



General Part

Organizational Model pursuant to Legislative Decree 231/01

Metalleghe S.p.a. Unipersonale

Approved by the Board of Directors

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Public Document

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Terms and definitions

Organizational Model

Organizational, Management and Control model pursuant to Legislative Decree no. 231/01

Watch Structure

Means the internal control body, which is responsible for monitoring the operation and respect of the Organizational Model, and its update.

Board of Directors

Corporate body responsible for the management of the company.

CCNL

National Collective Labor Agreements and Company Supplementary Agreements.

D. Lgs. 231/2001 o Decree

D. Lgs. 8 giugno 2001 n. 231 "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality".

Employees

Subjects who perform work services for the company, employed by and under the direction of the company with a permanent or fixed-term contract. Workers with self-employment contracts, temporary workers and interns are equated with Employees as regards compliance with the provisions of Legislative Decree 231/2001.

Suppliers

Subjects who supply the Company with goods and / or services by virtue of agreements.

Public Administration

public administration means public bodies in general.

Stakeholders

The parties with interests in the company, whether they are internal or external to the company sphere.

Internal Control System o SCI

The set of directives, procedures and regulations adopted by the company in order to ensure the reliability of the information, compliance with laws and regulations and ensure the efficiency and effectiveness of the company.

Sanctioning System

The document, part of the Organizational Model, which governs the sanctions that can be imposed on the recipients of the Model for non-compliance with the provisions of the Model itself.

Company regulations

The set of formalized rules and protocols that are used to regulate, in binding form for the Recipients, the ways in which the various company activities are carried out.

Introduction

The purpose of the "Organization, management and control model" (hereinafter also referred to as the "Model") is to exclude the administrative liability of Metalleghe Spa (hereinafter also referred to as the "Company") in the event of the commission of offenses by Legislative Decree 231/2001 by shareholders, directors, managers, employees or, in general, collaborators of the Company.

The specific objective is to optimize the company Internal Control System and make it compliant with the dictates of Legislative Decree 231/2001 and therefore:

- create the conditions for preventing crimes, avoiding sanctions and measures;
- avoid in any case inappropriate and unethical conduct in relations with the Public Administration and towards all interested parties ("Stakeholders") by those who work in Metalleghe Spa and those who work on behalf of Metalleghe S.p.a.

The scope of application of the Organizational Model consists of all company areas / processes of internal and external importance.

Reference regulatory framework

Legislative Decree 231/2001

On 8 June 2001, Legislative Decree 231/2001 was issued, containing the "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality", which introduced for the first time in Italy a direct liability of companies for certain crimes committed in the interest or to the advantage of the same:

- by persons who hold representative, administrative or management functions of the company or one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same (so-called Subjects Apical);
- by persons subject to the management or supervision of one of the subjects indicated above (so-called Subject Subordinates).

The administrative liability introduced by Legislative Decree 231/2001 aims above all to affect the assets of companies that have benefited from the commission of some, identified, criminal offenses. It is therefore envisaged, in all cases, the application of a pecuniary sanction to varying degrees depending on the seriousness of the crime and the patrimonial capacity of the Company in order to guarantee its real "afflictiveness". For the most serious cases, disqualification measures are also envisaged such as the suspension or revocation of licenses and concessions, the prohibition of contracting with the PA, the prohibition from exercising the activity, the exclusion or revocation of loans and contributions, the prohibition to advertise goods and services.

Articles 6 and 7 of Legislative Decree 231/2001, however, provide for a form of exemption from liability if the Company demonstrates that it has adopted and effectively implemented organization, management and control models suitable for preventing the carrying out of the offenses considered.

The system also provides for the establishment of an internal control body within the Company with the task of supervising the functioning and observance of the models as well as updating them.

The aforementioned models must meet the following needs:

- identify the processes and activities within which the offenses may be committed;
- provide for specific protocols and procedures useful for preventing the commission of offenses;
- identify methods for managing financial resources suitable for preventing the commission of offenses;
- provide for information obligations towards the body appointed to supervise the operation and compliance with the model;
- introduce a Sanctioning System suitable for sanctioning non-compliance with the measures indicated in the model.

The offenses which entail administrative liability on the Company as per Legislative Decree 231/2001 are contained in Chapter I, Section III, of the same text of the law.

The table below shows the complete list of the categories of crime provided for by Decree 231/01.

[Article 24] Undue receipt of funds, fraud against the State or a public body or for the achievement of public funds and IT fraud against the State or a public body
[art.24-bis] Computer crimes and unlawful data processing
[art.24-ter] Provisions of organized crime
[art.25] Extortion, undue inducement to give or promise benefits and corruption
[art.25-bis] Counterfeiting of coins, public credit cards, revenue stamps and instruments or identification marks
[art.25-bis.1] Crimes against industry and commerce
[art.25-ter] Corporate crimes
[art.25-quater] Crimes with the purpose of terrorism or subversion of the democratic order
[art.25-quater.1] Practices of mutilation of female genital organs
[art.25-quinquies] Crimes against the individual
[art.25-sexties] Market abuse
[Article 25-septies] Manslaughter or serious or very serious injury committed in violation of the rules on the protection of health and safety at work
[Article 25-octies] Receiving, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering
[Article 25-octies1] Crimes concerning payment instruments other than cash
[Article 25-novies] Crimes relating to violation of copyright
[art.25-decies] Inducement not to make statements or to make false statements to the judicial authority
[art.25-undecies] Environmental crimes
[art.25-duodecies] Employment of citizens of third countries whose stay is irregular
[art.25-terdecies] Racism and xenophobia
[Article 25-quaterdecies] Fraud in sports competitions, abusive gambling or betting and gambling carried out by means of prohibited devices
[Article 25-quinquiesdecies] Tax Crimes
[art.25-sexiesdecies] Contraband
[law 146/2006] Transnational crimes

Guidelines for model's developing

By virtue of the provisions of paragraph III of art. 6 of Decree 231/01, the Models can be prepared on the basis of the guidelines drawn up by the Trade Associations and ratified by the Ministry of Justice.

The 231/01 model adopted by Metalleghe Spa complies with Confindustria's "Guidelines for the construction of Organization, Management and Control models pursuant to Legislative Decree 231/2001".

As you know, with the aim of providing practical help to companies, Confindustria has issued and periodically updates the Guidelines for the construction of organizational models. They provide methodological indications on the preparation of an organizational model suitable to prevent the commission of the crimes indicated in the decree, allowing the exemption from liability and the related sanctions.

The latest update of the Guidelines was released in June 2021.

The most innovative aspect of the new version is to explain the importance of integrated risk management, with 360-degree compliance.

The analysis of the document, in fact, clearly shows the need for an integrated compliance system, which allows the rationalization of processes and activities in terms of economic, human, technological resources, the efficiency of compliance activities, as well as the optimization of information flows and relationships between the various control actors (for example, the Compliance function, the Internal Audit, the Privacy Officer, the Security Officer, the Board of Auditors, the Supervisory Body) and risk management of the individual organization, including through joint risk assessment and periodic maintenance of compliance programs (including how financial resources are managed, as they are relevant and capable of preventing the commission of many of the offences expressly provided for as the foundation of the responsibility of the entities).

With regard to integrated compliance, particular attention is paid to fiscal aspects, for which the Guidelines suggest the inspiration for the c.d. Tax Control Framework (TFC), "which represents an additional system that allows companies to assess and mitigate the tax risk as a whole (valuing all the risk management models present) and therefore to strengthen its control".

The new Guidelines, dealing with the internal control methodology and the identification of risk management models and referring to the COSO Internal Control Framework and the COSO Enterprise Risk Management, intend to emphasize that the Model should not be seen as a mere regulatory fulfillment but should "live in the company, adhere to the characteristics of its organization, evolve and change with it".

Finally, the importance of the information flows between the Supervisory Body and the Board of Statutory Auditors, as well as with the Internal Audit function, is highlighted, as the sharing of information and a real collaboration, respecting the roles, between the Supervisory Body and the various actors of the control, including the operational management, the latter being the owner of both the business processes of the organization, but also of the first-level controls

The Metalleghe management, organization and control model

Principles for the adoption of the Model

Metalleghe Spa was born in 1980 and, since many years, is a leader in the production of carbon-based refueling, in the production of ferro-alloy briquettes for cast iron foundries and in the marketing of ferro-alloys.

he registered office and the production plant are located in Flero (Brescia). Developed over an area of 35,000 m², it has state-of-the-art facilities for the various crushing, drying and granulometric selection of recharging and ferro-alloys. The chemical-physical and metallurgical analysis laboratory is equipped with modern technology for a more accurate control of both incoming and outgoing materials.

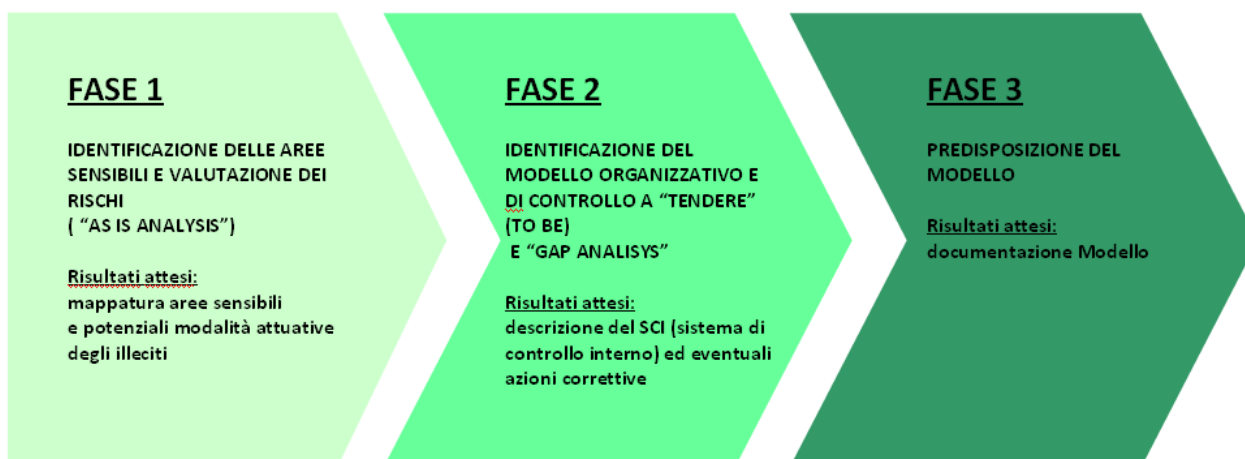
The use of carefully selected raw materials, sufficient stocks of finished products together with punctual deliveries, allow the Company to hold a significant share of the Italian market, as well as an important presence in European markets.

Metalleghe S.p.A., in order to reaffirm the correctness and transparency in the conduct of business and company activities, has adopted an organization, management and control model that meets the purposes and requirements required by the Decree. Although the adoption of the Model is required by law as optional and not mandatory, the Company believes that the effective implementation of the Model itself not only allows to benefit from the exemption provided for by Legislative Decree 231/2001, but also improves its corporate governance, limiting the risk of offenses being committed.

Il lavoro di predisposizione del Modello è stato condiviso con tutti i Responsabili delle funzioni e la Direzione di Metalleghe S.p.A. allo scopo di sensibilizzare sin da subito i medesimi soggetti sull'importanza del Modello.

Operating procedures followed for the implementation of the Model

The phases with which the Model was developed are described and represented below:



Objectives of the Model

The Model is prepared with the aim of implementing internal control procedures (ex ante and ex post) of the various company activities, in order to provide the Company with adequate safeguards for the prevention of the crimes referred to in the Decree.

The Model is drawn up in accordance with the requirements of art. 6, c.2 and c.3, of Legislative Decree 231/2001; in particular, they were:

- identified and isolated the activities within which the predicate offenses identified for the purposes of Legislative Decree 231/2001 may be committed;
- provided for specific procedures aimed at managing staff training and aimed at implementing the decisions of the body in order to prevent predicate offenses;
- introduced specific protocols for the management of the various company activities in order to limit the possibility of committing specific crimes.

Structure of the Model

This model is structured as follows:

- Model 231/01 documents:
 - General Part
 - Special Section
 - Ethical code
 - Disciplinary System
- Attachments to Model 231/01, forming an integral part:
 - List of offenses updated
 - Excel Risk Map
 - Mapping of activities at risk of crime
 - SB Flow Regulation

Recipients of the Model

The Recipients of the Model as well as the Ethical Code are all those who work in various capacities in the Company and / or on its behalf:

- shareholders, administrators and members of other corporate bodies;
- employees, including managers;
- external collaborators and freelancers, who have non-occasional relationships with the Company,
- the partners (ie the subjects participating in non-temporary association agreements of an entrepreneurial nature in any form made).

Adoption of the Model

Any changes and additions made by Metalleghe Spa its Model will be promptly communicated to the other companies.

Changes and additions

Since this Model is an act issued by the Board of Directors (in accordance with the provisions of Article 6, paragraph 1, letter a, of the Decree), its adoption, as well as subsequent amendments and additions, are left to the competence of the Board of Directors of the Company, on the recommendation of the SB.

The annexes to the Model, being operational documents and subject to constant review, do not require the updating of the entire Model and formal approval by the Board of Directors but a resolution of the SB, subject to approval of the contents by the Company Management.

Communication and training

Metalleghe Spa disseminates, in its own organization and externally, the principles and rules contained in the Model and in the Ethical Code and subsequent updates in a complete, accurate and continuous manner.

The Model is formally communicated to the corporate bodies and to the personnel of the Company, through an information meeting (on the purposes and contents of the Model), and the delivery of a copy of the Model and of the Decree 231/01, also on IT support and / or via telematics. A documentary record is kept in the documents of the Supervisory Body of the delivery and the commitment by the recipients to comply with the rules.

For new hires, an information set is provided, consisting of this Model, Decree 231/01 and the Ethical Code and with which to ensure them the knowledge considered most important.

For third party recipients required to comply with the Model, the same is made available on the Company's website. With reference to this aspect, in order to formalize the commitment to compliance with the principles of the Model, as well as the protocols connected to it by third parties, a specific clause is envisaged in the reference contracts and, for existing contracts, the signing of a specific supplementary agreement.

To ensure effective knowledge of the Model with all its constituent elements at all levels, especially following updates, the Board of Directors, in collaboration with the Watch Structure, annually plans and implements adequate information measures aimed at personnel and external collaborators .

The program of information and involvement of the recipients of the Model is defined, documented, implemented, monitored and periodically updated.

The Watch Structure

Requirements of the Watch Structure

Art. 6, first paragraph, lett. b) of the Decree conditions the exemption from administrative liability of the Entity to the establishment of an internal Body within the Entity with powers of initiative and control, which monitors the functioning and observance of the Model and ensures its updating.

From the letter of the same regulation, as well as from the Confindustria guidelines, it emerges that the Watch Structure must possess characteristics such as to ensure effective and effective implementation of the Model. In particular, this "structure" must meet the following requirements:

- **autonomy and independence:** the subjects appointed in the WS must not carry out management activities or assignments of an operational nature within the Company so that conflicts of interest are not generated. Hierarchical independence must also be guaranteed through the inclusion of the Watch Structure, as a unit of staff, in a high position in the corporate organization. The WS reporting activity will therefore be addressed exclusively to the top management
- **professionalism:** the members of the WS must have specific technical skills, adequate knowledge of the legislation required by Legislative Decree 231 and of the Models and the necessary qualities to guarantee the dynamism of the Model itself, through updating proposals to be addressed to the top management.
- **continuity of action:** to ensure effective and constant implementation of the 231/01 Model, the SB structure must have an adequate budget and adequate resources and be dedicated to supervising compliance with the Model and verifying the effectiveness and effectiveness of the same.
- **integrity and absence of conflicts of interest:** each member of the Watch Structure must not have a professional and personal profile that could jeopardize the impartiality of judgment, authority and ethics of the conduct.
- **autonomy of control powers in the inspection activity:** the Watch Structure must be guaranteed full and free access to all information that will gradually be deemed necessary to carry out the scheduled checks in execution of the control activity provided for by Model 231/01. Precisely for this reason, the Watch Structure is to be considered independent rather than a superior body at the top of the company.

With regard to the composition of the WS, the Confindustria Guidelines suggest various solutions, based on the size and operation of the Entity: therefore, both the definition of structures specifically created within the Entity and the assignment of tasks are considered feasible. of the WS to existing bodies. Likewise, and always on the basis of the characteristics of the legal person, structures with both a collegial and a single-subjective composition can be chosen. Finally, it is

possible to entrust the status of member of the WS to external parties who possess the specific skills necessary for the best execution of the assignment.

Finally, in identifying the members of the WS, it is possible to entrust this qualification to external parties, who possess the specific skills necessary for the best execution of the assignment.

Functions and powers of the Watch Structure

The institutional functions of the Watch Structure have been indicated by the legislator of the Decree in art. 6, first paragraph, letter b), and are included in the following expressions:

- monitor the functioning and compliance of the Models, that is: verify the adequacy of the Model, ie its suitability to prevent the occurrence of unlawful conduct, as well as to highlight its possible implementation;
- take care of their updating, that is: take care of updating the Model, proposing, if necessary, to the Board of Directors or to any competent company functions, the adaptation of the same, in order to improve its adequacy and effectiveness, also in consideration of any regulatory interventions and / or changes in the organizational structure or business activity and / or significant violations of the Model.
- information and training on the Model, namely: promoting and monitoring initiatives aimed at encouraging the dissemination of the Model to all subjects required to comply with the relative provisions (Recipients);

Composition of the Watch Structure

Metalleghespa has identified its Supervisory Body in an ad hoc structure, specifically defined, with a collegial composition, in order to enhance the internal dialectic and the independence of the function.

The WS is placed in a staff position on the Board of Directors.

The recurrence and permanence of the requirements for each member of the Body are ascertained by the Board of Directors at the time of appointment, or, if later, immediately after the approval of this Model, and will be verified by the same body for the entire period in which the member of the Watch Structure will remain in office.

Coordination of the Supervisory Body of Metalleghespa S.p.A. with the Supervisory Bodies of the Group companies

The task of supervising the effective effectiveness of the Model that will be adopted by each company in the Group, as well as its constant updating, will be entrusted to the Supervisory Body appointed by each company.

Without prejudice to the attribution of responsibilities to the individual Group company with regard to the implementation of the Model and without prejudice to the primary competence of its Supervisory Body to exercise the related controls, it is attributed to the Supervisory Body

Metalleghe SpA, as parent company, the power to give impetus and to coordinate activities aimed at applying the Model itself throughout the Group.

In particular, the Supervisory Body of Metalleghe S.p.A., in compliance with the autonomy of the Group companies and the limits imposed by legal provisions:

- gives inputs and carries out coordination functions regarding the verification and control activities as well as the application of this Model;
- proposes, on the basis of the above checks, the updating of the Model where there is a need to adapt it;
- carries out, jointly with the Supervisory Body of the individual Group companies, particular control actions on the same in relation to compliance with the Model, taking into account their risk areas and instrumental processes, with the right to access the relevant relevant documentation.

The Supervisory Bodies of the Group companies must forward to the Body of Metalleghe S.p.A. the reports received relating to the commission of offenses.

The companies of the Group, in adopting their Model, will recognize the powers contemplated in this Model with reference to them to the Supervisory Body of Metalleghe S.p.A.

The reporting activity of the Watch Structure

The Watch Structure reports directly to the Board of Directors.

The WS reports on the implementation of the Model and the emergence of any critical issues through two reporting lines:

- the first, on an ongoing basis, directly to the Chairman of the Board of Directors and the Company Management;
- the second, on an annual basis, to the Board of Directors and the Board of Statutory Auditors, expressed through a written report.

In particular, the annual report must promptly indicate the activity carried out during the year, both in terms of the checks carried out and the results obtained, and in relation to any need to update the Model.

The Watch Structure must annually prepare an activity plan planned for the following year.

The WS may ask to be heard by the Board of Directors whenever it deems it appropriate to speak with said body; likewise, the WS is granted the possibility of requesting clarifications and information from the Board of Directors.

On the other hand, the Watch Structure may be summoned at any time by the Board of Directors and other corporate bodies to report on particular events or situations inherent to the functioning and compliance with the Model.

The meetings between said bodies and the OdV must be recorded and a copy of the minutes must be kept by the OdV as well as by the bodies involved from time to time.

Information flows to the Watch Structure

The company has the obligation to inform the Watch Structure.

The obligation extends to the following information flows:

- information flows (mandatory, expressly provided for by the Decree);
- periodic information flows (by process and risk area);
- whistleblowing.

All employees, managers and all those who cooperate in pursuing the purposes of the company are required to inform the Watch Structure of any derogation, violation or suspicion of violation of their knowledge whenever the event occurs and promptly, compared to:

- rules of conduct prescribed by the Ethical Code and the Model;
- principles of conduct and methods of execution governed by the protocols and company procedures relevant for the purposes of the Decree.

In addition, all the aforementioned subjects are required to transmit, whenever the event occurs and promptly, to the Watch Structure the mandatory information concerning:

- committees of inquiry or internal reports from which responsibilities emerge for the hypotheses of crime referred to in the Decree;
- measures and / or news from judicial police bodies or any other authority from which the carrying out of investigation activities for crimes, also initiated against unknown persons, is evident;
- requests for legal assistance made by staff in the event of the initiation of legal proceedings against them for the Crimes.

With reference to the periodic and specific process information flows, see the Annex (WS Flow Regulation).

All information, general and specific, must be provided in writing and addressed to the Watch Structure.

All information and reports provided for in the Model are kept by the Watch Structure in a special computerized and / or paper archive in accordance with the provisions contained in EU Reg. 679/16 and the Privacy Code as applicable. The members of the Supervisory Body are subject to an absolute and mandatory obligation to keep secret on the activities carried out and on the corporate information of which they become aware in the exercise of their mandate.

Information flows and reports can be sent to the Watch Structure at the dedicated e-mail address: odv.Metalleghe@gmail.com or by ordinary mail, at the address of the Company's registered office, or with the use of a specific IT platform. attention of the Watch Structure.

Whistleblowing

The so-called whistleblowing information flows can come from any employee of the company who detects a danger, a possible fraud or another risk that could constitute a violation of the Model.

The company in order to ensure responsible management of reports and in line with the provisions of Law 179/2017 "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of an employment relationship public or private "(so-called" whistleblowing ") and in compliance with the provisions of Article 6 of Legislative Decree 231/01, paragraph 2-bis, as amended by the aforementioned law:

- establishes dedicated reporting channels that allow the subjects referred to in art. 5, first paragraph, lett. a) and b) of Legislative Decree 231/01, to submit, in order to protect the integrity of the Entity, reports of illegal conduct relevant under the Decree or violations of this Model, of which they have become aware due to the functions performed;
- guarantees the riser validity of the identity of the reporting party;
- prohibits any act of retaliation or discrimination, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report;
- protection, through ad hoc measures, the reported person.

Pursuant to paragraph 2-ter of the same article, any discriminatory or retaliatory measures adopted against the reporting party can be reported to the National Labor Inspectorate.

Finally, pursuant to paragraph 2-quater, any dismissal or change of duties or any other retaliatory or discriminatory measures adopted against the whistleblower are void.

The members of the Watch Structure have an absolute and mandatory obligation to keep secrecy on the activities carried out and on the corporate information of which they become aware in the exercise of their mandate.