



Mould Flux Technologies

**ETHICAL
AND
BEHAVIOURAL CODE**

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1 PREAMBLE

1.1 Company Profile

Prosimet was established in 1969 with the aim of producing and marketing chemical products used in steel production.

With more than 30 years of solid experience in the development of products for steel casting, Prosimet has, over time, developed an in-depth knowledge in the technology of mould powders: today most of the production activity is concentrated on mould and tundish fluxes.

Thanks to the high technological quality and reliability of its products, Prosimet has become a leading Italian manufacturer and has recorded growth in all principal international markets and aims to increase its presence in strategic markets as Middle East and Asia.

Product quality is monitored in accordance with ISO 9001:2015 certification, regarding company processes. ISO 45001:2018 certification guarantees the health and safety of staff working on company premises and ISO 14001:2015 certification guarantees the environmental protection in the performance of professional activities.

1.2 Ethical Code's Purpose

The legal background, with reference to Italian Legislative Decree 231/01 regarding an entity's administrative responsibility for crimes committed by its representatives, Directors, Employees and Contract Workers, has meant that it is necessary to codify the principles of legality, fairness, correctness and transparency. The conduct of all people who work with Prosimet must conform to these principles.

Prosimet, to fully pursue its company objectives, is required to always operate correctly and in good faith, respecting the legitimate interests of all Company stakeholders: Directors, Employees, Customers, Partners, Contract Workers and Suppliers.

Therefore, anyone who works on Prosimet premises, or for the Company, is obliged to fully comply with the Company's ethical and behavioural principles, as well as to ensure these principles are observed in carrying out their functions and duties.

This "Ethical and Behavioural Code" is an integral part of the Organisational and Management Model adopted by Prosimet to meet the requirements of Italian Legislative Decree 231/01: it aims to define the general principles and behavioural rules that the Company recognises as being positive ethical values and which all Recipients of this Code must observe. The Code includes the conduct that Recipients must follow and avoid, identifying the responsibilities and any consequences in terms of sanctions.

1.3 Ethical Code's Recipients

This Code applies, without exception, to:

- all members of the Board of Directors and the Board of Statutory Auditors,
- all people with an employment contract with Prosimet (Employees),
- Attorneys, Agents, Procurers, Partners, Suppliers, Contractors, Resellers, Consultants, Contract Workers, Professionals and Customers when negotiating with or acting in the name or on the instructions of Prosimet.

The persons defined above, even if outside the Company, who operate, directly or indirectly, for Prosimet are defined here as "Recipients".

Recipients are obliged to comply with the principles, ensuring their own behaviour and activities conform to them. Any violation will break the trust the Company has with the Recipient and will be dealt with immediately using proportionate and suitable disciplinary procedures or contractual remedies (for more information on these, please see procedure no. 004 – Contractual Clauses pursuant to Italian Legislative Decree 231/2001). These are independent of any criminal penalties for the violation and any consequent criminal proceedings that may arise.

1.4 Circulation and Training

Prosimet is committed to guaranteeing that the Ethical Code is circulated internally and externally by:

- making physical copies of the document available to all members of the Company bodies (Directors and Auditors) and to all Company Employees, as well as making it available on the Company intranet;
- publishing it on Prosimet's website, thus making it accessible to Company staff;
- sending a copy of it by email to Agents, Suppliers, Consultants and Customers.

Management carries out periodic training on this Code's principles and the behavioural rules contained in it.

Contracts with Third-Party Recipients provide for the addition of clauses and/or the signing of declarations aimed at formalising the commitment to comply with the general principles set out in Italian Legislative Decree 231/01 and contained in the Model and in this Code, and at regulating any contractual penalties in the event of a breach of this commitment (for more information, please see procedure no. 004 – Contractual Clauses pursuant to Italian Legislative Decree 231/2001).

2 COMMITMENT TO THE ETHICAL CODE

2.1 Declaration of awareness and acceptance

Employees (and new Employees) will be asked to sign a declaration which attests that they are aware of the Ethical and Behavioural Code, and that they have read, understood and accepted it.

2.2 Declaration confirming conformance with the principles of the Ethical Code

Periodically and at its discretion and, having consulted with the Chief Executive Officer or the Board of Directors, the Supervisory Body may ask some of its Employees to sign a declaration stating that not only have they carefully read and fully understood the Code, but also that they always act in line with the principles set out in this Code and not to be aware of any violations.

3 GENERAL PRINCIPLES and CORE ETHICAL VALUES

3.1 General Principles

One of Prosimet's principal objectives is to guarantee that its activities always conform to the following core principles:

- to pursue its Company interests in compliance with the current law and regulatory provisions in force in all countries in which the Company operates, adopting fair and correct behaviour and pursuing core values such as integrity, correctness and professional honesty;
- to comply with organisational and management rules, with a view to optimising costs and using available resources efficiently;
- to discourage all situations in which the personal benefit of each person within the Company may be placed ahead of the interests of the Company as a whole;
- to promote the Company's image and cultivate prestige in daily activity, avoiding improper behaviour, even if it only appears to be improper;
- to recognise that staff are fundamentally important to the Company's development, therefore each member of staff's professionalism and personality must be respected;
- to value Employees' professional and personal growth, by providing appropriate information and training support, also within a framework of ethically correct behaviour;
- to take care of the parent body's interests in compliance with current law and regulatory provisions;

- to provide incentives for behaviour which is transparent, open to innovation and able to correctly interpret the needs of Customers;
- to guarantee that every transaction involving the Company is recorded, authorised, verifiable, legitimate, consistent and congruent.

In line with the Company's concept, each Recipient must carry out his or her working activity in compliance with current law, with diligence, professionalism, efficiency and honesty, making the best use of the means and time at his or her disposal and assuming, in accordance with the role performed, responsibility for his or her own actions and/or shortcomings.

3.2 Core Ethical Values

Moral rights and freedoms

Prosimet is committed to respecting the fundamental rights of the individual, protecting their rights and freedoms. These values may be considered as being the basis for all business and personal behaviour. They will apply to all Company representatives, regardless of title or level within the business.

Honesty

Honesty is the core value for all activity and everyone inside the Company is responsible for acting honestly. Therefore, dealings with counterparts must be based on correctness, partnership and mutual respect.

Fairness

Each person's activity must fulfil the obligations of sincerity, transparency and loyalty towards the organisation and its members.

Furthermore, Prosimet values fairness in its relationships with counterparts, refraining from behaviour which contradicts European or national provisions to protect free competition.

Compliance with the law and regulatory provisions

Prosimet is committed to complying with national and international laws and regulatory provisions and generally recognised practices. If clarification or alternative interpretations are necessary, Prosimet will consult experts or competent external bodies on the subject. The pursuance of business interests can never justify conduct which contradicts the law and/or regulatory provisions.

Protecting confidential information

Prosimet is committed to complying with the law and regulatory provisions on the processing of personal data and guaranteeing the confidentiality of information received from third parties. It is forbidden to use confidential knowledge or information for personal purposes that are not in relation to working activity.

Fight against corruption and conflicts of interest

One of Prosimet's primary objectives is to prevent and avoid corruption or conflicts of interest deriving from illegal behaviour on the part of Directors, Employees or Contract Workers. Any conflict of interest between personal or family economic activity and the duties performed for the Company which may affect independence of judgement and choice must be avoided.

Therefore, Directors, Employees or Contract Workers, representing the Company for whatever reason, must not give or accept any good or service, gift, benefit, sum of money, provision or donation from external and/or internal entities, which overstep the ordinary limits of courtesy and hospitality.

In particular, it is forbidden to pay or accept sums of money, or to exercise other forms of corruption or to give or accept gifts or favours to or from third parties or on behalf of third parties for the purposes of procuring direct or indirect advantages for the Company.

Such types of behaviour must be reported immediately to superiors and to the Supervisory Body.

Transparency and completeness of information

Prosimet is committed to providing clear and transparent information to all contacts regarding its general situation and the progress of activities, without favouring those who could derive an advantage from this information. No Recipient of the Ethical Code is authorised to use confidential information for purposes not connected to his or her activities.

Protecting share capital, creditors and the market

Prosimet's departments, as part of their function and in constant partnership with each other, must promote and adopt initiatives aimed at guaranteeing a reasonable level of certainty that business objectives will be achieved.

Business operations, from economic-financial and management perspectives, must be aimed at guaranteeing the integrity of the share capital, protecting creditors and third parties with whom relationships are established, and complying with market rules and trends.

Focus on the person

One of Prosimet's primary tasks is to guarantee full compliance with laws and regulations which protect a person's physical, moral and cultural integrity.

The Company protects and promotes initiatives to develop the people operating within the company organisation, with the aim of increasing and improving the level and competitiveness of each employee's distinctive skills. This applies to pre-existing skills or skills which can be developed.

Equal opportunity and impartiality - Fight against racism and xenophobia

Prosimet is committed to not discriminating against anyone based on sex, age, health status, race, nationality, place of birth, religious belief or political opinion, in any decision which may affect its relationships.

Protecting the environment and protecting health and safety

Prosimet manages its activities to ensure that the environment is protected and the safety of its staff and that of third parties is guaranteed. One of the Company's objectives is to continually improve its performance in these areas.

All Employees are guaranteed safe and secure working conditions, suitable to guarantee their moral, physical and psychological rights and freedoms, in full respect of individual dignity. To this end, Prosimet adopts and maintains suitable systems, complying with the provisions of current law and regulatory provisions.

3.3 Relationships with Employees

Prosimet Employees must observe the principles which protect and respect the individual as well as the values of fairness, dignity, morality, correctness in personal relationships, integration and partnership, a sense of responsibility and respect for management and the departmental hierarchy. Prosimet's employees must also fully comply with the Principles contained in this Ethical Code.

Using the most opportune available information channels, Prosimet Employees will be constantly informed of company directives. Internal communication is considered to be an essential element with which Prosimet values, strategies and objectives are shared with Employees, as well as the exchanging of information and experience. Different tools are used depending on the objective, recipients and contents.

Prosimet will provide its Employees with the same opportunities for professional improvement and growth, systematically assessing the skills already possessed and the potential to acquire skills in relation to the corresponding needs of the services offered.

3.4 Relationships with Customers

Prosimet works to preserve the quality of its relationships with Customers, aiming to continually improve them. Dealings with customers are characterised by a sense of responsibility, correctness, fairness and a spirit of partnership.

Everyone within the Company is obliged to behave with:

- kindness, cooperation and transparency, providing complete information;
- respect for the commitments and obligations assumed;
- respect for the confidentiality of the information acquired over the course of activities;
- respect for the law, with particular reference to the provisions regarding anti-money laundering, workplace safety, collection procedures, protecting the community;
- independence from all forms of influence, whether internal or external;
- respect for laws and regulatory provisions on public contracts (Italian Legislative Decree 163/2006).

Furthermore, in managing its relationships, and considering the information available, everyone connected with Prosimet must avoid:

- entering into relationships with entities implicated in illegal activities, in particular those connected with the trafficking of arms and drugs, money laundering and terrorism, and, in any case, with people who do not meet the requirements of thoroughness and reliability;
- promoting in any way activities aimed at producing or marketing products which are highly noxious to the environment and to health;
- maintaining financial relationships with entities that carry out economic activities which, even indirectly, contribute to violating an individual's fundamental rights (e.g. using under-age workers);
- violating laws and regulations regarding the production, movement and distribution of money, revenue stamps, securities of any nature and watermarked paper.

All Customers are required to comply fully with the principles contained in this Ethical Code..

3.5 Relationships with Suppliers

The same principles that are applied to relationships with Customers must also characterise the relationships established by Prosimet with its Suppliers, respecting the principles of efficiency, fairness and impartiality.

Prosimet is committed in any case to complying with objective and transparent selection mechanisms, and avoiding practices aimed at creating situations and types of dependency. The phases of defining, managing and terminating relationships with Suppliers must always be adequately documented.

All Suppliers are required to comply fully with the principles contained in this Ethical Code.

3.6 Relationships with External Contract Workers

External Contract Workers are selected on merit, competence and professionalism.

All external Contract Workers (Consultants, Representatives, Procurators, Agents, Intermediaries, etc.) are required to comply fully with the Principles of this Ethical Code.

Any behaviour on the part of an external Contract Worker which appears to be contrary to the Principles of this Code will be reported to a line manager or, in any case, to the Company's senior management.

All Contract Workers within the Company, consistent with his or her duties, will guarantee, in relation to all external Contract Workers, treatment based on extreme thoroughness, fairness, clarity of communication and professionalism, as well as operating in compliance with current laws and regulatory provisions.

Prosimet also assures its external Contract Workers that it will act consistently with regard to the relationship between the level of performance, quality of work, and the costs and timescale of performance.

3.7 Relationships with Public Administration, Representatives of Political Groups and Stakeholder Associations

All relationships with Public Administration officers, representatives of political groups and stakeholder associations must be conducted with the utmost transparency and legality.

Only appropriate and authorised company departments may take on commitments on behalf of Prosimet with Public Administration and Institutions. All documentation which governs the relationships established with Public Administration is systematically collected and stored in company records.

Prosimet's Directors, Employees, Contract Workers, Consultants, Suppliers, Professionals or Representatives, must not promise or offer Public Officials, representatives of Public Services, contacts from Public Administration or other Public Institutions, or their families, including as a result of illegal pressure, payments, goods or other valuables to promote and favour its own interests and derive advantage, including attempts to influence independence of judgement.

In particular, it is forbidden to give any form of gift to public servants or their families which may influence their independence of judgement or be used to gain an advantage. This rule applies to gifts both promised and received.

Only gifts of modest value are permitted and must be appropriately documented so that they can be audited and must be authorised by the department manager.

A gift is any type of benefit (e.g., a promise of work, etc.).

Prosimet's Directors, Employees, Contract Workers, Consultants, Suppliers, Professionals or Representatives must not elicit or have promised to them or others payments, goods or other valuables to be used in illicit intermediation with public officials, public service workers or contacts in Public Administration or other public institutions nor make use of any illicit intermediation by other individuals.

Any behaviour contrary to the principles set out above must be immediately referred to the competent internal departments (Supervisory Board and/or Senior Management).

Prosimet is committed to:

- working with Public Administration contacts, without any kind of discrimination, using the appropriate communication channels;

- representing the Company's interests and positions in a transparent, rigorous and consistent manner.

All company representatives, Prosimet consultants and third parties are prohibited from:

- falsifying and/or altering accounts, documented data etc. with the aim of obtaining an undue advantage;
- using public revenue for purposes other than those established by sector laws and conventions put in place with the appropriate Bodies.

3.8 External Relationships in General

Anyone working on behalf of Prosimet must behave with the utmost correctness and integrity in all dealings with people and bodies from outside the business.

All external communications must be true, clear, transparent, and free from ambiguity or manipulation; they must be consistent, uniform and accurate, complying with company policies and programmes.

Only appropriate company departments are allowed to deal with the press and other means of communication. Therefore declarations made on behalf of the Company must be submitted to the competent company departments for prior authorisation.

Prosimet is committed to ensuring faithful, punctual and prompt circulation of information which must be made public and any other company communication it prepares.

In maintaining ordinary external relationships, complimentary items offered are solely aimed at promoting the Company's image and are not in any way to be interpreted as exceeding normal commercial or courtesy practices, that is, as a means of obtaining preferential treatment in performing any practice and/or activity linked to the Company.

Any promotional policy is to be authorised and controlled by the appropriate Departments and performed in the context of what is allowed by law, by commercial practice and by the ethical codes, if known, of the companies and/or bodies, including public bodies, which the Company is dealing with.

3.9 Accounting Transparency

Prosimet is aware of how important it is that its accounting information is transparent, correct and complete and is committed to adopting a reliable administrative and accounting system which correctly represents the actions of management and provides tools to identify, prevent and manage, as far as possible, financial and operational risks, as well as fraud which may damage the Company or third parties.

3.10 Confidential Information

“Confidential Information” includes: knowledge of a project, of a proposal, of negotiations, of pricing policies, of company development strategies, of a commitment, agreement or event, even if it is in the future and not yet confirmed, which relates to company activity.

“Confidential Data” means accounting and stock data, including Company consolidated data, until they are circulated to the public, following communication carried out in accordance with the law and regulatory provisions.

All staff data are also “confidential”. All Recipients must:

- respect the confidential nature of information of which they have become aware in the performance of their duties, including after the employment contract has ceased;
- only consult documentation for which they have authorised access, using it in accordance with the responsibilities of their role and allowing access to it only to those people who are entitled;
- commit to preventing data from being circulated, complying with the security measures given and storing documents entrusted to them in an orderly manner and avoiding making unnecessary copies.

No Recipient may disclose internal confidential information to family members and/or friends, even if the person aiming to derive profit from it is an associated person and not the Recipient him or herself.

Only institutional information may be disclosed (e.g. publicity brochures), subject to the criteria with which the disclosure of confidential information is decided. These decisions are taken only by those with responsibility for the information.

3.11 Attacks on competition

Generally, Prosimet believes it to be counterproductive to describe its products/services based on comparisons with the products/services of competing Companies.

The only method set out for marketing Prosimet products/services is to highlight their value and quality, refraining from attacking competitors in any way.

If a Customer explicitly requests that a comparison be made between Prosimet products/services and those of a competitor, highlighting the advantages of Prosimet products/services is allowed, provided that all comparisons are carried out using criteria of equity and correctness.

That said, it is preferable that the Customer assesses and determines any comparison between Prosimet products/services and those of a competitor. The most important thing is that it is unacceptable to make false and loaded claims which may be seen as an attack on a competitor.

4 BEHAVIOURAL RULES in relation to criminal offences pursuant to Italian Legislative Decree 231/01

The behavioural rules established in line with the organisational model pursuant to Italian Legislative Decree 231/01, of which this Ethical Code form part, are set out here; these rules are obligatory and must be applied and followed by all Recipients of the Code.

4.1 Compliance with the law

Recipients, in performing their respective activities, will comply with:

1. legislative and regulatory provisions applicable to the circumstances;
2. the provisions of the Company's Articles of Association;
3. this Ethical and Behavioural Code;
4. general rules issued for the purposes of Italian Legislative Decree 231/01;
5. any other decision taken by the Board of Directors;
6. service provisions and circulars issued by appropriate organisational units and by hierarchical superiors.

Recipients will refrain, in particular, from:

- a) behaving in a manner which falls within the description of crime covered by Italian Legislative Decree 231/01;
- b) behaving in a manner which, although not constituting a crime, may potentially become one.

4.2 Behaviour towards Public Administration

Prosimet's behaviour towards Public Administration are in full observance of laws and regulations. Recipients are prohibited from offering money or gifts or valuables to Public Administration Managers, Officers or Employees or to their families, whether Italian or foreign, unless this refers to goods or valuables of modest value.

The procedures which regulate contact with Public Administration provide for the documentation of this type of process, to enable actions and their related level of authorisation to be reconstructed. In this way, Prosimet finds it easier to check Recipients' activities to avoid crimes of corruption, bribery and illegal traffic of influence being committed, providing third parties with a guarantee of transparency of the choices made.

Corruption is considered to be offers of money or gifts or valuables to the above public officials made directly by persons belonging to the Company, and illegal payments made via persons who are acting on behalf of the Company.

It is prohibited to offer or accept any object, service, provision or favour of value to obtain more favourable treatment in relation to any dealings with Public Administration.

When any trade negotiations or dealings with Public Administration are underway or when any requests are received from Public Administration, the staff responsible for them must not seek to improperly influence their counterpart's decisions, including those of officers who negotiate or take decisions on behalf of Public Administration.

Prosimet is committed to not taking advantage of any ignorance or incapacity on the part of its counterparts.

The provisions indicated do not apply to ordinary and reasonable entertainment expenses or to gifts of modest value, which are part of normal behaviour, provided that they do not violate the law.

Recipients must not in any case:

1. improperly obtain, for Prosimet, any contribution, financing or other payment of the same type provided by Public Administration, through the use of or presentation of false or untrue documents, or through the omission of requested information;
2. use contributions, funding or financing destined for Prosimet for purposes other than those for which they were granted.

When any trade negotiations or dealings with Public Administration are underway or when any requests are received from Public Administration, the following actions must not be taken, either directly or indirectly:

- to assess or propose employment or trade opportunities which may be of personal advantage to Public Administration employees;
- to offer or in any way provide gifts, unless they are of modest value, including in the form of corporate promotions reserved only for employees or, for example, the payment of travel expenses;
- to solicit or obtain confidential information which may compromise the integrity or reputation of both parties.

Specifically, when competing in tenders or when making reports to Public Administration, Recipients must operate in compliance with the law and the correct practices set out by the Public Body.

Recipients must promptly report any actions which constitute a crime to the appropriate internal departments (Supervisory Board and/or Senior Management) and, in the gravest cases, inform the appropriate Law Enforcement Agencies.

Even where Prosimet uses a consultant or a third party to represent it in its dealings with Public Administration, it should be noted that these consultants, their staff, or the third-party entities must abide by the same directives as other Recipients.

Representation by a consultant or third party is not allowed where this may create conflicts of interest.

4.3 Behaviour in relation to Health and Safety in the Workplace

With regard to health and safety in the workplace, Prosimet refers to the following fundamental principles and criteria in all its decision-making policies:

1. eliminate risk and, where this is not possible, reduce it to a minimum in relation to the knowledge acquired based on technological progress;
2. assess risk where this cannot be eliminated;
3. combat risk at the source;
4. make work as suitable as possible for the person involved, with regard to workstation design and the choice of work equipment and working and production methods. Particular attention is paid to monotonous and repetitive work to reduce the effects these types of work have on health.
5. replace dangerous equipment/practices with those which are not dangerous or are considered to be less dangerous;
6. plan for prevention, in order to guarantee improvements in safety levels over time, including through the use of codes of conduct and good practice;
7. give priority to collective protection measures over individual protection measures;
8. define suitable instructions and provide workers with training on those instructions.

The business uses these principles of behaviour to adopt the measures necessary to protect workers' health and safety, including activities aimed at preventing professional risk, providing information and training, and preparing an organisational model and the means and resources required to carry them out.

The whole business, at both senior and operational levels, must abide by these principles, in particular when decisions must be taken or choices made and, subsequently, when these must be implemented (see Article 6, paragraph 2, letter b of Italian Legislative Decree 231/01).

Working alongside management, workers must:

- a) help the business meet its workplace health and safety obligations;
- b) observe the provisions and instructions given to protect the individual and the collective workforce;

- c) correctly use work equipment and vehicles, as well as any safety equipment made available;
- d) immediately report defects in the resources and equipment set out at letter c), as well as any conditions deemed to be dangerous which the worker becomes aware of. In cases of emergency, workers must, within the limits of their skills and to the extent that circumstances enable, and following the obligations at letter e), try to eliminate or reduce grave and threatening dangers. The workplace health and safety representative must be notified of these actions;
- e) not remove or modify security, reporting or control equipment without prior authorisation;
- f) not carry out operations or manoeuvres on their own initiative which they are not trained for or which may compromise their own safety or that of other workers;
- g) take part in training programmes organised by the employer;
- h) undergo health checks as set out by law or which have been provided by a competent doctor.

4.4 Behaviour in relation to keeping accounting records and fulfilling tax obligation

Prosimet believes it is important for its accounting information to be transparent, accurate and complete. To this end, Prosimet works to organise a reliable administrative and accounting system which correctly represents management actions and provides tools to identify, prevent and manage, as far as possible, financial and operational risks, as well as fraud which may damage the Company.

Prosimet's accounts and the documents derived from them must be based on precise, exhaustive and verifiable information and must reflect the nature of the transactions to which they refer, in full compliance with external obligations (accounting laws and principles) and internal policies, plans, regulations and procedures.

All Prosimet's operations and transactions must be correctly recorded, authorised, verifiable, legitimate, consistent and appropriate. Therefore, they must be appropriately recorded and the decision-making process, the authorisation and performance of these operations and transactions must be able to be audited, having access to all phases of the transaction's assessment, authorisation, execution, accounting and control processes (traceability).

It follows that each transaction must have appropriate documentary support to enable checks to be carried out which attest to the characteristics and reasons for the transaction and identify who authorised, performed, recorded and audited the transaction.

Accounts must enable:

- accurate and timely economic, asset and financial reports to be produced, for internal use (e.g. planning and control report, specific analysis reports requested by management, etc.) and for use outside the Company (financial statements, information documents, etc.);
- tools to be provided which identify, prevent and manage, as far as possible, financial and operational risks, as well as fraud which may damage the Company;
- checks to be carried out which allow the Company to reasonably safeguard the value of its assets and protect against losses.

External auditors must have free access to data, documents and all information necessary for them to carry out their work.

Contract workers must work in such a way that management operations are recorded correctly and promptly, so that the administrative and accounting system can meet the purposes described above.

With regard to its tax obligations, Prosimet is obliged to:

- guarantee that, when managing the provision of goods, services, including consultancy services, it complies with all tax and social security legislation and that all contracts, supplies, invoices and payments exist between the Company and its actual counterparts during all phases of a relationship. Any supply must be validated by the department using the service or receiving the good. When assessing suppliers (in the event of tender competitions), their tax matters must also be considered;
- ensure that all income, allowances and deductions are accounted for correctly pursuant to tax legislation;
- comply with all obligations required by legislation concerning direct and indirect taxes;
- guarantee that tax returns are prepared in line with the principles of legality, compliance with legislation, accuracy, completeness, proficiency and transparency, avoiding conduct aimed at tax evasion or making declarations that are evasive, manipulative or legally unfounded.

4.5 Behaviour when using e-mail and the internet

E-mail and access to the Internet are tools made available by Prosimet to carry out work. It is important to remember that e-mail can be intercepted, stored in a permanent file, printed or forwarded to other people by the intended Recipient and may be stored for long periods on the Recipient's computer.

Therefore, the same attention should be paid to writing and sending e-mail as it is to other written forms of communication.

Prosimet's Internet connection or computers may not be used to consult, transmit or download inappropriate content or content not to be used in connection with work. Particularly, this applies to pornographic sites or sites featuring child pornography.

Recipients are also prohibited, as part of their work, to use computer resources to:

- hack State, public-body and third-party computer systems;
- store or distribute access codes;
- damage information, data and computer programs;
- interrupt operations and connected communication activities;
- produce false public computer documents or untrue documents to be used as evidence;
- commit computer fraud by tampering with an electronic signature.

All behaviour of this type constitutes a criminal offence.

4.6 Behaviour in relation to computer offences

Recipients, and any other contract workers authorised to use company hardware and/or to access company IT systems, networks, databases, intranet services, e-mail etc., and other IT resources accessed by using their own hardware, are obliged to:

1. take good care of work tools (computer, server or other IT infrastructure) entrusted to them by the Company;
2. not attempt to maliciously access IT and telematics systems protected by security measures;
3. not distribute or maliciously communicate codes, passwords or other means which enable access to IT and telematics systems protected by security measures;
4. not distribute or in any way make available equipment, devices or computer programs aimed at damaging/interrupting an IT/telematics system or the data/programs contained within it;

5. not intercept, impede or illegally interrupt IT or telematics communications and to not install equipment for these purposes;
6. not damage, alter or destroy information, data, programs and IT/telematics systems.

4.7 Behaviour in relation to copyright violations

Recipients are obliged to:

1. not modify the configuration of business computers they have been issued with and to not use software which differs from or is in addition to that which is covered by software license or that in any way forms part of company standards;
2. not make available protected original works by installing them onto computer networks;
3. not maliciously duplicate computer programs or the contents of databases.

4.8 Behaviour in relation to environmental violations

In carrying out its work, pursuant to Article 9 of the Italian Constitution on the protection of the landscape and the environment, the Company is committed to safeguarding the surrounding environment and to assist the area's sustainable development.

Prosimet is aware of the importance of publicising and raising awareness of environmental protection and is committed to managing its activities in an environmentally friendly manner, in full compliance with current national and EU law and regulatory provisions on the environment. The Company will also implement preventive measures to avoid or minimise as much as possible its environmental impact.

The Company always favours solutions which prevent pollution and protect the environment and landscape in which it operates. As part of its waste disposal activities, the Company works to protect environmental conditions and ensures that these activities are carried out in way which conforms to ethical principles and current law.

Prosimet is also committed to constantly and accurately monitoring scientific progress and the legislative and regulatory evolutions in relation to the environment.

Prosimet is committed to supporting training and ensuring that the Ethical Code is circulated to all individuals within the business, regardless of seniority, so that they adhere to the ethical principles contained in it, in particular when decisions are taken and, subsequently, implemented.

4.9 Internal Control System

Prosimet adopts a set of tools and processes which are needed to address, manage and check company activities and are used to guarantee with reasonable certainty:

- that company objectives are pursued;
- that company assets are safeguarded;
- that behaviours and processes are adopted which guarantee compliance with current law and regulatory provisions and which conform to internal behavioural rules;
- that company activities are efficient, effective and economic;
- that information is reliable and accurate.

Management is responsible for the correct functioning of the Internal Control System.

4.10 Compliance with the Model and behaviour towards the Supervisory Board

In their internal relationships and dealings with external partners and third parties, the behaviour of Prosimet staff and other Recipients must conform to current law and regulatory provisions, and to the principles set out in this Ethical Code and the behavioural rules contained within it, in compliance with the Model and current company procedures.

With particular reference to the Model, Prosimet staff and Recipients must:

- a) not implement, give rise to or collaborate in behaviour which may fall within the description of the crimes set out in Italian Legislative Decree 231/01;
- b) work alongside the Supervisory Board (SB) when it is performing checks and supervisory activity, providing it with any information, data and reports requested;
- c) provide the SB with periodic or immediate communications and reports set out in this Code;
- d) report to the SB any defects in or violations of the Model and/or the Ethical Code, in compliance with what is set out in the following paragraph "Reporting to the Supervisory Board".

5 SUPERVISORY BOARD

Prosimet, in ensuring its organisational model meets the requirements set out in Italian Legislative Decree 231/01, has formed a Supervisory Board, which will check that the organisational model is working correctly, and that Recipients comply with the rules contained in the Code, proposing updates where necessary. This Board is committed to providing the Board of Directors with periodic reports of activities carried out.

5.1 Relationships with the Supervisory Board

5.1.1 Department Managers' requests for information from and reports submitted to the Supervisory Board

Staff and Recipients of this Code may contact the Supervisory Board at any time, to request clarifications and/or information, for example:

- the interpretation of the Ethical Code and/or other protocols connected to the Model;
- the legitimacy of particular behaviour or conduct, and their appropriateness or compliance in relation to the Model or the Ethical Code.

Information regarding Prosimet's activities must also be periodically sent to the SB. This information may be important in terms of the activities carried out by the SB and their area of responsibility, including, but not limited to:

1. reports prepared, as part of their duties, by department managers;
2. information on organisational changes;
3. amendments to the system of powers and responsibilities;
4. decisions relating to applications for, provision and use of public financing;
5. forecasted modifications or updates to the Model;
6. any problems identified by departments managers within their areas of operation.

5.1.2 Reporting to the Supervisory Board - Whistleblowing

After Italian Legislative Decree 24/2023¹ (the 'Whistleblowing Law') entered into force, which governs the protection of persons who report violations of national or European Union laws which affect the integrity of an entity, which become aware of them in the working environment, the Company has prepared and adopted a document titled 013 Procedure on managing whistleblowing reports 03, which describes the methods used to submit and manage reports governed by the Whistleblowing Law.

The Company's Supervisory Board has been tasked with receiving and managing whistleblowing reports.

Reports to the Supervisory Board may relate to behaviour, acts or omissions which affect the integrity of a business organisation which a whistleblower becomes aware of in the working environment and which constitutes a key offence pursuant to Italian Legislative Decree

¹ Law implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law and containing provisions on the protection of persons who report breaches of national law.

231/2001, or in violation of or fraudulent avoidance of the principles and prescriptions contained in the Organisational Model and/or the ethical values and behavioural rules contained in the Company's Code of Ethics.

Reports to the Supervisory Board may be made:

- **in writing:**

- using the *My Whistleblowing platform*;
- by post, via registered letter with proof of receipt, sent to: *Prosimet S.p.A. Supervisory Board, no. 10 Via Rodi, 24040 Filago (BG)*.

Reports must be placed in two sealed envelopes: the first envelope must contain the whistleblower's personal details; the second must contain the contents of the report. Both envelopes must be placed into a third envelope, which must be marked "*Confidential – for the attention of the whistleblowing report manager*";

- a report and other related documentation may be delivered by hand to the Supervisory Board, which will issue a receipt.

- **orally:**

- via a direct meeting with the Supervisory Board, by requesting a meeting in a location that can ensure that the whistleblower's identity remains confidential. These meetings may be recorded using equipment that ensures the recordings can be kept and listened to. If a meeting cannot be recorded (e.g., if the whistleblower does not consent to recording or no recording equipment is available), the meeting will be minuted, signed by the whistleblower and the Supervisory Board member(s) receiving the report. A copy of the minutes will be sent to the whistleblower.

Any violation of the Procedure on managing whistleblowing reports constitutes a violation of the 231 Model. Any breach of the principles set out in it will lead to the application of disciplinary measures contained in the Company disciplinary and penalty system adopted pursuant to Italian Legislative Decree 231/2001 based on the specific methods set out in this Code of Ethics.

Please note that, pursuant to Article 21, Italian Legislative Decree 24/2023, financial penalties (from EUR 10,000 to EUR 50,000) will be applied to anyone found to be responsible for one of the following behaviours::

- carrying out acts of retaliation against a whistleblower;
- obstructing or attempting to obstruct a whistleblowing report;
- violating the confidentiality obligations set out in the Procedure and the Whistleblowing Law;
- failure to institute whistleblowing channels that meet the requirements set out in the Whistleblowing Law;

- failure to adopt a procedure for making and managing whistleblowing reports or failure to comply with the Whistleblowing Law;
- failure to check and assess reports received.

Pursuant to Article 21, Italian Legislative Decree 24/2023, administrative penalties from EUR 500 to EUR 2,500 may be imposed on a whistleblower under the following circumstances: i) where he/she is found guilty, including in a first degree court, of the offences of defamation or libel/slander or in any case guilty of the same offences committed by reporting to law enforcement or accounting agencies; ii) where he/she is found to be liable in a civil court, for the same reasons, due to malice or serious negligence.

5.2 Information flows to the Supervisory Board

For the purposes set out in section 5.1.1, Recipients may contact the Supervisory Board at any time in any of the following ways:

1. In writing:

- **by post**, using registered post with proof of receipt; in these cases, to benefit from the confidentiality guarantee for reports of misconduct, the report must be placed in a sealed envelope marked '*Confidential / Personal*' and sent to: **Prosimet S.p.A. Supervisory Board, no. 10 Via Rodi, 24040 Filago (BG)**;
- the report and other related documentation may be delivered by hand to the Supervisory Board, which will issue a receipt.
- **by email** (access to the email address will be protected by two-factor authorisation) to: ***odvprosimet@gmail.com***
- **by email** to the certified email address: ***odvprosimet@pec.it***

2. Orally:

- **by direct meeting** with the Supervisory Board. The person making the report can send a request for a meeting and will receive a reply giving the place, date and time of the meeting.
This final method will not guarantee that the whistleblower's identity will remain confidential when the report is managed

6 SIGNIFICANT VIOLATIONS AND THE DISCIPLINARY AND PENALTY SYSTEM

6.1 Violations of the 231 Model

Serious and persistent violations of the provisions of the 231 Model by Recipients will harm the trusting relationship established with the Company and, depending on the individual(s) concerned, may lead to the imposition of disciplinary sanctions, a claim for damages and, in the event of a serious breach, termination of the employment contract.

“Serious breach” means persistent violations which give rise to sanctions against the Company.

Pursuant to legislation, the following examples constitute violations of the 231 Model:

- (i) behaviour or actions that do not conform to the prescriptions of the 231 Model and/or the Ethical Code, or the omission of behaviour or actions prescribed by the 231 Model and/or the Ethical Code, when performing Sensitive Activities;
- (ii) behaviour or actions that do not conform to the prescriptions of the 231 Model and/or the Ethical Code, or the omission of behaviour or actions prescribed by the 231 Model and/or the Ethical Code, when performing activities connected to Sensitive Activities, or the failure to fulfil obligations to provide the Supervisory Body with information set out in the 231 Model, which:
 - (a) expose the Company to the risk of committing one of the offences set out in Italian Legislative Decree 231/2001 and/or
 - (b) are carried out solely to commit one or more of the offences set out in Italian Legislative Decree 231/2001 and/or
 - (c) subject the Company to the application of penalties set out in Italian Legislative Decree 231/2001.

Please note that the list of violations of the 231 Model includes the failure to comply – when performing Sensitive Activities – with company procedures in which control safeguards are adopted.

6.2 Disciplinary and Penalty System

Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Italian Legislative Decree 231/01 indicate that, for an Organisational and Management Model to be effective, a business should introduce a disciplinary system which is appropriate for penalising failure to comply with the Ethical Code and/or measures and Protocols indicated in the 231 Model and applies to senior officers, individuals managed by others, and third-party Recipients. Defining an effective disciplinary system is an essential indicator of the importance of the Model.

The disciplinary system is applied regardless of any criminal proceedings which may be brought by the competent law enforcement agencies. The penalties set out by the disciplinary system may be applied to all violations of the provisions of this Model, regardless of the outcome of any criminal investigation instigated by law enforcement agencies in the event that the behaviour to be sanctioned falls within the scope of crimes identified pursuant to Italian Legislative Decree 231/01.

Primarily, Prosimet has adopted this disciplinary system to penalise violations of the principles, rules and measures set out in the Ethical Code, the Model and the related Protocols, in compliance with the terms of the national collective bargaining agreement, and current legislation and regulatory provisions.

On the basis of this disciplinary system, the following violations of the Model and related Protocols are subject to penalties:

- any violation committed by senior management, in that they hold positions which represent, administer and manage the entity or one of its organisational units which is financially and administratively autonomous, or hold management or control powers, even if only de facto, over the entity;
- any violation committed by persons subject to management or supervision from others, or who act in the name and/or on behalf of Prosimet;
- any violation committed by third-party Recipients with which Prosimet has a commercial relationship.

The Supervisory Body will issue the relevant departments with reports of violations of the 231 Model that it becomes aware of and will monitor the application of disciplinary penalties, acting in a consulting capacity to those departments tasked with imposing them.

6.3 Measures in relation to Employees

Violations of individual behavioural provisions and rules referred to in the Model by Prosimet employees – who are covered by the National Collective Bargaining Agreement applied by Prosimet – will always be treated as disciplinary offences.

The procedures contained in Prosimet's Organisational and Management Model, violations of which will be treated as disciplinary offences, are communicated to all employees using the tools set out in the chapter "Circulation of the Model and Training" .

Each report of a violation of the Model, highlighted by the Supervisory Board, will initiate disciplinary action aimed at establishing responsibility for it. Particularly, the employee will be notified of the investigation and will be guaranteed an appropriate length of time to present his or her defence against the accusation. Once responsibility has been established, the offender will have a disciplinary sanction imposed in proportion to the severity of the violation.

For employees, compliance with the rules of the Ethical Code forms an essential part of contractual obligations pursuant to and in accordance with Articles 2104, 2105 and 2106 of the Italian Civil Code.

The sanctions which can be imposed on employees, in compliance with the provisions of Article 7 of Italian Law no. 300 of 30th May 1970 (Workers' Statute) and any specific applicable legislation and regulatory provisions, are those set out by law and the disciplinary apparatus contained in Employment Contracts, specifically:

1. verbal reprimand;
2. written reprimand;
3. a fine no greater than 4 hours' pay as per Article 193, Collective Bargaining Agreement;
4. suspension without pay for a period of up to 10 days;
5. dismissal without notice and with other reasonable legal consequences;

The type and severity of sanction imposed will also depend on the following:

- the intention of the behaviour or the level of guilt, with regard also to whether the event could have been foreseen;
- the severity of the violation and its consequences;
- the worker's overall behaviour, with particular regard to whether the worker has been the subject of previous disciplinary action, including of the same type, to the extent of the law;
- the worker's duties;
- the position and level of responsibility and autonomy of the people involved in the violation;
- any other special circumstances surrounding the disciplinary offence.

It should be noted that all provisions and guarantees provided by law and Employment Contracts with regard to disciplinary proceedings will be followed; in particular, Prosimet will comply with:

- the obligation - in relation to the application of any disciplinary sanction - to previously send a notification of investigation to the employee and to hear the employee's defence;
- the obligation - except for verbal reprimands - to put the accusation in writing and that the sanction is not issued unless the number of days specifically indicated for each sanction in Employment Contracts have passed from the notification of investigation.

Regarding the establishment of responsibility for violations, disciplinary proceedings and the imposition of sanctions, the powers attributed to management remain valid within the limits of their respective responsibilities and skills.

Prosimet means to make its employees aware of the provisions, behavioural rules and sanctions contained in the Model. They will be reminded that violations will lead to disciplinary measures which take account of the severity of the violation.

6.4 Measures in relation to Executives

In the event of a violation of the provisions and the behavioural rules contained in the 231 Model by an executive, the President of the Board of Directors will impose the following disciplinary measures on the executive committing the violation:

- written reprimand: this measure is applied when an executive, in the performance of risk-bearing activities, behaves in a manner that constitutes a minor violation of the provisions of the Model;
- temporary suspension: this measure is applied when an executive, in the performance of risk-bearing activities, behaves in a manner that constitutes a medium-sized violation of the provisions of the Model or repeatedly commits minor violations;
- termination of employment: this measure is applied when an executive, in the performance of risk-bearing activities, behaves in a manner that constitutes a serious violation of the provisions of the Model or repeatedly commits medium-sized violations.

Alternatively, the Company will implement the most appropriate measures in line with the provisions of the national collective bargaining agreement for Commercial Executives.

6.5 Measures in relation to Directors and Auditors

Violations of the principles and measures set out in the Model by Directors and/or Auditors must be promptly reported by the SB to the entire Board of Directors and the Board of Statutory Auditors and are subject to disciplinary sanctions.

Disciplinary sanctions also apply to Directors and/or Auditors who, through negligence or lack of foresight, have not been able to identify and consequently eliminate violations of the Model's provisions and, in the most severe cases, commission of crimes.

The most appropriate disciplinary sanction to be applied to Directors and/or Auditors who violate the Model's provision will be decided on by the Board of Directors, after consulting the Board of Statutory Auditors, with a resolution voted on by an absolute majority of those present, excluding the Director(s) who have committed the violation(s).

Particularly, in the event that one or more Directors commit minor violations of the Model's provisions, the Board of Directors may directly impose a disciplinary sanction consisting of a formal written reprimand or a temporary withdrawal of responsibilities.

However, in the event that one or more Directors commit particularly serious violations of the Model's provisions in that they are singularly aimed at facilitating or committing an alleged crime, the Board of Statutory Auditors or the Board of Directors must convene a Shareholders' Meeting, which will assess whether or not to dismiss the Director or Auditor and/or resolve to take civil liability action against the Director or Auditor.

6.6 Measures in relation to other Recipients

Any Supplier, Consultant, Professional, external Contract Worker or Customer who violates the provisions and behavioural rules set out in the Model which apply to them, or who commits a crime as defined by Italian Legislative Decree 231/01, will be disciplined in accordance with the provisions contained in specific contractual clauses. These clauses may, for example, include the right to terminate the contract and/or to impose a penalty payment (in compliance with clauses inserted ad hoc into the relevant contracts), notwithstanding any claim for damages where this behaviour results in actual damage to the Company.

6.7 Protection and Penalty Measures for People Reporting Violations

If the measures put in place to protect a person making a report are violated and that person's identity is made public, where this falls within the cases set out in law or where this is done as an act of reprisal or discrimination, whether direct or indirect, against a person making a report for reasons, whether directly or indirectly, connected with the report made, sanctions based on the criteria set out in the previous paragraphs of Chapter 6 will be applied to the person responsible for violating these protective measures.

Equally, anyone making reports, for malicious reasons or due to serious negligence, which are later found to be unsubstantiated will be subject to the disciplinary sanctions set out in previous paragraphs.

7 APPROVAL AND CIRCULATION OF THE ETHICAL CODE

This Ethical Code is subject to approval by Prosimet's Board of Directors, who are committed, pursuant to Italian Legislative Decree 231/01, to ensuring all Recipients are made aware of it. The Board of Directors is responsible for making any amendments to the Ethical Code.

8 GLOSSARY

The terms used in this document are defined below:

Sensitive Activity	Activity carried out by a Company which carries a potential risk of a crime being committed.
Ethical Code	A behavioural code that a Company adopts in carrying out its activities and business. Its principles will be inspired by laws, relevant national regulations and internal rules to form a framework of ethical values which include correctness, confidentiality and compliance with laws and regulatory provisions on competition, environmental protection and health and safety in the workplace.
Italian Legislative Decree 231/01	Italian Legislative Decree no. 231 of 8th June 2001, as amended.
Recipients	This means the members of Prosimet's company bodies, Employees, whether they are "Management" or "Staff", external Contract Workers, whether they are self-employed workers or legal persons [Companies] and who, for whatever reason, represent or operate on behalf of Prosimet. Recipients must apply the rules contained in this Ethical Code to their professional behaviour. This also includes members of the Board of Directors, the Board of Statutory Auditors, people connected to Prosimet via an employment contract, Prosimet's Suppliers and Partners, and external Contract Workers. All of these people are obliged to comply with the Code when they deal with, or act in the name and on behalf of Prosimet.
Model	The Organisational and Management Model pursuant to Italian Legislative Decree 231/2001 (General Part, Special Part, Risk Map, Instrumental Processes Map, Ethical Code, Protocols).
Supervisory Board	The Company body responsible for assessing the adopted Organisational, Management and Control Model and its related procedures/protocols, checking that it works effectively and is complied with, as well as amending it and circulating it to all those who are covered by company rules.
Procedure or Protocol	A document that implements the Organisational and Management Model approved by the Supervisory Board. It may establish general rules and principles (behavioural rules, disciplinary sanctions, internal control principles, Staff training) or regard specific risk areas (process description, potential associated crimes, applicable control elements, specific behavioural rules, information flows to the Supervisory Board).
Disciplinary and Penalty System	A system which regulates conduct connected with possible violations of the Model, the sanctions which may be imposed, the procedure with which sanctions are imposed and applied.

Senior Management

People who hold positions which represent, administer and manage a Company or one of its organisational units which is financially and administratively autonomous, or holds management or control powers, even if only de facto, over that unit.