. Minutes will be drawn up of the meeting. The Manager will keep the original copy of such minutes in a protected place; the Whistleblower will be given a copy.

A Whistleblower's Guide to using the reporting channel is available and annexed hereto.

Even if the Report is made anonymously or verbally, the Whistleblower will in any case be informed as to the status of the Report via the platform.

11.2 Receipt of the Report

Management of the reporting channel is entrusted to a Committee made up of two external members (referred to as the "Manager"). Such members shall be suitably trained and tasked with coordinating and running all suitable checks and assessments following a report received.

Within seven days of receipt of the Report, the Manager shall issue a notice of receipt for such Report.

If a meeting has been requested in person, it will be scheduled within a reasonable time frame.

If a person other than the Manager should receive a Report in error, he/she will inform the Whistleblower without delay of the existence of the channel and the contents of the Procedure.

11.3 Analysis and investigation

If necessary, the Manager may ask the Whistleblower for additional information and will proceed

with all verifications necessary.

If a preliminary examination reveals the Report to be unfounded or clearly irrelevant, the Manager shall update the Report status on the computer platform and provide the Whistleblower with immediate Feedback, declaring that the matter has been archived and explaining why.

If the Report regards sensitive activities under the terms of [Italian] Legislative Decree 231/2001, the Manager shall promptly notify the Supervisory Body, again in respect of the Whistleblower's privacy.

If the Report regards sensitive activities under the terms of GDPR 2016/679, [Italian] Legislative Decree 196/2003 and all applicable legislation governing personal data processing, the Manager shall promptly notify the DPO.

Anonymous Reports, i.e. Reports made without any details enabling the identification of the author, may also be considered as grounded. However, declaring one's identity facilitates the assessment of the grounds and subsequent verifications.

If the Report needs to be sent to persons other than those competent to receive or follow up on the Report, expressly authorised to process the data it contains, the Manager shall obtain the express prior consent of the Whistleblower to disclose their identity or, alternatively, shall omit (including through redaction) any data or information that may directly or indirectly lead to the disclosure of their identity.

11.4 Archiving

In order to guarantee the traceability, confidentiality, storage and availability of data throughout the proceedings, the documents will be stored and archived digitally, using the software.

Digital copies will be made of any paper documentation as may be provided by the Whistleblower, and these then stored and archived on the computer platform only. Any paper documentation will, therefore, after being digitised, be returned to the Whistleblower. In a specific communication entered on the platform, the Manager will note that the copy taken is a true copy of the original or, as applicable, of the copy provided by the Whistleblower, also specifying the relevant return.

Without prejudice to any additional terms of the law, where expressly envisaged, all documentation will be stored for five years from the date on which notification is provided of the final outcome of the reporting procedure.

In accordance with current law and corporate procedures governing privacy, the processing of the personal data of the Persons Concerned and/or mentioned in the Reports is protected.

11.5 Internal investigation

If the Report is considered worthy of further investigation, the Manager shall carry out all checks considered appropriate, if necessary discussing matters with the Whistleblower to obtain suitable additional information or clarifications.

Within three months of notice of receipt, the Manager will provide the Whistleblower with Feedback.

Upon completion of the internal investigations, the Manager will provide evidence of the results to:

- the PAMA S.p.A. Board of Directors;
- the Supervisory Body (in the event of a violation of [Italian] Legislative Decree 231/2001).
- the DPO (in the event of a violation of GDPR 2016/679, of [Italian] Legislative Decree 196/2003 and all applicable legislation governing personal data processing).

After full verification, the Manager will update the Report status on the platform and provide the Whistleblower with Feedback.

If, after full investigation, the Report is deemed unfounded or clearly irrelevant, the Manager shall update the Report status on the computer platform and provide the Whistleblower with Feedback, declaring that the matter has been archived and explaining why.

If a Report is received regarding a member of the Committee managing Reports, it will be handled by the other member.

11.6 System of sanctions

Upon completion of the activity, if the verifications carried out confirm the unlawful conduct, the Report Manager shall:

- notify the management team for the application of disciplinary sanctions in line with the provisions of the relevant Italian national collective bargaining agreement.
- start the decision-making process regarding a potential notification of the legal authorities.

The disciplinary sanction applied is notified by the Human Resources Department.

If, on the other hand, the verifications do not confirm the unlawful conduct and there is evidence that the Whistleblower acted with wilful misconduct or gross negligence, the Human Resources Department is notified so that it can apply disciplinary sanctions in line with the provisions of the relevant Italian national collective bargaining agreement.

12 External Report

- The Whistleblower can notify ANAC if, at the time the Report is submitted, any of the following conditions are met:
 - within the Working context, there is no provision for the mandatory activation of the internal reporting channel or, even if mandatory, it is actually not operative or, even if operative, it does not comply with the provisions of article 4;
 - the Whistleblower has already made an Internal Report in accordance with the article, and it has not been followed up;
 - the Whistleblower has reasonable grounds to believe that an Internal Report would not be effectively acted upon or that the Report could give rise to a risk of retaliation;
 - the Whistleblower has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.
- The channel instituted by ANAC uses encryption to guarantee the confidentiality of the identity of the Whistleblower, the Person Concerned and the person mentioned in the Report, as well as the contents of the Report and related documentation.
- External Reports shall only be made to ANAC when it is the only entity competent to handle them.
- Instructions on how to use the external reporting channel, an explanation of the protection measures, contact details and procedures whereby ANAC may ask the Whistleblower for additional information, the deadline for providing Feedback to an External Report and the type of Feedback and Follow-up that ANAC can assure for an External Report are published on the website www.anticorruzione.it.

13 PUBLIC DISCLOSURES

- The Whistleblower making a Public Disclosure shall benefit from the protection envisaged by this decree if, at the time of Public Disclosure, any of the following conditions apply:
 - the Whistleblower has already made an Internal and an External Report or has made an External Report directly, in accordance with the foregoing conditions, and has not received Feedback on the measures envisaged or taken to follow up on the Reports within three months;
 - the Whistleblower has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest;
 - the Whistleblower has reasonable grounds to believe that the External Report may entail a risk of retaliation or may not be effectively followed up on due to the specific

circumstances of the case, such as where evidence may be concealed or destroyed or where there is a grounded fear that the Whistleblower may be colluding with the perpetrator or involved in the violation.

- This is without prejudice to all rules governing the professional secrecy of professional journalists, with reference to the source of the news.