

ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

PURSUANT TO LEGISLATIVE DECREE No. 231/2001



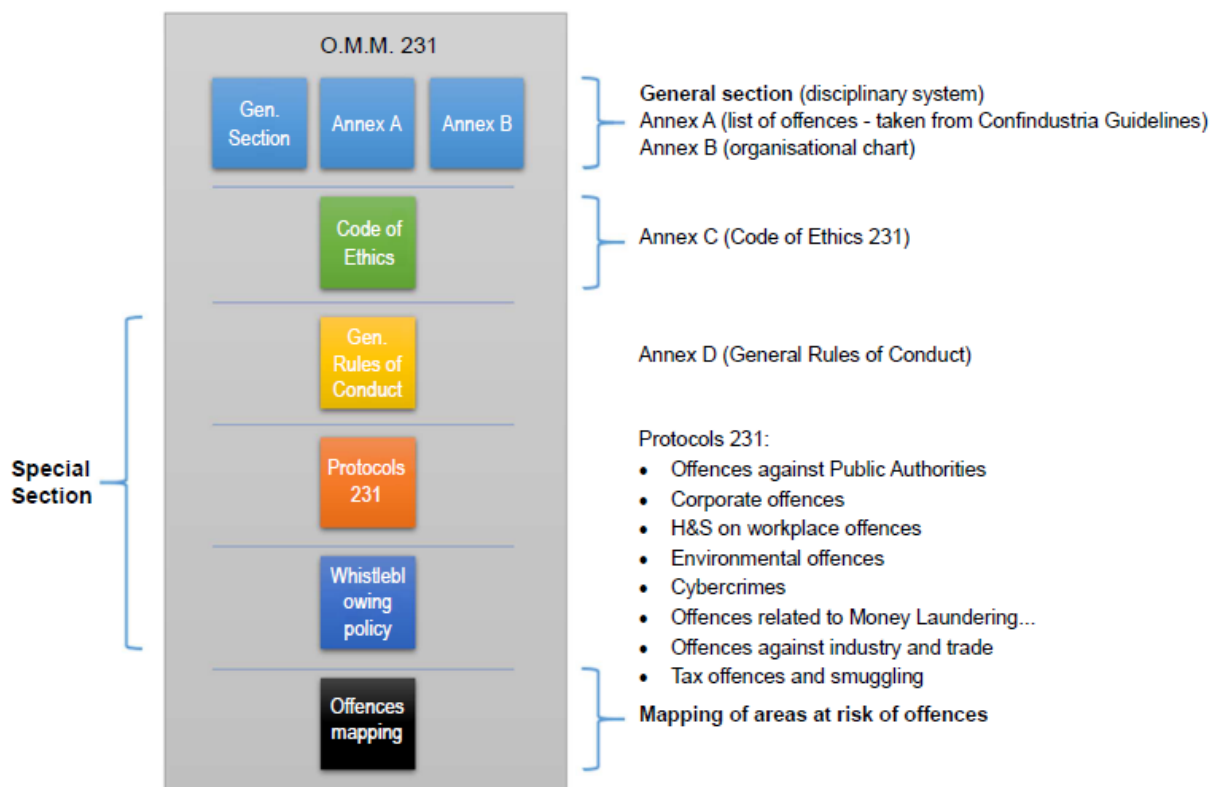
ANNEXES:

- A. [LIST OF PREDICATE OFFENCES](#)
- B. METLAC GENERAL COMPANY STRUCTURE
- C. [CODE OF ETHICS 231](#)
- D. [GENERAL RULES OF CONDUCT](#)
- E. PROTOCOLS:
 - a. [Protocol on offences against Public Authorities](#)
 - b. [Corporate Offences Protocol](#)
 - c. [Protocol on receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin and self-money laundering offences](#)
 - d. [Protocol on occupational health and safety offences](#)
 - e. [Protocol on environmental offences](#)
 - f. [Protocol on cybercrimes, unlawful data processing and cybersecurity](#)
 - g. [Protocol on offences against industry and trade](#)
 - h. [Protocol on tax and contraband offences](#)
- F. [Whistleblowing policy](#)

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

PREAMBLE

For an easy comprehension of the structure of the Organisational, Management and Control Model adopted by Metlac S.p.A., an illustration of the documents comprising the model is provided below.



1. PURPOSES AND LEGAL PRINCIPLES

1.1. ITALIAN LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

On 8 June 2001, Legislative Decree no. 231 of 2001 was issued, containing the "*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000*" (hereinafter "Decree 231"), which came into force on 4 July 2001, and which sought to bring national legislation on the liability of legal persons into line with certain international conventions which Italy has joined, such as the Brussels Convention of 26 July 1995 on the protection of the European Community's financial interests, the Convention of 26 May 1997 on combating bribery of officials of the European Community or of its Member States, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international and economic transactions.

Decree 231 introduced, for the first time in Italy, the entities' administrative liability arising from offences. This is an extension of liability that involves in the punishment of certain offences, in addition to the natural person who materially committed the offence, the entities that benefited from the commission of the offence or in whose interest the offence was committed.

Pursuant to Article 5(1) of Decree 231, the entity's liability arising from an offence arises if:

- a. the offence is committed in the interest of or for the benefit of the entity

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- b. the offence is committed by:
- persons who hold functions of representation, whether structurally or voluntary, of administration or management of the entity or of one of its organisational units (having financial and functional autonomy) or who exercise, including de facto, the management and control of the entity (persons in top positions, "senior managers")
 - persons subject to the direction or supervision of one of the persons referred to in (a) above ("subordinate persons")

The identification of the persons who, by committing an offence in the interest or to the advantage of the entity, may determine its liability is a key point of Decree 231. By way of example, "senior managers" include the members of the entity's management body and control body (Directors and Statutory Auditors), the Manager in charge of drawing up the corporate accounting documents, the General Manager, persons endowed with financial and functional autonomy (e.g. executive directors, managers with special qualifications and functions), the employer (or, depending on the structure of the entity, the employers within the meaning of and for the purposes of workplace safety regulations), the persons in charge of secondary offices or local units with functional and financial autonomy. On the other hand, "subordinate persons" are those persons required to execute the directives of senior managers or subject to their supervision.

The parameters of "**benefit**" and "**interest**" contemplated by Article 5 of Decree 231 represent two distinct criteria for shouldering liability, the entity being liable for the mere fact that the offence is committed in its interest, regardless of whether or not a concrete advantage is achieved for it.

It should be emphasised that the liability of the entity, though defined as "administrative", has strong similarities with criminal liability both in the circumstance that its ascertainment takes place within a criminal trial, and in that it is independent of that of the natural person who committed the offence and is in addition to the latter. In this regard, Article 8(1) of Decree 231 states that such liability also exists when:

- the offender has not been identified or cannot be charged
- the offence is extinguished for a reason other than amnesty

Under Article 5(2) of Decree 231, the entity is not liable if senior persons or subordinate persons have acted exclusively in their own interest or in the interest of third parties.

1.2. PREDICATE OFFENCES

Pursuant to Article 2 of Decree 231, an entity may not be held liable for an act constituting an offence if its administrative liability in relation to that offence and the relevant penalties are not expressly provided for by a law that came into force before the offence was committed.

Therefore, the administrative liability of entities applies to the categories of offences expressly contemplated in Decree 231 (and in other legal provisions) and may also arise in relation to offences committed abroad (as stipulated in Article 4 of Decree 231), provided that the State of the place where the offence was committed does not prosecute such offences. The attempt to commit an offence referred to in Decree 231 is also punished. An attempt presupposes that acts suitable and unequivocally directed to commit an offence have been performed and the action does not take place or the event does not occur (Article 56 of the Italian Criminal Code).

Chapter I, Section III, Articles 24-25-*sexiesdecies*, of Decree No. 231 and other legal provisions identify the offences relevant to the administrative liability of entities for offences (hereinafter referred to as the "**Predicate Offences**").

For the purposes of the construction and subsequent updating of this Organisational, Management and Control Model, account was taken of the constant developments of the legislation on entities' administrative liability arising from offences.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

This edition of the Organisational, Management and Control Model is updated as at 3 December 2021 and covers all the offences and other legislative changes introduced into Decree 231.

The predicate offences covered by Decree 231 can be grouped into the following macro-categories:

- Offences in Relations with the Public Authorities - Articles 24 and 25 of Decree 231
- Cybercrimes and Unlawful Data Processing - Article 24-*bis* of Decree 231
- Organised Crime - Article 24-*ter* of Decree 231
- Counterfeiting money, credit titles, revenue stamps and identification instruments or signs - Article 25-*bis* of Decree 231
- Offences against Industry and Commerce - Article 25-*bis*.1 of Decree 231
- Corporate Crimes - Article 25-*ter* of Decree 231
- Offences with the Purpose of Terrorism and Subversion of Democratic Order - Article 25-*quater* of Decree 231
- Offences against the Person - Article 25-*quater*.1. of Decree 231
- Crimes against Individual Personality - Article 25-*quinquies* of Decree 231
- Market Abuse Offences - Article 25-*sexies* of Decree 231
- Offences Committed in Violation of Occupational Health and Safety Regulations - Article 25-*septies* of Decree 231
- Receiving of Stolen Goods, Money Laundering and Use of Money, Goods or Benefits of Unlawful Origin, and Self-Laundering - Article 25-*octies* of Decree 231
- Copyright Infringement offences - Article 25-*novies* of Decree 231
- Perverting the Course of Justice - Article 25-*decies* of Decree 231
- Environmental Crimes - Article 25-*undecies* of Decree 231
- Employment of third-country nationals whose stay is irregular - Article 25-*duodecies* of Decree 231
- Racism and Xenophobia - Article 25-*terdecies* of Decree 231
- Fraud in sporting competitions, illegal gaming or betting and gambling by means of prohibited devices - Article 25-*quaterdecies* of Decree 231
- Tax offences - Article 25-*quinquiesdecies* of Decree 231
- Contraband Offences - Article 25 - *sexiesdecies* of Decree 231
- Offences related to international organised crime

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See Annex A) of this Organisational, Management and Control Model for an analytical list of the Predicate Offences and applicable penalties.

It is understood that the catalogue of Predicate Offences is subject to amendments and additions, either through direct amendments to Decree 231, or through the approval of regulatory texts providing for the applicability - in whole or in part - of Decree 231 to offences other than those currently provided for.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

The Supervisory Board will periodically and carefully monitor any regulatory developments, in order to promote the necessary updates of the Model and of the control measures adopted in relation to new "offence risks", or the adoption of new specific Protocols for new offence-risk areas.

1.3. THE PENALTIES

The *rationale* of the law and of the penalties provided in Decree 231 is to raise awareness among companies so that they adopt compliance and governance systems capable of preventing offences and, so to speak, "punishing" companies for:

- **organisational fault:** i.e. the absence/lack of a suitable organisation to prevent the risk of offences;
- **reaction fault:** i.e., inaction to adapt the organisation after an offence is committed.

The entity, therefore, is liable and subject to the penalties laid down in Decree 231 if it has not taken the necessary measures to prevent offences of the kind that has been committed.

The penalties applicable following an offence or its mere attempt may consist of:

- a. **financial penalties:** the operability of the pecuniary penalty is "*mandatory*". Therefore, financial penalties always apply for any wrongdoing and are afflictive and not compensatory in nature. Penalties are calculated according to a system "*by quotas in a number not less than one hundred nor more than one thousand*"; each individual quota ranges from a minimum of Euro 258 to a maximum of Euro 1,549. The penalties are applied by the judge on the basis of the criterion of commensuration, having regard to the financial and economic conditions of the entity as well as the seriousness of the offence, the degree of liability of the entity and the remedial actions implemented by the entity following the offence. Mechanisms for increasing the penalty up to ten times the product or profit made by the entity are also provided for (for insider trading and market manipulation offences).
- b. **disqualification penalties:** unlike pecuniary penalties, disqualification penalties apply "*jointly*" to the pecuniary penalty only if expressly provided for by law (for the specific criminal offence) and only if the conditions laid down in Decree 231 are met, i.e. the entity has made a significant profit from the offence and the offence was committed by persons in a senior management position or by employees (due to serious organisational malfunctions), or in the event of repeated offences.

The disqualification penalties provided for in Article 9(2) of Decree 231 are:

- ban on carrying out the business
- the suspension or revocation of the authorisations, licences or concessions functional to committing the offence
- the prohibition to deal with the Public Authorities, except to obtain the performance of a public service
- the exclusion from grants, funding, contributions and subsidies and/or the revocation of those already granted
- the ban on advertising goods or services

Disqualification penalties may paralyse the business of the entity (as in the case of disqualification from carrying out the business) and therefore can be *incapacitating penalties*, or they may condition the activity of the entity through the limitation of its legal capacity or rights resulting from an administrative measure (inability to deal with the Public Authorities, revocation or suspension of

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

licences, etc.) or by the cancellation of financial resources (exclusion from grants and revocation of those already granted).

The ordinary disqualification penalties regime is the *temporariness* of such penalties, which are therefore applied according to the duration laid down in Decree 231, although for some particularly serious cases a disqualification penalty may be applied definitively (Article 16 of Decree 231). A prerequisite for the application of a definitive disqualification penalty is the repeated application of temporary disqualification measures over a specified period of time (imposition of the same penalty three times in the last seven years).

Disqualification penalties may also be applied as a precautionary measure, and in particular when there are serious indications that the entity is liable for an administrative offence and there are well-founded and specific elements that suggest a concrete danger that offences of the same nature as the one which is being prosecuted may be committed (Article 45 of Decree 231);

- c. **confiscation**: this is an autonomous and mandatory penalty and is always ordered with a conviction. Confiscation applies to the proceed or profit of the offence, except for the part that can be returned to the injured party. The rights acquired by third parties in good faith are not affected. Where it is not possible to execute confiscation of the proceed or profit of the offence, the confiscation may concern sums of money, goods or other utilities of equivalent value to the proceed or profit of the offence. Confiscation is aimed at counteracting the enjoyment of an offence's profit.
- d. **publication of the judgement**: this penalty may be ordered by the court only when a disqualification penalty is imposed on the entity.

1.4. ACTIONS GIVING RISE TO EXEMPTION FROM ADMINISTRATIVE LIABILITY

Articles 6 (*persons in senior management positions and organisational models of the entity*) and 7 (*subordinate persons and organisational models of the entity*) of Decree 231 provide for specific forms of exemption from administrative liability of the entity, which are diversified according to the subject that commits the offence.

A. Senior Managers

Pursuant to Article 6(1) of Decree 231, for offences committed in the interest or to the advantage of the entity by **persons in a senior management position** (Article 5(1)(a) of Decree 231), the entity is not liable if it can be proved that:

- the management body has adopted and effectively implemented, before the commission of the act, organisational models suitable to prevent offences of the nature that occurred
- the task of monitoring the operation of and compliance with the models and dealing with their updates has been assigned to a body of the entity having independent powers of initiative and control¹
- the authors of the offence have acted by fraudulently circumventing the corporate compliance models

¹ Pursuant to Article 6(4) of Decree 231, in small entities the task of supervision may be performed directly by the **management body**. Furthermore, pursuant to Article 6(4)-*bis* of Decree 23, in corporations, the board of statutory auditors, supervisory board and management control committee may perform the functions of the supervisory body.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- there has been no omission or insufficient supervision on the part of the Supervisory Board, which is responsible for supervising the functioning and observance of the models and ensuring that they are updated

Article 6(2) of Decree 231 indicates the essential characteristics for drafting an organisational, management and control model, stipulating that the model must:

- identify the areas/sectors in which there is a possibility of committing the offences set out in Decree 231; this involves carrying out a "risk mapping"; this entails analysing the corporate context, which is necessary not only to identify the areas/sectors "at risk of offences", but also to determine the ways in which prejudicial events may occur for the purposes of Decree 231
- provide for specific protocols aimed at planning the development and implementation of the entity's decisions in relation to the offences to be prevented; this presupposes the evaluation of the entity's existing preventive control system and its capacity to effectively counter/reduce the identified risks, as well as its eventual adaptation in order to implement a control system capable of preventing the identified risks
- identify methods of managing financial resources suitable to prevent the offences
- impose reporting obligations on the body tasked with supervising the functioning of and compliance with the models
- introduce a disciplinary system for sanctioning any failure to abide by the measures indicated in the model

Article 6(2-*bis*) of Decree 231 (inserted by Article 2(1), of Law No. 179 of 30 November 2017 known as Law on *Whistleblowing*) also stipulates that the Organisational, Management and Control Model must provide for:

- one or more channels enabling the persons indicated in Article 5(1)(a) and (b) (hereinafter also referred to as "**Whistleblower**"), to submit, in order to protect the integrity of the entity, detailed reports of unlawful conduct, relevant under this decree and based on precise and concordant elements of fact, or of violations of the organisational and management model of the entity, of which they have become aware by reason of the functions performed; these channels guarantee the confidentiality of the identity of the whistleblower during the management of the report
- at least one alternate reporting channel suitable to guarantee, through IT technologies, the confidentiality of the Whistleblower's identity
- the prohibition of any retaliation or discrimination, whether direct or indirect, against the whistleblower, for reasons directly or indirectly relating to the report
- in the disciplinary system adopted pursuant to paragraph 2(e), penalties against those who violate the measures for the protection of Whistleblowers, as well as those who, with malice or gross negligence, make reports that turn out to be unfounded

The term **Whistleblower** refers to a senior manager or a subordinate person who reports unlawful conduct relevant to Decree 231, or violations of the Organisational, Management and Control Model adopted by the company, of which he/she has become aware by reason of his/her duties within the company.

B. Subordinate Persons

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

With specific reference to **subordinate persons**, pursuant to Article 7 of Decree 231, for offences committed by subordinate persons (Article 5(1)(b) of Decree 231), the entity is liable if the offence was made possible by failure to comply with management or supervisory obligations. In any case, non-compliance with the aforementioned obligations is excluded if the entity, prior to the commission of the offence, has adopted and effectively implemented an Organisational, Management and Control Model capable of preventing the offences of the kind committed.

Pursuant to Article 7(3) and (4) of Decree 231, the model must provide, depending on the "*nature and size of the entity*", for appropriate measures to ensure that activities are carried out in compliance with the law and that risk situations are detected and eliminated in good time. To this end, the effective implementation of the model requires:

- periodic verification and eventually modification of the model when significant violations of the requirements are discovered or when changes occur in the organisation or business
- a disciplinary system for sanctioning any failure to abide by the measures indicated in the model

With specific reference to health and safety in the workplace, provisions on the adoption of the model are set out in Article 30 of Legislative Decree No. 81 of 2008, under which the organisational, management and control models adopted on the basis of certain control systems for compliance with the health and safety of workers (2001 UNI-INAIL guidelines or *British Standard* OHSAS 18001:2007) are presumed to comply with the suitability requirements for the purposes of exempting the entity from liability.²

Decree 231 also provides that organisational, management and control models may be adopted on the basis of codes of conduct drawn up by representative trade associations, such as - for example

² In particular, Article 30 of Legislative Decree No. 81 of 2008 provides as follows:

- 1) "The organisational and management model suitable for exempting legal persons, companies and associations, including those without legal personality, from administrative liability under Legislative Decree No. 231 of 8 June 2001, must be adopted and effectively implemented, ensuring a corporate system for the fulfilment of all related legal obligations:
 - a. on compliance with the technical and structural standards laid down by the law relating to equipment, plants, workplaces, chemical, physical and biological agents;
 - b. on risk assessment and the organization of the consequential prevention and protection measures;
 - c. on organizational activities, such as emergencies, first aid, contract management, periodic safety meetings, consultations with workers' safety representatives;
 - d. on health surveillance activities;
 - e. on information and training for workers;
 - f. on supervisory activities with reference to workers' compliance with procedures and instructions for health and safety at work;
 - g. on the acquisition of documents and certifications required by law;
 - h. on periodic checks on the application and effectiveness of the procedures adopted.
- 2) The organisational and management model referred to in paragraph 1 must provide for appropriate systems for recording the performance of the activities referred to in paragraph 1.
- 3) The Model must in any case provide, to the extent required by the nature and size of the organization and by the type of activity carried out, for a division of tasks that ensures the technical skills and powers necessary for the verification, assessment, management and control of risks, as well as a disciplinary system suitable for punishing non-compliance with the measures indicated in the Model.
- 4) The organisational model must also provide for an appropriate control system on its implementation and on the maintenance over time of the adopted measures' suitability. The review and any amendment of the organisational model must be performed when significant violations of the regulations on accident prevention and hygiene at work are discovered, or when there are organisation and business changes connected to scientific and technological progress.
- 5) Upon first application, company organisation models defined in accordance with the UNI-INAIL Guidelines for an occupational health and safety management system (SGSL) of 28 September 2001 or the British Standard OHSAS 18001:2007 are presumed to comply with the requirements of this Article for the relevant parts. For the same purposes, further organisational and management models may be indicated by the Committee referred to in Article 6.
- 6) The Standing Advisory Committee on Occupational Health and Safety develops simplified procedures for the adoption and effective implementation of safety organisational and management models in small and medium-sized enterprises. These procedures are transposed by decree of the Ministry of Labour, Health and Social Policies.

The adoption of the organisational and management model referred to in this article in enterprises with up to 50 workers is one of the activities that can be financed under Article 11."

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



- Confindustria or other trade associations, communicated to the Ministry of Justice pursuant to Article 6(3) of Decree 231.³

The provisions of the Law on **Whistleblowing** (Article 6, paragraph 2-*bis*, of Decree 231) referred to in the section above on senior managers, **also apply to subordinate persons**, i.e. the persons indicated in Article 5(1)(b).

2. METLAC GROUP'S ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

2.1. METHODOLOGICAL APPROACH IN ADOPTING THE GROUP'S ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

Metlac Group (hereinafter also "**Metlac**") has considered it essential and in line with its corporate policy to adopt its own Organisational, Management and Control Model pursuant to Decree 231 (hereinafter the "**Model**"), so that those who work in and with Metlac observe, in the performance of their activities and services, a conduct that prevents the risk of committing the offences set out in Decree 231 and in other legal provisions.

Companies belonging to the Metlac Group are all Italian operating companies controlled by METLAC HOLDING S.p.A. (parent company) and in particular:

- **METLAC S.p.A.:** main company of the Metlac Group based in Bosco Marengo (Alessandria), operations and marketing
- **METINKS S.r.l.:** a group company headquartered in Cava dei Tirreni (Salerno) that produces offset litho can inks
- **CERITEC. S.r.l.:** a group company based in Bosco Marengo (Alessandria) that carries out research and development, technical secretariat, technical assistance and quality control. This company operates exclusively for the other companies in the Metlac Group and does not have relationships with other companies in the market

As well as the foreign companies belonging to the group:

- **METLAC USA**
- **METLAC INTERNATIONAL Mexico:** a company located in Mexico initially established to carry out import and distribution activities in the American continent and now also active in the production of paints, enamels and varnishes for metal packaging

For the sake of completeness, it should be noted that at the time of the adoption of this first edition of the Model, an additional subsidiary is being established in Brazil.

With specific reference to the subsidiaries based abroad, it should be noted that Metlac Group - in accordance with the ruling of the Italian Supreme Court of Cassation in its judgement No. 11626 of 7 April 2020 - deemed it necessary to provide for the application of the Model also to Metlac USA and Metlac International and, in general, to the additional subsidiaries based abroad.

This is because, according to the aforementioned Court of Cassation: the entity is liable "**regardless of its nationality or the place where it has its head office or primarily carries out its operations, if the predicate offence has been committed in the national territory [...] on the obvious condition that the further criteria for attributing liability under Legislative Decree 231 of 2001 are fulfilled.**"

³ Reference is made here to the "Guidelines for the drawing up of organisational, management and control models pursuant to Legislative Decree No. 231/2001" approved by Confindustria, in the version updated as of June 2021, containing specific indications for drawing up organisational, management and control models in accordance with the law.

Version	Date	Reason for modification
1	03/12/2021	First edition approved by resolution of the Board of Directors



For this reason, it is entirely irrelevant that the decision-making centre of the entity is abroad and that the organisational shortcoming occurred outside the national borders".

The companies belonging to Metlac Group adopt independently, by resolution of their management body and under their own responsibility, their own Organisational, Management and Control Model, incorporating the contents and principles of this Model, taking into account the nature and type of business conducted, as well as the size and structure of their organisation.

The management body of each company belonging to Metlac Group - at the same time as adopting its own Model - sets up the body in charge of supervising the operation of and compliance with the Model (hereinafter the "**Supervisory Board**") in accordance with the provisions of Decree 231, also appointing its members.

In adopting this edition of the Model, account was taken of all the procedures, protocols and, in general, of the measures already implemented by Metlac. For a detailed list, please refer to Metlac's Risk Area Mapping.

For the adoption of the Model, Metlac was inspired, inter alia, by the Confindustria Guidelines (in their latest version resulting from the update in June 2021), the document drawn up by Federchimica, "Legislative Decree 231/01 and offences in the field of Safety, Health and the Environment: updates", approved by the Ministry of Justice in a written communication dated 19 April 2018 and updated in June 2021, as well as the circular letters of Assonime.

Metlac has used the aforementioned guidelines and circular letters as a basis for drawing up its own Model, which, however, was then "adapted" to the company reality in which it is to be implemented (in accordance with Cass. Criminal Chamber in Judgement No. 4677 of 30 January 2014). When adopting the first edition of the Model, the methodology adopted by Metlac provided for the *ex-ante* definition of the contents of the Model, which are aimed, in general, at promoting a "culture of business organisation". This activity was aimed at encouraging ethical conduct and a commitment to respect the law, as well as the prevention of unlawful conduct through a preliminary analysis of the company's business and macro-risk areas.

Subsequently, control actions and rules of conduct were defined as a priority. The management system will be subject to constant audits in accordance with the updates to be carried out for ensuring greater effectiveness of the Model.

The aforementioned methodological approach:

- has made it possible to optimise Metlac's existing assets in terms of policies, procedures, rules and internal regulations that guide and govern the management of risks and the performance of controls
- has made available **an integration** to the regulatory and methodological framework to be disseminated within the corporate structure in order to better respond to the provisions of Decree 231, which, however, may be refined over time
- enables the unambiguous management of all company rules of procedure

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Subsequent amendments and additions to this Model are the responsibility of the management body of each Metlac Group company. Directors are authorised severally to make changes/variations/additions to the Model that do not require the performance of further risk assessment activities (such as, for example, changing the members of the Board of Directors, etc.).

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

2.1.1. THE PROCEDURES FOR DRAWING UP THE MODEL

The drawing up of this Model is aimed at creating a risk prevention and management system, in line with the provisions of Decree 231, being inspired not only by the rules contained therein but also by the corporate policies applied internally at Metlac.

For drawing up the Model, Metlac has relied:

- on the requirements of Decree 231, with particular regard to legislative changes and case law on the subject of administrative liability resulting from offences
- on the codes of conduct drawn up by the associations representing the entities, communicated and approved by the Ministry of Justice and, in particular, on the Confindustria Guidelines, June 2021 edition, the document drawn up by Federchimica "Legislative Decree 231/01 and offences in the field of Safety, Health and the Environment: updates", updated to June 2021, as well as the circular letters of Assonime
- on its system of corporate governance and its organisational reality, with particular regard to organisational charts and the distribution of functions and responsibilities
- on the policies and control systems already applied by Metlac, as they are suitable support tools for planning the formation and implementation of Metlac's decisions and, therefore, effective measures for the prevention of offences and unlawful conduct in general, including those provided for in Decree 231

For the construction of the Model, preliminary meetings were held with external consultants in order to assess and define the approach for the construction of the Model and the activities to be carried out.

This activity was carried out through:

- a. **The examination of documentation**, including:
- organisational charts
 - Metlac's policies and procedures governing the performance of company business
 - documentation on safety in the workplace
 - Seveso documentation
 - contractual documentation
 - corporate documentation

as better identified below and in Protocols 231.

- b. **The carrying out of interviews** with the main corporate departments and personnel of Metlac, using a Questionnaire prepared for this purpose and on file at Metlac (together with the document "Outcome of the Preliminary Questionnaire for drawing up the Organisational, Management and Control Model pursuant to Legislative Decree 231 of 8 June 2001").

The interviews made it possible to map the company situation, both in terms of its structure and operations, and to verify - among other things - the state of effectiveness, efficacy and compliance with corporate procedures. The identification of risk areas was a key activity in developing Metlac's Model.

Therefore, the document "**Mapping of Sensitive Corporate Areas**" (*Risk Assessment*) was drawn up, identifying in which areas/sectors of activity and in what manner events detrimental to the objectives set forth in Decree 231 may occur. The "Mapping of Sensitive Corporate Areas" shows:

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- potential predicate offences that can be associated with corporate activities deemed sensitive (the contents of which are briefly outlined)
- the macro areas/sectors of the company business relevant to the offences covered
- in detail, the company areas/departments and activities and processes potentially at risk of offences (taking into account the different profiles of the company representatives concerned and, in particular, of senior and subordinate persons)
- the potential carrying out of predicate offences
- the public bodies that might be affected by the offences covered
- any observations on Metlac's business situation (also in support of the assessments made in the mapping of sensitive corporate areas)
- the protocols (manuals, management and/or organisational procedures) applied by Metlac, sets of documents given to employees upon hiring, policies and procedures in force) and used to address the risk of offences
- the calculation of the residual risk of offences

In preparing the Mapping of Sensitive Corporate Areas, account was taken of Metlac's history and of the characteristics of the actors in the sector in which it operates.

Therefore, special consideration was given to the production activities carried out at the Bosco Marengo and Cava dei Tirreni plants and to the circumstance that the Bosco Marengo plant is subject to the Seveso regulation with National Identification Code of the Ministry of the Environment and Protection of Land and Sea No. IT/NA250

For the offences of manslaughter and grievous or very grievous bodily harm (committed in breach of the rules on accident prevention and on the protection of Hygiene and Health at Work), given that they may concern any corporate department, the investigation covered Metlac's organisational structure as a whole, since it is not possible to exclude a priori any sphere of activity (as suggested by Confindustria in the Guidelines). Particular attention was paid to the activities carried out by Metlac at the Cava dei Tirreni and Bosco Marengo plants.

In addition, particular attention was also paid to Metlac's financial processes and relations with third parties.

With this in mind, the activities carried out for the construction of the Model were performed by paying a high degree of attention to the aforementioned areas, as well as by specifically analysing the control activities implemented by Metlac in order to prevent the risk of conduct in breach of Decree 231.

- c. Following the preparation of the Mapping of Sensitive Corporate Areas and the identification of the potential ways in which offences could be committed in the various corporate areas, an analysis of the internal control system was conducted to verify, in particular:
- the existence of general rules of conduct to protect the activities carried out
 - the existence and adequacy of formalised procedures for regulating the performance of activities in compliance with the principles of traceability of actions, objective decision-making process, provision of adequate control points
 - respect for and concrete implementation of the general principle of separation of duties
 - the existence of authorisation levels to guarantee adequate control of the decision-making process
 - the existence of specific control and monitoring activities on "critical" activities in relation to Decree 231

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

The evaluation of the internal control system was expressly targeted for the purposes of Decree 231.

* . * . *

Based on the outcome of the aforementioned preparatory activities, some offences covered by Decree 231 were not considered, at present, relevant for Metlac, as the conditions and/or prerequisites for such offences were not found, i.e. the offence was not found to be practicable within the scope of the reasonably foreseeable business activities; among them:

- **some offences against individuals** (reduction to or maintenance in slavery or servitude, pornography offences and the other criminal offences referred to in Article 25-*quinquies* of Decree 231). In this regard, by way of illustration, it should be noted that - in relation to offences relating to pornography - it was considered and assessed that Metlac does not carry out activities in the publishing or audiovisual sector, nor does it carry out IT activities; the difficulties of identifying the existence of an interest or advantage on the part of Metlac deriving from the commission of such offences were also assessed, as, for example, in the case of the offence of "tourist initiatives aimed at the exploitation of child prostitution". For the specific offence of reduction to or keeping in slavery or servitude, however, it has been taken into account that one of the main ways in which it is carried out, in conspiracy with third parties, consists in the conscious purchase of raw materials and products from suppliers using slavery or servitude in order to obtain a commercial advantage
- **terrorism or subversion of the democratic order offences**. In this regard, by way of indication, it should be noted that the offence of training for activities with the purpose of terrorism, including international terrorism, set forth in Article 270-*quinquies*, was not deemed relevant to Metlac, also considering that for the purposes of this offence, a double specific intent is required, characterised by the performance of conduct concretely capable of committing the offence
- the offence of **female genital mutilation**
- the offences of **xenophobia and racism** included in Article 25-*terdecies* of Decree 231 by Law 167 of 20 November 2017
- the offences of **fraud in sporting competitions and abusive gambling or betting activities**

To guard against the aforementioned offences, Metlac has in any case considered it of primary importance to firmly condemn any conduct constituting these offences, by including preventive protocols directly in its Code of Ethics 231. In any case, these same offences have been included in the Mapping of Sensitive Corporate Areas.

Other offences, on the other hand, were found to be remotely likely or unlikely to be committed, since, although the risk of the predicate offence being committed is potentially present, the conditions for the offence to be committed do not - at present - exist. In such cases, the areas potentially exposed to the risk of offences and, where possible, the specific parameters to be monitored have been identified. By way of example, most "offences against industry and trade" fall into this classification.

The aforementioned offences are in any case expressly provided for in the Mapping of Sensitive Corporate Areas, and to guard against them, Metlac has considered it of primary importance to firmly condemn any conduct constituting the aforementioned offences, by including preventive protocols directly in its Code of Ethics 231.

For a more complete analysis of offences for which there are insufficient grounds and for offences that are deemed not applicable at present, please refer to the Mapping of Sensitive Corporate Areas.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

2.1.2. METLAC UNDERTAKES, IN ANY CASE, TO CARRY OUT CONTINUOUS MONITORING OF SENSITIVE AREAS AT RISK OF OFFENCE, UPDATING ACCORDINGLY THE MAPPING OF SENSITIVE CORPORATE AREAS

For the purposes of the development and subsequent updates of the Model, Metlac has assessed its system of controls, adjusting it, where necessary, in terms of its ability to effectively counter the residual risk of offence, where identified.

Therefore, risk assessment activities also concerned the identification and measurement of the "Residual Risk of Offences".

The **Residual Risk of Offences** represents the value of exposure to the risk of the predicate offences being committed and has been calculated taking into account the following factors:

- the Probability of the offence being committed (P)
- the Magnitude (M), i.e. the seriousness of the offence for the legal person responsible for the predicate offence

The table below provides an example of the calculation of residual risk, as resulting from the Mapping of Sensitive Corporate Areas:

R= (PxM) / FM		
LEVEL	PROBABILITY= P	MAGNITUDE= M
1	LOW	LOW
2	MEDIUM	MEDIUM
3	HIGH	HIGH
	P= probability of commission of the offence	M= magnitude or seriousness of the offence, determined in the light of the penalties attached to the offence committed in the course of the activity under analysis
MAGNITUDE	<p><u>LOW</u> (M=1) = confiscation of profit to repair the consequences of the offence</p> <p><u>Medium</u> (M=2) = financial penalty:</p> <ul style="list-style-type: none"> - single offence - multiple offences (more serious penalty for offence increased up to threefold) <p><u>HIGH</u> (M=3) disqualification penalties and publication of the judgement: disqualification from engaging in the business, temporary suspension (from 3 to 24 months) or revocation of authorisations, licences and concessions functional to the offence; definitive suspension, exclusion from grants, financing, contributions, etc. and possible revocation of those already granted, publication of the judgement.</p>	
MITIGATING FACTORS	<p><u>INSUFFICIENT MF</u> (FM=0.5): insufficient organisational and management methods with respect to legislative compliance (in which case the divisor constitutes an aggravating rather than mitigating element, and will amplify the negative result)</p> <p><u>MINIMUM MF</u> (MF=1): level of sufficiency with respect to legislative compliance (neither mitigating nor aggravating circumstance)</p> <p><u>MEDIUM MF</u> (MF=2): presence of at least 3 formalised organisational and control methods in addition to the legal minimums arising from: policies, regulations, job descriptions, procedures, operational and authorisation controls, internal communications, etc.</p> <p><u>HIGH MF</u> (MF=3): Presence of at least two of the following organisational and monitoring methods in addition to those required to achieve Medium MF:</p> <ul style="list-style-type: none"> - Software and/or traceability 	

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

	<ul style="list-style-type: none"> - Internal auditing - Reporting (to the Supervisory Board when appointed).
LEVEL OF RISK R= P x M	R = P x M = Value of exposure to the risk of predicate offences being committed without taking Mitigating Factors into account.
RESIDUAL RISK RR= R/FM	<p>(RR = R / FM) = Value of exposure to the risk of predicate offences being committed, taking into account any Mitigating Factors adopted by the Company.</p> <p>For the calculation of Residual Risk, the assessor has the following variables at his disposal;</p> <ul style="list-style-type: none"> - Probability (P) - Mitigating Factors (MF) <p>Magnitude (M) is defined on the basis of the maximum applicable penalties laid down by the legislator.</p>
ACCEPTABLE RESIDUAL RISK	<p>The <u>conceptual threshold of acceptability</u> of the risk of committing malicious offences is represented by a PREVENTION SYSTEM that can only be circumvented FRAUDULENTLY.</p> <p>The <u>conceptual threshold of acceptability</u> is to be modulated differently in relation to the risk of negligent offences being committed and is represented by a conduct in breach of the organisational prevention model, despite the due observance by the Supervisory Board of its supervisory obligations under Legislative Decree no. 231/2001.</p>

The way the risk level (R) is calculated is shown in the following table, where the value attributed to the acceptable risk level is also shown: **Acceptable $R \leq 4$.**

Risk level R= PxM	M=1	M=2	M=3
IP / NA = 0	Insufficient prerequisites / Not applicable	Insufficient prerequisites / Not applicable	Insufficient prerequisites / Not applicable
P=1	R=1 Very Low Risk	R=2 Low Risk	R=3 Acceptable Risk
P=2	R=2 Low Risk	R=4 Acceptable Risk	R=6 Real Risk
P=3	R=3 Acceptable Risk	R=6 Real Risk	R=9 Critical Risk

The recognition of Mitigating Factors (MF) is assessed according to the predicate offence and is subject to change over time and to updating where necessary.

Metlac has therefore put in place a control system aimed at eliminating the risks of predicate offences and, where this is not possible, at reducing such risks to a level of "acceptable residual risk", as understood by Confindustria in its Guidelines.

The risk acceptability threshold varies according to the nature of the offence, in particular:

- for intentional offences this threshold is represented by a prevention system that cannot be circumvented except fraudulently
- in the case of negligent offences (where there is a lack of intentionality in the damaging event), the acceptable risk threshold is represented by the perpetration of conduct in breach of the Model, notwithstanding the detailed observance of the obligations laid down in Decree 231 by the Supervisory Board

The applicable risk elimination or reduction measures are identified:

- in the Code of Ethics

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- in the rules of conduct specifically identified in each sensitive activity
- in corporate procedures governing the performance of activities in each sensitive area
- in the control system of the Supervisory Board
- in specific protocols aimed at planning the formation and implementation of the Company's decisions in relation to the offences to be prevented: the "**Protocols 231**"

2.1.3. METLAC'S SENSITIVE PROCESSES

In order to identify the sensitive processes exposed to the risk of offence, the activities carried out by Metlac, as well as changes in the corporate structure, have been taken into account, and, in particular, it has emerged that currently the corporate processes at risk of offence (Sensitive Processes) mainly concern:

- a. relations with the Public Authorities
- b. corporate offences (including the offence of corruption between private individuals)
- c. money laundering and self-laundering offences
- d. health and safety offences
- e. environmental offences
- f. cybercrimes, unlawful processing of data and cybersecurity⁴
- g. offences against industry and trade
- h. tax and smuggling offences

The other offences provided for in Decree 231 not expressly mentioned appear, at present, only abstractly and not concretely conceivable.

In particular, in Metlac's corporate situation, Sensitive Processes - also instrumental - mainly concern the following areas:

a. **Relations with Public Authorities**

- in general, the management of relations - for any reason whatsoever - with public bodies and/or officials, whether Italian and/or from EU Member States
- the management of corporate obligations
- the management of relations with suppliers, partners, consultants (and agents)
- the management of activities for obtaining concessions, licences, authorisations, certification, etc., the management of any grants, financing and facilities
- management of relations with supervisory authorities or guarantor authorities (Consob, the Privacy Guarantor, the Competition and Market Authority, etc.) and of any inspections required by the relevant regulations
- the management of relations in the event of inspections, audits and controls by public bodies (e.g. ARPA, ASL, INPS, INAIL, Labour Inspectorate, Disability Office, Finance Police, Italian Revenue Agency, Inspection Commissions)
- the management of the fulfilment of obligations concerning recruitment, management and termination of employment, and compulsory recruitment, including the management of the payment of social security contributions (INPS, INAIL)
- IT security management
- in general, the management of relations with the judicial authorities in relation to any type of litigation (civil, administrative, criminal, tax, etc.) at all stages and levels of proceedings, the appointment of external professionals and coordination of the related activities

⁴ In this regard, it should be noted that Metlac has deemed it necessary to carefully analyse the ways in which such offences could be committed within the company and which corporate departments are most exposed to the risk of such offences.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- in general, the management of legal fulfilments (such as, for instance, the management of fulfilments concerning the protection of personal data processing, the management of fulfilments concerning tax, customs and, in general, tax-related matters, etc.)

b. Corporate offences (including the offence of corruption between private individuals)

- general accounting management
- preparation of financial statements/reports, notes and any legally relevant document containing economic, asset and financial elements
- management of relations with shareholders, corporate bodies, auditing firms, etc.
- management of fulfilments related to the approval of the annual accounts
- handling of "*price sensitive*" inside information
- managing relations with customers and suppliers, including during contract execution
- management of intra-group relations
- management of financial monetary flows and, in general, of financial resources
- management of extraordinary transactions (acquisitions of companies or business units, or shareholdings)
- personnel selection, recruitment and management
- management of relations with the Public Supervisory Authorities and keeping of data and documents on which the corporate bodies, the Auditing Company and other authorities or control bodies may carry out their checks

Regarding the offence of corruption between private individuals (Article 2635(3) of the Civil Code) and for the offence of inducement to corruption between private individuals (Article 2635-bis of the Civil Code), the main Sensitive Processes - including instrumental ones - are as follows:

- commercial and marketing activities in general
- negotiation, signing, management of active contracts with companies/bodies carrying out professional and business activities, including the acquisition of new contracts
- management of relations with customers
- management of relations with financial analysts, mass media, rating agencies, certification bodies, conformity assessment, etc.
- selection of suppliers of goods and services, negotiation and signing of contracts, including for raw materials
- management of contracts for the purchase of goods and services (suppliers, consultants, contractors, etc.)
- research and development management
- management of corporate accounting documents and issue of attestations
- possession of inside information
- monetary and financial flow management
- management of extraordinary corporate transactions (acquisition of business units, shareholdings, etc.)
- personnel selection, recruitment and management

c. Money laundering and self-laundering offences

- managing the purchasing process and relations with suppliers/partners
- managing the sales and collection process and customer relations

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- in general, cash and petty cash management
- in general, management of incoming financial flows
- possible execution of cash payments/collections
- negotiation, signing and performance of mandate, consultancy and procurement contacts
- investment management
- sponsorship management
- intra-group transactions

d. Occupational health and safety offences

In general, all company activities (both at the plant located at the registered office and at the site in Cava dei Tirreni) were found to be sensitive.

In particular, the sensitive macro-areas/sectors/processes at risk of offences are:

- in general, management of the security system and all company activities
- definition and organisation of roles and responsibilities and activities related to health and safety at work
- identification and assessment of risks and preparation of the Risk Assessment Document, including the identification of prevention and safety measures, as well as the preparation, adoption and implementation of the measures provided for in the aforementioned documents
- activities carried out at Metlac plants
- appointment of Prevention and Protection Service Manager and occupational physician
- relations with Prevention and Protection Service Manager, Workers' Safety Representative, occupational physician and competent authorities
- management of relations with the authorities
- assignment of tasks, information and training activities
- verification of workers' compliance with rules and regulations
- management of company assets
- verification of the adequacy and suitability of installations, apparatuses and work equipment
- management of relations with suppliers on health and safety in the workplace and supervision of activities entrusted to maintenance companies
- acquisition and preservation of occupational health and safety documentation/certification
- audit and monitoring activities
- Board resolutions on workplaces, designation of the Employer and preparation of the budget
- collaboration in the management of the aforementioned activities

e. Environmental offences

All activities concerning:

- management of production activities and, in general, of production sites
- management of repair and maintenance of Metlac's plants (such as filtration and afterburner plants) and infrastructure, including through the support of third parties
- waste identification and classification
- waste collection, management and disposal

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- emissions management and control
- decisions concerning investments in facilities and infrastructure and/or the purchase of facilities

f. Cybercrimes, unlawful processing of data and cybersecurity

- in general, management of IT or telecom systems
- possession, use and, in general, management of electronic signatures
- definition of standard conduct
- access, account and profile management
- network management
- management of hardware and software systems and related assets
- security management of the corporate IT system
- management of physical access to IT infrastructure sites
- audits and monitoring
- physical and logical security management
- managing the purchase, also through centralised Group functions, of hardware and software tools and evolutionary and corrective maintenance

g. Offences against industry and trade

- procurement of raw materials
- identification, evaluation and selection of suppliers
- identification and evaluation of customers
- distribution and sales activities for Metlac products
- labelling in general, including indications concerning the origin, provenance and quality of products
- marketing and advertising activities
- management of returns/by-products/scraps
- management of traceability procedures
- management of any recall procedures
- research into pre-existence, confusability and deceptiveness, when necessary
- design and creation of corporate brands
- activation of trademark registration procedures, where necessary

h. Tax and smuggling offences

- customer and supplier master data management
- management of the supply chain, supplier selection process and supplier verification and monitoring activities; purchasing process
- accounting management in general, active and passive cycle: bookkeeping; invoicing management; recording invoices or accounting documents in mandatory accounting records; holding invoices or documents for evidentiary purposes (vis-à-vis the financial administration)
- management of activities aimed at determining the amount of duties, taxes; determination of credits subject to offsetting; compilation of tax returns and identification of assets or liabilities to be carried forward
- submission of tax - value added tax returns

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



- processes for archiving post-return supporting documentation import/export activities

2.1.4. FUNCTION AND STRUCTURE OF THE METLAC MODEL

The Metlac Model aims to:

- improve Metlac's corporate governance, reducing the risks of offences to an acceptable level
- make the employees and all those working for and with Metlac aware that committing an offence (or even the mere attempt) - even if carried out to the advantage or in the interest of Metlac - is a violation of the Model and of the Code of Ethics 231 of Metlac, as well as of the principles and provisions expressed therein, and constitutes an offence punishable by criminal and administrative penalties, not only against the offender, but also against Metlac
- identify the conducts that are condemned by Metlac, since they are contrary not only to the provisions of the law, but also to the standards and rules of conduct that Metlac intends to be inspired by and adhere to in the conduct of its business
- enable the monitoring of areas at risk of offences and enable timely intervention to prevent offences
- prevent offences

The following form an integral and substantial part of the Model:

- the principles and provisions contained in this general part of the Model (the Model illustrates - among other things - the provisions of Decree 231, the function of the Metlac Model, the tasks of the Supervisory Body, the penalties applicable in the event of violations)
- the principles and provisions contained in Metlac's Code of Ethics 231 (the Code of Ethics 231 is a general instrument that establishes the fundamental ethical principles that Metlac intends to respect and enforce in the performance of its business to protect its corporate culture, reputation and image in the market, as well as the general rules of conduct adopted in accordance with the provisions of the Code of Ethics 231 that must be complied with by the Recipients of the Model)
- the Protocols prepared for the purposes of Decree 231 (special parts and protocols) (hereinafter "**Protocols 231**") and the corporate and governance rules and procedures adopted by Metlac, including the corporate rules and procedures referred to in Protocols 231 and which supplement the prescriptions contained therein
- the Whistleblowing Policy
- the Disciplinary System (contained in Chapter 7 of this General Section of the Model)
- the Rules of Procedure of the Supervisory Board (once adopted by the Supervisory Board itself)

The aforementioned principles, rules, procedures, protocols, policies and systems constitute, taken together, the system of organisation, management and control adopted by Metlac, which those working for and with Metlac are required to comply with.

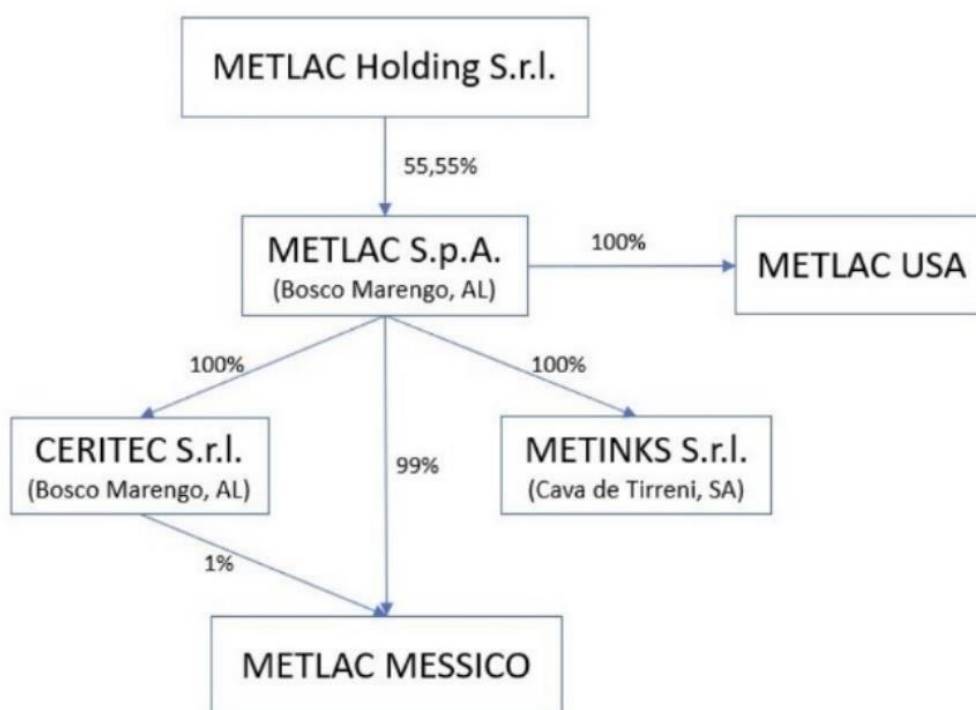
1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

2.2. CORPORATE GOVERNANCE OF METLAC

2.2.1. PREAMBLE

The Metlac Group operates in the field of coating products for the internal protection and external decoration of metal food and beverage packaging. Thanks to the quality of its products and the innovation of its processes, as well as compliance with industry regulations, Metlac ranks among the leading companies in the global market.

The organisational structure of the Metlac Group sees the main companies reporting to Metlac Holding S.r.l., as shown in the image below:



For the sake of completeness, it should be noted that a company is currently being established as part of the Metlac Group in Brazil, whose sole shareholder will be Metlac International (Mexico). The intention is to set up the Brazilian company for commercial purposes (buying and selling paint).

2.2.2. CORPORATE GOVERNANCE SYSTEM ADOPTED BY METLAC S.P.A.

METLAC S.p.A. - the main operating company of the Metlac Group - it was founded in 1986 by Pier Ugo Bocchio in Bosco Marengo, Alessandria, through the acquisition of the metal packaging paint business from IVI (PPG Group) and is now a leading company in the metal packaging paint sector in Italy and Europe, with a strong presence in the rest of the World.

METLAC S.p.A. is organised according to the traditional management system and, therefore, the Articles of Association provide for the following corporate bodies:

- the Shareholders' Meeting

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- the Board of Directors (consisting of 7 members)
- the Board of Statutory Auditors (consisting of 3 full members and two alternates)

The statutory audit is performed by an entity meeting the legal requirements.

Metlac is not subject to management or coordination of others in accordance with Article 2497 et seq. of the Italian Civil Code.

2.2.3. SHAREHOLDERS' MEETING

The validly constituted Shareholders' Meeting represents all shareholders, and its resolutions passed in accordance with the law and the Articles of Association are binding on all shareholders, including those not present or dissenting.

The Shareholders' Meeting is ordinary or extraordinary, based on the provisions of Articles 2364 and 2365 of the Civil Code.

The Shareholders' Meeting is convened by the Chairman or Vice-Chairman by means of a notice to be published in accordance with the law and the Articles of Association, and is chaired by the Chairman of the Board of Directors or, failing that, by another Director elected by those present.

Shareholders who are recorded in the shareholders' register at least five days prior to the date set for the Shareholders' Meeting, whether on first or second call, and who have complied with the legal requirements to that effect, may attend or be represented at the Shareholders' Meeting in accordance with the law.

Each shareholder is entitled to one vote for each share to which he/she is entitled and may be represented, by written proxy, by another person, subject to the provisions of the Articles of Association.

2.2.4. BOARD OF DIRECTORS

Pursuant to Article 24 of the Articles of Association, Metlac S.p.A. is managed by a Board of Directors consisting of seven (7) directors, who are not required to be shareholders, or residents of Italy.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, with the power to perform all acts it deems appropriate for the implementation and achievement of the corporate purpose, excluding only those that the law and the Articles of Association reserve strictly to the Shareholders' Meeting.

Pursuant to Article "30 - Attendance and Resolutions" of the Articles of Association, the Board of Directors meets and validly adopts resolutions with the attendance of the majority of the directors in office and resolutions are adopted by a simple majority of those present, with the exception of the provisions of Article 30, par. 3.

By virtue of this latter paragraph, for the matters of exclusive collective competence of the Board of Directors listed therein - insofar as they are to be understood as referring both to the company and the companies controlled by it - the Board is expected to pass resolutions with the presence and favourable vote of "*all directors in office minus one (1)*". The following fall within the subject matters indicated in the par. 3 of Article 30:

- establishment and suppression of headquarters, directorates and offices
- resolutions to increase the capital pursuant to Article 2443 of the Italian Civil Code
- the issuance of bonds
- the appointment of the General Manager
- proposals to shareholders for the distribution of dividends

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- issuance of guarantees and/or sureties in favour of third parties
- entering into any contract for a duration of more than five years or for a value exceeding twenty per cent of the company's annual turnover, as shown in the company's balance sheet for the previous financial year
- entering into, materially modifying or terminating contracts between the company and a shareholder or anyone connected with them or with companies connected with a shareholder
- payment of management commissions or other amounts, sums, or significant increases or changes to commissions already paid to shareholders or anyone connected with shareholders, or companies associated with shareholders

The tasks and powers of management and oversight are distributed within the Board in compliance with the provisions of the Articles of Association, as well as allocated in a clear and balanced manner among the various members of the Board, avoiding concentrations of power that could prevent proper internal dialectics.

In organisational terms, the Managing Director ensures that the management of Metlac (as a whole) is in line with the strategic guidelines defined by the Board of Directors. The Managing Director therefore ensures the development of Metlac within the framework of the guidelines set by the corporate bodies.

Furthermore, the Managing Director - as Employer pursuant to Legislative Decree No. 81 of 2008 - performs the tasks and functions concerning the health and safety of workers, workplaces and the environment, both internal and external, and ensures - also through the appointed corporate departments - the dissemination of the quality policy.

The Managing Director also holds the office of Manager pursuant to Legislative Decree No. 105 of 2015 concerning the prevention of major accidents involving dangerous substances and limiting their consequences for human health and the environment and is responsible for the fulfilment of the obligations laid down in Articles 13 et seq. of that legislative decree.

Pursuant to Article 32 of the Articles of Association, the power to sign and the corporate and legal representation of the Company vis-à-vis third parties and in court belong severally to the Chairman of the Board and the Managing Director. With the exception of the mandatory competences of the shareholders' meeting pursuant to the law and the Articles of Association, as well as the exclusive competence of the Board of Directors and on the matters referred to in Article 30 of the Articles of Association.

2.2.5. BOARD OF STATUTORY AUDITORS

Metlac S.p.A. has appointed the Board of Statutory Auditors in accordance with the Articles of Association.

The members of the Board of Statutory Auditors are appointed in accordance with the provisions of the Articles of Association, ensuring in any case that all members of the Board of Statutory Auditors are not ineligible or disqualified.

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The Board of Statutory Auditors is responsible for supervising the functionality of the overall system of internal controls and exercises its duties and powers autonomously, without any interference from any member of Metlac S.p.A.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

The Board of Statutory Auditors monitors compliance with the law, regulations and the articles of association, compliance with the principles of proper administration and the adequacy of the organisational, administrative and accounting structures adopted by Metlac S.p.A. and their actual functioning, also with a view to the timely detection of a business crisis and the loss of going concern.

The Board of Statutory Auditors, within the scope of its function, is obliged to verify that the Board of Directors constantly assesses, by taking the appropriate initiatives, whether the organisational structure of the company is adequate, whether there is economic-financial balance and what the foreseeable trend of operations is, as well as to immediately report to the same management body any well-founded indications of a crisis. Such report must be made within the time limits and in the manner prescribed by law.

In the absence of feedback from the administrative body (either in the case of total inertia on the part of the directors or in the case of inadequate feedback), the Board of Statutory Auditors will have the burden of informing the crisis assistance bodies ("alert procedures").

The Board of Statutory Auditors verifies its proper and effective functioning and the adequate composition of the Board of Statutory Auditors in accordance with the provisions applicable to the self-assessment of the Board of Statutory Auditors.

2.2.6. STATUTORY AUDIT

The statutory audit is carried out by an entity that meets the legal requirements, pursuant to the provisions of the law.

Currently, the statutory auditing of the accounts is entrusted to an auditing company, appointed by the Shareholders' Meeting on the reasoned proposal of the Board of Statutory Auditors.

Within the scope of its function, the auditing company must verify that the management body constantly assesses, taking appropriate action, whether the organisational structure of the company is adequate, whether the company is financially balanced, and what the foreseeable course of business is, as well as immediately inform the management body of well-founded indications of a crisis. Such report must be made within the time limits and in the manner prescribed by law.

In the absence of feedback from the administrative body (either in the case of total inertia on the part of the directors or in the case of inadequate feedback), the auditing company will have the burden of informing the crisis assistance bodies ("alert procedures").

2.2.7. ORGANISATIONAL STRUCTURE OF METLAC S.P.A.

Metlac's organisational structure respects the principle of separation of roles, tasks and responsibilities among the various corporate resources.

Metlac has a General Organisational Chart as well as General Organisational Charts which are communicated and disseminated within the group. These organisational charts are detailed and constantly updated according to structural modifications and changes.

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Attached to this Model as Annex B) is the current General Organisational Chart adopted by Metlac.

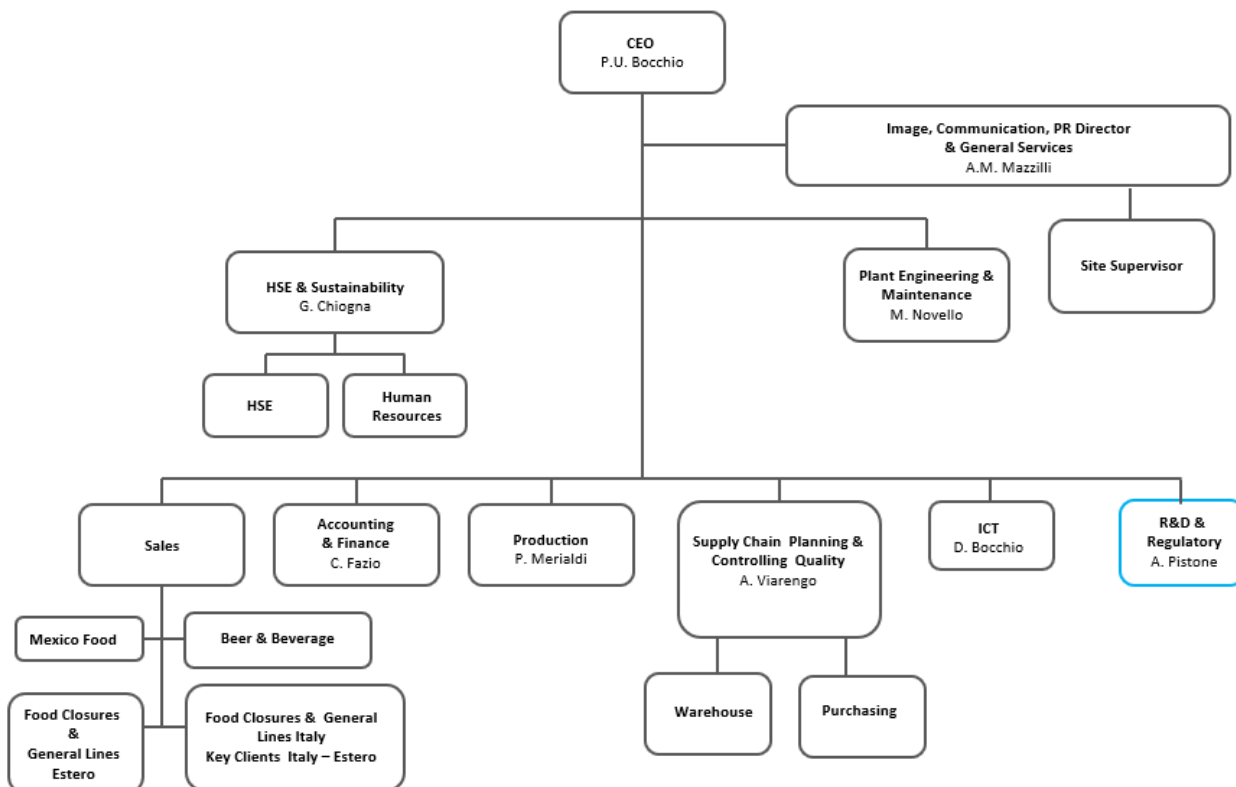
In the event of changes to the Organisational Chart, it is up to the Board of Directors to assess whether it is necessary to update the Metlac Model, or whether it is sufficient to simply replace the organisational chart.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

In order to better understand the aforementioned organisational chart, an extract of the attached Organisational Chart, along with a statement of the composition of Metlac S.p.A.'s organisational structure, is provided below:



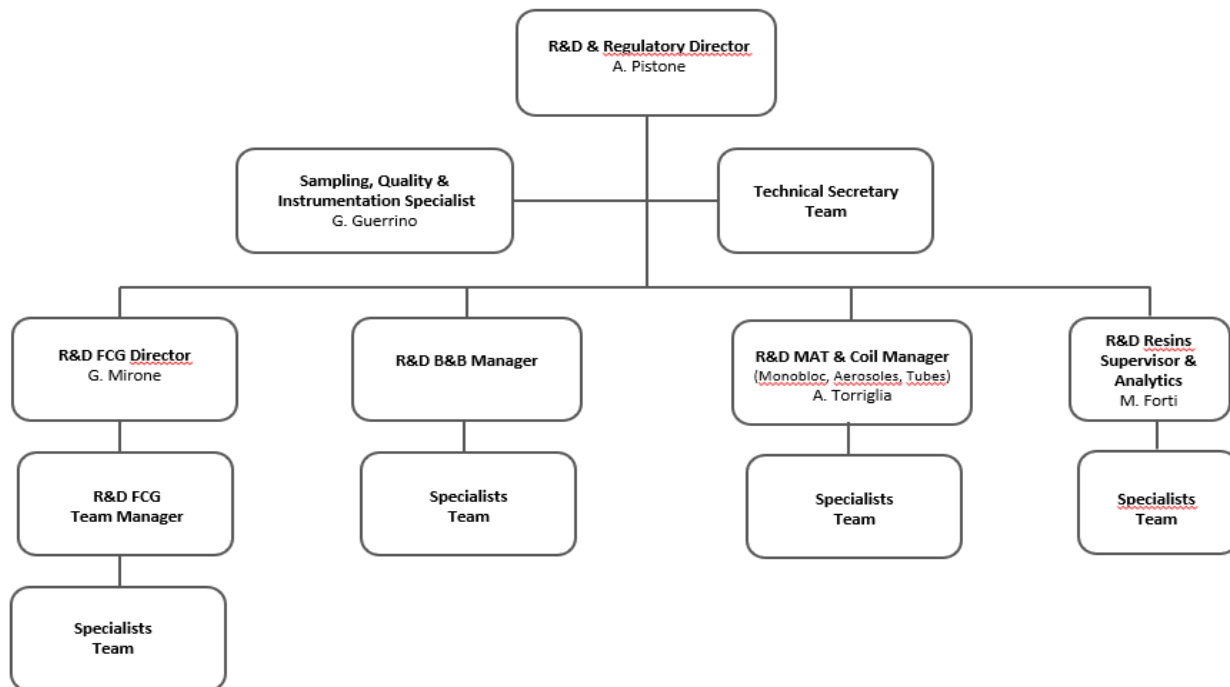
METLAC SPA Functional & General Management



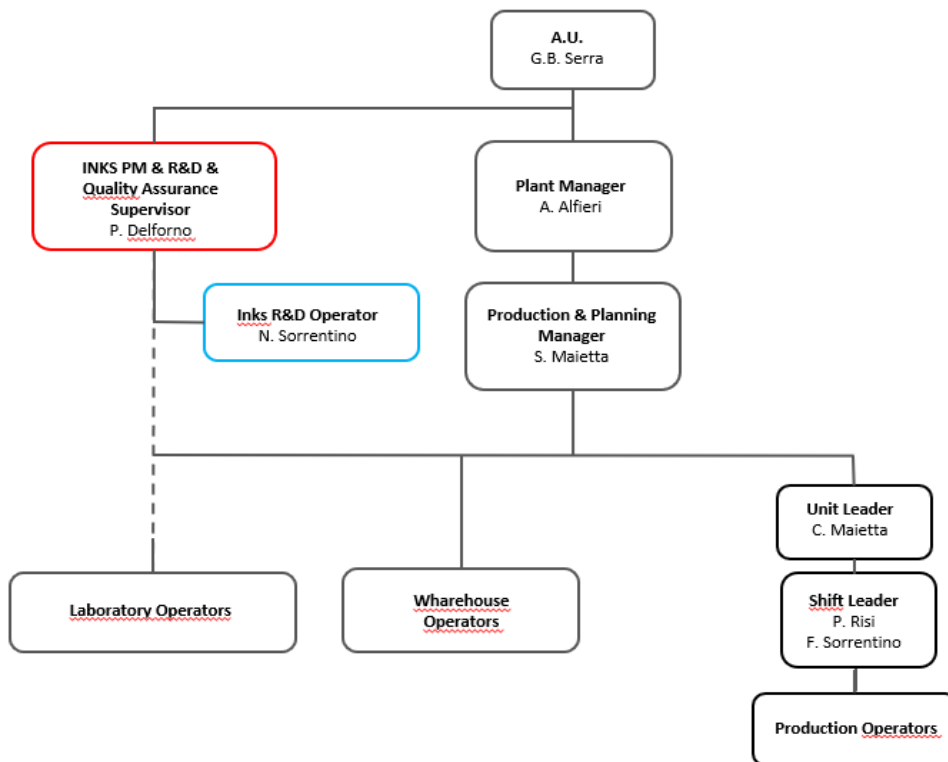
1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



CERITEC SRL (R&D)



METINKS SRL



1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

The main corporate departments, whose role is cross-Group, are as follows:

- *Managing Director, Employer and Manager*
- *Image, Communication, PR Director and General Services and member of the Operating Committee*
- *Health, Safety, Environment & Sustainability Director METLAC / CERITEC / METINK, Emergency Coordinator and METINKS Prevention and Protection Service Manager and member of the Operating Committee*
- *Human Resources Manager and member of the Operating Committee*
- *Plant Engineering & Maintenance Director and Member of the Operating Committee*
- *Accounting & Finance Director and member of the Operating Committee*
- *Supply Chain, Planning & Controlling, Quality Director and member of the Operating Committee*
- *Purchasing Manager and member of the Operating Committee*
- *ICT Director and member of the Operating Committee*
- *Sales Department, consisting of:*
 - *Commercial Manager Italy (Food Closures & General Lines Italy, Key Clients Italy - Foreign) (whose job title resulting from the job description is Sales Director FCG Key Customers, Italian Clients (Italy and abroad), International Clients in Italy) and member of the Operating Committee*
 - *Export Sales (whose job title resulting from the job description is Sales FCG Export & MAT Director) and member of the Operating Committee*
 - *B&B Sales Director and member of the Operating Committee*
 - *Mexico Food Director*
- *Production Manager Metlac and member of the Operating Committee*
- *R&D & Regulatory Director and member of the Operating Committee*
- *R&D Manager (whose job title resulting from the job description is R&D FCG (Food Closures General Line Director)) and member of the Operating Committee*

3. THE SYSTEM OF DELEGATED POWERS AND POWERS OF ATTORNEY

The Board of Directors is the body responsible for appointing persons from outside the Board (e.g. one or more general managers), determining their powers, authority and remuneration, and proxies for specific acts or categories of acts.

The Board of Directors, in compliance with the provisions of the law, may delegate its powers to an executive committee, determining the limits of the delegation, and set up other committees with specific functions and tasks, establishing their composition and operating procedures.

The Board of Directors may also delegate, pursuant to and within the limits set forth in Article 2381 of the Italian Civil Code, its own attributions and powers to one or more of its members, including the Chairman, even severally and with the power to delegate, determining the content, limits and any manner of exercising the delegation, as well as conferring special tasks on individual directors. The Board of Directors may at any time issue directives to the Managing Director or revoke the delegated powers.

The power to represent Metlac and the powers of authorisation and signature are assigned in line with organisational and management responsibilities in compliance with the rules of corporate governance established by law and the Articles of Association, and include, where necessary, limits on the approval of expenses.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



The Board of Directors in office at the time of the adoption of this edition of the Model is composed as follows:

- **Cristiano Radaelli** (Chairman of the Board and Company Representative)
- **Pier Ugo Bocchio** (Managing Director, Company Representative and Employer)
- **Davide Bocchio** (Director)
- **Marco Vincenzo Ciria** (Director)
- **Egidio Rinaldi** (Director)
- **Diego Bocchio** (Director)
- **Luca Ceccherini** (Director)

By resolution of 29 June 2021, the Board of Directors appointed Mr. Pier Ugo Bocchio as Managing Director, vesting him with "all powers of ordinary and extraordinary management, which he will exercise by qualifying himself as Managing Director of the Company", excluding:

- the powers that the law and the Articles of Association of the Company strictly reserve to the Board of Directors and the Shareholders' Meeting
- the specific powers resulting from the Board minutes of 29 June 2021. These powers may in any case be exercised by the Managing Director with joint signature with another Director or, with joint signature with that of Mr Angelo Viarengo

Given the current composition of the Board of Directors, it is the responsibility of the Board of Directors to assess whether - following possible future changes to the composition of the Board - it is necessary to update the Model, or whether it is sufficient to amend the list of Board members. **In this case, all Directors are severally authorised to replace the aforementioned list.**

The Board of Directors has also appointed Special Attorneys, granting them specific powers in relation to the roles, functions and tasks respectively assigned to them. In particular, as shown in Metlac S.p.A.'s ordinary company documents, the following were appointed special attorneys:

1. Carlo Fazio
2. Guido Chiogna
3. Gaetano Tedone
4. Gionata Riboldi

The Board has also defined, by means of delegations, the tasks and responsibilities of senior management functions.

All powers granted to members of the Board of Directors and/or special attorneys and/or department heads of Metlac S.p.A. are subject to limitations and restrictions, including on expenditure.

The attributed powers allow to identify:

- the delegating party and the source of its powers
- the delegated party
- the subject matter of the delegated power
- the limits, restrictions and procedures for exercising the delegated power

The powers conferred by Metlac have been duly filed with the Register of Companies of Alessandria and are reflected in Metlac's updated Chamber of Commerce registration.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



Furthermore, corporate procedures outline the obligations and limitations of the authorisation and signature powers of each corporate officer, specifically identifying the activities to which they apply and the approval levels required.

4. THE CONTROL SYSTEM

Metlac has a structured organisational and control system (including the safety management system) that allows for the conscious management of business activities and risks by means of their appropriate regulation.

The procedures adopted by Metlac enable compliance with a number of control principles, including:

- **traceability of operations and activities**: each operation, transaction, action must be: verifiable, documented, consistent and coherent; therefore, for each operation carried out by Metlac, the procedures allow for the preparation of adequate documentary support that allows to proceed, at any time, to carry out checks that attest the characteristics and motivations of the operation and identify who has authorised, carried out, recorded and verified an operation. In essence, each operation follows documentary standards that regulate each business activity in detail. In order to minimise the risks of destruction or loss, even accidental, of the data, of unauthorised access or processing that is not permitted or does not comply with the law, appropriate security measures are taken
- **separation of functions: no one can independently manage an entire process**: the observance of this principle is ensured by the application of the principle of separation of functions and tasks applied within Metlac, according to which different functions are involved in the management of a business activity and each one follows a specific phase of the business activity. Therefore, separate individuals and functions are responsible for authorising a transaction, accounting for it, implementing the transaction and/or controlling it, all according to Metlac's organisational structure. In addition, no one is granted unlimited powers; powers and responsibilities are defined and disseminated within Metlac; authorisation and signature powers are consistent with organisational responsibilities
- **documentation of controls**: the control system is documented by virtue of the documentation standards and procedures applied by Metlac. In particular, each operation requires an adequate documentary support on which it is possible to carry out checks that attest to the characteristics and motivations of the operation and identify who has authorised, performed, recorded, and verified the operation

The above principles are strictly applied by Metlac in all its corporate activities, including:

- relations with the Public Authorities
- activities relating to any financing, facilities, public contributions
- the management of consultancies, collaborations and professional appointments
- the management of sponsorships as well as gifts and donations
- computer system management, including access credentials to third-party IT and telecom systems
- intra-group relations
- relations with Shareholders, the Board of Statutory Auditors and the auditing company
- activities relating to extraordinary transactions and, in general, the drafting and publication of corporate documents
- the management of accounting and financial resources
- liquidity management
- purchasing cycle management

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



- management of commercial activities
- personnel management
- occupational health and safety management
- management of environmental aspects

The main IT systems used by Metlac are:

- AS400
- SAP, for the accounting activities of Metlac International Mexico
- MS Active Directory
- Azure (by Microsoft)

For a detailed illustration of the systems used, please refer to the mapping of Metlac's IT systems.

The management of resources ensures the verifiability and traceability of expenditure as well as its prudence, aiming at the following objectives:

- defining in a clear, systematic and knowable manner the resources (monetary and non-monetary) at the disposal of the individual corporate departments and the purposes of their use, by means of the assessment, planning and preparation of the budget
- detecting any deviations from the budget, activating the applicable procedures and managing such deviations in accordance with its provisions (analysis and in-depth analysis, adjustment of the budget)
- constant control and monitoring of expenditure and costs incurred

With specific reference to occupational health and safety management, Metlac has provided for a monitoring plan that is developed through a schedule of audits (at regular intervals), the assignment of tasks and responsibilities, the description of the methodologies to be followed, and the methods for reporting any non-compliant situations, as set out in Protocol 231 - Occupational Health and Safety Offences.

It should be noted that, with specific reference to the risk and internal control system management, controls are divided into:

- line controls formally assigned to the various corporate departments and business units involved
- second-level controls monitoring and assessing risks, assigned to the hierarchically superior department
- third-level controls for verification and monitoring assigned to the Board of Statutory Auditors / Single Statutory Auditor, the auditing company, as well as external consultants specialised in audit activities and certification bodies

5. THE SUPERVISORY BOARD

5.1. COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BODY

Metlac's decision to have its own Supervisory Body is based on Article 6 of Decree 231, which provides that the entity may be exonerated from liability resulting from offences, provided that the management body has, among other things, entrusted the task of supervising the operation of and compliance with the Model and of suggesting its updating (where necessary) to a body of the entity with autonomous powers of initiative and control: the Supervisory Body.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



Metlac's Supervisory Board may be composed of a single person or multi-person and collegial composition, as established at the time of appointment by the Board of Directors, taking into account the purposes pursued by the law and the size and organisation of Metlac.

The Supervisory Board is appointed by the Board of Directors and remains in office for three financial years or for a shorter or longer period of time stipulated at the time of appointment.

The member or members of the Supervisory Board, whether internal or external to Metlac, may be re-elected and must meet the requirements of honour, professionalism, independence and autonomy necessary for assuming the office, for which reference should be made to the personal and professional characteristics required by our legislation for Directors or Statutory Auditors or persons in charge of internal controls or other qualified positions, such as the requirements of honour set out in Article 109 of Legislative Decree No. 385/1993. Therein including the following main requirements:

- absence of conflicts of interest
- non-existence of grounds for ineligibility, disqualification and/or incompatibility
- absence of family ties with Directors of the Company or other Group companies

The functions of the Supervisory Board may be entrusted to the Board of Auditors.

The selection of the components must in any case be made taking into account the purposes pursued by Decree 231 and the primary need to ensure the effectiveness of the controls and of the model, its adequacy and the maintenance over time of its requirements, its updating and adaptation. The members of the Supervisory Board are required to sign a declaration attesting to the existence of the requirements of autonomy and independence, and to notify the Board of Directors without delay of any conditions of impediment.

In the event of the appointment of a multi-member Supervisory Board, the Board shall be composed of at least 2 (two) members and at most 7 (seven) members. When appointing the Supervisory Board with a multi-member composition, the Board of Directors appoints its Chairman. Failing this, the Supervisory Board will choose a chairman from among its members.

If the number of members of the Supervisory Board is under the maximum number provided for, the Board of Directors may increase the number of members during the term of office of the Supervisory Board; the new members thus appointed cease to hold office together with those in office at the time of their appointment.

It is up to the Board of Directors to pay, at the time of appointment or subsequently, the remuneration to the member(s) of the Supervisory Board, according to the determinations made by the Board of Directors from time to time.

* . * . *

The Supervisory Board was established for the first time with the resolution of the Board of Directors of 3 December 2021, when Metlac formally adopted an Organisational, Management and Control Model.

The Supervisory Board of Metlac S.p.A. currently in office was appointed by the Board of Directors on 3 December 2021, will remain in office until the date of approval of the Financial Statements as at 31 December 2024, and is composed of 3 members, namely:

- Attorney **Maria Luisa Muserra**
- Dr **Alessandro Cantini**
- Mr **Maurizio Fenocchio**

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

5.2. TERMINATION OF OFFICE

The termination of the office due to expiry of the term has effect from the time the Supervisory Board has been reconstituted. Termination of office may also occur by renunciation, forfeiture, revocation or death.

The members of the Supervisory Board who resign from office are required to give written notice to the Board of Directors so that a timely replacement can be made; in the case of a multi-member Board, such notice must also be sent to the Supervisory Board.

The members of the Supervisory Board cease to hold office in the event that they no longer meet the requirements to hold office (e.g. disqualification, incapacity, bankruptcy, conviction to a penalty entailing disqualification from public office, or if they are found guilty of the offences provided for in Decree 231 and, in general, in the event of incapacity and incompatibility, loss of requirements, etc.).

The members of the Supervisory Board may be dismissed for just cause by the Board of Directors, after consulting the Board of Auditors. By way of example, just cause exists in the case of non-compliance with the obligations laid down for the member or members of the Supervisory Board, unjustified absence from three or more meetings of the Supervisory Board, the existence of a conflict of interest, inability to perform the activities as a member of the Supervisory Board, etc. In addition, any termination of the employment relationship with Metlac normally entails removal from the post. The removal from office of a member of the Supervisory Board may be requested from the Board of Directors by the Supervisory Board itself, stating the reasons for such request.

In the event of renunciation, forfeiture, revocation and death, the Board of Directors shall provide:

- a) in the event of the single-member composition of the Supervisory Board, to the appointment of the new Supervisory Board, after consulting the Board of Auditors
- b) in the case of a multi-member composition of the Supervisory Board, to replace the member of the Supervisory Board who has ceased to hold office, after consulting the Board of Statutory Auditors. The members thus appointed remain in office for the remaining term of the Supervisory Board. However, should the prerequisites be met and after having carried out the appropriate evaluations, the Board of Directors may decide not to replace the person resigning/withdrawn/removed or, in any case, who has ceased office, and thus to reduce the number of members of the Supervisory Board, in any case in compliance with the minimum number provided for the composition of the Supervisory Board

5.3. SUPERVISORY BOARD REQUIREMENTS

In accordance with the provisions of Decree 231 and the Confindustria Guidelines, Metlac's Supervisory Board meets the requirements of:

- **autonomy and independence**, given that:
 - a) control activities are not subject to any form of interference and/or conditioning by Metlac's internal stakeholders
 - b) the Supervisory Board is also composed of external professionals and reports directly to the company's top management, i.e. the Board of Directors, with the possibility of reporting directly to the Statutory Auditors and the Shareholders
 - c) in order to protect and guarantee the objectivity of its judgement, the Supervisory Board has not been assigned operational tasks, nor does it participate in operational decisions and activities
 - d) the Supervisory Board is also endowed with adequate financial resources necessary for the proper performance of its activities

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- e) finally, the rules of procedure of the Supervisory Board are defined and adopted by that same body
- **professionalism**, given that the Supervisory Board is endowed with the tools and techniques enabling it to effectively perform the functions assigned to it, both in terms of inspection and analysis of the internal control system and in terms of legal expertise; to this end, the Supervisory Board has the power to avail itself of the company functions and internal resources, as well as - if necessary - of external consultants
- **continuity of action**, given that the Supervisory Board constitutes an ad hoc body exclusively dedicated to supervisory activities on the functioning and compliance of the Model, devoid of operational or decision-making tasks and activities, or in any case tasks in contrast with the functions assigned to the Supervisory Board

In order to further guarantee the autonomy and independence of the Supervisory Board, it is the duty of the Board of Directors to assess the continuing presence of the aforementioned requirements and conditions of operation of the Supervisory Board, as well as that the members of the Supervisory Board individually meet the requirements of honourableness and competence and are not in situations of conflict of interest.

5.4. FUNCTIONS, ACTIVITIES AND POWERS OF THE SUPERVISORY BOARD

In order to ensure the functioning of and compliance with the Model, the Supervisory Board is required to:

- verify the adequacy of the Model, i.e. its real and effective capacity to prevent the offences provided for in Decree 231 (so-called effectiveness checks)
- supervise the functioning, compliance and, therefore, the effectiveness of the Model, verifying the consistency between the concrete behaviours and the Model's provisions, and detecting any violations (so-called effectiveness checks)
- verify the maintenance over time of the requirements of solidity and functionality of the Model
- take care of updating the Model, if the analyses and assessments carried out show the need to make corrections and additions, by - among other things - submitting adjustment proposals to the Board of Directors or, depending on the scope of the proposals, to the competent corporate departments, verifying the implementation and actual functionality of the proposals submitted

In order to perform the above tasks, the Supervisory Board shall, in particular:

- a) with reference to checks on the **efficacy** of the Model:
 - o interpret the relevant legislation
 - o conduct surveys of the company's activities in order to update the mapping of areas at risk of offences and the related sensitive processes, also by means of self-assessment techniques
 - o assess, from an ex-ante perspective and on the basis of the results of the offences risk analysis, the suitability of the protocols to prevent offences, including the disciplinary system
 - o coordinate with the corporate departments in charge of communication, awareness and training activities to ensure that stakeholders have the necessary knowledge of Decree 231 and the Model, monitoring its implementation, and promoting initiatives
- b) with reference to checks on the **effectiveness** of the Model:
 - o carry out periodic checks and spot checks on effective compliance with existing procedures and other control systems, noting any behavioural deviations based on the analysis of information flows and reports received

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



- o coordinate with corporate departments to set up and manage a monitoring system for areas at risk of offences
 - o collect, process and store information relevant to compliance with the Model, as well as update the list of information that must be transmitted or kept available to the Body
 - o activate and carry out internal investigations, liaising from time to time with the corporate departments concerned, in order to acquire further investigation evidence
- c) with regard to proposals for updating the Model and monitoring their implementation:
- o on the basis of the results of the verification and control activities, periodically express an assessment on the adequacy of the Model, as well as on its operations
 - o in relation to these evaluations, periodically submit to the Board of Directors proposals to adapt the Model, indicating the actions deemed necessary for its concrete implementation (completion of procedures, adoption of standard contractual clauses, etc.); particular importance must be given to: additions to the management systems of financial resources (both incoming and outgoing) necessary to introduce measures to detect the existence of any unusual financial flows and marked by greater margins of discretion; changes and additions necessary as a result of significant violations of the provisions of the Model; and/or significant changes in the internal structure of Metlac and/or the manner in which the company conducts its business; and/or regulatory changes
 - o periodically verify the implementation of the proposals made and their actual functionality
 - o coordinate with the company management to assess the adoption of any disciplinary penalties, without prejudice to the latter's competence to impose penalties and the related disciplinary procedure

The Supervisory Board is required to collect, process and store (in an up-to-date archive) the documentation relating to the procedures and other measures provided for in the Model, the information gathered in the performance of its supervisory activities, and the documentation attesting to the activities performed.

On at least an annual basis, the Supervisory Board shall draw up for the Board of Directors an informative report on the supervisory activity performed, the outcome of such activity, and the implementation of the Model; this report shall be forwarded to the Board of Auditors.

In order to perform its tasks, the Supervisory Board is vested with the necessary operational, initiative and control powers, including, but not limited to:

- the power to access the documentation necessary or appropriate for the performance of its functions
- the power to request additional information and documentation
- the power to receive and assess reports from company representatives or third parties concerning any critical aspects of the Model, violations thereof and/or any situation that may expose Metlac to a risk of offence
- the power to plan, autonomously and without any interference, its own activities

In order to perform the supervisory functions assigned to the Supervisory Board, the latter has adequate financial resources at its disposal and has the right to make use - under its own direct supervision and responsibility - of the assistance of the internal company structures and, if necessary, of the support of external consultants in accordance with the applicable company procedures.

The activities of the Supervisory Board cannot be challenged by any corporate body, structure and department, without prejudice, however, to the obligation of supervision by the Board of Directors on the

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



adequacy of the Supervisory Board and its intervention, the Board of Directors being in any case responsible for the functioning and effectiveness of the Organisational Model.

The internal functioning of the Supervisory Board is delegated to the same body, which may then define - by means of specific regulations - the aspects relating to its supervisory functions, including the determination of the time intervals of the controls, the identification of the criteria and procedures for analysis, the rules governing the convening and functioning of the Supervisory Board, the taking of minutes of meetings, the establishment of books and records relating to the activities carried out by the Supervisory Board, the regulation of information flows and reports, the contents of the reports to be submitted to the Board, and so forth.

5.5. INFORMATION OBLIGATIONS VIS-À-VIS THE SUPERVISORY BODY

The proper performance of the functions entrusted to the Supervisory Board cannot be detached from the provision of information obligations to that body in accordance with Article 6(2)(d) of Decree No. 231.

Senior management personnel, subordinate persons, heads of corporate departments, Directors and Statutory Auditors, and third parties affected by Metlac's Model are required to report to the Supervisory Board any events that could give rise to Metlac's liability under Decree 231.

In this regard, it is recalled that employees have a duty of diligence and an obligation of loyalty to their employer pursuant to Articles 2104 and 2105 of the Civil Code and, therefore, the employee's due fulfilment of the duty to inform cannot give rise to the application of disciplinary penalties.

In particular, the obligation to provide information to the Supervisory Board takes the form of:

- Periodic information flows: i.e. information, data and news on sensitive corporate activities potentially at risk of offences as identified in the Model
- Immediate ad hoc reports: in the event of any violations of the provisions of the Model or in any case resulting from conduct not in line with the rules adopted by Metlac, as well as information concerning offences, which may be deemed useful for the performance of the tasks of the Supervisory Body.

For instance, the Supervisory Board must be promptly provided with all information relating to:

- measures and/or information coming from the judicial police, or from any other authority, from which it can be inferred that investigations are being carried out, including against persons unknown, for the offences referred to in the Decree 231
- requests for legal assistance forwarded by employees and/or managers against whom the Judiciary is proceeding for offences under Decree 231 (reports forwarded to Metlac by its employees and/or managers)

The Supervisory Board must also be provided with information on:

- decisions concerning the application for, disbursement and use of any public funding
- reports drawn up by the heads of the departments concerned from which conduct not conforming to the rules of Decree 231 that affects compliance with the Model emerges or may emerge
- the effective implementation, at all levels of the company, of the Model, with particular regard to disciplinary proceedings conducted and penalties imposed, or of the orders to dismiss such proceedings and the reasons for it
- contracts awarded by public bodies or entities performing functions of public interest, with summaries of contracts awarded following tenders or by private negotiations

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



Further disclosure obligations are provided for in the Code of Ethics and the Model's protocols.

All communications to the Supervisory Board must be made exclusively in writing and not anonymously, unless otherwise determined by the Supervisory Board, through the following channels:

- email: Supervisory Board address: metlac@odv-metlacgroup.it
- post: postal address: SS 35 Bis dei giovi 53, I-15062 Bosco Marengo

For reports governed by Law No. 179 which came into force on 29 December 2017 on the subject of "whistleblowing", please refer to the ad hoc "Whistleblowing Policy" procedure, which forms an integral part of the Model and which illustrates in detail the types of reports and the relevant procedures.

The Supervisory Board is required to use the most appropriate systems and means to guarantee the confidentiality of those who report potential violations; the immunity of the persons who report potential violations must also be guaranteed, with particular regard to undue forms of retaliation against them. The information provided to the Supervisory Board is intended to facilitate and improve the Supervisory Board's control planning activities and does not require the Supervisory Board to systematically verify all the phenomena presented: it is, therefore, left to the discretion and responsibility of the Supervisory Board to determine in which cases to take action.

5.6. COLLECTION AND STORAGE OF INFORMATION

All information and reports provided for in the Model are stored by the Supervisory Board in a database, in electronic and/or paper form.

The data and information stored in the database are made available to persons outside the Supervisory Board only with the latter's prior authorisation. The Supervisory Board defines the criteria and conditions for access to the database by issuing an internal regulation.

5.7. SUPERVISORY BOARD INFORMATION OBLIGATIONS VIS-À-VIS CORPORATE BODIES

The Supervisory Board shall forward to the Board of Directors and, if necessary, the other corporate bodies (Board of Statutory Auditors and Shareholders' Meeting):

- the plan of audits
- the progress of the defined programme and any changes made to it
- any significant issues that came to light during the course of the supervisory activities

In addition, the Supervisory Board will prepare an annual report on the supervisory activities carried out during the reporting period.

6. TRAINING - COMMUNICATION AND DISSEMINATION OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

Metlac is aware of the importance of the dissemination of the Model to the Recipients in general, and of the communication and training of personnel as a protocol of primary importance, and is committed to disseminating the principles contained in the Code of Ethics 231 and the organisational and management adopted by Metlac, by adopting appropriate initiatives to promote and disseminate knowledge of both their contents and the obligations arising from them.

The dissemination, communication to and training activity of employees require an adequate training programme (also defined with the assistance of the Supervisory Board, assisted by and in coordination with the corporate departments involved), calibrated and differentiated according to the different corporate departments involved, the personnel concerned and their roles and responsibilities.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



These activities include:

- an initial communication to employees about Metlac's adoption of the Model;
- delivery of the 231 set of documents (also via access to Intranet platforms or in paper form);
- the signing by employees of acknowledgement and acceptance forms;
- specific periodic training. Appropriate records must be kept of this training.

The staff is required to be familiar with the content of the Code of Ethics, the Model, its protocols and supplementary documents, to comply with them and to contribute to their effective implementation.

The adoption of the Model is also communicated and disseminated to external parties with whom Metlac has relations, including, among others, customers, suppliers, distributors, agents, consultants, partners, contractors, etc.; they must be made aware of the contents of the Code of Ethics 231 and of the organisational and management principles applied by Metlac, and be informed of the consequences of any violations. The communication and, in applicable cases, the formal commitment by external parties (the latter to the extent applicable), to comply with the principles contained in the Code of Ethics 231 and the organisational and management principles adopted by Metlac (if and to the extent that they are applicable to third parties) must result from appropriate documentation, such as - for example - declarations of knowledge of and adherence to Metlac's principles, or specific contractual clauses. In this respect, in the various contracts stipulated by Metlac, it will be necessary to include specific contractual clauses relating to Decree 231 and the consequences of its violation, including termination of the contract or Metlac's right of withdrawal.

Metlac will not initiate or continue any relationship with anyone who does not intend to commit to the principles contained in the Code of Ethics and the organisational and management principles adopted by Metlac (in relation to third parties, limited to the applicable aspects).

7. DISCIPLINARY SYSTEM (PURSUANT TO ART. 6(2)(E) LEGISLATIVE DECREE 231/2001.

7.1. PURPOSE OF THE DISCIPLINARY SYSTEM

Metlac considers it essential to comply with the Model and Code of Ethics 231, and the General Rules of Conduct. Therefore, in compliance with Art. 6(2)(e) of Decree 231, Metlac has adopted an appropriate system of penalties to be applied in the event of non-compliance with the provisions of the Code of Ethics 231 and the General Rules of Conduct, the procedures and requirements contained in the Model and in the supplementary documents, since the violation of these rules and measures, imposed by Metlac for the purpose of preventing the offences provided for in Decree 231, damages the relationship of trust established with Metlac.

The disciplinary system adopted pursuant to Decree 231 constitutes a preventive protocol for the prevention of offences.

The application of the disciplinary penalties provided for therein is irrespective of the initiation of any criminal proceedings and their outcome; therefore, any conduct in breach of the Model will be sanctioned if it can be classified as a relevant offence under Decree 231.

Under no circumstances shall unlawful, illegitimate conduct or conduct otherwise in breach of the Code of Ethics 231 and the General Rules of Conduct, the Model and the supplementary documents be justified or deemed less serious, even if carried out in the interest or to the advantage of Metlac. Any attempts and, in particular, acts or omissions unambiguously aimed at violating the rules and regulations established by Metlac are also penalised, even if the action does not take place or the event does not occur for whatever reason.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

7.2. SYSTEM OF SANCTIONS AGAINST EMPLOYEES

In accordance with applicable legislation, Metlac informs its employees of the provisions, principles and rules contained in the Code of Ethics, the General Rules of Conduct, the Model and the supplementary documents.

Violation by an employee of the provisions, principles and rules contained in the aforementioned documents constitutes a disciplinary offence, punishable according to the procedures for processing violations and the imposition of the consequent penalties provided for by the Italian Chemical Industry National Labour Collective Agreement, in compliance with the provisions of Article 7 of the Workers' Statute.

This disciplinary system has been set up in strict compliance with all legal provisions on employment. No arrangements and penalties other than those already codified and set out in collective and trade union agreements have been provided for.

In relation to activities identified as being at risk of offence, the following constitute disciplinary offences:

- Failure to comply with the principles contained in the Code of Ethics 231 and the General Rules of Conduct or the adoption of conduct that does not in any way comply with the rules of the Code of Ethics 231 and the General Rules of Conduct
- Failure to comply with the standards, rules and procedures set out in the Model and its Protocols
- Lack of, incomplete or untruthful documentation or its inadequate storage, which is necessary to ensure the transparency and verifiability of the activity being carried out in compliance with the procedural rules set out in the Model and the Code of Ethics
- Violation and circumvention of the control system, carried out through the removal, destruction or alteration of the documentation required by the above-mentioned procedures
- Obstruction of controls and/or unjustified obstruction of access to information and documentation by the persons in charge of controls, including the Supervisory Board
- Non-participation in training events
- Violation of the Whistleblower protection measures provided for in Law No. 179 of 2017 on whistleblowing and, therefore:
 - the adoption of discriminatory measures against persons making the reports referred to in subsection 2-bis
 - any dismissal of the Whistleblower by way of retaliation or discrimination
 - change of duties within the meaning of Article 2103 of the Civil Code
 - any other retaliatory or discriminatory measures taken against a Whistleblower
- Unfounded and untrue reports made with wilful misconduct or gross negligence to the SB regarding unlawful conduct relevant under Decree 231
- Unfounded and untrue reports of violations of the Model made with malice or gross negligence to the SB

For **negligent offences**, the following constitute disciplinary offences:

- Failure to comply with the Model resulting in a situation of concrete danger to the physical integrity of a person, including the offender
- Failure to comply with the Model resulting in injury to the physical integrity of a person, including the offender
- Failure to comply with the Model resulting in the serious or very serious injury or death of a person, including the offender

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

The aforementioned disciplinary offences may be punished, according to the aforementioned Collective Agreement, depending on the seriousness of the misconduct, by the following measures:

- verbal warning
- written warning
- fine
- suspension from work and pay for a period not exceeding 3 days of actual work
- dismissal with or without notice

In particular, **the following disciplinary penalties** apply:

- **verbal reprimand or written warning or fine or suspension**, for an employee who violates the internal procedures laid down or referred to in the Model or in the Code of Ethics (e.g. fails to observe the prescribed procedures, fails to notify the Supervisory Board of the prescribed information, omits to carry out the relevant checks, fails to report to the Prevention and Protection Service any risk situations relating to health and safety in the workplace, fails to use or makes inappropriate use of Individual Protection Devices) or adopts, in the performance of sensitive activities, a conduct that does not comply with the provisions of the Model or the Code of Ethics. In any case, the following conducts, where they do not constitute conduct punishable by one of the measures set out in the following points (i.e. dismissal), constitute serious infringements:
 - failure to comply with reporting and information obligations vis-à-vis the Supervisory Board
 - unjustified or systematic non-participation in 231 training initiatives promoted by Metlac
 - failure to comply with the Code of Ethics 231 and/or the rules of conduct and specific control protocols provided for sensitive activities in this Model
- **dismissal with notice**, for an employee who adopts, in the performance of sensitive activities, a conduct that does not comply with the requirements of the Model and of the Code of Ethics 231 and is unequivocally directed towards committing an offence sanctioned by Decree 231 or, with specific reference to health and safety issues:
 - does not carry out, on a continuous basis, the supervisory activities prescribed pursuant to Italian Consolidated Law Act 81/2008 on health and safety at work
 - engages in obstructive behaviour towards the Supervisory Board or the persons responsible within the framework of the occupational health and safety management system (e.g. Employer, Prevention and Protection Service Manager and Supervisors)
- **dismissal without notice** for an employee who adopts, in the performance of sensitive activities, a behaviour clearly in violation of the provisions of the Model, such as to determine the concrete application against Metlac of measures provided for in Decree 231 or, with specific reference to health and safety issues, repeatedly tampers with company assets, thereby causing danger to himself/herself or others and, finally, an employee who violates the rules protecting Whistleblowers pursuant to Law no. 179 of 2017 or makes unfounded and untrue reports with malice or gross negligence

The **type and extent** of each of the penalties will be applied taking into account:

- the intentionality of the behaviour, or the degree of negligence, imprudence or incompetence, also considering the predictability of the event
- the worker's overall conduct, with particular regard to whether or not he or she has a disciplinary record, within the limits of the law
- the duties of the worker
- the functional position and the degree of responsibility and autonomy of the persons involved in the facts amounting to the breach
- other special circumstances relating to the disciplinary offence

Disciplinary penalties will be imposed in accordance with the procedures laid down in the applicable National Labour Collective Agreement and the law.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification



The detection of the aforementioned breaches, the management of disciplinary measures and the imposition of penalties are the responsibility of the Employer and of the other departments competent in matters of labour relations, according to the powers respectively assigned to them.

Every act relating to disciplinary procedures shall be communicated to the Supervisory Board for the assessments and monitoring within its competence.

7.3. PENALTIES AGAINST MANAGERIAL STAFF

In the event of violation of the Code of Ethics, the Model and the supplementary documents by managers, Metlac shall impose the most appropriate disciplinary measures in accordance with the provisions of the applicable National Labour Collective Agreement.

By way of example, the following constitute infringements:

- committing, in the performance of one's duties, and even in the form of an attempt, an offence to which Decree 231 applies
- non-compliance with the rules prescribed by the Model or the Code of Ethics
- failure to supervise subordinates with regard to compliance with the Model and the rules referred to therein
- failure to comply with reporting and information obligations vis-à-vis the Supervisory Board
- tolerance or failure to report irregularities committed by other employees or customers, suppliers, distributors, agents, consultants, partners, contractors of Metlac
- violation of the rules protecting Whistleblowers pursuant to Law No. 179 of 2017, or making unfounded and untrue reports with wilful misconduct or gross negligence

In any case, if the breach of the Model or the Code of Ethics breaks the relationship of trust, the penalty is termination of employment.

The investigation of the aforementioned infringements (eventually on a report by the Supervisory Board and/or the Employer in the case of infringements of the occupational health and safety system), the management of disciplinary measures and the imposition of penalties are the responsibility of the Employer and the other departments with powers in personnel matters.

Every act relating to disciplinary procedures shall be communicated to the Supervisory Board for the assessments and monitoring within its competence.

7.4. MEASURES AGAINST DIRECTORS AND AUDITORS

Upon receiving notice of any breach of the principles contained in the Code of Ethics and of the provisions and rules set out in the Model by members of the Board of Directors or the Board of Statutory Auditors, the Supervisory Board is required to promptly inform the entire Board of Directors and the Board of Statutory Auditors, for the adoption of the appropriate measures including, for example, the convening of the Shareholders' Meeting in order to adopt the most suitable measures, including the revocation of the appointment. The Board of Directors may also adopt measures within the scope of its competences, after hearing the opinion of the Board of Statutory Auditors (e.g. revocation of powers of attorney and powers).

It is specified, by way of example, that the following constitute breaches of directors' duties:

- committing, in the performance of one's duties, and even in the form of an attempt, an offence to which Decree 231 applies
- non-compliance with the rules prescribed by the Model or the Code of Ethics
- the failure to supervise Metlac's employees, customers, suppliers, distributors, agents, consultants, partners, contractors with regard to compliance with the Model and the rules referred to therein
- failure to comply with reporting obligations vis-à-vis the Supervisory Board

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification

- tolerance or failure to report irregularities committed by other employees or customers, suppliers, distributors, agents, consultants, partners, contractors of Metlac
- violation of the rules protecting Whistleblowers pursuant to Law No. 179 of 2017, or making unfounded and untrue reports with wilful misconduct or gross negligence

7.5. MEASURES AGAINST THE SUPERVISORY BOARD

Upon receiving notice of a breach of the principles contained in the Code of Ethics and of the provisions and rules set out in the Model by a member of the Supervisory Board, the Supervisory Board is required to promptly inform the Board of Directors and the Board of Statutory Auditors for the adoption of the appropriate measures, including, for instance, the removal of the Supervisory Board's member. The Board of Directors, within the scope of its supervisory duties and having heard the opinion of the Board of Statutory Auditors, may, on its own initiative, take the appropriate measures (also in the case of a Supervisory Board with a single-person composition).

7.6. MEASURES AGAINST OTHER RECIPIENTS

Compliance with the rules of the Code of Ethics and the Model (the latter limited to the applicable aspects) by those who, for various reasons, work for Metlac (suppliers, partners, external consultants/contractors, etc.) and by other Recipients must be guaranteed by means of specific contractual clauses.

Failure by the aforementioned persons to comply with the provisions of the Code of Ethics and the Model (the latter limited to the applicable aspects), or the commission by such persons of the offences provided for in Decree 231 shall, as far as possible, be sanctioned in accordance with the provisions of the contracts entered into with them, which shall include specific contractual clauses concerning the penalties applicable in the event of non-compliance, as far as relevant, with the Code of Ethics and the Model. By way of example, such clauses may provide for termination of the contract or withdrawal by Metlac, in the most serious cases, or the application of penalties, for minor violations.

8. FURTHER MEASURES

This is without prejudice to Metlac's right to avail itself of all other remedies permitted by law, including the possibility of claiming compensation for damages resulting from the breach of Decree 231 by all the parties listed above.

1	03/12/2021	First edition approved by resolution of the Board of Directors
Version	Date	Reason for modification