



**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP
STRUCTURE IN ACCORDANCE WITH ART. 123 BIS OF THE
CONSOLIDATED FINANCE ACT (CFA)**
(traditional administration and control model)

Name: I.M.A. Industria Macchine Automatiche S.p.A.

Web site: www.ima.it

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Contents

CONTENTS	2
GLOSSARY	4
1. COMPANY PROFILE	5
2. INFORMATION ON THE OWNERSHIP STRUCTURE (art. 123 bis, paragraph 1, CFA)	5
<i>a) Structure of the share capital (art. 123 bis, paragraph 1 (a), CFA)</i>	5
<i>b) Restrictions on the transfer of securities (art. 123 bis, paragraph 1 (b), CFA)</i>	5
<i>c) Significant shareholdings (art. 123 bis, paragraph 1 (c), CFA)</i>	5
<i>d) Securities that entitle holders to special rights (art. 123 bis, paragraph 1 (d), CFA)</i>	5
<i>e) Shares held by employees: exercise of voting rights (art. 123 bis, paragraph 1 (e), CFA)</i>	5
<i>f) Restrictions on voting rights (art. 123 bis, paragraph 1 (f), CFA)</i>	5
<i>g) Shareholders' agreements (art. 123 bis, paragraph 1 (g), CFA)</i>	5
<i>h) Change of control clauses (as per art. 123 bis, paragraph 1 (h), CFA) and provisions on takeover bids (art. 104, paragraph 1 bis and 104 bis, paragraph 1, CFA)</i>	5
<i>i) Authorisation to increase the share capital and purchase treasury shares (art. 123 bis, paragraph 1 (m), CFA)</i>	6
<i>l) Management and coordination activity</i>	6
3. COMPLIANCE (art. 123 bis, paragraph 2 a) CFA)	7
4. BOARD OF DIRECTORS	7
4.1. APPOINTMENT AND REPLACEMENT (art. 123 bis, paragraph 1 (l), CFA)	7
4.2. COMPOSITION (art. 123 bis, paragraph 2 (d), CFA)	9
4.3. ROLE OF THE BOARD OF DIRECTORS (art. 123 bis, paragraph 2 (d), CFA)	12
4.4. BODIES WITH DELEGATED POWERS	13
4.5. OTHER EXECUTIVE DIRECTORS	14
4.6. INDEPENDENT DIRECTORS	14
4.7. LEAD INDEPENDENT DIRECTOR	14
5. HANDLING OF COMPANY INFORMATION	15
6. BOARD SUB-COMMITTEES (art. 123 bis, paragraph 2 (d) CFA)	15
7. NOMINATIONS COMMITTEE	15
8. REMUNERATION COMMITTEE	16
9. INTERNAL CONTROL AND RISK COMMITTEE	15
10. DIRECTORS' REMUNERATION	16
- Compensation of Directors in case of resignation, dismissal or termination of employment following a takeover bid (art. 123-bis, paragraph 1 (i), CFA)	

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	17
11.1. EXECUTIVE DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	17
11.2. HEAD OF INTERNAL AUDIT	17
11.3. ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001	18
11.4. INDEPENDENT AUDITORS	18
11.5. MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS AND THE OTHER CORPORATE ROLES AND FUNCTIONS	19
11.6. COORDINATION BETWEEN THOSE INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	19
12. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS	19
13. APPOINTMENT OF THE STATUTORY AUDITORS	19
14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (art. 123 bis, paragraph 2 (d) CFA)	20
15. INVESTOR RELATIONS	22
16. SHAREHOLDER'S MEETINGS (art. 123 bis, paragraph 2 (c), CFA)	22
17. OTHER ASPECTS OF CORPORATE GOVERNANCE (art. 123 bis, paragraph 2 (a), CFA)	23
18. CHANGES SINCE THE END OF THE YEAR	23
TABLES	
Table 1: Information on the ownership structure	24
Table 2: Structure of the Board of Directors and its Sub-Committees	25
Table 3: Structure of the Board of Statutory Auditors	26
APPENDICES	
Appendix 1: Paragraph on the "Main characteristics of the existing risk management and internal control systems in relation to the processing of financial information" (art. 123-bis, paragraph 2 (b), CFA)	27
Appendix 2: A list of other companies listed on regulated markets in Italy and abroad, financial companies, banks, insurance companies or large companies in which IMA's directors have been appointed as a director or statutory auditor	32

Glossary

Code/Code of Conduct: the Code of Conduct for Listed Companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria.

Cod. Civ./C.C.: the Italian Civil Code

Board: the Board of Directors of IMA.

“IMA” or the “Company”: the issuer of listed shares to which this Report refers.

Financial year: the financial year to which this Report refers.

Consob's Issuers' Regulations: the Regulations on issuers published by Consob in resolution 11971 of 1999 (as amended).

Consob's Market Regulations: the Regulations on markets published by Consob in resolution 16191 of 2007 (as amended).

Related Party Regulations: the Regulations on related party transactions issued by Consob in resolution 17221 of 12 March 2010 (as amended).

Report: the Corporate Governance Report which companies are required to prepare in accordance with article 123-bis CFA.

CFA: Consolidated Finance Act (Legislative Decree 58 of 24 February 1998).

1. Company profile

Established in 1961, IMA is world leader in the design and manufacture of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, tea, coffee and food.

The system of corporate governance adopted by IMA envisages the distribution of functions and powers in accordance with the traditional form of corporate governance, represented by the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

2. Information on the ownership structure (art. 123 bis, paragraph 1, CFA)

-a- Structure of the share capital (art. 123 bis, 1 (a), CFA)

The share capital at 31 December 2014 amounts to 19,150,560 euros represented by 36,828,000 ordinary shares with a par value of 0.52 euros each.

The composition of the share capital is shown in Table 1.

The Company's shares are listed on the STAR segment of the screen-traded market (MTA) organised and run by Borsa Italiana S.p.A.

The Company has not issued other financial instruments that give the right to subscribe for newly-issued shares.

The Company has not approved any equity-based incentive plans (stock options, stock grants, etc.).

-b- Restrictions on the transfer of securities (art. 123 bis, 1 (b), CFA)

At the date of this Report, there are no restrictions on the transfer of the Company's shares.

-c- Significant shareholdings (art. 123 bis, 1 (c), CFA)

At the date of this Report, based on the shareholders' register and the communications pursuant to art. 120 of the CFA and other information received, the parties listed in Table 1 directly or indirectly hold at least 2% of the Company's share capital.

-d- Securities that entitle holders to special rights (art. 123 bis, 1 (d), CFA)

At the date of this Report, the Company has not issued any securities that entitle holders to special rights of control or rights to exercise special powers.

IMA's Articles of Association do not envisage giving shares extra votes nor do they provide for the issuance of shares with multiple votes.

-e- Shares held by employees: exercise of voting rights (art. 123 bis, 1 (e), CFA)

At the date of this Report, there is no provision for a employee stock ownership plan.

-f- Restrictions on voting rights (art. 123 bis, 1 (f), CFA)

At the date of this Report, there is no provision for restrictions on voting rights.

-g- Shareholders' agreements (art. 123 bis, 1 (g), CFA)

At the date of this Report, the Company is not aware of any agreements between significant shareholders as per art. 122 CFA.

-h- Change of control clauses (art. 123 bis, 1 h), CFA) and provisions concerning takeover bids (art. 104, 1 bis and 104 bis, 1, CFA)

At the date of this Report, neither IMA or its subsidiaries are party to material agreements that would become effective, be changed or terminate in the event of a change of control of the contracting party, with the sole exception of the contract underlying the bond loan placed with US institutional investors (the so-called "US

Private Placement”) and certain financing contracts that could oblige the Company to repay the loan if there is a change in the majority shareholders.

IMA's Articles of Association do not make any exceptions to the passivity rule laid down in art. 104, paragraphs 1 and 1-bis of the CFA and does not envisage application of the neutralisation rules laid down in art. 104 bis, paragraphs 2 and 3, of the CFA.

-i- Authority to increase the share capital and authorisations to purchase treasury shares (art. 123 bis, 1 (m), CFA)

The Extraordinary Shareholders' Meeting on 28 January 2011 granted a mandate to the Board of Directors, in accordance with art. 2443 of the Civil Code, to increase the share capital on a cash basis in one or more tranches over a period of five years from the date of the resolution by up to a maximum of Euro 1,773,200 at par by issuing a maximum of 3,410,000 ordinary shares of par value Euro 0.52 each, to be placed exclusively with qualified third-party investors excluding current shareholders' option rights, in accordance with art. 2441 of the Civil Code and/or art. 2441, paragraph 5, of the Civil Code.

In partial execution of the authority granted to the Board by the Extraordinary Shareholders' Meeting of 28 January 2011, at the board meeting on 21 March 2011, the Board of Directors resolved to increase the share capital for payment, in one or more tranches, by a maximum nominal amount of Euro 1,418,560.00 and in any case within the limit of 10% of the Company's existing share capital by issuing up to 2,728,000 new ordinary shares, of par value Euro 0.52 each, with normal dividend rights, with the exclusion of option rights pursuant to art. 2441, para. 4, part 2, of the Civil Code, offered for subscription to Qualified Investors (as defined in Article 34-ter, para. 1 (b) of the Regulations adopted by Consob Resolution 11971 of 14 May 1999, as amended) in Italy and institutional investors abroad (excluding the United States, Canada, Japan or any other jurisdiction in which offers or sales of shares to be offered are prohibited by law).

On 22 March 2011 the Company announced that the increase in capital approved by the Board of Directors had been successfully subscribed.

The Shareholders' Meeting held on 29 April 2014 also approved the purchase of treasury shares pursuant to art. 2357 of the Civil Code, giving a mandate lasting 12 months.

In this way, the Shareholders' Meeting authorised the Board of Directors to purchase the Company's own shares up to the maximum permitted by law and within the limits of available reserves and distributable profits as shown in the latest approved financial statements, as well as to sell or make use of such treasury shares.

The Shareholders' Meeting authorised the purchase, sale or disposal of treasury shares in order to stabilise the stock price and, more generally, for share buy-back programs to increase the stock price to the advantage of shareholders.

However, the Company did not exercise its right to carry out transactions in its own shares during the period.

At the date of this report, IMA holds 5,500 treasury shares; this holding is the result of purchases made on the basis of previous shareholders' authorisations.

-I- Management and coordination activity (art. 2497 C.C.)

Although it is controlled by SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A., IMA is not subject to its management or coordination pursuant to arts. 2497 *et seq.* of the Civil Code.

In compliance with art. 37, paragraph 2, of Consob's Market Regulations, we explain below the reasons why we believe that IMA is not subject to management and coordination by its Parent Company SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A.: basically, the decision-making process, management decisions and operations of IMA are not influenced in any way by its Parent Company; this is also ensured by the fact that IMA's Board of Directors includes a sufficient number

of independent directors to make a significant contribution to the Board's resolutions.

Further evidence of IMA's decision-making independence is the fact that the Company enjoys full negotiating power with all customers, suppliers and banks, as well as the fact that there is no centralised treasury mechanism between IMA or its subsidiaries and SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A.

It is worth pointing out that:

- the information required under article 123-bis, paragraph 1 (i) ("*agreements between the company and its directors ... which provide for compensation in the event of retirement or dismissal without just cause, or if their employment contract is terminated as the result of a takeover bid*") is contained in the remuneration report published in accordance with art. 123 ter CFA;

- the information required under article 123-bis, paragraph 1 (l) ("*the rules applicable for the appointment or replacement of directors ... and for amendments to the Articles of Association, if different from any additional rules of law or regulations that may be applicable*") is provided in the section of this Report devoted to the Board of Directors (Section 4.1).

3. Compliance

IMA subscribes to and complies with the Code, except in the areas mentioned below.

On 14 July 2014 the Corporate Governance Committee approved certain amendments to the Code in order to implement, among other things, the recommendations made by the European Commission on the subject of "comply or explain", as well as those made by Consob on compensation or other benefits paid to executive directors and general managers.

The Company and its strategically important subsidiaries are not subject to any foreign rules that could influence IMA's corporate governance.

This Report has been drawn up on the basis of the "*Format for the Report on Corporate Governance and Ownership Structure*" published by Borsa Italiana S.p.A. in January 2015.

The Code of Conduct is available on Borsa Italiana's website (<http://www.borsaitaliana.it>).

4. Board of Directors

-4.1.- appointment and replacement (art. 123 bis, paragraph 1 (l), CFA)

IMA's Articles of Association provide that the Company should be managed by a Board consisting of between five and fifteen members.

In order to adjust the Articles of Association to the provisions of Law 120 of 12 July 2011 on gender balance of members of the Board of Directors and Board of Statutory Auditors, the Board voted on 26 September 2012 to amend arts. 15 and 23 of the Articles of Association.

The provisions to ensure compliance with the said law will be applicable from the first renewal of the Board of Directors and Board of Statutory Auditors subsequent to this date and for three consecutive mandates.

The amended art. 15 of the Articles of Association provides that the directors are appointed by the Shareholders' Meeting on the basis of lists presented by the shareholders.

The lists have to include a number of candidates equal to the maximum number of members of the Board of Directors, listed in numerical order, and must be deposited at the Company's head office together with the documentation proving

the right to present the list, at least five days prior to the Shareholders' Meeting. Lists may only be presented by Shareholders who alone or together with other shareholders own at least 2.5% of the share capital as established by the Articles of Association and by Consob Resolution 18775 of 29 January 2014 (on the other hand, Consob Resolution 19109 of 28 January 2015 envisages a lower percentage for 2015, namely 1%).

Each list must contain:

- candidates of both genders to ensure that the Board's composition complies with the rules on gender balance;
- at least two candidates who meet the independence requirements established for statutory auditors in art. 148, para. 3, CFA.

On completion of the voting, the candidates on the two lists that obtained the highest number of votes are elected, providing they exceed half of the percentage of the share capital required for the presentation of lists, to be determined at the time of voting, on the following basis:

(a) the number of directors taken from the list that obtains the highest number of votes is one less than the total number of members of the Board of Directors established previously by the Shareholders' Meeting;

(b) one director, being the first candidate on the list, is taken from the list obtaining the second highest number of votes.

Without prejudice to the rules on gender balance, each list must contain at least two candidates who meet the independence requirements established for statutory auditors in art. 148, para. 3, CFA.

If the candidates elected according to this procedure does not ensure the appointment of the enough Independent Directors as required by current regulations:

(i) if there is a Majority List, the non-independent candidates (equal in number to the Independent Directors still to be found), who were elected last numerically on the Majority List, get replaced by the Independent Directors who were not elected on the same list in numerical order;

(ii) in there is no Majority List, the non-independent candidates (equal in number to the Independent Directors still to be found), who were elected last from a list from which an Independent Director was not taken, get replaced by the Independent Directors who were not elected on the same lists in numerical order;

Furthermore, if the above procedures leads to a Board of Directors that does not comply with the rules on gender balance, the candidate of the more represented gender taken last from the only list presented will be excluded or, if lists were presented, from the Majority List, and will be replaced by the first unelected candidate belonging to the gender less represented, taken from the same list; this process continues until such time that enough candidates have been elected to ensure the minimum number required by the current rules at the time on gender balance.

If it is not possible to comply with all or part of the rules on gender balance, the Shareholders' Meeting integrates the composition of the board with the majorities established by law, ensuring fulfilment of the requirement. In the absence of lists, the Board of Directors is appointed at the Shareholders' Meeting with the majorities established by law, without prejudice to the current rules at the time on gender balance.

If one or more Directors cease to serve for whatever reason, they are freely replaced in accordance with the law, providing they comply with the current rules at the time on gender balance. If a Director who ceases to serve is the Director elected from the Minority List, the Director appointed in replacement must be taken from that Minority List, without prejudice to the current rules at the time on gender balance.

As a company listed on the STAR segment of the screen-traded market (MTA) organised and run by Borsa Italiana S.p.A, IMA has to apply the principles and criteria foreseen in arts. 2 and 3 of the Code as regards the composition of the Board and the role and duties of the non-executive and independent directors.

The succession plan for executive directors, originally foreseen only for companies belonging to the FTSE_MIB index, was not subject to assessment by the Board as its mandate expires soon. Any decisions in this regard have therefore been left to the new Board.

-4.2.- composition (art. 123 bis, paragraph 2 (d), CFA)

The current Board, made up as shown in Table 2, was appointed by the Shareholders' Meeting on 27 April 2012 on the basis of a single list presented by the majority shareholder, SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A.

The Shareholders' Meeting also set the number of Board members at twelve, with a mandate that expires at the time of the Shareholder's Meeting called to approve the financial statements for the year ended 31 December 2014.

The names of the candidates that were on the list presented by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A were as follow: 1) Marco Vacchi, 2) Alberto Vacchi, 3) Andrea Malagoli, 4) Maria Carla Schiavina, 5) Gianluca Vacchi, 6) Luca Poggi, 7) Romano Volta, 8) Marco Galliani, 9) Pierantonio Riello, 10) Paolo Frugoni, 11) Enrico Ricotta, 12) Italo Giorgio Minguzzi, 13) Stefano Malagoli, 14) Maurizia Malagoli and 15) Alessandra Schiavina.

The shareholders with a majority of 66.474% resolved to appoint a Board of Directors with twelve members, thereby confirming the outgoing members of the same Board.

No director ceased to hold office during the year.

There have been no changes in the composition of the Board after the end of the year.

The personal and professional characteristics of each director are given below:

- MARCO VACCHI: born in Castenaso (Bologna) on 30 July 1937, he is married with one son. Formerly involved in the field of land reclamation, dredging and construction, he takes part through IDICE S.p.A. in the construction of major public works (civil engineering works at ENEL's power plants at Caorso, Porto Tolle, Sermide and Brindisi; river bank defence works at Sacca Scardovari, Venice, on the River Po; road construction works on sections of the Autostrada del Sole and the Salerno-Reggio Calabria). A distinguished entrepreneur, he was key in developing IMA from a medium-sized industry into a leader in its market sectors, and was Chairman of the Board of Directors continuously from 1982 until June 2007. In 2004, he was awarded the title Cavaliere del Lavoro.

- ALBERTO VACCHI: born in Bologna on 17 February 1964, he is married with one son. A law graduate and businessman, he was Managing Director of IMA from 1996 and has been Chairman of the Board since 2007. He is continuing the hard work of the Vacchi family (the main shareholder) in its endeavours to establish IMA on the international stage. He is a member of the National and Regional Council of Confindustria. On 7 June 2011 he was appointed President of Unindustria Bologna for the period 2011-2015. On 27 June 2013 he was elected as a member of the Board of Directors of UCIMA (the Italian Association of Automatic Packing and Packaging Machine Manufacturers) until June 2017.

- ANDREA MALAGOLI: born in Modena on 30 September 1965, he is married with one daughter. A graduate in Economics and Business Studies and a businessman, he is an Executive Director of IMA, with specific powers for the pharmaceutical business and the Far East. The former head of AFC and General Manager, he has an excellent knowledge of the Group's structure and internal organisation.

- MARIA CARLA SCHIAVINA: born in Bologna on 29 March 1965, she is married with two children. A graduate in Economics and Business Studies and a businesswoman,

she is a Non-Executive Director. For many years, she has been responsible for the administrative management of Schiavina S.r.l.

- GIANLUCA VACCHI: born in Bologna on 5 August 1967, he graduated in Economics and Business Studies from the University of Bologna in 1993. He is a businessman and financier, and has a significant shareholding in the entity that controls IMA. He acted as IMA's investor relator during the period 1995-1997. Currently he operates in the private equity sector through First Investment S.p.A., a finance company.

- LUCA POGGI: born in Bologna on 14 May 1961, he graduated in Economics and Business Studies from Bologna University in 1984. He has been he is listed on the Register of Chartered Accountants and Tax Consultants since 1986 and on the Register of Freelance Journalists since 1995. An expert on tax and corporate law, he has long-standing collaborations with several specialised publications. He is the senior partner of Poggi & Associati, a firm of tax and financial consultants whose clients include leading industrial groups, including multinationals, specialising in corporate finance, taxation and M&A. Since 2003, he has also advised on the structuring of private equity transactions.

- PAOLO FRUGONI: born in Rome on 24 April 1947. He graduated with honours in Medicine and Surgery in 1971 from the University of Padua. In 1976 he took a Postgraduate Diploma in Oncology at the Faculty of Medicine and Surgery of the University of Ferrara. From 1972 to 1977, he acted as assistant professor at the Institute of Pathology at the University of Padua. In 1977, he taught oncology at the School of Gynaecology Specialization at the University of Padua. In 1978, he took a Postgraduate Diploma in Business Organisation (CUOA) at the Faculty of Engineering of the University of Padua. From 1979 to 1998, he was a partner and director of Autofrance S.r.l., a Renault dealer in Padua. From 1982 to 1984, he was a director of FIRS S.p.A., an insurance company that at that time was listed on the stock exchange. He is currently a partner and director of Immobiliare Indipendenza S.r.l. (real estate).

- PIERANTONIO RIELLO: born in Venice on 31 October 1959. Having studied economics, he began his business career in the field of communications, which paved the way for the establishment of a company specialising in programmable electronics for the IT sector, expanding the sphere of activity of his family's businesses. In 1993 he entered the mobile telephony business, acquiring Telital, a company which he developed and sold five years later to the Generali Group. He then turned his attention to the energy industry, transforming Industrie Riello into Italy's leading manufacturer of uninterruptible power supplies (UPS). He subsequently expanded his activities to the international scene, establishing a presence in every country in Europe.

- MARCO GALLIANI: born in Bologna on 20 February 1954. He graduated in law and works in the family's metallurgy business (extrusion of aluminium and production of semi-finished silver and silver alloy products).

- ROMANO VOLTA: born in Bologna on 15 February 1937. He is married and has three children. He has an honours degree in Electronic Engineering from Bologna University. Initially a teacher and university lecturer, he embarked on an innovative business career in the field of bar code readers and optic-electronic controls for industrial automation with the company Datalogic S.p.A., which is listed on the Italian stock exchange. Subsequently, through ACZON S.p.A., he broadened his field of activity into pharmaceutical research and biotechnologies, specialising in oncology. From 1998 to 2004 he acted as Chairman of the Bologna Manufacturers' Association. In 1997 he was awarded the title Cavaliere del Lavoro.

- ITALO GIORGIO MINGUZZI: born in Cesena on 7 April 1944, he is married and has two children. He graduated in Law. He has been Professor of Business Law at the Faculty of Economics at the University of Bologna for thirty years and has sat on the board of several listed companies. Today, he is a director of IMA and of various other companies. He also practices as a lawyer, specialising in commercial contracts, both national and international. He has published several works on international contracts, antitrust and arbitration.

- ENRICO RICOTTA: born in Rome on 22 January 1956. He graduated with honours in Economics from the University of Rome, and later obtained an MBA from ISTAO. He is the author of several publications on industrial policy. He is the founding partner of Mandarin Capital Partners, having acquired thirty years' experience in industry, consulting, corporate finance and private equity. He has carried out nine investments as the managing partner of DRKB Fund Italia and sits on the board of eleven companies. He was formerly the General Manager of IMI-ABN Amro, where he managed investments in six industrial enterprises. Before that, he was a partner in Strategie & Accordi, a consulting firm specialising in strategic analysis and joint ventures, CEO of Start (Montedison Group), a company that looked after cross-border technology transfer, Project Manager at Montedison and Marketing Manager at Merloni.

The CVs of the directors currently in office, together with the documentation required by the Articles of Association, were deposited at the Company's head office by the shareholder SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A. at the time the list for the appointment of directors was presented and simultaneously published on the Company's website (www.ima.it), where they are still available.

On 25 October 2006 and on 29 October 2007, the Board established general criteria as to the maximum number of positions that an IMA Board member can hold as a director or statutory auditor in other companies and still be considered compatible with effective performance of their duties.

The Board's resolution on this matter can be summarised as follows:

- a) not more than three (3) positions as an executive director may be held by IMA directors in companies listed on regulated markets, finance companies, banks, insurance companies or other large companies;
- b) not more than five (5) positions as a non-executive or independent director may be held by IMA directors in companies listed on regulated markets;
- c) not more than six (6) positions as a non-executive or independent director may be held by IMA directors in finance companies, banks, insurance companies or other large companies;
- d) not more than six (6) positions as statutory auditor or member of the supervisory board may be held by IMA directors in companies listed on regulated markets, finance companies, banks, insurance companies or other large companies;
- e) not more than twelve (12) of any of the positions mentioned in points a) to d) above may be held by IMA directors.

These numbers do not include positions held as directors or statutory auditors in IMA Group companies, whether a parent, subsidiary or associated company, or in any other small company, regardless of its business activity, as established in art. 144-duodecies of the Issuers' Regulations.

The current composition of the Board reflects these criteria.

It is the Chairman's duty to ensure a constant flow of information to the directors to make them aware of changes in legislation and regulations that could have an impact on the Company.

During the year, the Chairman has handled various initiatives aimed specifically at the directors, to give them a better knowledge of the industry in which the

Company operates, including a day at an international exhibition where IMA was presenting its most important technical innovations of 2014.

-4.3.- role of the Board of Directors (art. 123 bis, paragraph 2 (d), CFA)

The Board met eleven times during the year with each meeting lasting an average of one and a half hours.

The frequency with which Directors attended Board meetings is summarised in Table 2.

The Manager Responsible for Preparing Financial Reports was present at the Board meetings to approve the Annual Report at 31 December 2013 and the Half Year Report at 30 June 2014.

On 23 January 2015 the Company issued a calendar with the dates of the four Board meetings already scheduled for 2015.

As of March 2015 the Board of Directors had already met three times.

The documentation on agenda items for Board meetings are made available to members at least one day prior to the meeting to ensure that they are adequately informed about the matters being discussed.

At Board meetings, the Chairman encourages all of the directors to take part in the debate to ensure that discussions are fruitful.

The Board is the body responsible for laying down strategic and operational guidelines for the Company and the Group that it heads up.

It is the entire Board's exclusive responsibility to examine and approve the strategic, industrial and financial plans of the Company and of the Group and to monitor periodically their implementation, as well as to define IMA's system of corporate governance and the corporate structure of the Group.

* * *

During the year, the Board assessed the adequacy of the Company's organisational, administrative and accounting structure.

For the periodic evaluation of the internal control and risk management system, the Board makes use of the internal audit department and the reports that it produces.

* * *

The Board reviews and approves all investment, financing and refinancing transactions of the Company and its subsidiaries.

* * *

At Board meetings, especially those called to approve periodic figures, the Directors assess the Company's overall performance, comparing the results with the targets set in the budget.

* * *

On 27 April 2012, the Board decided that it had exclusive responsibility to review and give advance approval for any transactions on the part of IMA and its subsidiaries that could have a significant impact on the Company from a strategic, economic, capital or financial point of view.

* * *

For IMA, transactions with an economic value of more than 10 million euros will be considered as having a significant impact from a strategic, economic, capital or financial point of view.

* * *

On 15 May 2014, the Board carried out an assessment of the size, composition and functioning of the Board and its sub-committees. The result of this assessment was positive with regard to the size and functioning of the Board, also considering the fact that the members include representatives of various professional and managerial disciplines, which makes for better decision-making. The Board did not use external consultants for this assessment. The Board did not give any indication to the shareholders about the type of people it would have preferred to have on the Board before they were appointed.

* * *

Under art. 15 of the Articles of Association, the directors are not required to comply with the no-competition ban laid down in art. 2390 C.C., unless decided otherwise by the Shareholders' Meeting. The Shareholders' Meeting has not resolved to comply with this ban.

-4.4.- bodies with delegated powers

Chairman and Managing Director

Under art. 22 of the Articles of Association, the Chairman of the Board of Directors is the Company's legal representative and signs on its behalf.

Art. 17 of the Articles of Association says that Board meetings are to be called by the Chairman of the Board of Directors.

The Chairman of the Board of Directors also coordinates the work of the Board and ensures that all directors are given adequate information about the matters on the agenda.

On 27 April 2012, the Board voted to appoint Alberto Vacchi as the Company's Chairman and Managing Director; he has been holding these offices since 26 June 2007.

On the same date, under a special mandate the Board gave Alberto Vacchi all powers, to be exercised singly, for the ordinary and extraordinary administration of the Company, with the sole exception of the following rights and powers that were not granted to him:

- the power to purchase, sell, exchange, contribute, swap, transfer or receive shares or equity interests in companies, associations or entities in whatever capacity and for whatever reason;
- the power to purchase, sell, exchange, contribute, swap, transfer or receive lines of business, businesses or business units of any kind, in whatever capacity and for whatever reason, including for rent;
- the power to purchase, sell, exchange, contribute, swap, transfer or receive real estate in the form of either land or buildings, in whatever capacity and for whatever reason, including for lease if for more than nine years;
- the power to give secured or unsecured guarantees and to give sureties or letters of patronage, except (in the case of sureties and letters of patronage) for those given on behalf of companies controlled directly or indirectly by the Company or its associates;
- the power to grant beneficial rights over the Company's assets.

By being delegated these powers, which do not create a situation of "interlocking directorates" as envisaged in art. 2.C.5 of the Code, he qualifies as IMA's chief executive officer.

This accumulation of offices in one person responds to organisational requirements dictated by the strong concentration of the shareholder structure.

Honorary Chairman

On 26 June 2007 Marco Vacchi was appointed Honorary Chairman.

Report to the Board

In accordance with art. 17 of the Articles of Association, the Directors with delegated powers have to provide the information on related-party transactions required by art. 150 CFA and art. 2381 C.C to the Board of Directors and the Board of Statutory Auditors, at least once a quarter, at meetings of these Boards or in a written communication.

During 2014 the Delegated Bodies reported to the Board about the activities delegated to them at the first available meeting.

-4.5.- Other Executive Directors

On IMA's Board there is one other director who qualifies as executive. On 27 April, the director Andrea Malagoli, who until 1 June 2010 held the position of General Manager of the Company, was granted specific delegated powers for pharmaceuticals and the Far East, in virtue of which he has taken on the position of Managing Director of IMA.

-4.6.- Independent Directors

Under the procedure adopted by the Board to verify independence, Directors have to declare their eligibility to qualify as independent Directors when the list of candidates for election is presented and their credentials are verified by the Board at the first meeting held after their appointment.

At the first meeting after their appointment, based on the information submitted by the Directors and any other information available to the Company, the Board checked that they satisfied the independence requirements in accordance with art. 147-ter, paragraph 4, CFA and the Code of Conduct.

At the meeting on 15 May 2014, the Board checked that its members still complied with the independence requirements.

The Board announced the results of these checks to the market.

The following Directors qualify as independent, based on their declarations and other information:

- PAOLO FRUGONI
- MARCO GALLIANI
- PIERANTONIO RIELLO

They satisfy the independence requirements under art. 147 ter, paragraph 4, of the CFA and the Code of Conduct.

When assessing independence, the Board applied all of the criteria recommended in the Code of Conduct (arts. 3.C.1 and 3.C.2).

Correct application of the criteria and procedures for assessing independence of the members of the Board was also monitored by the Board of Statutory Auditors, which carried out its own checks. The Board of Statutory Auditors reported on these assessment activities to the Shareholders' Meeting called to approve the financial statements.

Those listed as candidates for appointment to the Board as independent directors have undertaken to communicate promptly any subsequent change in the information provided, including any matters that could affect their independence.

-4.7.- Lead Independent Director

IMA's Board introduced the position of Lead Independent Director in 2006 to ensure that the Company remains in line with international best practice and with the recommendations of the Code, which does in fact recommend appointing a Lead Independent Director in cases where the Chairman is also the Managing Director.

The Lead Independent Director acts as a point of reference and coordination for the requests and suggestions made by the independent directors.

Since 27 April 2012, this position has been filled by Paolo Frugoni.

The Lead Independent Director has been given the power, among other things, to

call - autonomously or on the request of the other directors - special meetings of just the independent directors to discuss topics of interest that concern the functioning of the Board, using the facilities offered by the Company. During the year, the Lead Independent Director did not make use of this power to call meetings of just the independent directors.

5. Handling of Company Information

On 30 November 2006 the Board approved a special procedure for the handling and communication of documents and information concerning IMA, with particular regard to price-sensitive information. The procedure was amended on 14 November 2013.

IMA paid particular attention in this procedure to regulating the disclosure of price-sensitive information to third parties.

This procedure is an integral part of the "Model 231".

Company communications follow the principles contained in the "Guide to Market Information" issued by Borsa Italiana, as well as the Stock Exchange Instructions.

6. Board Sub-Committees (art. 123 bis, paragraph 2 (d), CFA)

Even though the Code recommends listed issuers to set up a Remuneration Committee, an Internal Control and Risk Committee and a Nominations Committee, it also explained that their functions could be delegated to a lower number of committees, providing they comply with the rules for their composition indicated in each case by the Code.

At the Board meeting on 27 April 2012, IMA therefore decided, following the renewal of the Board of Directors based on the resolution of the Shareholders' Meeting held the same day, to set up as from that date a single committee that combined the functions, duties and powers previously assigned to the Nominations Committee, Remuneration Committee and the Internal Control and Risk Committee. Considering the composition of IMA's Board, the Directors were of the opinion that a single committee would still be able to achieve the objectives of the Code of Conduct.

7. Nominations Committee

8. Remuneration Committee

9. Internal Control and Risk Committee

As mentioned previously, the Board has appointed a single Committee that combines the functions, duties and powers of the Nominations Committee, Remuneration Committee and the Internal Control and Risk Committee.

Information on the composition and functioning of this Committee is provided in Table 2.

The Committee consists of the following three non-executive directors, the majority of whom are independent:

- Marco Galliani - Independent Director
- Maria Carla Schiavina - Non-Executive Director
- Pierantonio Riello - Independent Director

In 2012, Marco Galliani, an independent director, was appointed Chairman of this Committee.

On 27 April 2012, the Board assessed that Marco Galliani, Maria Carla Schiavina and Pierantonio Riello had adequate experience in accounting and finance, which the Code requires at least one member of the Committee to have.

Meetings were always attended by the Chairman of the Board of Statutory Auditors or by his nominee.

The Committee met five times during the year.

These meetings, which have always been carefully minuted, covered the following matters:

- checking the adequacy and uniformity of the accounting policies used in preparing the consolidated financial statements;
- checking fulfilment of the parameters for the variable remuneration of directors with special responsibilities for the year 2013;
- reviewing the general policy for the remuneration to be paid to key management personnel;
- preparing the Committee's Report on its activities and on the adequacy of the internal control system;
- examining the proposal of the Supervisory Board to adjust the Organisation, Management and Control Model according to art. 6 of Legislative Decree 231/2001;
- drafting the Remuneration Report for submission to the Shareholders' Meeting;
- the final report on the work performed in 2013 by the Supervisory Board and the activity plan for 2014;
- processing the parameters to calculate the variable part of the remuneration to be paid for special responsibilities for the year 2014;
- implementing changes in the Organisation, Management and Control Model according to art. 6 of Legislative Decree 231/2001;
- reviewing the Report on the activities performed by the Supervisory Board from March to October 2014;
- reviewing the work performed and assessing the adequacy of the internal control and risk management system;
- reviewing the criteria used in the periodic assessment of the members of the Supervisory Board, including their adequacy and independence;
- the criteria used to calculate the compensation to be paid to the Manager Responsible for Preparing Financial Reports, given the particular nature of this position;
- maintaining relations with the Company's other control bodies and reviewing the work that they have performed.

No directors attended meetings of the Committee that made proposals to the Board regarding their remuneration.

The head of internal audit was invited to attend certain meetings of the Committee. The Committee has monitored correct application of the above criteria.

The Committee had direct access to all information and functions needed to carry out its duties and did not consider it necessary to make use of external consultants, as it is entitled to do.

10. Director's Remuneration

- Compensation of Directors in case of resignation, dismissal or termination of employment following a takeover bid (art. 123-bis, paragraph 1 (i), CFA)

For this information, please refer to the Remuneration Report prepared in accordance with art. 123 ter CFA and published separately.

11. Internal Control and Risk Management System

The internal control and risk management system is a set of rules, procedures and organisational structures designed to ensure that the business is run in a fair and healthy manner that is consistent with its stated objectives, through a suitable process of identification, measurement, management and monitoring of the principal risks.

The Board has laid down the main guidelines for the internal control and risk management system.

Details of the main characteristics of the risk management and internal control system relating to financial information (also at a consolidated level) can be found in Appendix 1.

- 11.1. - Executive Director in charge of the Internal Control and Risk Management System

On 30 November 2006, IMA's Board appointed Alberto Vacchi as the Executive Director in charge of the internal control and risk management system.

* * *

The Executive Director in charge of the internal control and risk management system has:

- identified the Company's main business risks, submitting to the Board for review.
- implemented the guidelines established by the Board and carried out the planning, design, implementation and management of the system of internal control, verifying its overall adequacy, efficiency and effectiveness.
- implemented the system according to the operating conditions and the legal and regulatory framework.

During the course of the year no problems or critical issues arose that needed to be reported by the Executive Director to the Committee, so that it could take appropriate action.

- 11.2. - Head of Internal Audit

Claudio Rizzi was appointed by the Board as the head of internal audit - until revocation - on the proposal of the Executive Director.

Solely in his role as Head of Quality & Compliance, Mr. Rizzi reports to the General Manager (Services).

* * *

The head of internal audit has direct access to all information needed to carry out his duties.

During the year, the head of internal audit reported on his activity to the Committee and to the Board of Statutory Auditors at the meetings held on 14 March 2014, 14 November 2014 and 2 December 2014.

The main activities carried out during the year by the head of internal audit consisted of carrying out test checks on:

- compliance with the administrative and accounting procedures as per Law 262/05 regarding the Company and its main subsidiaries, each for the corresponding processes included in the scoping;
- compliance with the organisational procedures as per Law 231/01 regarding IMA and IMA Industries S.r.l.

- the activities and controls set up in the Company and its main subsidiaries to manage the risks identified by the Executive Director in charge of the internal control system, as indicated in paragraph 11.1; in particular, the whole area of patent management was analysed during the year.

Although specific financial and human resources were made available to internal audit to carry out its duties, the related remuneration proposed by the director in charge of the internal control and risk management system with the consent of the Committee and the Board of Statutory Auditors was not set by the Board; as in the past, this remuneration was set by the Personnel Department.

- 11.3. - Organisational Model pursuant to Legislative Decree 231/2001

At a meeting held on 27 March 2008, the Board adopted the organisation, management and control model as per Legislative Decree 231 of 8 June 2001 concerning the administrative responsibility of legal persons.

The organisation, management and control model consists of a general part and several special parts; essentially, it explains IMA's corporate governance structure, the way that the Supervisory Board is established and functions, along with an explanation of the system of sanctions.

Following the adoption of this model, certain internal procedures have been introduced or modified.

At the same time as adopting this model, a Code of Ethics was adopted and a Supervisory Board was appointed.

The Supervisory Board comprises:

- Maria Lucia Sireci – Chairman, a professional with a legal background, who has a particular knowledge of the Company's organisational structure;
- Gerardo Diamanti, an independent professional with an economics background and particular experience in cash flow management;
- Mario Panzeri, a professional with a background in company law, specific experience of supervisory boards and particularly knowledgeable about protocols and procedures.

The Supervisory Board is responsible for supervision of the Organisation, Management and Control Model, monitoring compliance and taking care of updates, reporting periodically to the Board of Directors.

The members of this body do not hold any positions in the Company and satisfy the requirements of autonomy and independence needed to perform their duties.

Over the years and, most recently, in 2014 the organisation, management and control model has undergone updates, so to adapt it to the application feedback, as well as the regulatory framework.

IMA's organisation, management and control model and its Code of Ethics are available on the Company's website: <http://www.ima.it>.

The subsidiaries Corazza S.p.A., Gima S.p.A. and CO.MA.DI.S. S.p.A. have for some time adapted to the provisions of Legislative Decree 231/01, adopting their own organisation model.

Despite having taken into consideration new legislation that provides for the possibility to assign the functions of the Supervisory Board to the Board of Statutory Auditors, the Board has decided, for the moment, not to take up this option, but is willing to examine the feasibility of this option in the near future.

- 11.4. - Independent Auditors

Having taken note of the favourable opinion of the Board of Statutory Auditors, the Shareholders' Meeting of 29 April 2013 approved the appointment of Reconta Ernst & Young S.p.A. to audit IMA's separate and consolidated financial statements for the nine years from 2013 to 2021.

- 11.5 - Manager Responsible For Preparing Financial Reports

On 28 January 2010, the Board appointed Sergio Marzo, the Group's Chief Financial Officer, as the Manager Responsible for Preparing Financial Reports, in accordance with art. 25 of the Articles of Association and having heard the opinion of the Board of Statutory Auditors.

Sergio Marzo satisfies all of the requirements laid down in art. 25 of the Articles of Association: at least three years' experience in administration, finance and control and the integrity required of directors.

The Manager Responsible for Preparing Financial Reports has all the powers necessary to fulfil his duties, including an expense budget.

The Manager Responsible for Preparing Financial Reports has to report twice a year to the Board on the work performed and on the costs incurred.

- 11.6. – Coordination between those involved in the system of internal control and risk management

Regular meetings are held between those involved in the system of internal control and risk management to facilitate an exchange of information that may be useful to them in carrying out their duties.

12. Directors' Interests And Related Party Transactions

On 1 December 2010, in accordance with the provisions of Consob's Related Party Regulations, the Board approved a specific procedure, which was drawn up taking into consideration the instructions subsequently provided by Consob on how to apply the new rules with communication DEM/10078683 of 24 September 2010.

The purpose of this procedure, which is published on the Company's website (www.ima.it), is to lay down the approach to be taken in identifying, reviewing and approving transactions with related parties to be carried out by IMA or its subsidiaries to ensure that they are transparent and fair from both a substantial and procedural point of view.

Related party transactions are identified in accordance with the guidelines of Consob's regulations.

Material related party transactions are submitted for advance approval by the Board, which in turn has to obtain the consent of a special committee made up solely of independent directors; to express their opinion, this committee can make use of outside experts, who also have to be independent.

The related party transactions carried out during 2014 are commented on in the notes to the financial statements.

The Board of Directors has not adopted particular operating solutions to facilitate the identification and an adequate handling of those situations in which a director has a personal interest or represents third party interests.

13. Appointment of the Statutory Auditors

The Articles of Association expressly provide for Statutory Auditors to be appointed on the basis of voting lists according to current law and regulations in order to ensure gender balance pursuant to article 148.1 bis CFA and to ensure that the minority shareholders appoint one serving Auditor and one alternate Auditor.

Lists are to be presented in two sections: one for the appointment of the Serving Auditors and the other for the appointment of the Alternate Auditors. The lists have to contain a number of candidates that does not exceed the number of Auditors to be elected, listed in numerical order; the first two candidates in both sections of the lists must be of different genders. Each candidate can only appear on one list; otherwise, they will be ineligible for election.

Lists can only be presented by Shareholders who alone or together with other shareholders own at least 2.5% of the shares with voting rights, or any different threshold as may be established by legal and regulatory provisions.

In this latter regard, we would cite, for 2014, Consob resolution 18775 of 29 January 2014 and, for 2015, Consob resolution 19109 of 28 January 2015, which provides for a lower percentage of 1%.

The lists, signed by those presenting them, must be filed at the Company's registered offices at least twenty-five days prior to the date set for the Shareholders' Meeting at first calling.

At the time of presenting the list, the total percentage ownership held must be specified, together with the other documentation required by applicable law and regulations. To prove that they have the minimum shareholding necessary to present voting lists, shareholders have to file, along with the list, suitable documentation showing the identity of the shareholder or shareholders presenting the list, the percentage interest held at the time of filing the list and the certification that demonstrates ownership of the shares at the date on which the list was filed at the Company's head office. This certification can be submitted later, providing it is done at least twenty-one days prior to the date set for the Shareholders' Meeting at first calling.

By the twenty-fifth day prior to the date of the Shareholders' Meeting at first calling, each list has to be accompanied by the CV of the individual candidates, who also have to declare that they accept their nomination and confirm, under their own responsibility, that there is no incompatibility nor reasons why they should not be elected, and that they meet the requirements of office laid down by law and in the Articles of Association.

In the event that, by the above deadline, only one list has been filed or only lists submitted by shareholders who under the current rules are deemed to be related to each other, then other lists can be presented within the next three days. In this case, the above threshold is reduced by 50%.

The first two candidates in the respective sections of the list that obtains the largest number of votes (the "Majority List") are elected as Serving Auditors and Alternate Auditors, together with the first candidate in the respective sections of the list obtaining the second largest number of votes (the "Minority List") that is not related in any way, directly or indirectly, to the Shareholders who presented or voted for the Majority List.

In the event of a tied vote between two or more lists, the oldest candidates will be elected as Auditors to the extent of the places available, without prejudice to the current rules at the time on gender balance. The candidate taken from the Minority List has the right to be Chairman.

Without prejudice to the current rules at the time on gender balance, if a Serving Auditor has to be replaced, the first Alternate Auditor belonging to the same list as the one leaving office takes over until the next Shareholders' Meeting.

Without prejudice to the current rules at the time on gender balance, if the Chairman has to be replaced, the Alternate Auditor taken from the Minority List takes over the Chair until the next Shareholders' Meeting.

Without prejudice to the current rules at the time on gender balance, if only one list was presented or if there is a tied vote between two or more lists, the Chairman gets replaced by the next Serving Auditor belonging to the same list as the Chairman leaving office until the next Shareholders' Meeting.

14. Composition and Functioning of the Board of Statutory Auditors (art. 123 bis, paragraph 2 (d), CFA)

Information on the composition and functioning of the Board of Statutory Auditors is provided in Table 3.

The Board of Statutory Auditors in office at the date of this Report was appointed by the Shareholders' Meeting held on 24 April 2013 and will remain in office until

the Shareholders' Meeting called to approve the financial statements at 31 December 2015.

Appointments were made following the presentation of only one list by the majority shareholder, SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A., twenty-five days prior to the Shareholders' Meeting held at the Company's head office and published on its website (www.ima.it), containing the overall percentage interest held in the Company's share capital and the proposed nominations.

Thus proposal was accompanied by the required information on the personal and professional characteristics of each candidate, as well as a declaration from each of them confirming that they satisfied the legal requirements for office and, if elected, were willing to accept the appointment.

The Shareholders with 70.577% of the ordinary shares with voting rights on their own behalf or by proxy resolved by a majority to appoint the Board of Statutory Auditors with the same composition as it has at the moment.

The Board of Statutory Auditors met six times during 2014. Each meeting lasted an average of one hour and twenty minutes.

The Supervisory Board, which is required to meet at least every ninety days, has already had one meeting as of March 2015.

The composition of Board of Statutory Auditors has not changed since the end of the year.

The personal and professional characteristics of each Statutory Auditor are as follows:

- GIACOMO GIOVANARDI: born in Modena on 4 December 1961, he is listed on the Register of Chartered Accountants and Tax Consultants and on the Register of Auditors. He has worked as an Chartered Accountant since 1986. In 1995 he became a partner in Studio Bertoli Giovanardi Grimaldi & Partners, a firm of consultants providing legal, fiscal, financial and administrative advice to companies, businesses and individuals. He is a Board member and Statutory Auditor for various industrial, commercial and property firms.

- ROBERTA DE SIMONE: born in Forlì on 16 November 1964, she is listed on the Register of Chartered Accountants and Tax Consultants of Forlì and on the Register of Auditors. She has worked as a Chartered Accountant since 1994, advising businesses on fiscal and corporate matters and insolvency proceedings. She is a member of the Board of Statutory Auditors for various industrial firms.

- RICCARDO PINZA: born in Forlì on 2 October 1969, he is listed on the Register of Lawyers in Forlì. Since 1996 he has carried on the legal profession together with his father, Roberto Pinza, who founded the Studio Legale Pinza, and various colleagues, specialising in civil, corporate and labour law. He is a member of several Boards of Directors.

The CVs of the statutory auditors currently in office, together with the documentation required by the Articles of Association, were deposited at the Company's head office by the shareholder SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A. at the time the list for the appointment of statutory auditors was presented and simultaneously published on the Company's website (www.ima.it), where they are still available.

* * *

The Board of Statutory Auditors has periodically checked the independence of its members, applying all of the criteria envisaged in the Code for the independence of directors.

* * *

The Company has not introduced a procedure that obliges Statutory Auditors who, directly or on behalf of third parties, have an interest in a certain transaction of OMA to inform the other auditors and the Chairman of the Board of Directors, punctually and in detail, about the nature, terms, origin and extent of their interest. In any case, the Statutory Auditors have to communicate if they have an interest, also to comply with the rules of professional ethics that they have to observe.

* * *

The Board of Statutory Auditors has monitored the adequacy of the internal control system and that of the administrative and accounting system, as well as the latter's reliability in presenting a true and fair view of the Company's situation and results. The Board of Statutory Auditors has monitored that the external auditors are truly independent, verifying both their compliance with the applicable provisions of law and the nature and amount of non-audit services provided to IMA and its subsidiaries.

* * *

The Board of Statutory Auditors has coordinated its activity with that of the Committee with its Chairman taking part in all meetings of the Committee. The Board of Statutory Auditors has also liaised with the other bodies and functions in charge of the system of internal control and risk management, especially with the Manager responsible for preparing financial reports, Internal Auditing and the Supervisory Board.

15. Investor Relations

In compliance with the regulations on shareholder relations, as evidenced by Criterion 9.C.1, IMA has created a section on its website (<http://www.ima.it>), easily identifiable and accessible, where shareholders can find useful information on the Company to help them exercise their rights in full awareness of the situation.

IMA publishes on its website press releases and notices published in the press with regard to the exercise of rights pertaining to the securities that it has issued, documentation about Shareholders' Meetings and any other documentation generally made available to the public in such circumstances.

A member of staff has been appointed Investor Relations Manager to handle dealings with the Italian and international financial community and with all shareholders.

This position is currently held by Andrea Baldani.

16. Shareholders' Meetings

The following is the clause of the Articles of Association that regulates participation at Shareholders' Meetings.

Art. 10

Shareholders' Meetings are called by the directors by means of a notice published as required by law on the Company's website, as well as by any other means required by current regulations. Shareholders' Meetings can be held in the municipality where the Company has its head office, or elsewhere in Italy, the European Union or Switzerland.

The notice of calling can give a date for a second calling or, in the case of extraordinary meetings, a third calling, if the earlier ones do not achieve a quorum; if no alternative dates are given, the second or third calling must be intimated, respectively, within thirty days of the first or second calling.

Requests to add items to the agenda of Shareholders' Meetings can be presented by shareholders as foreseen by law.

Entitlement to attend shareholders' meetings and exercise voting rights is regulated by current law. It is up to the Chairman of the Shareholders' Meeting to verify that participants have the right to attend and that proxies are valid.

* * *

The Shareholders' Meeting held on 5 May 2000 approved the regulations for shareholders' meetings (available on the Company's website: <http://www.ima.it>) which govern the orderly and functional conduct of the Company's shareholders' meetings, also with a view to encouraging the widest possible participation by shareholders.

The Regulations for Shareholders' Meetings were amended by the Extraordinary Shareholders' Meeting held on 28 January 2011 to bring them into line with the requirements of Legislative Decree 27 of 27 January 2010.

* * *

The Board has reported on its activity to the Shareholders' Meeting in its report on operations and answered shareholders' requests for clarification.

The Board has made every effort to disseminate the documentation concerning the items on the agenda to ensure that shareholders receive sufficient information to enable them to take informed decisions on the matters that have to be decided by the Shareholders' Meeting.

As regards the market capitalisation of IMA's shares, it is worth noting that the price went from Euro 28.00 at the beginning of the year to Euro 36.30 at the end of the year.

17. Other Aspects of Corporate Governance

The Board has approved a procedure (available on the Company's website <http://www.ima.it>) concerning transactions in the Company's shares either directly or through intermediaries by relevant persons and parties closely related to them, by stipulating black-out periods during which these individuals are not able to buy or sell shares at specific times of the year.

The approved procedure was then subject to a number of updates that were authorised by the Board of Directors, most recently on 14 November 2013.

During 2014 seven transactions were reported and the filings can be seen on the Company's website.

18. Changes since the end of the year

On 27 February 2015, IMA announced the closing of the deal to buy the Oystar Group; that was the date of transferral of the shares representing 80% of the share capital of the new holding company called IMA Dairy & Food Holding GmbH, which in turn owns, among others, investments in the share capital of Benhil, Erca, Hassia, Hamba and Gasti.

On the same day, the Company also announced the closing of the deal for IMA to purchase a 60% stake in the new company Teknoweb Converting S.r.l., which operates in the converting industry.

Ozzano dell'Emilia (Bologna), 13 March 2015

On behalf of the Board of Directors

The Chairman

Alberto Vacchi

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE

STRUCTURE OF THE SHARE CAPITAL				
	No. of shares	% of s.c.	Listed	Rights and obligations
Ordinary shares	36,828,000	100%	Listed on STAR Segment of Borsa Italiana S.p.A.	Right to vote at Ordinary and Extraordinary Shareholders' Meetings

SIGNIFICANT SHAREHOLDINGS			
Declarant	Direct shareholder	Percentage of ordinary share capital	Percentage of voting share capital
Lopam Fin S.p.A.	SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A.	66.219%	66.219%
Hydra S.p.A.	Hydra S.p.A.	2.003%	2.003%

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND ITS SUB-COMMITTEES

Board of Directors													Internal Control and Risk Management, Remuneration and Nominations Committee		Remuneration Committee		Nominations Committee		Executive Committee (if any)		Other Committees (if any)	
Position	Members	Year of birth	Date first appointed	Position held from	Position held till	List **	Exec.	Non-exec.	Independent as per Code	Independent as per CFA	(*)	Number other positions ***	(*)	(**)	(*)	(**)	(*)	(**)	(*)	**	****	**
Honorary Chairman	Marco Vacchi	1937	04.01.82	04.01.82	31.12.14	M		x			11/11	4										
Chairman and Managing Director (•◊)	Alberto Vacchi	1964	09.11.88	09.11.88	31.12.14	M	x				11/11	4										
Director	Italo Giorgio Minguzzi	1944	14.12.93	14.12.93	31.12.14	M		x			11/11	3										
Director	Maria Carla Schiavina	1965	09.11.88	09.11.88	31.12.14	M		x			11/11	9	M	5/5								
Director	Gianluca Vacchi	1967	14.12.93	14.12.93	31.12.14	M		x			10/11	5										
Director	Andrea Malagoli	1965	16.05.96	16.05.96	31.12.14	M	x				11/11	1										
Director	Luca Poggi	1961	16.05.96	16.05.96	31.12.14	M		x			8/11	3										
Director	Pierantonio Riello	1959	28.04.09	28.04.09	31.12.14	M		x	x	x	6/11	//	M	2/5								
Director	Romano Volta	1937	27.04.00	27.04.00	31.12.14	M		x			10/11	3										
Director	Marco Galliani	1954	28.04.09	28.04.09	31.12.14	M		x	x	x	9/11	1	C	4/5								
Director	Enrico Ricotta	1956	28.01.10	28.01.10	31.12.14	M		x			10/11	7										
Director (◊)	Paolo Frugoni	1947	15.12.11	15.12.11	31.12.14	M		x	x	x	11/11	//										
Directors who left office during the year																						
//	//			//	//	//	//	//	//	//	//	//	//	//								
Indicate the quorum requested for the presentation of lists for the last election: 2.5%																						
Number of meetings during the year								Board of Directors: 11			IC/RC, RC & NC: 5			RC: //		NC: //			EC: //		Other Committees: //	

NOTES

The symbols listed below must be entered in the column "Position":

- This symbol indicates the director in charge of the system of internal control and risk management.
- ◊ This symbol indicates the main person responsible for managing the issuer (Chief Executive Officer or CEO).
- ◊ This symbol indicates the Lead Independent Director (LID).

* The date when each director was first appointed means the date on which the director was appointed as a member of the issuer's Board of Directors for the very first time.

** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "BoD": list presented by Board of Directors).

*** This column indicates the number of positions held as director or statutory auditor in other companies listed on regulated markets (including foreign markets) in financial companies, banks, insurance companies or other large companies. The Report on Corporate Governance explains the positions in full.

(*) This column indicates the directors' attendance at meetings of the Board of Directors and Committees (indicate the number of meetings attended with respect to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

(**)_ This column indicates the director's position on the Committee: "C": chairman; "M": member.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors									
Position	Members	Year of birth	Date first appointed *	Position held from	Position held till	List **	Independent as per Code	Attendance at meetings ***	Number other positions ****
Chairman (1)	Giacomo Giovanardi	1961	2007	27.04.07	Till approval of the fin. stats. at 31.12.15	M	x	6/6	//
Serving Auditor	Roberta De Simone	1964	2013	24.04.13	Till approval of the fin. stats. at 31.12.15	M	x	6/6	//
Serving Auditor	Riccardo Pinza	1969	2010	28.04.10	Till approval of the fin. stats. at 31.12.15	M	x	6/6	//
Alternate Auditor	Vittorio Coraducci	1957	2004	26.04.04	Till approval of the fin. stats. at 31.12.15	M			
Alternate Auditor	Federico Ferracini	1968	2010	28.04.10	Till approval of the fin. stats. at 31.12.15	M			
Alternate Auditor	Giovanna Bolognese	1960	2013	24.04.13	Till approval of the fin. stats. at 31.12.15	M			
Auditors who left office during the year									

NOTES

* The date when each auditor was first appointed means the date on which the auditor was appointed as a member of the issuer's Board of Statutory Auditors for the very first time.

** This column indicates the list from which each auditor was taken ("M": majority list; "m": minority list).

*** This column indicates the auditors' attendance at meetings of the Board of Statutory Auditors (indicate the number of meetings attended with respect to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

**** This column indicates the number of positions held as director or statutory auditor by the person involved pursuant to art. 148-bis CFA and the related implementation provisions contained in Consob's Issuers' Regulations. A complete list of appointments is published by Consob on its website pursuant to art. 144-quinquiesdecies of the Issuers Regulations.

Appendix 1

Paragraph on the "Main characteristics of the existing risk management and internal control systems in relation to the processing of financial information" (art. 123-bis, paragraph 2 (b), CFA)

1. Introduction

The internal control and risk management system in relation to the processing of financial information (the "System") is a process implemented by IMA S.p.A. and extended to the other main Group companies. Its aim is to provide reasonable assurance that the following objectives are achieved in connection with the financial disclosures made at consolidated level:

- credibility, i.e. the information must be accurate and comply with the accounting standards, applicable laws and regulations;
- accuracy, i.e. the information must be neutral and precise, being free from any distortions intended to influence users' decisions in order to obtain a given result;
- reliability, i.e. the information must be complete and clear enough to allow investors to make informed decisions and facilitate the understanding of complex aspects of the business without being excessive or superfluous;
- timely, i.e. it must respect the official deadlines for publication.

The Board, directors and other designated officers of the Company are responsible for carrying out the process that makes up the System.

An integral part of this process is the system for managing risks related to financial information, which therefore constitutes an integral and fundamental element of the System.

The System has been designed and implemented by taking into account the requirements of Law 262/2005 ("Savings Law"), using international best practice as a point of reference.

In particular, the planning, implementation, monitoring and periodic evaluation of the System is based on the standard known as the "CoSO Report – Internal Control Integrated Framework".

This model has been adopted in reference to financial information objectives and includes the following components:

- control environment
- risk assessment
- control activities
- information and communication
- monitoring

The control environment is defined and circulated within the Group by the Parent Company, i.e. by the Board, the internal control functions and top level managers in particular. It is implemented by means of a Corporate Governance structure, the definition of a policy and organisational structure, the granting of powers and responsibilities, and by the Company's own philosophy and management style. The Code of Ethics and Organisational Model issued by the Board form the basis of the control environment.

The risk assessment process is implemented at both entity level and process level. The assessment is carried out according to common guidelines that each company can adapt according to its own environment and particular risks.

Control activities are generally conducted at entity level by the corporate functions responsible for managing the various processes and risk areas ("process owners"), with the exception of activities linked to the consolidation process which are controlled directly by the Parent Company.

The information required for the performance of operational, control and monitoring activities is mainly circulated on the operational information system, which is why this is considered an integral part of the System.

Communication between business units, management and the control bodies regarding the System and related activities takes place through channels that are pre-determined by procedural systems and Group governance.

The System is monitored periodically, at intervals linked to the dates on which financial information is published. Monitoring covers both the assessment of the control plan implemented to counter the risks that have been identified, and the effective application and operation of these controls.

2) Description of the main characteristics of the risk management and internal control systems relating to the processing of financial information

2a) *Phases of the internal control and risk management system relating to the processing of financial information.*

The various phases that make up the System are as follows:

- Identification of risks relating to financial information
- Assessment of risks relating to financial information
- Identification of controls over the risks identified
- Evaluation of controls over the risks identified
- Reporting to management on the adequacy and effectiveness of the System.

These phases result in the following reports being made, based on the model "CoSO Report – Internal Control Integrated Framework":

<i>Phases of the IMA system</i>	<i>Component of the "CoSO Report – Internal Control Integrated Framework"</i>
Identification of risks relating to financial information	Risk assessment
Assessment of risks relating to financial information	Risk assessment
Identification of controls over the risks identified	Control activities
Assessment of controls over the risks identified	Monitoring
Reporting to management on the adequacy and effectiveness of the System.	Information and communication

The following is a description of the guidelines, criteria and main characteristics of the various phases making up the IMA System, with reference to their design, implementation and monitoring.

Identification of risks relating to financial information:

In accordance with the requirements of Law no. 262/2005 ("Savings Act"), the scoping process at entity level and process level with regard to the potential impact on financial information is based on data taken from the consolidated financial statements.

The first phase consists of determining the overall materiality level, which in line with international best practice is set at 5% of pre-tax profits. On a prudential basis, a planning materiality of 75% of the overall amount is then calculated.

Planning materiality identifies the significant accounts or aggregates included in the scope of the exercise.

In this way, the scope includes all of the internal processes that contribute to these significant accounts.

The second phase determines the income statement and balance sheet drivers needed to identify the entities to be included in the scope, known as Material Control Units.

The drivers used are, respectively, the consolidated net revenues and consolidated net capital employed. The Material Control Units are those Group companies that have at least one driver that is more than 5% of the consolidated figure.

Scoping of the System is followed by an identification of the risks related to financial information.

This phase considers the risks related to hypothetical events which, if they occurred, could compromise achievement of the System's objectives, i.e. the credibility, accuracy, reliability and timeliness of financial information.

At the level of processes and transactions, these objectives reflect those that are generally classifiable according to the CAV(IA)R model as follows:

- completeness of transactions and data
- accuracy of transactions and data
- validity of transactions and data
- restriction of access to transactions and data.

In line with the reference model, these risks are identified by using international best practices, which are analysed and then adapted to reflect the specific nature of the Group and each Group company. This analysis results in an overall definition of the risks which then undergo a further assessment.

The potential risks taken into consideration may derive from unintentional errors or fraudulent actions, as they can both have a significant effect on financial information.

Assessment of risks relating to financial information:

The assessment of risks relating to financial information is initially a test of "inherent risk", i.e. it does not take into account the controls put in place to mitigate the risks.

The importance of each risk is assessed with reference to the following aspects:

- the extent to which the adverse event (or risk) is likely to affect the objectives established for financial information
- the probability of the adverse event occurring.

These aspects are quantified and normalised using qualitative measurements, based on analyses carried out internally by the pertinent functions, taking into account any historic data that may be available.

The results of these two dimensions are cross-checked to obtain a final quantitative assessment of the inherent risks.

Identification of controls over the risks identified:

To counter the inherent risks identified, the subsequent analysis involves identifying the type of controls and their characteristics in order to construct a System that will reduce the risk to an acceptable level (residual risk).

The analysis is based on a mapping of the controls currently in place, and their correlation with the individual risks, and an evaluation of the extent to which the controls are able to detect each of these risks.

The detection threshold refers to the extent to which a control is able to highlight or prevent the occurrence of an adverse event (risk), and is assessed by taking into account various factors and intrinsic characteristics, such as:

- whether the control is carried out prior to, or simultaneously with, the activities under examination (preventive controls), or *ex-post* (detection controls).
- the complexity of execution of the control
- the level of automation of the control (manual or automatic)
- level of coverage of the control (100% or sample check)

The overall detection threshold of each risk, thanks to the controls defined within the System, is then cross-checked against an assessment of the inherent risk, in order to quantify the residual risk (i.e. the risk that is left after the System controls have been implemented).

The residual risks are then compared against the level of risk that is acceptable to the Company, in order to determine the adequacy of the System as it stands.

The result of this phase is the final definition of the System used by the Company in order to guarantee its objectives in relation to financial information.

Assessment of controls over the risks identified:

Once a year, the Company assesses the System in terms of both its design and effectiveness.

This periodic assessment of the design, i.e. the capacity of each control to mitigate the residual risk to an acceptable level, is carried out mainly by considering any potential changes which may have occurred since the previous assessment, that could influence the appropriateness of the controls. These may include changes in the Company's organisation, market, products, internal procedures, personnel, management, technological developments, IT upgrades, restructuring programmes or decentralisation.

The periodic assessment of the System's effectiveness, i.e. checks to ensure that the controls are effectively carried out in accordance with the design, is carried out by means of an internal audit plan.

The control techniques used during the audit mainly consist of an examination of the findings of the System controls and, where possible, repeating the controls.

The sampling of the activities and information being audited is decided according to the best practices of the reference model.

Reporting to management on the adequacy and effectiveness of the System:

The Company has introduced specific information flows so that management and the internal control bodies are kept periodically updated about the System's adequacy and effectiveness.

These reports are issued every six months, at the same time as publication of the main financial reports, i.e. the half-year and annual consolidated financial statements.

These reports contain details of the scheduled, ongoing and completed assessments of the System, and a description of the findings pertaining to financial information, including any shortcomings.

The process of evaluating the shortcomings and any corrective action to be taken (or already taken) involves management, depending on the gravity of the situation. The effectiveness of any action taken to eliminate the shortcoming will then be evaluated.

Extra reports or additional controls can be introduced at the specific request of management or the competent internal control bodies.

2b) Roles and functions involved

In order to guarantee the effective functioning of the System, the Company has defined the responsibilities associated with each phase of risk management and design, implementation, effectiveness and monitoring of controls.

These responsibilities are summarised in the following table:

<i>Phase or activity</i>	<i>Primary responsibility</i>	<i>Support</i>
Scoping of the System and the risks relating to financial information	Managing Director Manager responsible for preparing financial reports	Internal Audit
Assessment of risks	Managing Director	Internal Audit

relating to financial information	Manager responsible for preparing financial reports	
Identification of controls to counter the risks identified, and assessment of residual risk	Manager responsible for preparing financial reports	Internal Audit
Execution of controls to counter the risks identified	Directors responsible for each business unit	-
Assessment of control plan to counter the risks identified	Managing Director	Manager responsible for preparing financial reports
Assessment of effectiveness of controls to counter the risks identified	Managing Director	Internal Audit
Reporting to management on the System's adequacy and effectiveness	Manager responsible for preparing financial reports	-
Reporting to internal audit functions on the System's adequacy and effectiveness	Internal Audit	-

Appendix 2

A LIST OF OTHER COMPANIES LISTED ON REGULATED MARKETS IN ITALY AND ABROAD, FINANCIAL COMPANIES, BANKS, INSURANCE COMPANIES OR LARGE COMPANIES IN WHICH IMA'S DIRECTORS HAVE BEEN APPOINTED AS A DIRECTOR OR STATUTORY AUDITOR

Marco Galliani

- Cassa di Risparmio di Ravenna (Director)

Andrea Malagoli

- SO.FI.M.A. S.p.A. (Director)

Italo Giorgio Minguzzi

- Fondazione Ducati Corse S.p.A. (Executive Committee Member)
- Ghisamestieri S.r.l. (Director)
- Unitec S.p.A. (Director)

Luca Poggi

- Finanziaria del Vetro (Director)
- Boato Holding S.p.A. (Director)
- SO.FI.M.A. S.p.A. (Director)

Enrico Ricotta

- Mandarin Capital Management SA (Director)
- Mecaer S.p.A. (Director)
- Dedalus S.p.A. (Director)
- Euticals S.p.A. (Director)
- Mandarin Capital II Partners Sicar (Director)
- ICF S.p.A. (Director)
- TIEFFE S.p.A. (Director)

Maria Carla Schiavina

- Consorzio Schiavina-Adanti (Chairman)
- Eredi Schiavina S.r.l. (Chairman)
- Immobiliare Schiavina S.r.l. (Deputy Chairman)
- Murazzi Ecostruttura-Mecos S.r.l. (Deputy Chairman)
- Schiavina S.r.l. (Chairman)
- SO.FI.M.A. S.p.A. (Director)
- Broletto S.c.a r.l. (Deputy Chairman)
- Euridice S.c.a r.l. (Deputy Chairman)
- Lido s.c.a r.l. (Deputy Chairman)

Alberto Vacchi

- ALVA S.p.A. (Sole Director)
- SO.FI.M.A. S.p.A. (Director)
- Etrusco S.r.l. (Sole Director)
- Maestrale Investimenti S.r.l. (Sole Director)

Gianluca Vacchi

- SO.FI.M.A. S.p.A. (Director)
- Eleven Finanziaria S.r.l. (Sole Director)
- Boato Holding S.p.A. (Chairman)
- Cofiva S.A. (Director)
- First Investments S.p.A. (Sole Director)

Marco Vacchi

- Banca di Bologna Credito Cooperativo SCRL (Chairman)
- B Group S.p.A. (Director)
- Lopam Fin S.p.A. (Chairman)
- SO.FI.M.A. S.p.A. (Chairman)

Romano Volta

- Datalogic S.p.A. (Chairman)
- Hydra S.p.A. (Chairman)
- San Paolo IMI Fondi Chiusi SGR S.p.A. (Director)