



T E R N A G R O U P

**ORGANIZATIONAL AND MANAGEMENT
MODEL**

**PURSUANT TO ITALIAN LEGISLATIVE
DECREE**

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SPECIAL PART

Approval CEO

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Index

I. STRUCTURE OF THE SPECIAL SECTION	3
II. GENERAL CONTROL PRINCIPLES, CERTIFICATIONS AND INTERNAL REGULATIONS VALID FOR ALL PROCESSES AT RISK	6
II.1. Systems of Powers.....	6
II.2. Separation of duties.....	6
II.3. Internal Regulations	6
II.4. Ex post facto tracking and verification.....	8
III. PROCESS AT RISK OF CRIME NO. 1: HUMAN RESOURCES.....	9
IV. PROCESS AT RISK OF CRIME NO. 2: LEGAL AND CORPORATE AFFAIRS	28
V. PROCESS AT RISK OF CRIME NO. 3: ADMINISTRATION, FINANCIAL STATEMENTS AND TAXATION (ASSETS AND LIABILITIES).....	41
VI. PROCESS AT RISK OF CRIME NO. 4: FINANCE AND M&A	63
VII. PROCESS AT RISK OF CRIME NO. 5: INFORMATION & COMMUNICATIONS TECHNOLOGY ("ICT")	78
VII. PROCESS AT RISK OF CRIME NO. 6: PURCHASES	91
IX. PROCESS AT RISK OF CRIME NO. 7: COMMERCIAL (INCLUDING THE MANAGEMENT OF ORDERS).....	105
X. PROCESS AT RISK OF CRIME NO. 8: MANUFACTURING AND PRODUCTION OF TRANSFORMERS.....	128
XI. PROCESS AT RISK OF CRIME NO. 9: COMMUNICATION AND INSTITUTIONAL RELATIONS.....	141
XII. PROCESS AT RISK OF CRIME NO. 10: HEALTH, SAFETY, AND ENVIRONMENT ("HSE")	158
XIII. PROCESS AT RISK OF CRIME NO. 11: SECURITY AND GENERAL SERVICES	197
XIV. GENERAL RULES OF CONDUCT IN RELATION TO INDIVIDUAL CLASSES OF CRIME	209
ANNEX 1 SPECIAL SECTION	
"DESCRIPTION OF PREDICATE OFFENSES"	

This document constitutes the Special Section of TAMINI's Model.

To that end, in addition to the terms and conditions and the expressions defined below, please refer to the Glossary in the General Section.

I. STRUCTURE OF THE SPECIAL SECTION

This Special Section of the Model – in its updated version – was prepared according to the so-called “process-based approach to the crime risk pursuant to Italian Legislative Decree no. 231/2001”.

In particular, for each **Process at risk of a crime**, the following have been identified:

- Risk Areas and, in the scope of each area, “sensitive” activities, namely those specific activities the performance of which is linked to the risk of the commission of Crimes. In the context of these Risk Areas, activities completely or partially performed by Group Companies in the name of and/or on behalf of the Parent Company as part of service contracts or specific mandates signed are also relevant.
- the applicable categories of offences and the individual offences that can be perpetrated abstractly (for a brief description of the offences envisaged by the Decree, please refer to Annex 1 of the Special Section entitled “Description of the envisaged offences”);
- the company departments involved in performing “sensitive” activities and who, theoretically, could commit the crimes provided for by the Decree, although the identification of roles/functions must not, in any case, be considered mandatory, given that anyone at the company could theoretically be involved by way of collusion (the roles/functions involved are specified in the document prepared for this purpose called “Internal Process Mapping”);

Moreover, for each process, the Special Section also expressly identifies the areas of company activity labelled as "instrumental", namely areas with activities that may take on a supporting (or instrumental) role with regard to the crimes in question, and particularly, as we will see, crimes against the Public Administration, corporate crimes, including corruption between individuals¹ and tax crimes. As a result, some of the areas represented below were considered to be at "direct risk", with reference to the possibility that, within these areas, there might be a risk of the offence being committed between Corporate Representatives, and at the same time "instrumental", due to the hypothesis that the activities carried out in the area in question might be supportive (and, indeed, instrumental) with respect to the possible commission of the offence in relations with third parties.

In any case, labelling an activity as "at direct risk" or "instrumental", does not limit the scope of the risk sometimes identified, with the consequence that all Risk Areas, regardless if they are classified as being "at direct risk" or "instrumental", take on similar relevance for the purposes of this Model and are, therefore, monitored with the same methodological approach.

With regard to the above, the internal control environment described by this Special Section is structured as follows:

- **general control principles** that apply universally to each process at risk across all Risk Areas and "sensitive" activities;
- **specific principles of control** envisaged with reference to the activities that are implemented in the processes/areas "at risk of an offence", in addition to the rules defined in the Model and its protocols (proxy system,

¹ With regard to the crime of corruption between individuals (Article 2635 of the Italian Civil Code) and incitement to corruption between individuals (Article 2635-bis of the Italian Civil Code), it is specified that, following the entry into force of Italian Legislative Decree no. 38 of March 15, 2017, the structure of the crime was changed and no longer requires that the company be "harmed". For this reason, this Special Section also considers the risk of corruption between individuals where it is "interorganizational", namely between individuals belonging to the same company.

Code of Ethics, etc.), aimed at ensuring the clear definition of the roles and responsibilities of the players involved in the process; and

- **general rules of conduct** set forth based on the individual classes of crime covered in the Model and directed at all Recipients.

Below is a summary of the processes at risk for crime according to Italian Legislative Decree 231/2001 (hereinafter "Processes at Risk"), which will be explained further in the Special Part.

1. HUMAN RESOURCES
2. LEGAL AND CORPORATE AFFAIRS (INCLUDING LITIGATION)
3. ADMINISTRATION, FINANCIAL STATEMENTS AND TAXATION (ASSETS AND LIABILITIES)
4. FINANCE AND M&A
5. ICT
6. PURCHASES
7. COMMERCIAL (INCLUDING THE MANAGEMENT OF ORDERS)
8. MANUFACTURING AND PRODUCTION OF TRANSFORMERS
9. COMMUNICATION OF INSTITUTIONAL RELATIONS
10. HSE
11. SECURITY AND GENERAL SERVICES

II. GENERAL CONTROL PRINCIPLES, CERTIFICATIONS AND INTERNAL REGULATIONS VALID FOR ALL PROCESSES AT RISK

All Risk Areas and sensitive activities of each process at risk must be managed in compliance with the following general control principles.

II.1. Systems of Powers

Authorisation and signature powers must be: i) consistent with the organisational and management responsibilities assigned, including, where required, indication of expenditure approval thresholds; ii) clearly defined and known within TAMINI.

II.2. Separation of duties

Preventive and balanced distribution of responsibilities and the provision of adequate levels of authorization, capable of preventing the mixing of potentially incompatible roles or the excessive concentration of responsibilities and powers in relation to any one individual are guaranteed. In particular, the separation of responsibilities between those who authorise, those who execute and those who control the process must be guaranteed.

II.3. Internal Regulations

In carrying out their respective activities/functions, in addition to the rules referred to herein, the Company Representatives must know and comply – with reference to their respective activity – with all the procedural rules adopted by the Holding and implemented by the Company as well as any procedures envisaged by TAMINI contained, by way of example, in the following documents:

1. Corporate organisation chart and organisational diagrams;
2. Code of Ethics;
3. Anti-Corruption Guidelines;
4. Whistleblowing Guidelines;
5. procedures for the selection, recruitment and management of personnel;
6. procedures adopted for quotation and sales, and order management;

7. procedures adopted on qualification, choice of suppliers and, more generally, on procurement;
8. rules, procedures and operating instructions adopted for the management of authorisation procedures and communications with Public Administrations;
9. procedures relating to the assignment of consultancy and assignments for professional services to third parties;
10. the Corporate Governance Code of listed companies promoted by Borsa Italiana S.p.A.;
11. the procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
12. procedure on Internal Dealing;
13. the procedures for the preparation and keeping of accounting and corporate records;
14. General Ledger Accounts;
15. Industrial Accounting manual;
16. Guidelines on the approval of significant transactions and management of situations of interest;
17. Procedure for Transactions with Related Parties;
18. the procedures relating to the policy and management of corporate giving requests;
19. Trade Compliance Policy;
20. procedures relating to the preparation of accounting entries and the preparation of direct communications to shareholders or the general public;
21. procedures relating to the execution and management of extraordinary transactions.

Recipients other than Corporate Representatives are required to comply with the principles dictated by the internal regulations indicated according to the cases and when specifically required by the Model through special ad hoc contract clauses.

II.4. *Ex post facto* tracking and verification

The principle is enforced, according to which i) every transaction related to a sensitive activity must, whenever possible be accurately recorded, ii) the decision and approval process and the performance of the At-Risk Activity must be verifiable *ex post facto*, including through specific supporting documentation.

III. Process at risk of crime no. 1: HUMAN RESOURCES

A) Areas of risk and sensitive activities

In relation to the HUMAN RESOURCES process the following risk areas and sensitive activities have been identified:

- Staff selection and recruitment:
 - a) Formal definition of the profiles of potential candidates for the different positions to be filled;
 - b) Collection and archiving in specific databases of the documentation relating to the applications received;
 - c) Analysis of the applications and verification of their "suitability" with respect to the defined profiles;
 - d) Verification of the residence permit in the case of workers from non-EU countries;
 - e) Selection of personnel and formalisation of the outcome of the process;
 - f) Verification of the presence of any conflicts of interest or incompatibilities;
 - g) Formulation of the economic offer;
 - h) Relations with recruitment companies and employment agencies.

- Staff incentive and salary review:
 - a) Formal definition of quantitative and qualitative objectives to be achieved;
 - b) Definition and formalisation of the incentive system, company benefits and salary increases and related monitoring;
 - c) Formalisation, discussion and archiving of evaluations.

- Management of staff training and of relations with the P.A. for the purpose of obtaining training grants/funding:
 - a) Planning of training activities for Employees;

- b) Management of participation in procedures for obtaining disbursements, contributions or subsidised loans in the field of training by Italian or European Community public bodies and their actual use:
 - management of relations with the P.A. for the purpose of obtaining training grants/funding;
 - submission of the request/application for funding/contribution and the supporting documentation;
 - participation in on-site audits by the lending Entity both in the implementation stage and at the end of the activity;
 - use of the funds obtained through financing and management of any adjustments/upgrades to the activity subject of the subsidised contribution/financing contract;
 - reporting on the grant/subsidised financing.
- c) Planning, execution and verification of the effectiveness of the training provided to employees.
- Management of relations with Trade Unions:
 - a) Management of relations with trade unions for group company bargaining at a national and local level.
- Staff administration:
 - a) Management of Employees' personal data (amendment of personal data, remuneration, etc.);
 - b) Management and filing of statutory books;
 - c) Management of attendance, permits, vacation, overtime and transfers;
 - d) Processing, payment and related recording of salaries;
 - e) Management of severance pay advances to Employees;
 - f) Management of redundancy incentives;
 - g) Cost reporting of outsourced staff;
 - h) Collection and archiving in specific files of the documentation relating to each employee and management of sensitive data.

- Management of relations with the P.A. in terms of staff compliance:
 - a) Preparation and transmission and, in any case, contact with the competent bodies of the documentation necessary for the recruitment of personnel belonging to protected categories or whose recruitment is facilitated;
 - b) Checks by public officials on compliance with the conditions required by law for the facilitated hiring of personnel or the hiring of personnel belonging to protected categories;
 - c) Management of relations with the competent bodies in the field of accidents, occupational illnesses, employment;
 - d) Compilation of contribution and tax returns and payment of social security and tax contributions;
 - e) Managing relations with the competent bodies in the event of inspections/investigations by public officials;
 - f) Preparation and transmission and, in any case, contact with the competent bodies, of the documentation necessary for the activation and execution of the mobility and/or redundancy fund processes.

- Expense report management:
 - a) Management of missions/transfers;
 - b) Management, control and authorisation of expense reports.

- Managing meal vouchers:
 - a) Assignment, reloading, and termination of e-vouchers for meals.

- Managing gas cards:
 - a) Assignment, reloading, and termination of gas cards.

- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed

issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.

- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process	Crimes against the Public Administration		Corruption between individuals		Tax crimes		Organized crime, including transnational crime	Crimes against individuals and in violation of the Consolidated Law on Immigration	Market Abuse	Crimes involving payment instruments other than cash
	Articles 24 - 25		Article 25-ter		Article 25-quinquiesdecies					
Risk areas	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Article 24-ter	Articles 25-quinquies and 25-duodecies	Article 25-sexies	Article 25-octies.1
<u>Staff selection and recruitment</u>		x		x		x	x	x		
<u>Staff incentive and salary review</u>		x		x		x	x			
<u>Management of staff training and of relations with the P.A. for the purpose of obtaining training grants/funding</u>	x			x		x	x			
<u>Management of relations with Trade Unions</u>		x	x				x	x		
<u>Staff administration</u>		x				x	x	x		
<u>Management of relations with the P.A. in terms of staff compliance</u>	x				x		x	x		
<u>Expense report management</u>		x		x		x	x			x
<u>Managing meal vouchers</u>		x		x			x			x

<u>Managing gas cards</u>		x		x			x			x
<u>Managing insider information</u>							x		x	
<u>Management of relations with certification bodies</u>		x	x				x			

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Embezzlement (art. 314, subsection 1, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Embezzlement by profiting from the error of others (art. 316 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Aggravated fraud to obtain public disbursements (art. 640-*bis*, subsection 2, of the Italian Criminal Code);

- Misappropriation to the detriment of the State (art. 316-*bis* of the Italian Criminal Code);
- Undue receipt of disbursements to the detriment of the State (art. 316-*ter* of the Italian Criminal Code).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Tax crimes (Article 25-*quinqüesdecies* of Italian Legislative Decree no. 231/2001):
 - Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);
 - Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
 - Failure to file (Article 5 of Italian Legislative Decree no. 74/2000);
 - Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree 74/2000);
 - Undue offsetting (Article 10-*quater* of Italian Legislative Decree no. 74/2000).
- Corruption between individuals (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement to Corruption between individuals (arts. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code).
- Crimes against individuals (Article 25-*quinqües* of Italian Legislative Decree no. 231/2001):
 - Enslavement or servitude (art. 600 of the Italian Criminal Code);
 - Human trafficking (art. 601 of the Italian Criminal Code);
 - Illegal brokering and exploitation of labour (art. 603-*bis* of the Italian Criminal Code).
- Undeclared work (Article 25-*duodecies* of Italian Legislative Decree no. 231/2001).
- Market abuse (Article 25-*sexies* of Italian Legislative Decree no. 231/2001):

- Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).
- Crimes involving payment instruments other than cash (Art. 25-octies.1 of Italian Legislative Decree no. 231/2001):
 - Unauthorized use and forgery of credit and payment cards (Art. 493-ter of the Italian Criminal Code);
 - every other crime against the public trust, property or that violates property and is stated in the Italian Criminal Code².

C) Specific control principles

With reference to the Area at Risk "Selection and recruitment of staff":

- adoption of specific procedures to regulate the staff selection and recruitment process;
- provision of the prohibition to recruit or make promises of recruitment, as well as to incentivise by means of promotions, cash bonuses or in any other form certain employees, if not on the basis of criteria of objectivity, competence and professionalism. Any action that results in favouritism, nepotism or cronyism suitable to influence the independence of a public

² This specifically concerns (i) the following "crimes against public trust", as per Title VII of the Italian Criminal Code: Art. 453 of the Italian Criminal Code "forging coins or banknotes, circulating and introducing into the State, with conspiracy, forged coins or banknotes"; Art. 454 of the Italian Criminal Code "forging coins or banknotes"; Article 455 of the Italian Criminal Code "circulating and introducing into the State, without conspiracy, forged coins or banknotes"; Article 457 of the Italian Criminal Code "circulating forged coins or banknotes received in good faith"; Article 459 of the Italian Criminal Code "forging revenue stamps, introducing into the State, purchasing, possessing or circulating counterfeit revenue stamps"; Article 460 of the Italian Criminal Code "counterfeiting watermarked paper used to manufacture public credit notes or revenue stamps"; Article 461 of the criminal code "manufacturing or possessing watermarks or equipment designed to forge coins or banknotes, revenue stamps or watermarked paper"; Article 462 of the Italian Criminal Code "forging public transportation company tickets"; Article 464 of the Italian Criminal Code "using counterfeit or forged revenue stamps"; Article 465 of the Italian Criminal Code "using forged public transportation company tickets"; Article 466 of the Italian Criminal Code "forging signs in revenue stamps or used tickets and using such forged objects"; (ii) the following "Property crimes", as per Title XIII of the Italian Criminal Code: Article 624 of the Italian Criminal Code "burglary"; Article 624-bis of the Italian Criminal Code "burglary of a residence and theft"; Article 626 of the Italian Criminal Code "burglary punishable upon complaint of the injured party"; Article 628 of the Italian Criminal Code "armed robbery"; Article 629 of the Italian Criminal Code "extortion"; Article 630 of the Italian Criminal Code "kidnapping for extortion"; Article 631 of the Italian Criminal Code; "usurpation"; Article 640 of the Italian Criminal Code "fraud"; Article 640-bis of the Italian Criminal Code "aggravated fraud to obtain public funds"; Article 640-bis of the Italian Criminal Code "computer fraud"; Article 644 of the Italian Criminal Code "usury"; Article 646 of the Italian Criminal Code "misappropriation".

official or a public service officer or to induce him to ensure any advantage for the Company is prohibited;

- evident segregation of the functions involved in staff selection and recruitment activities, from the stage of identifying the need to the stages of identifying candidates, managing the job offer and formalising the recruitment;
- adoption of a planning process for the evolution of the Company's workforce, the cost of managed personnel and external resources;
- execution of contracts based on the current system of proxies and collective bargaining agreements;
- recognition of remuneration in favour of employees based on the employment contract executed and subsequent amendments, duly authorised and approved;
- adequate collection and archiving of all documents relating to applications and recruitment.

Regarding the "Recruiting and hiring personnel" Risk Area, TAMINI complies with the following specific control principles:

- existence of formal documents (including Guidelines) that operationally describe the methods for defining bonuses and incentives to be paid to employees and managers;
- the process of defining and disbursing MBOs is managed through a special information system that provides for different levels of authorisation for approval and guarantees the traceability of the process, which only the delegated persons can access;
- the calculated incentives are approved by clearly identified entities with adequate powers of attorney;
- any one-off incentives are approved in compliance with the current system of powers;

- authorized amounts are sent to the Management And Expat Payroll department for senior managers or, for the remaining personnel, to the New Ways Of Working Program/Personnel Administration department, both of which are part of the POC department, which a) enters payroll information into the SAP HR management system; b) sends the entered payroll information to the payroll supplier (the exchange takes place through automatic flows generated by SAP HR). The payroll supplier completes the activity by entering data related to bonuses to be paid in the first available payroll process (paycheck and bank file handling);
- adoption of a structured process for defining, authorising and verifying the correct accounting registration and disbursement of the incentives/premiums;
- adequate archiving of the supporting documentation.

Regarding the "Managing personnel training and relationships with the Public Administration to obtain grants/loans for training purposes" Risk Area, TAMINI complies with the following specific control principles:

- planning and delivery of training differentiated according to the level and tasks performed by individual Employees;
- adoption of specific procedures to regulate relations with the P.A. and the management of public contributions;
- provision for the obligation to:
 - make statements containing truthful data and information;
 - issue, in the case of obtaining the same, a special report;
 - ensure that documents, requests and formal communications addressed to the P.A. are managed and initialled only by persons previously identified and authorised by the company;
 - ensure that the involvement of third parties as consultants is governed by a specific contract and includes *ad hoc* contractual clauses aimed at guaranteeing the commitment to respect the principles contained in the Code of Ethics, the Model and the Anti-Bribery Guidelines.
- provision of a prohibition on allocating sums received from public bodies by way of disbursements, contributions or financing for purposes other than

those for which they were intended. In particular, those who carry out control functions on the obligations related to the performance of the aforementioned activities must pay particular attention to them and immediately report any situations of irregularities to the VB;

- reporting of the loan, disbursement, contribution received;
- definition of the methods for the management of possible inspection visits by the lending Entity;
- verification of the training provided and monitoring of the functions that have received/must receive the training;
- traceability of the training carried out;
- adequate archiving of the documentation supporting the process.

Regarding the "Managing relationships with Trade Unions" Risk Area, TAMINI complies with the following specific control principles:

- identification of the persons responsible for the management of relations with trade unions;
- definition of the methods of transmission of the information requested by the trade unions;
- formalisation of meetings and, at least for the most significant cases, of meetings and/or communications with such persons;
- adequate archiving of relevant documentation.

Regarding the "Personnel administration" Risk Area, TAMINI complies with the following specific control principles:

- preparation, registration and filing of all documentation relating to the social security, insurance and tax treatments of the staff, in order to allow the reconstruction of the different phases of the process;
- periodic verification of the personal data of Employees entered in SAP;
- use of an external provider for the management of remuneration and the preparation of pay slips;
- authorisation to pay in compliance with the powers of attorney for the handling of bank accounts;

- adoption of a structured process for managing and authorising the presence/absence of employees;
- periodic verification of the correspondence between the number of staff and the number of payrolls processed;
- verification of the correct processing of the pay slips and the correct preparation of the salary payments;
- verification of the correct accounting of the items relating to staff;
- monitoring of salaries paid to management;
- monthly verification of Employee remuneration;
- The remuneration of the Holdings' employees appointed to manage specific areas in TAMINI is managed directly by the Holding: the activities are remunerated through a service contract that regulates the applicable management fees;
- archiving relevant documentation.

Regarding the "Managing relationships with the Public Administration regarding personnel requirements" Risk Area, TAMINI complies with the following specific control principles:

- definition of specific procedures and forecasts for relations with the P.A.;
- controls aimed at ensuring that the documents, requests and formal communications addressed to the P.A. are managed and initialled only by the persons previously identified and authorised by the Company;
- obligation to ensure that the involvement of third parties as consultants is regulated by a specific contract and that it includes *ad hoc* contractual clauses aimed at guaranteeing the commitment to comply with the principles contained in the Code of Ethics, Model and Anti-Bribery Guidelines;
- it is strictly forbidden to:
 - make cash donations on its own initiative or as a result of solicitation to public officials and/or public service representatives in order to obtain an advantage for the Company;

- submit documentation containing data, untrue information and/or omitting data, information, in order to facilitate the obtaining of authorisations/securities in favour of the Company.
- adoption of procedures to regulate the management of inspections;
- in the case of inspections, the areas concerned must operate, in compliance with the tasks, roles and responsibilities defined by the company organisation chart, with transparency, fairness and a spirit of collaboration, facilitating the verification activity and providing, in a complete and correct manner, the information, data and documentation requested;
- as part of the inspections, it is required to:
 - participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
 - be assisted, where necessary or appropriate, by a lawyer;
 - deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
 - have the Company Representatives involved in the inspection or the individuals identified by them for the inspection submit all documentation requested by public officials;
 - record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
 - have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
 - keep the minutes and any other records concerning the related proceedings;

- promptly inform the VB of any findings and penalties imposed following visits, inspections and investigations by public officials or Supervisory Authorities;
- as part of the inspections, it is also strictly forbidden to:
 - make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
 - engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
 - engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available);
- verification of the correct preparation of the tax obligations prepared by the outsourcer;
- adequate archiving of relevant documentation.

Regarding the "Managing expense reports" Risk Area, TAMINI complies with the following specific control principles:

- arranging for the outsourcer to check expense reports submitted by employees, verifying that, in line with the procedure in force, the amounts are consistent and the required payment receipts are attached;
- adoption of specific procedures to regulate this process, including the activities of requesting authorisations, the modalities and timing of travel booking and the stipulation of a company trade union agreement in this regard;

- apart from in the case of an appropriately justified exception, Employees must use the channels specified by the Company to issue the travel certificates required for transfers;
- it is prohibited to alter any travel certificates required to complete a transfer or give them to others;
- reimbursing expenses incurred by employees after they have uploaded receipts for their expenses to the company portal;
- approval of the expense reports by the direct manager;
- subsequently, the outsourcer shall check that the amounts are in line with the policy in force and that the appropriate receipts have been provided. In case of discrepancies, the external provider reports them to the relevant company functions in order for them to perform a level-two check;
- definition of the methods to ensure the correspondence between the amounts authorised and the accounting record.

Regarding the "Managing meal vouchers" Risk Area, TAMINI complies with the following specific control principles:

- defining the approval process and procedure for issuing, reloading, and deactivating electronic meal vouchers;
- it is prohibited to falsify or change electronic meal vouchers in any way or allow unauthorized parties to use them.

Regarding the "Managing gas cards" Risk Area, TAMINI complies with the following specific control principles:

- defining the approval process and procedure for issuing, reloading, and deactivating gas cards;
- regulating the process for verifying the consistency between purchases made with an individual gas card and the kilometers/miles travelled by the car to which it is associated;
- it is prohibited to falsify or change gas cards in any way or allow unauthorized parties to use them.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:
 - Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in

relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.

- Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the “persons in charge”);
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;
 - the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of

the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;

- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;
 - the timing of communications by the obligated parties;
 - the flow of communications;
 - the scope of the exempt transactions;
 - methods of dissemination of information;
 - the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these

measures are breached in such a way as to make it necessary to disclose insider information to the public.

- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.
- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility

of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.

- Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A.".

IV. Process at risk of crime no. 2: LEGAL AND CORPORATE AFFAIRS

A) Areas of risk and sensitive activities

In relation to the LEGAL and CORPORATE AFFAIRS process the following risk areas and sensitive activities have been identified:

- Management of the procedures established before the Court Authorities, in Italy and abroad, and definition of any out-of-court agreements:
 - a) assignment of professional assignments and consultancy;
 - b) relationship with parties involved in legal proceedings as counterparts and witnesses;
 - c) managing disputes with counterparties and striking settlement agreements;
 - d) verification of the correct execution of the professional services of the consultants/lawyers before proceeding with the payment of the invoices.

- Participation in inspections, investigations and verifications carried out by representatives of the P.A., reporting, for example, to the Local Health Authority, Regional Environmental Protection Agency, Tax Police:
 - a) management of the visit;
 - b) contact with the representatives of the P.A.;
 - c) traceability of the documentation/information delivered and verification of completeness;
 - d) formalisation of inspection findings.

- Managing corporate obligations and preparing notices addressed to shareholders or to the general public regarding the Company's assets or its economic or financial position, even if different from periodic accounting documents (financial statements, consolidated financial statements, quarterly and half-yearly reports, etc.);

- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.
- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process LEGAL AND CORPORATE AFFAIRS Risk areas	Crimes against the Public Administration Articles 24 - 25		Corporate crimes Article 25-ter		Tax crimes Article 25-quinquiesdecies		Organized crime, including transnational crime Article 24-ter	Market Abuse Article 25-sexies	Incitement not to make a statement or to make a false statement to a Judicial Authority Article 25-decies
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk			
<u>Dispute management</u>	x		x			x	x		x
<u>Inspections</u>	x				x		x		
Corporate requirements		x	x		x		x	x	
<u>Managing insider information</u>							x	x	
<u>Management of relations with certification bodies</u>		x	x				x		

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Bribery in judicial proceedings (art. 319-*ter* of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Extortion (art. 317 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code).
- Corporate crimes (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - False corporate communications (art. 2621 Italian Civil Code);
 - Minor events (art. 2621-*bis* of the Italian Civil Code);
 - False corporate communications of listed companies (art. 2622 of the Italian Civil Code);
 - Undue return of contributions (art. 2626 Italian Civil Code);
 - Illegal distribution of profits and reserves (art. 2627 Italian Civil Code);

- Illegal transactions on shares or quotas of the parent company (art. 2628 Italian Civil Code);
- Transactions to the detriment of creditors (art. 2629 Italian Civil Code);
- Failure to communicate a conflict of interest (art. 2629-*bis* Italian Civil Code);
- Fictitious capital formation (art. 2632 Italian Civil Code);
- Undue distribution of corporate assets by liquidators (art. 2633 Italian Civil Code);
- Corruption between individuals and incitement to Corruption between individuals (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code);
- Illegal influence on the Shareholders' Meeting (art. 2636 Italian Civil Code);
- Stock manipulation (art. 2337 Italian Civil Code);
- Obstacle to the exercise of the functions of public supervisory authorities (art. 2638 of the Italian Civil Code);
- Offence of false or omitted declarations for the issue of the preliminary certificate (Art. 55 Legislative Decree no. 19 of 2 March 2023).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Market abuse (Article 25-*sexies* of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation);
 - Market manipulation (art. 185 Italian Consolidated Law on Financial Intermediation).
- Tax crimes (Article 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001):
 - Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);

- Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
- Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree 74/2000);
- Concealment or destruction of accounting records (Article 10 of Italian Legislative Decree no. 74/2000).
- Crime of incitement not to make statements or to make false statements to judicial authorities (Article 25-decies of Italian Legislative Decree no. 231/2001):
 - Incitement not to make statements or to make false statements to the court authorities (art. 377-bis of the Italian Criminal Code).

C) Specific control principles

With reference to the "Managing proceedings brought before a Judicial Authority in Italy and abroad and defining any extra-judicial agreements" Risk Area, it is prohibited to:

- incite persons called upon to make statements before the court authorities, with violence or threats, not to make statements or to make false statements;
- offer or promise money or other benefits to people called upon to make statements before the court authorities in order to induce them not to make statements or to make false statements;
- have direct relations with the persons called upon to make statements to the court authorities.

It is also required to:

- avail of the support of the competent structure and a lawyer in the management of criminal proceedings in which the individual and/or the Company is under investigation/defendant;
- archive and keep all the documents relevant to the proceedings;

As regards the sensitive activity relating to "Entrusting of professional assignments and consultancy", it is required to:

- formalise and comply with the authorisation procedures provided for according to the type of service and the amount, as prescribed by the procedures (e.g. requests for professional appointments and consultancy);
- acknowledge the criteria adopted for the assignment before starting the selection process;
- ensure rotation among the professionals chosen for the individual types;
- draft the assignments and consultancies in writing, indicating the agreed remuneration;
- provide a clause in which the same, in the performance of the activities, undertake not to make donations that exceed the modest value and that can be interpreted as exceeding normal commercial or courtesy practices, or in any case aimed at acquiring favourable treatment in the conduct of the activities themselves;
- fulfil the reporting obligations envisaged by the procedures;
- make a comparison between several offers and justify the choice on the basis of objective criteria and requirements of professionalism, independence and competence;
- verify the existence of conflicts of interest;
- verify and record the effective provision of the consultancy;
- verify the correspondence between contract - service provided (e.g. consulting hours/project milestone) – invoice;
- ensure that invoices payable are only paid against appropriate evidence of service provision;
- verify the correspondence between invoice and payment;
- to verify ex post that the service has actually been provided in compliance with the agreed amount.

As regards the sensitive activity relating to "Management of disputes with counterparts and the execution of settlement agreements", the Company Representatives undertake to act in order to guarantee maximum transparency

and traceability of the decision-making process. To this end, it is required to comply with the following principles:

- provide for the attribution of *ad litem* power of attorney to the chosen external lawyer;
- carry out the preliminary verification on the advisability of proceeding with the settlement agreement;
- carry out checks on the correspondence between the amounts indicated in the settlement agreements and those actually paid or received;
- comply with the authorisation procedure for the management of claims/disputes with counterparts and any credit and/or debit notes.

With reference to the Area at Risk "Participation in inspections, investigations and verifications carried out by representatives of the P.A." in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- relations with public officials during inspection visits are managed by the Company Representatives of the area involved in the inspection or by the individuals they identify;
- have the Company Representatives involved in the inspection or the individuals they identify for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;

- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
- engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available).

With reference to the Area at Risk "Corporate obligations and preparing notices addressed to shareholders or to the general public regarding the Company's assets or its economic or financial position, even if different from periodic accounting documents (financial statements, consolidated financial statements, quarterly and half-yearly reports, etc.)" TAMINI complies with the following specific control principles:

- acquisition - where verification is not possible because the data to be used in the prospectus originate from external sources - of a statement of veracity from the persons from whom the information originates;
- verification of the suitability on a professional level of the persons responsible for the preparation of such documents;

- obligation for each Group company, when collecting the elements necessary for the preparation of prospectuses, to issue a declaration of truthfulness, correctness, accuracy and completeness with regard to the information and data provided;
- carrying out, prior to the commencement of the works for the preparation of the prospectus, an appropriate training programme for all persons involved in the activity in question, aimed at making them aware of the relevant legislation in force and of the concrete cases constituting the offence of false prospectus, as well as at providing adequate support and technical information for the purposes of carrying out the activities falling within their competence;
- it is prohibited to make false statements or omit declarations necessary for obtaining the preliminary certificate with regard to cross-border transformations, mergers and divisions.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;

- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:
 - Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
 - Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside

information or information intended to become inside information;

- the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;

- the type of transactions involved;
- the type of financial instruments covered by the disclosures;
- the timing of communications by the obligated parties;
- the flow of communications;
- the scope of the exempt transactions;
- methods of dissemination of information;
- the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g. term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their

relevant professional and reputational qualifications in line with TERNA's procedures.

- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
 - Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A."

V. Process at risk of crime no. 3: ADMINISTRATION, FINANCIAL STATEMENTS AND TAXATION (ASSETS AND LIABILITIES)

A) Areas of risk and sensitive activities

In relation to the ADMINISTRATION, FINANCIAL STATEMENTS and TAXATION process (ASSETS and LIABILITIES) the following risk areas and sensitive activities have been identified:

- Financial Statements and general accounts:
 - a) General accounting records: determination and execution of provisions for estimated items and other financial statements closing operations;
 - b) Recognition, recording and representation of the business activity in the accounting records, financial statements, reports and other business documents;
 - c) Preparation of the financial statements to be submitted for approval;
 - d) Keeping and maintenance of ledgers;
 - e) Management, tracking and archiving of mandatory accounting/tax documentation.

- Managing the asset cycle:
 - a) Management of customer master data;
 - b) Registration of sales contracts;
 - c) Issuing, accounting and archiving of invoices receivable and credit notes;
 - d) Management of collections;
 - e) Reconciliation of credit balances with the shareholders and account statements;
 - f) Archiving the documentation supporting the invoices.

- Managing the liability cycle:
 - a) Management of supplier master data;
 - b) Verification and recording of invoices and credit notes;
 - c) Verifying the provision of services;

- d) Paying invoices;
 - e) Monitoring of invoices to be received and due;
 - f) Management of accounting activities for advances paid to suppliers.
- Compilation, keeping and storage of tax-relevant accounting records and preparation of tax returns and related activities; relations with the Italian Tax Authorities and other relevant authorities:
 - a) Performing the calculation of direct and indirect taxes, execution of the relative payments, preparation and transmission of the relative tax returns and access to the application of the Italian Tax Authorities; in particular:
 - extraction of accounting data for the purposes of preparing the accounting statements;
 - preparation of income tax returns, verification of the correctness of the data entered and relative transmission;
 - tracking of communications relevant for reporting purposes;
 - updating and monitoring of regulatory developments;
 - calculation of the tax obligation and related payments.
 - b) Preparation and sending of INTRASTAT tax returns and relations with the Customs and State Monopolies Agency;
 - c) Relations with the financial administration in the case of inspections and controls in tax matters;
 - d) Management of relations with the tax authorities for any settlement procedures (tax assessment settlement, voluntary correction of tax returns, etc.) and tax disputes;
 - e) Transactions relating to activities aimed at obtaining tax credits (e.g., Research and Development).
 - Management of relations with the auditor and/or the external auditing firm;
 - Preparation of the accounting documents and prospectuses concerning the Company, intended for the public by law or company decision;

- Preparing notices addressed to shareholders or to the general public regarding the Company's assets or its economic or financial position, even if different from periodic accounting documents (financial statements, consolidated financial statements, quarterly and half-yearly reports, etc.);
- Management of intercompany relations, with specific reference to the management of intercompany contracts:
 - a) Definition of intragroup relations;
 - b) Enhancement of services;
 - c) Execution of contracts;
 - d) Intercompany loans;
 - e) Verification of the correct execution of the services before proceeding with payments.
- Management of cash flows and relationships with credit institutions and insurance companies;
- Participation in inspections, investigations and verifications carried out by representatives of the PA, reporting to, for example, the Tax Authorities, Police:
 - a) Management of the visit;
 - b) Contacting PA representatives;
 - c) Traceability of the documentation/information delivered and verification of completeness;
 - d) Formalisation of inspection findings.
- Preparation of communications to the public Supervisory Authorities and management of relations with the same (Tax Authorities, Finance Police, Italian Communications Authority, etc.).
- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or

listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.

- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process ADMINISTRATION, FINANCIAL STATEMENTS AND TAXATION (ASSETS AND LIABILITIES) Risk areas	Crimes against the Public Administration Articles 24 - 25		Corporate crimes Article 25-ter		Tax crimes Article 25- quiquiesdecies		Organized crime, including transnational crime Article 24-ter	Market Abuse Article 25- sexies	Handling stolen goods, money laundering , and using money, assets, or benefits of illegal origin, as well as self- laundering Article 25- octies	Crimes involving payment instruments other than cash Article 25- octies.1
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk				
<u>Financial statements and general accounting</u>		x	x		x		x			
<u>Managing the asset cycle:</u>		x	x		x		x		x	x
<u>Managing the liability cycle:</u>		x	x			x	x		x	x
<u>Tax accounting</u>	x				x		x		x	
<u>Managing relationships with audit companies</u>		x	x				x			
<u>Preparing accounting documents and reports regarding TERNA and Group Companies intended for public disclosure by law or company decision</u>		x	x			x	x	x		
<u>Preparing notices addressed to shareholders or to the general public regarding TERNA's</u>		x	x			x	x			

<u>assets or its economic or financial position and that of the other Group Companies</u>										
<u>Managing intercompany relations</u>		x	x		x		x		x	
<u>Cash flows and relationships with credit institutions and insurance companies</u>		x		x	x		x			x
<u>Inspections/inspection visits</u>	x				x		x			
<u>Managing relationships with Public Supervisory Authorities</u>	x		x		x		x			
<u>Managing insider information</u>							x	x		
<u>Management of relations with certification bodies</u>		x	x				x			

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Bribery in judicial proceedings (art. 319-*ter* of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);

- Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code).
- Corporate crimes (Article 25-ter of Italian Legislative Decree no. 231/2001):
 - False corporate communications (art. 2621 Italian Civil Code);
 - Minor events (art. 2621-bis of the Italian Civil Code);
 - False corporate communications of listed companies (art. 2622 of the Italian Civil Code);
 - Undue return of contributions (art. 2626 Italian Civil Code);
 - Illegal distribution of profits and reserves (art. 2627 Italian Civil Code);
 - Illegal transactions on shares or quotas of the parent company (art. 2628 Italian Civil Code);
 - Transactions to the detriment of creditors (art. 2629 Italian Civil Code);
 - Failure to communicate a conflict of interest (art. 2629-bis Italian Civil Code);
 - Fictitious capital formation (art. 2632 Italian Civil Code);
 - Undue distribution of corporate assets by liquidators (art. 2633 Italian Civil Code);
 - Corruption between individuals and incitement (art. 2635 of the Italian Civil Code and 2635-bis of the Italian Civil Code);
 - Illegal influence on the Shareholders' Meeting (art. 2636 Italian Civil Code);
 - Stock manipulation (art. 2337 Italian Civil Code);
 - Obstacle to the exercise of the functions of public supervisory authorities (art. 2638 of the Italian Civil Code).
- Organized crime (Article 24-ter of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Market abuse (Article 25-sexies of Italian Legislative Decree no. 231/2001)
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).

- Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-octies Italian Legislative Decree no. 231/2001):
 - Receiving (art. 648 of the Italian Criminal Code);
 - Recycling (art. 648-bis of the Italian Criminal Code);
 - Use of money, goods or other benefits of unlawful origin (art. 648-ter of the Italian Criminal Code);
 - Self-laundering (art. 648-ter.1 of the Italian Criminal Code).
- Crimes involving payment instruments other than cash (Art. 25-octies.1 of Italian Legislative Decree no. 231/2001):
 - Unauthorized use and forgery of credit and payment cards (Art. 493-ter of the Italian Criminal Code);
 - possessing and distributing equipment, devices, or computer programs aimed at committing crimes involving payment instruments other than cash (Article 493-quater of the Italian Criminal Code);
 - every other crime against the public trust, property or that violates property and is stated in the Italian Criminal Code³.
- Tax crimes (Article 25-quinquiesdecies of Italian Legislative Decree no. 231/2001):

³ This specifically concerns (i) the following "crimes against public trust", as per Title VII of the Italian Criminal Code: Art. 453 of the Italian Criminal Code "forging coins or banknotes, circulating and introducing into the State, with conspiracy, forged coins or banknotes"; Art. 454 of the Italian Criminal Code "forging coins or banknotes"; Article 455 of the Italian Criminal Code "circulating and introducing into the State, without conspiracy, forged coins or banknotes"; Article 457 of the Italian Criminal Code "circulating forged coins or banknotes received in good faith"; Article 459 of the Italian Criminal Code "forging revenue stamps, introducing into the State, purchasing, possessing or circulating counterfeit revenue stamps"; Article 460 of the Italian Criminal Code "counterfeiting watermarked paper used to manufacture public credit notes or revenue stamps"; Article 461 of the criminal code "manufacturing or possessing watermarks or equipment designed to forge coins or banknotes, revenue stamps or watermarked paper"; Article 462 of the Italian Criminal Code "forging public transportation company tickets"; Article 464 of the Italian Criminal Code "using counterfeit or forged revenue stamps"; Article 465 of the Italian Criminal Code "using forged public transportation company tickets"; Article 466 of the Italian Criminal Code "forging signs in revenue stamps or used tickets and using such forged objects"; (ii) the following "Property crimes", as per Title XIII of the Italian Criminal Code: Article 624 of the Italian Criminal Code "burglary"; Article 624-bis of the Italian Criminal Code "burglary of a residence and theft"; Article 626 of the Italian Criminal Code "burglary punishable upon complaint of the injured party"; Article 628 of the Italian Criminal Code "armed robbery"; Article 629 of the Italian Criminal Code "extortion"; Article 630 of the Italian Criminal Code "kidnapping for extortion"; Article 631 of the Italian Criminal Code; "usurpation"; Article 640 of the Italian Criminal Code "fraud"; Article 640-bis of the Italian Criminal Code "aggravated fraud to obtain public funds"; Article 640-bis of the Italian Criminal Code "computer fraud"; Article 644 of the Italian Criminal Code "usury"; Article 646 of the Italian Criminal Code "misappropriation".

- Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);
- Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
- Misrepresentation (Article 4 of Italian Legislative Decree no. 74/2000);
- Failure to file (Article 5 of Italian Legislative Decree no. 74/2000);
- Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree 74/2000);
- Concealment or destruction of accounting records (Article 10 of Italian Legislative Decree 74/2000);
- Undue offsetting (Article 10-*quater* of Italian Legislative Decree no. 74/2000);
- Tax evasion (Article 11 of Italian Legislative Decree no. 74/2000).

C) Specific control principles

Regarding the "Managing the asset cycle" Risk Area, TAMINI complies with the following specific control principles:

- provision of a structured process for the preparation, review, verification and approval of the technical and economic offer;
- verification of the correct performance of activities at the customer's premises;
- registration of the completion of the work with the list of services and date of execution;
- formal authorisation to start invoicing activities;
- verifying that invoices accurately reflect the work actually performed;
- verifying that the prices reported on invoices are consistent with contractual amounts;
- verifying that recipients of invoices are the counterparties actually contractually involved in the relationship;

- verification of the correspondence between the payments received and the counterparts actually involved in the transactions;
- involvement of the tax office/external tax professional to obtain guidance on particular cases in order to ensure consistency between incoming financial movements and the resulting accounting and tax effects.

It is also forbidden to issue invoices for services that do not exist in whole or in part.

Regarding the "Managing the liability cycle" Risk Area, TAMINI complies with the following specific control principles: :

- creating purchase orders (POs) in SAP, entering the contractual conditions, with the appropriate positions (APS). Upon determining the delivery of goods or the provision of the service, the project manager shall issue the APS⁴/EM⁵ in SAP, and the system will automatically generate the cost verification;
- all invoices issued by suppliers in electronic format shall be delivered to the tax inbox and entered in SAP VIM via the Aruba platform. Once imported, the operator shall perform a series of checks, or rather verify the contractual conditions, payment approval, the VAT number, the correct application of tax withholding, etc. If the outcome is positive, the administrative operator shall record the invoice;
- periodically extracting all invoices from the system and taking adequate authorization steps on the system. In particular, once the APS/EM is issued, the project manager shall determine that the service has taken place and approve the recording of the invoice, and the payment shall be made according to the contractual conditions. The suppliers office shall create a payment proposal in the system that is verified through RPA procedures or through checking the consistency of the information reported in the electronic invoice (such as amount, date, invoice number, tax withholding, presence of

⁴ "Procuring Services"

⁵ "Goods Receiving"

attachments to the electronic invoice, payment coordinates, payment conditions) and what is reported in the accounting systems;

- SAP VIM will automatically associate the invoices received with the PO. If any information cannot be found (difficulty reading the PDF, for example), an individual from the suppliers office manually associates the information;
- the Manager of the individual unit shall authorize the payment proposal, generating the DME file and allowing the Treasury to send the payment orders to the bank;
- involvement of the tax office/external tax professional to obtain guidance on particular cases in order to ensure consistency between incoming financial movements and the resulting accounting and tax effects.

With reference to the areas "Financial Statements and General Accounting", "Compilation, keeping and preservation of the relevant accounting entries for tax purposes and preparation of the tax returns and collateral activities; relations with the CEO and other authorities" and "Preparation of the accounting documents and the prospectuses concerning the Company, intended for the public by law or by company decision" TAMINI complies with the following control principles:

- provide criteria and instructions to calculate items requiring valuation, in line with the applicable laws;
- perform checks aimed at determining the correct disclosure of economic/financial documents and, if inaccuracies are found in the accounting, provide for the obligation to report them to the competent units;
- verify the calculation of direct taxes, based on any further information and insights provided by the departments involved;
- verify the correct preparation of income, IRAP and VAT forms and F24, and provide for monthly verification and reconciliation of VAT registers;
- adoption of administrative and accounting procedures to regulate the roles and responsibilities, operating methods and key controls of each process;
- preparation of an annual closing schedule to be disclosed to all the company structures involved;

- verification, by the competent area, of the completeness and accuracy of the documentation and information received provided for in the calendar of accounting closings;
- preparation of a specific administrative procedure in the tax field that assigns roles, responsibilities and operating methods in the management of tax obligations that regulates, inter alia, the roles, responsibilities, information flows towards the tax consultant, controls to be carried out on the tax returns prepared by the tax consultant, the methods for determining taxes and those for archiving the documentation produced;
- monitoring of tax legislation regarding the changes to the legislation, practice and tax case law. The changes are preliminarily discussed with the company structures concerned, with the main purpose of providing common guidelines in the application of the new provisions;
- drafting a document summarising the changes that have taken place (adapted to the reference company context), which is sent by e-mail to the structures concerned, in order to coordinate the company's activities with the regulatory developments of reference;
- archiving of the various documents generated within the process, in compliance with the indications on the place, person responsible and duration of archiving provided in the reference procedures and with the applicable regulations;
- with reference to tax receivables, the implementation of an *ad hoc* procedure that regulates:
 - the main stages of the process;
 - the players involved;
 - the archiving of the documentation generated;
 - adequate traceability of the documentation generated in the different phases of the process in question;
 - carrying out checks on the effectiveness of the assets from which the credit to be deducted in the tax return originates;
 - involvement of the tax office/external tax consultant and on the veracity of the certifications attesting the credit to be used in the determination of the tax.

It is also strictly forbidden to:

- manage taxation in a manner that differs from current legislation;
- indicate or send for processing or inclusion in communications, false, falsified, incomplete or otherwise untrue data on TERNA's economic, asset or financial situation;
- represent in the accounts - or transmit for the preparation and representation in financial statements, reports and prospectuses or other corporate communications - false, incomplete or, in any case, not corresponding to reality, on the economic, equity and financial situation of TERNA and its Subsidiaries;
- record in the accounts transactions at values that are incorrect with respect to the reference documentation, or with respect to transactions that do not exist in whole or in part, or without adequate supporting documentation to allow, firstly, a correct accounting entry and, subsequently, an accurate reconstruction.

Regarding the "Managing relationships with the auditor and/or auditing company" Risk Area, TAMINI complies with the following specific control principles:

- the selection and management of relations with the external audit firm and/or the party appointed for the audit are carried out in compliance with corporate policies and current regulations. In particular, TAMINI adopts safeguards to ensure compliance with the professional requirements, incompatibilities and non-transferability envisaged by the law.

With regard to the "Preparing notices addressed to shareholders or to the general public regarding the Company's assets or its economic or financial position, even if different from periodic accounting documents (financial statements, consolidated financial statements, quarterly and half-yearly reports, etc.)" Risk Area, TAMINI complies with the following specific controls:

- acquisition - where verification is not possible because the data to be used in the prospectus originate from external sources - of a statement of veracity from the persons from whom the information originates;
- verification of the suitability on a professional level of the persons responsible for the preparation of such documents;
- obligation for each company, when collecting the elements necessary for the preparation of prospectuses, to issue a declaration of truthfulness, correctness, accuracy and completeness with regard to the information and data provided;
- carrying out, prior to the commencement of the works for the preparation of the prospectus, an appropriate training programme for all persons involved in the activity in question, aimed at making them aware of the relevant legislation in force and of the concrete cases constituting the offence of false prospectus, as well as at providing adequate support and technical information for the purposes of carrying out the activities falling within their competence.

Regarding the "Managing intercompany relations, with specific reference to intercompany contracts" Risk Area, TAMINI complies with the following specific control principles:

- activities performed on behalf of other Group companies are governed by specific contracts/service agreements;
- transactions with subsidiaries and/or investee companies are assessed to ensure the technical and economic viability of the transaction;
- the economic amount of the services shall be valued at the effective market value;
- each transaction shall be adequately formalized (ex: contract, etc.);
- contracts are executed in compliance with the system of corporate powers/proxies;
- specific checks shall be performed on intercompany transactions, aimed at verifying: (i) that there is a formalized contract for all intercompany transactions which governs the transaction carried out and the agreed consideration; (ii) that the contractual relationship is substantially consistent

with the commercial operations actually carried out and their representation in the accounts;

- a check is performed on foreign subsidiaries to determine that they do not have the power to bind TERNÀ in relationships with third parties and that all TERNÀ personnel seconded to foreign subsidiaries refrain from conducting business that falls within TERNÀ's legal sphere;
- a check is performed in order to ensure that TERNÀ's operations are separate from its subsidiaries;
- the tax office/external tax advisor is involved to determine that intercompany transactions comply with tax laws;
- a first and second reconciliation of intercompany balances is carried out.

With reference to the Risk Area "Management of cash flows and relationships with banks and insurance companies" TAMINI complies with the following control principles:

- guaranteeing annual and multi-year financial planning, through the analysis of investment needs and opportunities, taking care of the related activities of the management of existing loans, as well as reporting for the Company's internal and external purposes and also taking care of treasury management by carrying out the activities related to the movement of corporate current accounts, ensuring their timely reconciliation with the accounting results;
- adopt *ad hoc* organisational procedures to regulate treasury management activities and the management of central and peripheral cash desks;
- all payments are authorised in compliance with the proxies and powers of attorney issued;
- all payments must be made by means of a bank transfer or other means that guarantee traceability;
- in case of payments to foreign accounts, controls must be in place aimed at verifying that no payments are made to "numbered" accounts, the current account indicated by the supplier is not held in a country considered to be "high risk";

- selection of insurance brokers of a certain "respectability" shall be the responsibility of the Purchasing and Procurement department (for the most part in value) based on applicable law;
- specific control are in place aimed at ensuring the correct accounting and tax treatment of transactions associated with insurance contracts, with reference to the correspondence of the premiums to the insurance contracts stipulated;
- analyses on open entries on suspense bank accounts ordered;
- balancing of suspense accounts at banks;
- quarterly reconciliation of bank statements;
- automatically blocking invoices that show inconsistencies or manually blocking for other reasons and periodically verifying blocked invoices;
- preparation of an Excel file for all payments to be submitted to the verification and signature of the Administrative Manager, containing all of the relevant data relating to amount, beneficiary and date;
- preparation of a summary file of all executed payments that is stored on the e-Banking platform;
- verification, using bank statements, that all payments included in the file generated by the system were successfully completed.

It is also strictly forbidden to:

- arrange payments or collect money to/from countries on the main international black lists, without adequate documentation proving the real and specific need;
- making payments or recognising compensation in favour of third parties, without adequate contractual justification or in any case not adequately documented, justified and authorised.

With reference to the Area at Risk "Participation in inspections, investigations and verifications carried out by representatives of the P.A." in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject

matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);

- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
- have the Company Representatives involved the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
- engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the

inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available).

In the Area at Risk "Preparation of communications to the public Supervisory Authorities and management of relations with the same (Tax Police, Finance Police, CONSOB, Borsa Italiana, Italian Communications Authority, etc.)" it will be necessary to pay particular attention to compliance with:

- the provisions of the law and the regulations concerning the communications, periodic and not, to be sent to the mentioned Authorities;
- the obligations to transmit to the aforementioned Authorities the data and documents provided for by the regulations in force or specifically requested by the aforementioned Authorities (e.g.: financial statements and minutes of corporate bodies' meetings);
- the obligations of cooperation to be provided in the course of any inspections, in compliance with the procedures for the management and control of communications to public supervisory authorities adopted by the Holding and implemented by the Company.

The procedures to be observed to ensure compliance with the provisions of the previous point must comply with the following criteria: a) all the organisational-accounting interventions necessary to ensure that the process of acquisition and processing of data and information ensures the correct and complete preparation of the communications and their timely sending to the Public Supervisory Authorities, pursuant to the methods and times provided for by sector regulations; b) adequate evidence of the procedures followed in implementation of the requirements of the previous point must be given, with particular reference to the identification of the managers who have proceeded to the collection and processing of the data and information provided for therein; c) adequate collaboration by the competent company structures must be ensured, in the case of inspections carried out by the Authorities in question. In particular, from time to time for each inspection ordered by the Authorities, a person in

charge of ensuring the coordination between the employees of the different company structures for the purpose of the correct performance by the latter of the activities of their competence must be identified by the company. This manager also has the task of ensuring coordination between the various competent corporate offices and the officials of the Authorities, for the purposes of the acquisition by the latter of the required elements; d) the person in charge referred to in the previous letter c) will prepare specific information on the investigation initiated by the Authority, which must be periodically updated in relation to the developments of the investigation itself and its outcome; this information must be sent to the VB as well as to the other competent corporate structures in relation to the subject.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and

the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);

- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:
 - Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
 - Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;

- the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;

- the timing of communications by the obligated parties;
- the flow of communications;
- the scope of the exempt transactions;
- methods of dissemination of information;
- the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.

- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
 - Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A."

VI. Process at risk of crime no. 4: FINANCE AND M&A

A) Areas of risk and sensitive activities

In relation to the FINANCE and M&A process the following risk areas and sensitive activities have been identified:

- Completion of extraordinary transactions, take over and tender offer rules enforced internally through articles of association transactions or transactions of significant importance executed with both third and related parties:
 - a) identification of the possible target of the extraordinary transaction;
 - b) valuation (through due diligence, opinions, etc.) and analysis of M&A transactions to assess all possible risks (civil, administrative, tax, criminal, etc.);
 - c) authorisation to carry out the transaction and definition of the *quantum*;
 - d) legal assessment (through due diligence, opinions, etc.) and analysis of M&A transactions to assess all possible risks (civil, administrative, tax, criminal, etc.);
 - e) signing of the relevant contracts;
 - f) management and review of contracts relating to the transaction.

- Treasury management:
 - a) relationships with banks;
 - b) management of cash flows (collections and payments);
 - c) liquidity management, issue of guarantees, hedging of financial risks.

- Management of relations with insurance companies (limited to the definition of compensation).

- Applying to receive disbursements (for example grants, subsidies, loans, subsidized loans) from Italian public authorities or from the EU and their use:
 - a) Submission of the request/application for funding and the supporting documentation also through external consultants;
 - b) participation in on-site audits by the lending Entity both in the implementation stage and at the end of the activity
 - c) use of the funds obtained through financing and management of any adjustments/updates of the activity subject of the subsidised contribution/financing contract.

- Participation in inspections, investigations and verifications carried out by representatives of the P.A. reporting to, for example, by Tax Authorities, Police:
 - a) management of the visit;
 - b) contacting PA representatives;
 - c) traceability of the documentation/information delivered and verification of completeness;
 - d) formalisation of inspection findings.

- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.

- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process FINANCE AND M&A Risk areas	Crimes against the Public Administration		Corporate crimes		Tax crimes		Organized crime, including transnational crime	Market Abuse	Handling stolen goods, money laundering, and using money, assets, or benefits of illegal origin, as well as self-laundering	Crimes involving payment instruments other than cash
	Articles 24 - 25		Article 25-ter		Article 25-quinquiesdecies					
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk				
<u>Extraordinary transactions</u>		x	x			x	x		x	
<u>Treasury management</u>		x	x			x	x		x	x
<u>Managing relationships with insurance companies</u>		x	x			x	x			
<u>Inspections</u>	x					x	x			
<u>Application for public funding</u>	x						x			
<u>Managing insider information</u>							x	x		
<u>Management of relations with certification bodies</u>		x	x				x			

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-bis, 320, 321, 322 and 322-bis of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);

- Computer fraud to the detriment of the State or other Public Body (Art. 640-ter of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Embezzlement (art. 314, subsection 1, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Embezzlement by profiting from the error of others (art. 316 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Aggravated fraud to obtain public disbursements (art. 640-*bis*, subsection 2, of the Italian Criminal Code);
 - Misappropriation to the detriment of the State (art. 316-*bis* of the Italian Criminal Code);
 - Undue receipt of disbursements to the detriment of the State (art. 316-*ter* of the Italian Criminal Code).
- Corporate crimes (Article 25-ter of Italian Legislative Decree no. 231/2001):
 - False corporate communications (art. 2621 Italian Civil Code);
 - Minor events (art. 2621-*bis* of the Italian Civil Code);
 - False corporate communications of listed companies (art. 2622 of the Italian Civil Code);
 - Undue return of contributions (art. 2626 Italian Civil Code);
 - Illegal distribution of profits and reserves (art. 2627 Italian Civil Code);
 - Illegal transactions on shares or quotas of the parent company (art. 2628 Italian Civil Code);
 - Transactions to the detriment of creditors (art. 2629 Italian Civil Code);
 - Failure to communicate a conflict of interest (art. 2629-*bis* Italian Civil Code);

- Fictitious capital formation (art. 2632 Italian Civil Code);
- Undue distribution of corporate assets by liquidators (art. 2633 Italian Civil Code);
- Corruption between individuals and incitement (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code);
- Illegal influence on the Shareholders' Meeting (art. 2636 Italian Civil Code);
- Stock manipulation (art. 2337 Italian Civil Code);
- Obstacle to the exercise of the functions of public supervisory authorities (art. 2638 of the Italian Civil Code);
- Offence of false or omitted declarations for the issue of the preliminary certificate (Art. 55 Legislative Decree no. 19 of 2 March 2023).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Market abuse (Article 25-*sexies* of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).
- Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-*octies* Italian Legislative Decree no. 231/2001):
 - Receiving (art. 648 of the Italian Criminal Code);
 - Recycling (art. 648-*bis* of the Italian Criminal Code);
 - Use of money, goods or other benefits of unlawful origin (art. 648-*ter* of the Italian Criminal Code);
 - Self-laundering (art. 648-*ter*.1 of the Italian Criminal Code).
- Crimes involving payment instruments other than cash (Art. 25-*octies*.1 of Italian Legislative Decree no. 231/2001):
 - Unauthorized use and forgery of credit and payment cards (Art. 493-*ter* of the Italian Criminal Code);
 - Possessing and distributing equipment, devices, or computer programs aimed at committing crimes involving payment

instruments other than cash (Article 493-*quater* of the Italian Criminal Code);

- Every other crime against the public trust, property or that violates property and is stated in the Italian Criminal Code⁶.
- Tax crimes (Article 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001):
- Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);
 - Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
 - Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree 74/2000);
 - Concealment or destruction of accounting records (Article 10 of Italian Legislative Decree 74/2000);
 - Tax evasion (Article 11 of Italian Legislative Decree no. 74/2000).

C) Specific control principles

⁶ This specifically concerns (i) the following "crimes against public trust", as per Title VII of the Italian Criminal Code: Art. 453 of the Italian Criminal Code "forging coins or banknotes, circulating and introducing into the State, with conspiracy, forged coins or banknotes"; Art. 454 of the Italian Criminal Code "forging coins or banknotes"; Article 455 of the Italian Criminal Code "circulating and introducing into the State, without conspiracy, forged coins or banknotes"; Article 457 of the Italian Criminal Code "circulating forged coins or banknotes received in good faith"; Article 459 of the Italian Criminal Code "forging revenue stamps, introducing into the State, purchasing, possessing or circulating counterfeit revenue stamps"; Article 460 of the Italian Criminal Code "counterfeiting watermarked paper used to manufacture public credit notes or revenue stamps"; Article 461 of the criminal code "manufacturing or possessing watermarks or equipment designed to forge coins or banknotes, revenue stamps or watermarked paper"; Article 462 of the Italian Criminal Code "forging public transportation company tickets"; Article 464 of the Italian Criminal Code "using counterfeit or forged revenue stamps"; Article 465 of the Italian Criminal Code "using forged public transportation company tickets"; Article 466 of the Italian Criminal Code "forging signs in revenue stamps or used tickets and using such forged objects"; (ii) the following "Property crimes", as per Title XIII of the Italian Criminal Code: Article 624 of the Italian Criminal Code "burglary"; Article 624-*bis* of the Italian Criminal Code "burglary of a residence and theft"; Article 626 of the Italian Criminal Code "burglary punishable upon complaint of the injured party"; Article 628 of the Italian Criminal Code "armed robbery"; Article 629 of the Italian Criminal Code "extortion"; Article 630 of the Italian Criminal Code "kidnapping for extortion"; Article 631 of the Italian Criminal Code; "usurpation"; Article 640 of the Italian Criminal Code "fraud"; Article 640-*bis* of the Italian Criminal Code "aggravated fraud to obtain public funds"; Article 640-*bis* of the Italian Criminal Code "computer fraud"; Article 644 of the Italian Criminal Code "usury"; Article 646 of the Italian Criminal Code "misappropriation".

With reference to the Area at Risk "Execution of extraordinary transactions, take over and tender offer rules enforced internally through articles of association transactions or transactions of significant importance executed with both third and related parties" the Company complies with the following control principles:

- conducting capital transactions in compliance with applicable regulations, with TERNA "Guidelines for the approval of significant transactions and management of situations of interest" and the "Procedure for Transactions with Related Parties";
- verification of the completeness and accuracy of accounting entries and documents received relating to extraordinary transactions;
- checks relating to the write-down/revaluation of the shares;
- provision of methods for the valuation (through due diligence, opinions, etc.) and internal analysis of M&A transactions;
- carrying out checks on the tax implications deriving from the M&A transactions to be carried out;
- systematic involvement of the tax office or an external tax professional in order to assess the tax implications of extraordinary transactions;
- preparation of appraisals, opinions and any other documentation, in order to prove the economic reasons underlying the transactions;
- prior verification of the asset capacity remaining from a transaction, which must be such as to satisfy any collection action by the Agency even if not yet in progress, if the transaction in question involves the reduction of the share capital or the removal of assets from the corporate sphere;
- execution and verification of accounting records relating to the various transactions (M&A, increases in share capital, sale/lease of business units, sales, etc.);
- guarantee, in the performance of transactions of significant importance executed with both third parties and related parties, of transparency and compliance with the criteria of substantive and procedural correctness as well as the terms and methods of approval provided for by internal regulations;
- it is prohibited to make false declarations or omit declarations necessary for obtaining the preliminary certificate with regard to cross-border transformations, mergers and divisions.

With reference to the "Managing the Group treasury" and "Managing relationships with insurance companies (limited to defining compensation)" Risk Areas, TAMINI complies with the following specific control principles:

- guaranteeing annual and multi-year financial planning, through the analysis of investment needs and opportunities, taking care of the related activities of the management of existing loans, as well as reporting for the Company's internal and external purposes and also taking care of treasury management by carrying out the activities related to the movement of corporate current accounts, ensuring their timely reconciliation with the accounting results;
- adopt *ad hoc* organisational procedures to regulate treasury management activities and the management of central and peripheral cash desks;
- all payments are authorised in compliance with the proxies and powers of attorney issued;
- all payments must be made by means of a bank transfer or other means that guarantee traceability;
- in case of payments to foreign accounts, controls must be in place aimed at verifying that no payments are made to "numbered" accounts, the current account indicated by the supplier is not held in a country considered to be "high risk";
- selection of insurance brokers of a certain "respectability" shall be the responsibility of the Purchasing and Procurement department (for the most part in value) based on applicable law;
- specific control are in place aimed at ensuring the correct accounting and tax treatment of transactions associated with insurance contracts, with reference to the correspondence of the premiums to the insurance contracts stipulated;
- analyses on open entries on suspense bank accounts ordered;
- balancing of suspense accounts at banks;
- quarterly reconciliation of bank statements;
- automatically blocking invoices that show inconsistencies or manually blocking for other reasons and periodically verifying blocked invoices;

- preparation of an Excel file for all payments to be submitted to the verification and signature of the Administrative Manager, containing all of the relevant data relating to amount, beneficiary and date;
- preparation of a file summarizing all payments made, which is stored in the Treasury software program and the corporate ERP system;
- verification, using bank statements, that all payments included in the file generated by the system were successfully completed.

It is also strictly forbidden to:

- arrange payments or collect money to/from countries on the main international black lists, without adequate documentation proving the real and specific need;
- making payments or recognising compensation in favour of third parties, without adequate contractual justification or in any case not adequately documented, justified and authorised.

With reference to the Area at Risk "Participation in inspections, investigations and verifications carried out by representatives of the P.A." in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;

- have the Company Representatives involved the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the control activity;
- engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available).

With reference to the Area at Risk "Participation in procedures for obtaining disbursements, contributions or subsidised loans by Italian or EU public bodies and their use" it is mandatory to:

- make statements containing truthful data and information;
- issue, in the case of obtaining the same, a special report;

- ensure that documents, requests and formal communications addressed to the P.A. are managed and initialled only by persons previously identified and authorised by the Company;
- prohibit the allocating amounts received as public funding for purposes other than those for which they are intended. In particular, those who carry out control functions on the obligations related to the performance of the aforementioned activities must pay particular attention to them and immediately report any situations of irregularities to the VB;
- ensure that the involvement of third parties as consultants is governed by a specific contract and includes *ad hoc* contractual clauses aimed at guaranteeing the commitment to respect the principles contained in the Code of Ethics, the Model and the Anti-Bribery Guidelines.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and

the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);

- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:
 - Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
 - Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;

- the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;

- the timing of communications by the obligated parties;
- the flow of communications;
- the scope of the exempt transactions;
- methods of dissemination of information;
- the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.

- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
 - Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A."

VII. Process at risk of crime no. 5: INFORMATION & COMMUNICATIONS TECHNOLOGY ("ICT")

A) Areas of risk and sensitive activities

In relation to the INFORMATION & COMMUNICATIONS TECHNOLOGY process the following risk areas and sensitive activities have been identified:

- Management of company information systems in order to ensure their operation and maintenance, the evolution of the IT technological and application platform as well as IT, physical and logical security:
 - a) Management of the maintenance of existing systems and management of data processing activities;
 - b) IT security management at both a physical and a logical level;
 - c) Management of user profiles and the authentication process;
 - d) Management of the process of creation, processing, archiving of electronic documents with probative value;
 - e) Management and protection of the workstation;
 - f) Access management from and to the outside;
 - g) Management of system outputs and storage devices (e.g., USB, CD);
 - h) Management and use of company software and related licenses;
 - i) Management of company computers and interventions on programs by Employees/External Collaborators who work in the interest of the Company.

- Management of information flows to and from the P.A.

- Participation in inspections, investigations and verifications carried out by representatives of the P.A., reporting to, by way of example, the Finance Police, Tax Police, Police:
 - a) Management of the visit;
 - b) Contacting PA representatives;
 - c) Traceability of the documentation/information delivered.

- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.
- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process ICT Risk areas	Crimes against the Public Administration		Corporate crimes		Tax crimes		Computer crimes and illegal data processing	Organized crime, including transnational crime	Market Abuse	Crimes involving payments other than cash	Crimes of copyright infringement
	Articles 24 - 25		Article 25-ter		Article 25-quinquiesdecies						
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Article 24-bis	Article 24-ter	Article 25-sexies	Article 25-octies.1	Article 25-novies
<u>Managing information systems, physical and logical information security</u>		x		x		x	x	x		x	x
<u>Managing information flows with the Public Administration</u>		x					x	x			
<u>Managing inspections</u>	x					x		x			
<u>Managing insider information</u>								x	x		
<u>Management of relations with certification</u>		x	x					x			

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
- Corporate crimes (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement to Corruption between individuals (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code);
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006);
- Crimes involving payment instruments other than cash (Art. 25-*octies.1* of Italian Legislative Decree no. 231/2001):

- Possessing and distributing equipment, devices, or computer programs aimed at committing crimes involving payment instruments other than cash (Article 493-*quater* of the Italian Criminal Code);
- Computer fraud (Article 640-*ter.2* of the Italian Criminal Code).
- Tax crimes (Article 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001):
 - Concealment or destruction of accounting records (Article 10 of Italian Legislative Decree no. 74/2000).
- Computer crimes and illegal data processing (Article 24-*bis* of Italian Legislative Decree no. 231/2001):
 - Unauthorised access to a computer or telecommunications system (art. 615-*ter* of the Italian Criminal Code);
 - Intercepting, blocking or illegally interrupting computer or information technology communications (art. 617-*quater* of the Italian Criminal Code);
 - Installation of devices aimed at intercepting, blocking or interrupting computer or information technologies communications (art. 617-*quinquies* of the Italian Criminal Code);
 - Damage of information, data and computer programs (art. 635-*bis* of the Italian Criminal Code);
 - Damage of information, data and computer programs used by the State or other public entity or public utilities (art. 635-*ter* of the Italian Criminal Code);
 - Damaging of information or telecommunication systems (art. 635-*quater* of the Italian Criminal Code);
 - Damaging of information or telecommunication systems of public utility (art. 635-*quinquies* of the Italian Criminal Code);
 - Illegal possession and diffusion of access codes to computer or telecommunication systems (art. 615-*quater* of the Italian Criminal Code);
 - Dissemination of programs aimed to damage or to interrupt a computer system (art. 615-*quinquies* of the Italian Criminal Code);

- Computer documents (art. 491-*bis* of the Italian Criminal Code);
- Crimes relating to copyright infringement (Art. 25-*novies* Italian Legislative Decree no. 231/2001):
 - Making available to the public, in a system of telecommunications networks, through any type of connection, intellectual property or part of the same (art. 171, subsection one, letter a-*bis*, Italian Law 633/1941);
 - The crimes included in Article 171, committed on third-party works not intended for publication, where the honour and reputation of the third party is harmed (Article 171, section three, of Italian Law 633/1941);
 - Unauthorised duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programs contained in media not labelled by the SIAE (Italian Authors and Publishers' Society); preparation of means to remove or circumvent protection devices for computer programs (art. 171 *bis*, subsection 1, Italian Law 633/1941);
 - Reproduction, transfer on other media, distribution, communication, presentation or demonstration in public, of the content of a database; extraction or reuse of the database; distribution, sale or lease of databases (art. 171 *bis*, subsection two, Italian Law 633/1941).
- Market abuse crimes (Article 25-*sexies* of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).

C) Specific control principles

With reference to the "Management of company information systems" and "Management of information flows to and from the P.A." Risk Areas, TAMINI complies with the following specific control principles:

- implementation of the various safeguards relating to cybersecurity in relation to:
 - user profile management and accounting system access restriction;
 - management and protection of networks;
 - physical and logical security management;
 - development, maintenance and testing of the IT continuity plan;
- access restrictions to the accounting system only for authorised personnel belonging to the Administration function;
- adoption of different levels of qualifications/authorisations, defined on the basis of the tasks performed;
- traceability through logs of the activities carried out by the users in the SAP accounting system;
- performing periodic back-ups, in order to reduce the risk of data loss.

It is also strictly forbidden to:

- illegally access the Company's computer or telecommunications system in order to alter and/or delete data or information;
- altering/tampering with/damaging the operation of information or telecommunications systems in order to procure an advantage or interest for the company;
- unlawfully intervene in any way on data, information or computer programs, for the sole purpose of procuring an advantage or interest for the Company.
- connect to the Group's computer systems, personal computers, peripheral devices and other equipment or install software without the prior authorisation of the identified responsible corporate body;
- proceed to install software products in breach of contractual user licence agreements and, in general, of all laws and regulations governing and protecting copyright;
- change the software and/or hardware configuration of fixed or mobile workstations if not provided for by a company rule or, in other cases, if not expressly and duly authorised;
- acquire, possess or use software and/or hardware tools – except for duly authorised cases or in cases where such software and/or hardware are used for monitoring the security of company information systems – which could be

- used abusively to evaluate or compromise the security of information or telecommunication systems (systems for identifying credentials, identifying vulnerabilities, decrypting encrypted files, intercepting traffic in transit, etc.);
- obtain access credentials to company, customer or third party computer or telecommunication systems, with methods or procedures different from those authorised by TAMINI for such purposes;
 - disclose, transfer or share with personnel, internal or external to TAMINI, and other Group Companies their credentials for access to the company's systems and network, customers or third parties;
 - unauthorised access to a computer system belonging to others - that is to say, in the possession of other Employees or third parties - as well as access thereto for the purpose of tampering with or unlawfully altering any data contained therein;
 - tampering with, stealing or destroying company, customer or third party computer assets, including archives, data and programs;
 - exploit any vulnerabilities or inadequacies in the security measures of the company's or third party's computer or telecommunication systems, in order to gain access to resources or information other than those to which one is authorised to have access, even if such intrusion does not result in damage to data, programs or systems;
 - acquire and/or use copyrighted products in breach of the contractual protections envisaged for the intellectual property rights of others;
 - illegally accessing the Company's website in order to tamper with or unlawfully alter any data contained therein, or in order to enter data or multimedia content (images, infographics, videos, etc.) in breach of copyright laws and applicable company procedures;
 - communicate to unauthorised persons, internal or external to the Company, the controls implemented on the information systems and the methods by which they are used;
 - disguising, obscuring or substituting one's identity and sending e-mails bearing false identities or intentionally sending e-mails containing viruses or other programs capable of damaging or intercepting data;
 - spamming as well as any response to it;

- sending through a company computer system falsified or, in any way, altered information or data.

With reference to the Area at Risk "Participation in inspections, investigations and verifications carried out by representatives of the P.A." in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
- have the Company Representatives involved the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a

public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;

- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
- engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available).

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;

- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:
 - Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
 - Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside

information or information intended to become inside information;

- the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;

- the type of transactions involved;
- the type of financial instruments covered by the disclosures;
- the timing of communications by the obligated parties;
- the flow of communications;
- the scope of the exempt transactions;
- methods of dissemination of information;
- the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their

relevant professional and reputational qualifications in line with TERNA's procedures.

- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
 - Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A."

VII. Process at risk of crime no. 6: PURCHASES

A) Areas of risk and sensitive activities

In relation to the PURCHASING process the following risk areas and sensitive activities have been identified:

- Management of procedures for the purchase of goods and services:
 - a) Definition of the procurement plan;
 - b) Formulation of the purchase requests;
 - c) Definition of the technical specifications and the procedure to be established;
 - d) Indication of the procedure;
 - e) Definition of the award and valuation criteria;
 - f) Composition of the tender committee;
 - g) Examination of the offers;
 - h) Negotiation and award;
 - i) Management and execution of the contract;
 - j) Management of any disputes.

- Assignment of professional assignments and consultancy:
 - a) Selection of the professional and external consultant;
 - b) Negotiation and preparation of the assignment;
 - c) Definition of fees;
 - d) Management of relations with the professional and external consultant in the execution of the contract.

- Management of the evaluation and monitoring process of suppliers, professionals and consultants:
 - a) Management of the evaluation system;
 - b) Defining and verifying the fulfilment of general, technical, economic-financial, professional, and reputational eligibility requirements;
 - c) Management of the periodic monitoring process.

- Management of customs procedures:
 - a) Management of relations with the Customs Authority, including through third parties to the Company;
 - b) Preparation and transmission of the documentation required by law;
 - c) Payment of customs charges and delivery to the customs authorities of documents relating to the import/export of non-EU materials;
 - d) Management of obligations and charges relating to the transit of intra-EU materials;
 - e) Contacts with customs agents/officials during inspections or meetings (including correspondence);
 - f) Archiving the supporting documentation.

- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.

- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process PURCHASES Risk areas	Crimes against the Public Administration Articles 24 - 25		Corruption between individuals Article 25-ter		Tax crimes Article 25-quinquiesdecies		Handling stolen goods, money laundering, and using money, assets, or benefits of illegal origin, as well as self-laundering Article 25-octies	Organized crime, including transnational crime Article 24-ter	Crimes with the objective of terrorism or subverting democracy Article 25-quater	Crimes against individuals and in violation of the Consolidated Law on Immigration Articles 25-quinquies and 25-duodecies	Smuggling Article 25-sexiesdecies	Market Abuse Article 25-sexies
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk						
Procedures for the purchase of goods and services		x	x			x	x	x	x	x		
Assignment of professional assignments and consultancy		x	x			x	x	x	x			
Evaluation and monitoring of suppliers, professionals and consultants		x	x			x		x	x			
Management of customs procedures	x							x			x	
Managing insider information								x				x
Management of relations with certification bodies		x	x					x				

Below is a breakdown, for each crime family, of the individual configurable cases:

- Instrumental area with regard to Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001);
- Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-octies Italian Legislative Decree no. 231/2001):
 - Receiving (art. 648 of the Italian Criminal Code);
 - Recycling (art. 648-bis of the Italian Criminal Code);
 - Use of money, goods or other benefits of unlawful origin (art. 648-ter of the Italian Criminal Code);
 - Self-laundering (art. 648-ter.1 of the Italian Criminal Code).
- Organized crime (Article 24-ter of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)

- Crimes for the purpose of terrorism or subversion of democratic order envisaged by the Italian Criminal Code and special laws (Art. 25-*quater* Italian Legislative Decree no. 231/2001);
- Tax Crimes (Article 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001):
 - Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);
 - Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
 - Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree no. 74/2000).
- Corruption between individuals (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement to Corruption between individuals (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code)
- Crimes against individuals (Article 25-*quinquies* of Italian Legislative Decree no. 231/2001):
 - Enslavement or servitude (art. 600 of the Italian Criminal Code);
 - Human trafficking (art. 601 of the Italian Criminal Code);
 - Illegal brokering and exploitation of labour (art. 603-*bis* of the Italian Criminal Code).
- Undeclared work (Article 25-*duodecies* of Italian Legislative Decree no. 231/2001).
- Market abuse (Article 25-*sexies* of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).
- Smuggling offences pursuant to Italian Presidential Decree 43/1973 with reference to the purchase of any non-EU goods.

C) Specific control principles

With reference to the "Management of procedures for the purchase of goods and services" TAMINI complies with the following specific control principles:

- all relations with suppliers must be based on the principles of transparency and integrity and must provide for services and compensation in line with market practices, ensuring that there are no aspects that may favour the commission of crimes in Italy or abroad;
- orders/contracts shall contain standard clauses to comply with Italian Legislative Decree no. 231/2001, the 231 Model, the Code of Ethics, and the Code of Conduct for fighting corruption, the violation of which may result in the termination of the contract;
- compliance with the organisational procedures adopted by the Company or applicable to it, aimed at regulating roles, responsibilities, controls and operating methods for the performance of the following activities:
 - procurement;
 - acceptance, production and final tests, controls and inspections;
 - evaluation of suppliers;
 - administrative and contractual management;
 - qualification of suppliers;
 - management of supplier master data;
- verification of the documents establishing that the supplier's services have been duly performed and that they correspond to the amount agreed and stated on the invoice, and consequent management of any discrepancies found for example and provision for an automatic blocking of payments in the event of differences between the invoice and the goods received);
- control of the conformity between the contractual relationship entered into and the commercial transactions actually executed and their accounting representation;
- preparation of a quarterly report with a summary of the orders made through the IT platform, divided by cost centre and product code;
- quarterly monitoring by the Supply Chain function of purchasing activities in order to control the process;

- carrying out a preliminary phase of planning procurement needs and verifying budget availability;
- verification of the documents establishing that the supplier's services have been duly performed and that they correspond to the agreed amount stated in the invoice, and subsequent handling of any discrepancies found;
- control of the analytical description of the subject matter of the service, and verification of the correct accounting entry;
- performance of periodic checks on the procurement process and on the purchases made through simplified selection procedures;
- maintain evidence of checks carried out, prior to the provision of payment, on the service received in order to verify its adherence to the contract;
- compliance with the authorisation procedures envisaged based on the type of service and the amount, as prescribed by the procedures;
- adequate storage and archiving of the documentation produced;

It is also required to:

- act in compliance with the provisions of the "Material procurement and services" procedure;
- ensure transparency in the identification of the award criterion and thus in the choice of the successful acquirer;
- provide, in the event of adoption of the criterion of the most economically advantageous tender, for evaluation criteria relevant to the nature, purpose and characteristics of the contract (objective criteria);
- perform, in the case of the adoption of the lowest price criterion, a fairness check of the economic level before awarding the contract to the operator offering the lowest price;
- not to introduce requirements of a subjective nature as criteria for the evaluation of tenders, unless they directly affect the performance of the contract;
- acquire from the economic operator the documentation required by the tender procedure used.

It is also required to:

- formalise and authorise purchase requests;
- verify the existence of conflicts of interest;
- verify and record the effective receipt of the good/provision of the service;
- ensure traceability/evidence of actual service delivery;
- verify the correspondence between order – goods/service received – invoice;
- ensure that invoices received by the Company relating to the purchase of goods and/or services are only paid against appropriate evidence of actual receipt of the goods or provision of the service;
- verify the correspondence between invoice and payment.

It is strictly forbidden to:

- entrust works, services and supplies and arrange the related payments without complying with the form and traceability requirements of the current regulations on public contracts and the traceability of financial flows, where applicable;
- approve invoices payable for services that do not exist in whole or in part;
- issue purchase requests that are not reflected in a specific and justifiable need of the Company and that are not authorised on the basis of the proxies granted;
- improper and non-transparent behaviour in all activities aimed at managing the supplier registry, including foreign suppliers;
- making payments or recognising compensation in favour of third parties, without adequate contractual justification or in any case not adequately documented, justified and authorised.

With reference to the Area at Risk "Assignment of professional appointments and consultancy" it is required to:

- verify – before the relevant relationship is established – the commercial, reputational and professional reliability of the consultants;
- entrusting appointments and consultancies on the basis of the company's procedures prepared for this purpose;

- formalise and comply with the authorisation procedures provided for according to the type of service and the amount, as prescribed by the procedures (e.g. requests for professional appointments and consultancy);
- acknowledge the criteria adopted for the assignment before starting the selection process;
- ensure rotation among the professionals chosen for the individual types;
- draft the assignments and consultancies in writing, indicating the agreed remuneration;
- provide a clause in which the same, in the performance of the activities, undertake not to make donations that exceed the modest value and that can be interpreted as exceeding normal commercial or courtesy practices, or in any case aimed at acquiring favourable treatment in the conduct of the activities themselves;
- fulfil the reporting obligations envisaged by the procedures;
- make a comparison between several offers and justify the choice on the basis of objective criteria and requirements of professionalism, independence and competence;
- verify the existence of conflicts of interest;
- verify and record the effective provision of the consultancy;
- verify the correspondence between contract - service provided (e.g. consulting hours/project milestone) - invoice;
- ensure that invoices payable are only paid against appropriate evidence of service provision;
- verify the correspondence between invoice and payment;
- verify *ex post* that the service has actually been provided in compliance with the agreed amount.

With regard to the Area at Risk "Management of the process for qualifying and monitoring suppliers, professionals and consultants" TAMINI adheres to the following control principles:

- compliance with the procedure "*Selection, qualification, evaluation of suppliers*";

- verify – before the relevant relationship is established – on the commercial, reputational and professional reliability;
- monitoring of qualified undertakings with a view to verifying, over the three years of validity of the qualification, the maintenance of the requirements recognised to undertakings at the time of qualification.

With reference to the Area at Risk "Management of customs procedures" it is required to provide for:

- identify the function appointed to represent the Company in managing relationships with the granting Public Administration, which is given a special proxy and power of attorney;
- give an indication of the tasks of the department responsible for the control phases of obtaining and managing authorizations, with particular regard for the actual and rightful prerequisites for submitting the relative request;
- the definition of methods for collecting, verifying and approving the documentation to be transmitted to the customs authorities for the purpose of the exact fulfilment of the border rights;
- specific protocols for checking and verifying the truthfulness and correctness of the documents whose production is necessary to obtain the authorisation certificates;
- specific information flows between the company departments and the consultants involved in the activity, in a view of collaboration, mutual vigilance and coordination;
- the monitoring of regulatory developments in tax and customs matters;
- the definition of how to notify the competent authorities of any irregularities;
- the definition of the procedures for verifying the completeness and correctness of the documentation to be transmitted to any third parties to the Company;
- the management of customs clearance procedures and the preparation and transmission of customs declarations;
- defining how to identify and map purchases from non-EU suppliers, as well as the main contract terms (INCOTERMS) used;

- the management of tax obligations concerning intra-EU and extra-EU import/export transactions;
- the management of customs investigations.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and

the controls and procedures concerning the disclosure of external information, the following provisions must be respected:

- Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
- Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;
 - the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is

carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;

- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;
 - the timing of communications by the obligated parties;
 - the flow of communications;
 - the scope of the exempt transactions;
 - methods of dissemination of information;
 - the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g. term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.
- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.

- Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
- Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
- Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A.".

IX. Process at risk of crime no. 7: COMMERCIAL (INCLUDING THE MANAGEMENT OF ORDERS)

A) Areas of risk and sensitive activities

- Participation in tender or direct negotiation procedures called by public bodies, in Italy and abroad, for the assignment of orders (tender, supply or services), concessions, partnerships, assets (business complexes, participations, etc.) or other similar transactions:
 - a) Contact between the company's representatives and the entity in order to obtain clarifications or specifications regarding the call for tenders and the type of goods/services needed by the entity;
 - b) Assessment of the opportunity to participate in the procedure;
 - c) Preparation of the technical and economic documentation and subsequent sending of the same for participation in the procedure;
 - d) Award of the procedure: preparing the required administrative documents and sending them to the entity;
 - e) Stipulation and execution of the order;
 - f) Stipulation of any renewals/extensions and/or revision of the agreements executed with the entity;
 - g) Checking the correspondence of credits received;
 - h) Testing activities;
 - i) Management of relations with counterparts/agents/brokers and assessment of the commercial, reputational and professional reliability of the counterpart;
 - j) Relations with possible subcontractors;
 - k) Archiving relevant documentation.

- Marketing with private entities, in Italy and abroad, of processors, with particular regard to the negotiation stages:
 - a) Contact between the company's representatives and the entity in order to obtain clarifications or specifications regarding the call for tenders and the type of goods/services needed by the entity;

- b) Assessment of the opportunity to participate in the procedure;
 - c) Preparation of the technical and economic documentation and subsequent sending of the same for participation in the procedure;
 - d) Award of the procedure: preparing the required administrative documents and sending them to the entity;
 - e) Stipulation and execution of the order;
 - f) Stipulation of any renewals/extensions and/or revision of the agreements executed with the entity;
 - g) Checking the correspondence of credits received;
 - h) Testing activities;
 - i) Management of relations with counterparts/agents/brokers and assessment of the commercial, reputational and professional reliability of the counterpart;
 - j) Relations with possible subcontractors;
 - k) Archiving relevant documentation.
- Relations with partners and agents at a national and international level:
 - a) Selection and verification of potential partners and commercial agents;
 - b) Management of relations with partners and commercial agents;
 - c) Management and review of the contractualisation of the relationship;
 - d) Execution/receipt of services/transactions with partners and agents;
 - e) Management of cash flows, payments and fees.
 - Relations with counterparts, other than partners, with whom TAMINI has relationships – including through another Group company – for the identification of business development opportunities:
 - a) Selection and verification of the commercial, reputational and professional reliability of counterparts;
 - b) Management of commercial relations;
 - c) Management and review of the contractualisation of the relationship;

- d) Execution/reception of services/operations carried out with counterparts;
 - e) Management of cash flows, payments and fees.
- Investment activities and joint venture agreements or other forms of partnership with Italian and foreign counterparts:
 - a) Analysis of the asset subject to the investment process;
 - b) Analysis of the economic adequacy of the investments made in joint ventures;
 - c) Management of conflicts of interest;
 - d) Selection and verification of potential commercial partners;
 - e) Management of relations with commercial partners;
 - f) Management and review of the contractualisation of the relationship;
 - g) Management of cash flows, payments and fees.
- Management of relations with parties that carry out brokering activities towards representatives of the P.A.:
 - a) Selection and verification of the commercial, reputational and professional reliability of counterparts;
 - b) Management of commercial relations;
 - c) Management and review of the contractualisation of the relationship;
 - d) Execution/reception of services/operations carried out with counterparts;
 - e) Management of cash flows, payments and fees.
- Financial or commercial transactions involving TERNA and/or other Group Companies completed with individuals and legal entities (or their direct or indirect subsidiaries) residing in at-risk countries identified in the Lists of Countries and/or individuals or legal entities indicated in the Lists of Names related to international terrorism, available on the Bank of Italy website and also issued by the international body known as the Financial Action Task

Force (FATF-GAFI), which coordinates the fight against money laundering and financing terrorism:

- a) Selection and verification of the commercial, reputational and professional reliability of counterparts;
- b) Management of commercial relations;
- c) Management and review of the contractualisation of the relationship;
- d) Execution/reception of services/operations carried out with counterparts;
- e) Management of cash flows, payments and fees.

- Management of customs procedures:

- a) Management of relations with the Customs Authority, including through third parties to the Company;
- b) Preparation and transmission of the documentation required by law;
- c) Payment of customs charges and delivery to the customs authorities of documents relating to the import/export of non-EU materials;
- d) Management of obligations and charges relating to the transit of intra-EU materials;
- e) Contacts with customs agents/officials during inspections or meetings (including correspondence);
- f) Archiving the supporting documentation.

- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.

- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process PURCHASES Risk areas	Crimes against the Public Administration Articles 24 - 25		Corruption between individuals Article 25-ter		Tax crimes Article 25-quinquiesdecies		Handling stolen goods, money laundering, and using money, assets, or benefits of illegal origin, as well as self-laundering Article 25-octies	Organized crime, including transnational crime Article 24-ter	Crimes with the objective of terrorism or subverting democracy Article 25-quater	Crimes against the individual and in violation of the Consolidated Law on Immigration Articles 25-quinquies and 25-duodecies	Smuggling Article 25-sexiesdecies	Market Abuse Article 25-sexies
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk						
<u>Participation to races public in Italy e abroad</u>	x		x			x		x	x			
<u>Marketing with private parties</u>			x			x		x	x			
<u>Relations with partners e agent</u>	x		x			x	x	x	x	x		
<u>Relations with counterparts for new chance of development</u>	x		x			x	x	x	x	x		
<u>Investment activities</u>		x	x		x		x	x	x			
<u>Relationships with intermediaries vis-a-vis the Public Administration</u>		x	x			x	x	x	x			
<u>Financial or commercial relations in Countries / with Entities included on Lists associated with international terrorism</u>		x	x			x	x	x	x	x		
<u>Management of customs procedures</u>	x							x			x	
<u>Managing insider information</u>								x				x
<u>Management of relations with certification bodies</u>		x	x					x				

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Fraud in public supplies (art. 356 of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Aggravated fraud to obtain public disbursements (art. 640-*bis*, subsection 2, of the Italian Criminal Code);
 - Misappropriation to the detriment of the State (art. 316-*bis* of the Italian Criminal Code);
 - Undue receipt of disbursements to the detriment of the State (art. 316-*ter* of the Italian Criminal Code).
- Corruption between individuals (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement to Corruption between individuals (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)

- Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-octies Italian Legislative Decree no. 231/2001):
 - Receiving (art. 648 of the Italian Criminal Code);
 - Recycling (art. 648-bis of the Italian Criminal Code);
 - Use of money, goods or other benefits of unlawful origin (art. 648-ter of the Italian Criminal Code);
 - Self-laundering (art. 648-ter.1 of the Italian Criminal Code).
- Tax crimes (Article 25-quinquiesdecies of Italian Legislative Decree no. 231/2001):
 - Fraudulent tax return through the use of invoices or other transactions for non-existent transactions (art. 2 Italian Legislative Decree no. 231/2001);
 - Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 231/2001);
 - Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree no. 231/2001).
- Crimes for the purpose of terrorism or subversion of democratic order envisaged by the Italian Criminal Code and special laws (Art. 25-quater Italian Legislative Decree no. 231/2001);
- Crimes against individuals (Article 25-quinquies of Italian Legislative Decree no. 231/2001):
 - Enslavement or servitude (art. 600 of the Italian Criminal Code);
 - Human trafficking (art. 601 of the Italian Criminal Code);
 - Illegal brokering and exploitation of labour (art. 603-bis of the Italian Criminal Code).
- Undeclared work (Article 25-duodecies of Italian Legislative Decree no. 231/2001).
- Market abuse (Article 25-sexies of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).

- Smuggling offences pursuant to Italian Presidential Decree 43/1973 with reference to the sale of any non-EU goods.

C) Specific control principles

With reference to the Area at Risk "Participation in tenders or direct negotiation procedures called by public bodies, in Italy and abroad, for the assignment of orders (tender, supply or services), concessions, partnerships, assets (business complexes, participations, etc.) or other similar transactions", it is strictly forbidden to:

- making cash donations on one's own initiative or as a result of solicitation to public officials and/or persons in charge of a public service;
 - submit documentation containing data, untrue information and/or omitting data, information, in order to make the Company obtain the award of the tender;
 - entrust works, services and supplies and arrange the related payments without complying with the form and traceability requirements of the current regulations on public contracts and the traceability of financial flows, where applicable;

It is required to:

- ensure that the performance relationship with the public entity is always verifiable through adequate and complete documentation also defining any obligations/rights of the parties;
- verify that the documents and formal communications (which are addressed to the PA) produced during the course of the tender procedure are handled and signed only by the persons previously identified and authorised by the company;
- ensure traceability of decision-making phases and authorisation levels so that they can always be reconstructed through deeds and internal documentation.

It is also required to comply with:

- the segregation of the functions responsible for the preparation and presentation of the offer, execution of the contract and invoicing and settlement of charges;
- specific forms of checking the fairness of the bids submitted, graded according to the type and size of the contractual activity;
- when defining the offer, a system of controls suitable to avoid the risk of production to the P.A. of incomplete or inaccurate documents that attest, contrary to the truth, the existence of the conditions or the essential requirements
- to participate in the tender and/or for the award of the assignment;
- the identification of the function in charge of representing the Company vis-à-vis the P.A. during the management of the contract, to which the appropriate power of attorney shall be conferred, establishing specific forms of periodic reporting of the activity carried out towards the head of the function competent to manage such relations, who shall report anomalous situations to the Vigilance Body;
-

The Company also complies with the following control principles:

- verification of the correspondence of the credits received and the counterparts actually involved in the transactions;
- involvement of the tax office/external tax professional to obtain guidance on particular cases in order to ensure consistency between incoming financial movements and the resulting accounting and tax effects;
- filing of all documentation produced in the context of the process;
- preparation of a structured process for the review, verification and approval of the technical and economic offer of a tender;
- registration of the completion of the work with the list of services and date of execution;
- all partnerships are defined through contractual relationships and signed on the basis of the system of powers and proxies in force in the company;
- filing of all documentation produced in the context of the process.

With reference to the Area at Risk "Marketing with private parties, in Italy and abroad, of processors, with particular regard to the negotiation phases" the Company complies with the following control principles:

- all relationships with counterparties/agents/brokers must be guided by the principles of transparency and integrity and must involve services and fees that are in line with market practices, ensuring that there are no aspects which could encourage the commission of crimes in Italy or abroad;
- timely identification of the players involved in the process in question and, in particular, of the counterparts;
- verification — before the relevant relationship is established — of the counterparty's commercial, reputational, and professional reliability;
- adoption of company procedures that specifically regulate the following activities related to commercial agents/ brokers:
 - definition of the service requirement;
 - Identification and criteria for choosing the sales promoter/advisor;
 - maximum percentages of commissions;
 - contractualisation;
 - monitoring and evaluation of the performance;
- the payment of invoices must be preceded by a verification activity concerning (i) verification of service provision and compliance
 - with respect to the contractual agreements, (ii) consistency of the invoice with what is defined in the contract and with the amount reported therein and issue of the approval for the payment of the invoices, (iii) on the correspondence between the recipients of the invoice and the contractual counterparts;
 - verification of the correspondence of the credits received and the counterparts actually involved in the transactions;
- involvement of the tax office/external tax professional to: i) obtain indications on particular cases in order to guarantee consistency between the incoming financial movement and the relative accounting and tax effects that derive from it; ii) evaluate the tax implications of extraordinary transactions;

- filing of all documentation produced in the context of the process;
- preparation of a structured process for the review, verification and approval of the technical and economic offer of a tender;
- registration of the completion of the work with the list of services and date;
- execution;
- preparation of appraisals, opinions and any other documentation, in order to
- prove the economic reasons underlying the transactions;

With reference to the Area at Risk "Relations with partners at national and international level" the Company complies with the following control principles:

- all relations with Partner must be based on the principles of transparency and integrity and must provide for services and compensation in line with market practices, ensuring that there are no aspects that may favour the commission of crimes in Italy or abroad;
- verify – before the relevant partnership relationship is established – the commercial, reputational and professional reliability of the counterpart;
- all partnerships are defined through contractual relationships and signed on the basis of the system of powers and proxies in force in the company;
- verification of the correspondence of the credits received and the counterparts actually involved in the transactions;
- timely identification of the persons qualifying as partners;
- preparation of procedures describing the main stages of the process, the players involved and the related areas of intervention and responsibility;
- take action in the event of negative perceptions and/or reports concerning the honourability of third parties with whom one interacts;
- adoption of adequate archiving of the documentation generated in the various phases of the process;
- carrying out checks on the actual execution/reception of transactions with partners;

- performance of checks on the compliance of the transactions carried out with respect to the contractual agreements;
- provision for checks aimed at ascertaining the consistency between the invoices received or issued and the transactions with the partners actually carried out, as well as the correctness of the amounts and the value added tax.

It is also strictly forbidden to:

- perform/receive services in favour of counterparts that do not find adequate justification in the context of the associative relationship established with them, as well as with respect to what is actually carried out;
- entrust works, services and supplies and arrange the related payments without complying with the form and traceability requirements of the current regulations on public contracts and the traceability of financial flows, where applicable;
- making payments or recognising compensation in favour of third parties, without adequate contractual justification or in any case not adequately documented, justified and authorised;
- make payments to counterparts in countries other than those where the counterpart has its registered office or has carried out operational activities or in favour of parties other than those who have rendered the service;
- improper and non-transparent behaviour in all activities aimed at managing the supplier registry, including foreign suppliers.

With reference to the Area at Risk "Relations with counterparts, other than partners, with whom TAMINI has relationships - including through other Group companies - for the identification of business development opportunities" and "Management of relations with parties that carry out brokering activities towards representatives of the PA" the Company complies with the following control principles:

- all relations with counterparts must be based on the principles of transparency and integrity and must provide for services and compensation

in line with market practices, ensuring that there are no aspects that may favour the commission of crimes in Italy or abroad;

- timely identification of the players involved in the process in question and, in particular, of the counterparts;
- verification — before the relevant relationship is established — of the counterparty's commercial, reputational, and professional reliability;
- adoption of company procedures that specifically regulate the following activities related to commercial agents/ brokers:
 - definition of the service requirement;
 - Identification and criteria for choosing the sales agent/consultant;
 - maximum percentages of commissions;
 - contractualisation;
 - monitoring and evaluation of the performance;
- the payment of invoices must be preceded by a verification activity concerning verification of the performance; (ii) consistency of the invoice with what is defined in the contract and with the amount reported therein and issue of the approval for the payment of the invoices; iii) on the correspondence between the recipients of the invoice and the contractual counterparts;
- verification of the correspondence of the credits received and the counterparts actually involved in the transactions;
- involvement of the tax office/external tax professional to obtain guidance on particular cases in order to ensure consistency between incoming financial movements and the resulting accounting and tax effects;
- filing of all documentation produced in the context of the process;
- registration of the completion of the work with the list of services and date of execution;
- preparation of appraisals, opinions and any other documentation, in order to prove the economic reasons underlying the transactions;
- prior verification of the asset capacity remaining from a transaction, which must be such as to satisfy any collection action by the Agency even if not yet in progress, if the transaction in question involves the reduction of the share

capital or the removal of assets from the corporate sphere.

It is also strictly forbidden to:

- perform services in favour of counterparts that do not find adequate justification in the context of the associative relationship established with the same, as well as with respect to what is actually carried out;
- entrust works, services and supplies and arrange the related payments without complying with the form and traceability requirements of the current regulations on public contracts and the traceability of financial flows, where applicable;
- recognise fees in favour of agents and/or commercial brokers that are not adequately justified in relation to the type of task to be performed, local practices and market prices, as well as in relation to the service actually performed;
- making payments or recognising compensation in favour of third parties, without adequate contractual justification or in any case not adequately documented, justified and authorised;
- make payments to counterparts in countries other than those where the counterpart has its registered office or has carried out operational activities or in favour of parties other than those who have rendered the service.

With reference to the Area at Risk "*Investment activities and joint venture agreements or other forms of partnership with Italian and foreign counterparts*", the Company Representatives undertake to comply with the principles of professionalism, transparency and fairness, through:

- a thorough analysis of the asset subject to the investment process, carrying out appropriate due diligence activities whose results are adequately reflected in the contractual provisions;
- identification and monitoring of any conflicts of interest;
- the involvement of several structures within the negotiation process and subsequent execution of the agreements.

The Company also complies with the following control principles:

- all relationships with counterparties/agents/brokers must be guided by the principles of transparency and integrity and must involve services and fees that are in line with market practices, ensuring that there are no aspects which could encourage the commission of crimes in Italy or abroad;
- timely identification of the players involved in the process in question and, in particular, of the counterparts;
- verification — before the relevant relationship is established — of the counterparty's commercial, reputational, and professional reliability;
- the payment of invoices must be preceded by a verification activity concerning verification of the performance; (ii) consistency of the invoice with what is defined in the contract and with the amount reported therein and issue of the approval for the payment of the invoices; iii) on the correspondence between the recipients of the invoice and the contractual counterparts;
- verification of the correspondence of the credits received and the counterparts actually involved in the transactions;
- involvement of the tax office/external tax professional to: i) obtain indications on particular cases in order to guarantee consistency between the incoming financial movement and the relative accounting and tax effects that derive from it; ii) evaluate the tax implications of extraordinary transactions.
- filing of all documentation produced in the context of the process;
- preparation of a structured process for the review, verification and approval of the technical and economic offer of a tender;
- registration of the completion of the work with the list of services and date of execution;
- preparation of appraisals, opinions and any other documentation, in order to prove the economic reasons underlying the transactions;
- prior verification of the asset capacity remaining from a transaction, which must be such as to satisfy any collection action by the Agency even

if not yet in progress, if the transaction in question involves the reduction of the share capital or the removal of assets from the corporate sphere;

- all partnerships are defined through contractual relationships and signed on the basis of the system of powers and proxies in force in the company.

It is also strictly forbidden to:

- perform/receive services in favour of counterparts that do not find adequate justification in the context of the associative relationship established with them, as well as with respect to what is actually carried out;
- entrust works, services and supplies and arrange the related payments without complying with the form and traceability requirements of the current regulations on public contracts and the traceability of financial flows, where applicable;
- recognise fees in favour of agents and/or commercial brokers that are not adequately justified in relation to the type of task to be performed, local practices and market prices, as well as in relation to the service actually performed;
- making payments or recognising compensation in favour of third parties, without adequate contractual justification or in any case not adequately documented, justified and authorised;
- make payments to counterparts in countries other than those where the counterpart has its registered office or has carried out operational activities or in favour of parties other than those who have rendered the service.

With regard to the "Financial or commercial transactions involving TERNA and/or other Group Companies completed with individuals and legal entities (or their direct or indirect subsidiaries) residing in at-risk countries identified in the Lists of Countries and/or individuals or legal entities indicated in the "Nominative Lists" related to international terrorism accessible on the Bank of Italy website and also issued by the international body the Financial Action Task Force (FATF-GAFI) which coordinates the fight against money laundering and the financing of terrorism" TERNA adheres to the following control principles:

- compliance with the Trade Compliance Policy;

- compliance with the procedures adopted by the Group in the field of Export Controls;
- compliance with procedures regarding selection, qualification and evaluation of suppliers;
- any financial transaction must presume the knowledge of the beneficiary, at least directly, of the relevant sum;
- significant transactions must be concluded with natural and legal persons to whom suitable checks, controls and verifications have been previously carried out (e.g., presence on the Lists; personal references; etc.);
- in the event that TAMINI involves in its transactions subjects whose names are contained in the Lists or who are known to be controlled by subjects contained in the Lists, comply with the provisions of the Trade Compliance Policy and the company procedures in the field of Export Controls. The SB must be informed by PIC of any at-risk transactions;
- in the event that anomalous transactions are proposed within the scope of the Company, the VB must be promptly informed;
- contracts with external collaborators must contain a specific declaration, pursuant to the scheme provided for by the company procedures and/or the indications of the VB, which shows that the parties fully acknowledge the mutual commitment to mark the behaviours aimed at the implementation of the common initiative to principles of transparency and fairness and in the strictest compliance with the provisions of the law. If in the negotiation of a contract a counterpart refuses to sign the contractual clauses proposed by TAMINI or proposes in turn unacceptable clauses, the ALG structure must be immediately involved which, if the criticality persists, will promptly inform the Vigilance Body;
- in the event that the Company, for the performance of the aforementioned activity, makes use of agents for the promotion or representation for the conclusion of contracts, special precautions must be taken to ascertain the professional and reputational reliability of such persons. In particular, it is necessary to proceed with the Sanity Check and provide for *ad hoc* contractual clauses containing the commitment to comply with the procedures adopted by the Company in terms of Trade Compliance and

Export Controls as well as the principles contained in the Code of Ethics and Model 231; the data collected regarding relations with customers and external collaborators must be complete and updated, both for the correct and timely identification of the same, and for a valid evaluation of their profile.

With reference to the Area at Risk "Management of customs procedures" it is required to provide for:

- the indication of the function appointed to represent the Company vis-à-vis the grantor P.A., to which to confer a specific proxy and power of attorney;
- an indication of the tasks of the department responsible for checking the stages of obtaining and managing the authorisation certificates, with particular regard to the factual and legal conditions for submitting the relevant application;
- the definition of methods for collecting, verifying and approving the documentation to be transmitted to the customs authorities for the purpose of the exact fulfilment of the border rights;
- specific protocols for checking and verifying the truthfulness and correctness of the documents whose production is necessary to obtain the authorisation certificates;
- specific information flows between the company departments and the consultants involved in the activity, in a view of collaboration, mutual vigilance and coordination;
- the monitoring of regulatory developments in tax and customs matters;
- the definition of how to notify the competent authorities of any irregularities;
- the definition of the procedures for verifying the completeness and correctness of the documentation to be transmitted to any third parties to the Company;
- the management of customs clearance procedures and the preparation and transmission of customs declarations;
- defining how to identify and map purchases from non-EU suppliers, as well as the main contract terms (INCOTERMS) used;

- the management of tax obligations concerning intra-EU and extra-EU import/export transactions;
- the management of customs investigations.

With reference to the Area at Risk "Management of insider information", the following procedures and control points must be respected:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and

the controls and procedures concerning the disclosure of external information, the following provisions must be respected:

- Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
- Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;
 - the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is

carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;

- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;
 - the timing of communications by the obligated parties;
 - the flow of communications;
 - the scope of the exempt transactions;
 - methods of dissemination of information;
 - the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) to prevent unauthorized individuals, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.
- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.

- Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
- Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
- Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A.".

X. Process at risk of crime no. 8: MANUFACTURING AND PRODUCTION OF TRANSFORMERS

A) Areas of risk and sensitive activities

In relation to the process of PRODUCTION and CONSTRUCTION OF TRANSFORMERS the following risk areas and sensitive activities have been identified:

- Production, construction and transport of transformers and related equipment:
 - a) Managing the requirements established by Italian Legislative Decree 81/2008 on occupational health and safety;
 - b) Managing environmental and landscape requirements (potential impacts on biodiversity, air quality, water quality, soil, subsoil, ecosystem, and flora and fauna and waste management, etc.).
- On-site installation, maintenance and technical assistance of the transformers with Company personnel or with the presence of external labour, also with the overlapping of interventions of one or more contractors:
 - a) Managing the requirements established by Italian Legislative Decree 81/2008 on occupational health and safety;
 - b) Managing environmental and landscape requirements (potential impacts on biodiversity, air quality, water quality, soil, subsoil, ecosystem, and flora and fauna and waste management, etc.).
- Relations with public bodies during the implementation/maintenance activities and participation in inspections, investigations and verifications carried out by representatives of the P.A., reporting to, for example, Local Health Authority, Regional Environmental Protection Agency, Tax Police, Police:
 - a) Management of the visit;
 - b) Contacting PA representatives;

- c) Traceability of the documentation/information delivered and verification of completeness;
- d) Formalisation of inspection/meeting findings.

- Management of privileged information (directly or indirectly) relating to TERNA and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.
- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process	Crimes against the Public Administration		Corruption between individuals		Organized crime, including transnational crime	Homicide and personal injury	Crimes against individuals and in violation of the Consolidated Law on Immigration	Market Abuse	Environmental crimes	Crimes against cultural heritage
	Articles 24 - 25		Article 25-ter							
Risk areas	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Article 24-ter	Article 25-septies	Articles 25-quinquies and 25-duodecies	Article 25-sexies	Article 25-undecies	Articles 25-septiesdecies and 25-duodevicies
<u>Production, construction and transport of transformers and related equipment</u>	x				x	x	x		x	x
<u>On-site installation, maintenance and technical assistance of the transformers with Company personnel or with the presence of external labour, also with the overlapping of</u>	x				x	x	x		x	x

<u>Interventions of one or more contractors</u>										
<u>Participating in inspections, investigations, and checks performed by Public Administration officials</u>	x				x					
<u>Managing insider information</u>					x			x		
<u>Management of relations with certification bodies</u>		x	x		x					

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code).
- Corruption between individuals (Article 25-*ter* of Italian Legislative Decree no. 231/2001):

- Corruption between individuals and incitement to Corruption between individuals (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Crimes against individuals (Article 25-*quinquies* of Italian Legislative Decree no. 231/2001):
 - Enslavement or servitude (art. 600 of the Italian Criminal Code);
 - Human trafficking (art. 601 of the Italian Criminal Code);
 - Illegal brokering and exploitation of labour (art. 603-*bis* of the Italian Criminal Code);
- Undeclared work (Article 25-*duodecies* of Italian Legislative Decree no. 231/2001)
- Manslaughter or serious or very serious injuries committed in breach of the regulations for the protection of health and safety at work (art. 25-*septies*)
- Market abuse (Article 25-*sexies* of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).
- Environmental crimes (Article 25-*undecies* of Italian Legislative Decree no. 231/2001):
 - Environmental pollution (art. 452-*bis* of the Italian Criminal Code);
 - Environmental disaster (art. 452-*quater* of the Italian Criminal Code);
 - Involuntary crimes against the environment (art. 452-*quinquies* of the Italian Criminal Code);
 - Traffic and abandonment of highly radioactive materials (art. 452-*sexies* of the Italian Criminal Code);
 - Aggravating circumstances (art. 452-*octies* of the Italian Criminal Code);

- Killing, destroying, capturing, taking or keeping specimens of protected wild animal or plant species (art. 727-*bis* of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (art. 733-*bis* of the Italian Criminal Code);
- Criminal penalties (Article 137 of Italian Legislative Decree 152/2006);
- Unauthorized waste management activities (Article 256 of Italian Legislative Decree 152/2006);
- Site reclamation (Article 257 of Italian Legislative Decree 152/2006);
- Breach of reporting obligations, mandatory record keeping and forms (Art. 258 Italian Legislative Decree no. 152/2006);
- Illegal waste trafficking (Article 259 of Italian Legislative Decree 152/2006);
- Organized activities for illegal waste trafficking (Article 260 of Italian Legislative Decree 152/2006, repealed and replaced by Article 452-*quaterdecies* of the Italian Criminal Code);
- Waste tracking computer systems (Article 260-*bis* of Italian Legislative Decree 152/2006);
- Penalties (Article 279 of Italian Legislative Decree 152/2006);
- Discontinuation and reduction of the use of harmful substances (art. 3 Italian Law 549/1993).
- Crimes against cultural heritage (Articles 25-*septiesdecies* and 25-*duodevicies* of Italian Legislative Decree no. 231/2001):
 - Misappropriation of cultural assets (Article 518-*ter* of the Italian Criminal Code)
 - Destruction, dispersion, degradation, defacement, staining, and illicit use of cultural or environmental assets (Article 518-*duodecies* of the Italian Criminal Code);
 - Ransacking and looting cultural and environmental assets (Article 518-*terdecies* of the Italian Criminal Code).

C) Specific control principles

The following are the procedural principles that, in relation to the areas "Production, construction and transport of the transformers and related equipment" and "On-site installation, maintenance and technical assistance of the transformers with Company personnel or using external labourers, also with the overlapping of interventions of one or more contractors" must be implemented in specific company procedures that all Company Representatives are required to comply with:

- the commitment of external collaborators must be requested to comply with the legal obligations regarding the protection of child labour and women, hygiene, health and safety conditions, trade union rights or in any case of association and representation required by the legislation of the country in which they operate, except as provided below;
- the selection of counterparts intended to provide particular services (such as enterprises with a high incidence of unskilled labour), whether partners or suppliers, must be carried out with particular care and on the basis of a specific internal procedure. In particular, the reliability and integrity of such partners or suppliers must be assessed, for the purposes of preventing the Offences referred to in this Special Part, also through specific *ex ante* investigations;
- compliance with the rules of fairness and good behaviour in the working environment must also be verified and, in any case, particular attention must be paid to abnormal working situations;
- should a partner have its headquarters abroad and work is carried out there for TAMINI, the partner must comply with local legislation or, if more stringent, the ILO conventions on the minimum age for access to employment and on the worst forms of child labour ("C138 Convention on the minimum age 20 1973" and "C182 Convention on the worst forms of child labour 1999");
- the site manager who identifies an anomalous management of the personnel used by the partner, is required to immediately inform his/her manager that

he/she will carry out the assessments and will take, where necessary, the appropriate measures;

- the Supervisor monitors access to the construction site, preventing those without the prescribed authorisation from entering;
- contracts with partners and suppliers must contain a specific clause with which they expressly declare to adhere to the principles set out in Model 231 and the Code of Ethics. Furthermore, External Collaborators must declare whether a final conviction for a 231 offence has been pronounced against them and whether criminal proceedings for a 231 offence are pending. PIC must be promptly informed in all cases in which a final judgment of conviction is issued or criminal proceedings are ongoing. The process for awarding the tender or contract can only continue following to opinion provided by PIC, which may request the support of other ALG departments;
- in the event that reports of breaches of the provisions of the Decree are received from its Corporate Representatives and/or external collaborators, TAMINI is required to take the most appropriate initiatives to acquire any useful information in this regard;
- in the event of doubts about the correctness of the conduct of external collaborators, the VB must be promptly informed and, if deemed appropriate, will issue a recommendation to TAMINI's CEO and/or Management Bodies;
- for the purposes of completing and maintaining the works in areas with landscape restrictions, the methods for (i) requesting and managing the relative authorisations, (ii) completing the works in compliance with the requirements issued by the competent authority, as well as those established by the applicable laws, plus the continuous monitoring of compliance with such requirements, and (iii) managing relations with the competent authorities must be defined.

With reference to the Area at Risk "*Relations with public bodies during the implementation/maintenance activities and participation in inspections, investigations and verifications carried out by representatives of the P.A.,*

reporting to, for example, the Local Health Authority, Regional Environmental Protection Agency, Tax Police, Police” it is strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
- engage in conduct that materially impedes the performance of control activities by the Administration through the concealment of documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any case hinders the control activity;

In relation to the aforementioned activity, it is also required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
- have the Company Representatives involved the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;

- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and

the controls and procedures concerning the disclosure of external information, the following provisions must be respected:

- Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
- Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;
 - the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is

carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;

- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;
- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;
 - the timing of communications by the obligated parties;
 - the flow of communications;
 - the scope of the exempt transactions;
 - methods of dissemination of information;
 - the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.
- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.

- Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
- Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
- Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the area at risk "participation in inspections, investigations and verifications carried out by representatives of the P.A.".

XI. Process at risk of crime no. 9: COMMUNICATION AND INSTITUTIONAL RELATIONS

A) Areas of risk and sensitive activities

In relation to the COMMUNICATION and INSTITUTIONAL RELATIONS process the following risk areas and sensitive activities have been identified:

- Applying to receive disbursements (for example grants, subsidies, loans, subsidized loans) from Italian public authorities or from the EU and their use:
 - a) Management of relations with the P.A. for the purpose of obtaining grants/funding;
 - b) submission of the request/application for funding/contribution and the supporting documentation;
 - c) participation in on-site audits by the lending Entity both in the implementation stage and at the end of the activity;
 - d) use of the funds obtained through financing and management of any adjustments/updates of the activity subject of the subsidised contribution/financing contract;
 - e) Reporting of the contribution/subsidised financing.
- Preparation of communications to the public Supervisory Authorities and the management of relations with them:
 - a) Collection and transmission of data, information and documents to the Authorities;
 - b) Management of relations with the Authorities and their offices during inspections and controls.
- Preparation of communications addressed to shareholders or the general public concerning the Company's economic, asset and financial situation, even when these communications differ from the periodic accounting documents (annual financial statements, consolidated financial statements, quarterly and half-yearly reports, etc.).

- Management of relations with the media and in general management of public information (e.g. relations with the Holding's investors, rating agencies, journalists and other representatives of the mass media; organisation and participation in meetings, in any form held, with the parties indicated above).
- Managing corporate giving, courtesies (for example gifts, entertainment and hospitality expenses), and sponsorships:
 - a) Donations and, in general, initiatives of a liberal nature (e.g. gratuitous grants, scholarships, sponsorships, etc.) in favour of natural persons, public and private organisations, scientific societies, foundations and associations;
 - b) Identification of the natural persons, public and private entities, scientific companies, foundations, and associations potentially interested in a certain donation project;
 - c) Receipt of letters requesting donations sent to the company by the interested natural person, public entity and/or scientific company and/or association;
 - d) Communication by the company of the acceptance of the request made, execution of the donation (payment of the sum or share of the asset, etc.) and subsequent feed-back by the beneficiary;
 - e) Operational management of donations.
- Management of the contents of the Company's website and social media.
- Management of privileged information (directly or indirectly) relating to TERNA S.p.A. and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of operations, communications relating to merger/spin off operations and new initiatives of particular

importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.

- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process EXTERNAL RELATIONS, INSTITUTIONAL AFFAIRS, AND SUSTAINABILITY Risk areas	Crimes against the Public Administration Articles 24 - 25		Corporate crimes Article 25-ter		Tax crimes Article 25-quinquiesdecies		Handling stolen goods, money laundering, and using money, assets, or benefits of illegal origin, as well as self-laundering Article 25-octies	Crimes of copyright infringement Article 25-novies	Organized crime, including transnational crime Article 24-ter	Market Abuse Article 25-sexies
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk				
<u>Participation in procedures for obtaining, disbursements, contributions or subsidised loans by Italian or Community public bodies and their tangible use</u>	x					x			x	
<u>Preparation of communications to the public Supervisory Authorities and the management of relations with the same</u>	x		x						x	
<u>The preparation of notices addressed to shareholders or to the general public regarding the Company's assets or its economic and financial position</u>		x	x			x			x	
<u>The management of relations with the media and public information management in general</u>		x	x						x	x
<u>Management of corporate giving, donations and sponsorship activities</u>	x		x			x	x		x	
<u>Management of the contents of the Company's website and social media</u>		x		x		x		x	x	
<u>Managing insider information</u>									x	x
<u>Management of relations with certification bodies</u>		x	x						x	

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Extortion (art. 317, art. 110 of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Aggravated fraud to obtain public disbursements (art. 640-*bis*, subsection 2, of the Italian Criminal Code);
 - Misappropriation to the detriment of the State (art. 316-*bis* of the Italian Criminal Code);
 - Undue receipt of disbursements to the detriment of the State (art. 316-*ter* of the Italian Criminal Code).
- Corporate crimes (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - False corporate communications (art. 2621 Italian Civil Code);
 - Minor events (art. 2621-*bis* of the Italian Civil Code);
 - False corporate communications of listed companies (art. 2622 of the Italian Civil Code);

- Corruption between individuals and incitement (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code);
- Stock manipulation (art. 2337 Italian Civil Code);
- Obstacle to the exercise of the functions of public supervisory authorities (art. 2638 of the Italian Civil Code).
- Tax crimes (Article 25-*quinqüesdecies* of Italian Legislative Decree no. 231/2001):
 - Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);
 - Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
 - Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree no. 74/2000).
- Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-*octies* Italian Legislative Decree no. 231/2001):
 - Receiving (art. 648 of the Italian Criminal Code);
 - Recycling (art. 648-*bis* of the Italian Criminal Code);
 - Use of money, goods or other benefits of unlawful origin (art. 648-*ter* of the Italian Criminal Code);
 - Self-laundering (art. 648-*ter*.1 of the Italian Criminal Code).
- Crimes relating to copyright infringement (Art. 25-*novies* Italian Legislative Decree no. 231/2001):
 - Making available to the public, in a system of telecommunications networks, through any type of connection, intellectual property or part of the same (art. 171, subsection one, letter a-*bis*, Italian Law 633/1941);
 - The crimes included in Article 171, committed on third-party works not intended for publication, where the honour and reputation of the third party is harmed (Article 171, section three, of Italian Law 633/1941);

- Unauthorised duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programs contained in media not labelled by the SIAE (Italian Authors and Publishers' Society); preparation of means to remove or circumvent protection devices for computer programs (art. 171 *bis*, subsection 1, Italian Law 633/1941);
- Reproduction, transfer on other media, distribution, communication, presentation or demonstration in public, of the content of a database; extraction or reuse of the database; distribution, sale or lease of databases (art. 171 *bis*, subsection two, Italian Law 633/1941).
- Organized crime (Article 24-ter of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Market abuse (Article 25-sexies of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation);
 - Market manipulation (art. 185 Italian Consolidated Law on Financial Intermediation).

C) Specific control principles

With regard to the "Application to obtain disbursements (for example grants, subsidies, loans, subsidized loans) from Italian public authorities or from the EU and their use" Risk Area, it is mandatory to:

- make statements containing truthful data and information;
- issue, in the case of obtaining the same, a special report;
- ensure that documents, requests and formal communications addressed to the P.A. are managed and initialled only by persons previously identified and authorised by the Company;
- prohibit the allocating amounts received as public funding for purposes other than those for which they were intended. In particular, those who carry out control functions on the obligations related to the performance of the

aforementioned activities must pay particular attention to them and immediately report any situations of irregularities to the VB;

- ensure that the involvement of third parties as consultants is governed by a specific contract and includes *ad hoc* contractual clauses aimed at guaranteeing the commitment to respect the principles contained in the Code of Ethics, the Model and the Anti-Bribery Guidelines.

In the Area at Risk "Preparation of notices to Public Supervisory Authorities and managing relations with such bodies (CONSOB, the Italian Stock Exchange, ARERA, AGCOM, etc.)", it is necessary to pay particular attention to respect for:

- the provisions of the law and the regulations concerning the communications, periodic and not, to be sent to the mentioned Authorities;
- the obligations to transmit to the aforementioned Authorities the data and documents provided for by the regulations in force or specifically requested by the aforementioned Authorities (e.g.: financial statements and minutes of corporate bodies' meetings);
- the obligations of cooperation to be provided in the course of any inspections, in compliance with the procedures for the management and control of communications to public supervisory authorities adopted by the Holding and implemented by the Company.

The procedures to be observed to ensure compliance with the provisions of the previous point must comply with the following criteria: a) all the organisational-accounting interventions necessary to ensure that the process of acquisition and processing of data and information ensures the correct and complete preparation of the communications and their timely sending to the Public Supervisory Authorities, pursuant to the methods and times provided for by sector regulations; b) adequate evidence of the procedures followed in implementation of the requirements of the previous point must be given, with particular reference to the identification of the managers who have proceeded to the collection and processing of the data and information provided for therein; c) adequate collaboration by the competent company structures must be ensured,

in the case of inspections carried out by the Authorities in question. In particular, from time to time for each inspection ordered by the Authorities, a person in charge of ensuring the coordination between the employees of the different company structures for the purpose of the correct performance by the latter of the activities of their competence must be identified by the company. This manager also has the task of ensuring coordination between the various competent corporate offices and the officials of the Authorities, for the purposes of the acquisition by the latter of the required elements; d) the person in charge referred to in the previous letter c) will prepare specific information on the investigation initiated by the Authority, which must be periodically updated in relation to the developments of the investigation itself and its outcome; this information must be sent to the VB as well as to the other competent corporate structures in relation to the subject.

With reference to the "Preparing notices addressed to shareholders or to the general public regarding the Company's assets or its economic or financial position, even if different from periodic accounting documents (financial statements, consolidated financial statements, quarterly and half-yearly reports, etc.)" Risk Area, TAMINI complies with the following specific controls:

- acquisition - where verification is not possible because the data to be used in the prospectus originate from external sources - of a statement of veracity from the persons from whom the information originates;
- verification of the suitability on a professional level of the persons responsible for the preparation of such documents;
- obligation for each company, when collecting the elements necessary for the preparation of prospectuses, to issue a declaration of truthfulness, correctness, accuracy and completeness with regard to the information and data provided;
- carrying out, prior to the commencement of the works for the preparation of the prospectus, an appropriate training programme for all persons involved in the activity in question, aimed at making them aware of the relevant legislation in force and of the concrete cases constituting the offence of false prospectus, as well as at providing adequate support and technical

information for the purposes of carrying out the activities falling within their competence.

In the "Managing relations with the media and in general management of public information" Risk Area, TAMINI complies with the following specific control principles:

- Company Representatives shall provide clear, prompt and consistent information over time that must be shared with top management with the support of several departments.
- unless expressly authorised, the Company Representatives undertake not to express opinions, make statements or provide information to the media on behalf of TAMINI outside of the established channels and methods.
- the organisation of corporate events dedicated to the media is regulated in such a way as to avoid the offer of gifts or forms of entertainment that may influence the objectivity of judgement and the independence of the participating media;
- contacts with Company Representatives and rating agencies and must be limited to exchanging information necessary — based on the agreed contractual provisions — to fulfil the engagement, avoiding any behaviour potentially capable of undermining their independence.
- referring specifically to issuing press releases about insider information, the following controls are in place: (i) involvement, on the part of the requesting department, of the company department responsible for managing external communications for drafting press releases; (ii) prior sharing of draft press releases by the corporate department responsible for managing external communications with the requesting department as well as with the parties to which the information pertains; (iii) tacking of any comments made to draft press releases; (iv) provision of the requirement to have top management approve press releases before they can be published.

With regard to the "Managing corporate giving, courtesies (for example gifts, entertainment and hospitality expenses), and sponsorships" Risk Area, TAMINI complies with the following specific control principles:

- it is prohibited to distribute and/or receive gifts or presents or grant other benefits of any kind, outside of what is provided for in the company policies. In particular, any gift - made on one's own initiative or as a result of solicitation - to Italian or foreign public officials or persons in charge of a public service (including in those countries where the giving of gifts is a widespread practice) or to their relatives, which may influence the independence of judgement or induce them to secure any advantage for the Company, is prohibited. Permitted donations must always be characterised by their low value or because they are intended to promote social, environmental, humanitarian and cultural initiatives or the brand image of the Group. Gifts offered and received must be properly documented in compliance with the procedures.
- Corporate officers are required to: a) carry out preventive checks on the honourableness of the beneficiaries of donations and recipients of sponsorships; b) keep traceability of the authorisation processes for the granting of contributions, guaranteeing collegiality of decisions on the matter c) where possible, verify that the funds paid by way of charitable contributions have been used for the intended purposes; d) annually inform the VB on corporate giving, donations, sponsorships carried out during the reference period; e) verify ex post the effectiveness of the service provided in the context of corporate giving activities.

With reference to the "Managing the Company's website and social media content" Risk Area, TAMINI complies with the following specific control principles:

- implementation of the various safeguards relating to cybersecurity in relation to:
 - user profile management and accounting system access restriction;
 - management and protection of networks;
 - physical and logical security management;
 - development, maintenance and testing of the IT continuity plan;
- access restrictions to the accounting system only for authorised personnel belonging to the Administration function;

- adoption of different levels of ratings, defined on the basis of the tasks performed;
- traceability through logs of the activities carried out by the users in the SAP accounting system;
- performing periodic back-ups, in order to reduce the risk of data loss.

It is also strictly forbidden to:

- illegally access the Company's computer or telecommunications system in order to alter and/or delete data or information;
- altering/tampering with/damaging the operation of information or telecommunications systems in order to procure an advantage or interest for the Company;
- unlawfully intervene in any way on data, information or computer programs, for the sole purpose of procuring an advantage or interest for the Company;
- connect personal computers, peripherals and other equipment to the Company's IT systems or install software without prior authorisation from the identified company manager;
- change the software and/or hardware configuration of fixed or mobile workstations if not provided for by a company rule or, in other cases, if not expressly and duly authorised;
- acquire, possess or use software and/or hardware tools – except for duly authorised cases or in cases where such software and/or hardware are used for monitoring the security of company information systems – which could be used abusively to evaluate or compromise the security of information or telecommunication systems (systems for identifying credentials, identifying vulnerabilities, decrypting encrypted files, intercepting traffic in transit, etc.);
- obtain access credentials to company, customer or third party computer or telecommunication systems, with methods or procedures different from those authorised by TAMINI for such purposes;
- disclose, transfer or share with personnel, internal or external to TAMINI, and other Group Companies their credentials for access to the company's systems and network, customers or third parties;
- unauthorised access to a computer system belonging to others - that is to say, in the possession of other Employees or third parties - as well as access

thereto for the purpose of tampering with or unlawfully altering any data contained therein;

- tampering with, stealing or destroying company, customer or third party computer assets, including archives, data and programs;
- exploit any vulnerabilities or inadequacies in the security measures of the company's or third party's computer or telecommunication systems, in order to gain access to resources or information other than those to which one is authorised to have access, even if such intrusion does not result in damage to data, programs or systems;
- acquire and/or use copyrighted products in breach of the contractual protections envisaged for the intellectual property rights of others;
- illegally accessing the Company's website in order to tamper with or unlawfully alter any data contained therein, or in order to enter data or multimedia content (images, infographics, videos, etc.) in breach of copyright laws and applicable company procedures;
- communicate to unauthorised persons, internal or external to the Company, the controls implemented on the information systems and the methods by which they are used;
- disguising, obscuring or substituting one's identity and sending e-mails bearing false identities or intentionally sending e-mails containing viruses or other programs capable of damaging or intercepting data;
- spamming as well as any response to it;
- sending through a company computer system falsified or, in any way, altered information or data.

Regarding the "Managing insider information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;

- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:
 - Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.
 - Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the "persons in charge");

- the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;
 - the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the

management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;

- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by "relevant persons" must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties ("relevant parties") and of the "closely associated persons";
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;
 - the timing of communications by the obligated parties;
 - the flow of communications;
 - the scope of the exempt transactions;
 - methods of dissemination of information;
 - the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these measures are breached in such a way as to make it necessary to disclose insider information to the public.
- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).

- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.
- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.
 - Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the area at risk "participation in inspections, investigations and verifications carried out by representatives of the P.A."

XII. Process at risk of crime no. 10: Health, Safety, and Environment (“HSE”)

In relation to the HSE process two sub-processes have been identified:

- 1) management of health and safety requirements at work;
- 2) management of environmental requirements.

A) Areas of risk and sensitive activities

In relation to the sub-process **1) “*managing occupational health and safety requirements*”**, it should be noted that serious and very serious injury and manslaughter committed in violation of the rules on occupational health and safety could, theoretically, be committed in all cases in which there is, within the company, a breach of obligations or requirements relating to occupational health and safety.

Therefore, any breach of Italian Legislative Decree 81/2008 could give rise to the Company being liable under the Decree. Having clarified this, the following risk areas and sensitive activities have been identified:

- Requirements established by Italian Legislative Decree 81/2008 in relation to occupational health and safety, in particular, for example:
 - a) determination of health and safety policies at work aimed at defining the general commitments made by TAMINI for prevention of risks and progressive improvement of health and safety;
 - b) identification and correct application of the requirements of the applicable laws and regulations on safety at work;
 - c) identification and assessment of risks for all categories of Workers, with particular reference to: - drafting of the Risk Evaluation Document for each Production Unit of the TERNA Group; - procurement contracts, services and supplies; - assessment of the risks related to interference through the single document on the assessment of risk from interference (so-called DUVRI); - Safety and Coordination Plans, Work File and Operational Safety Plans;

- d) setting objectives aligned with the general commitments defined in the policies referred to in point a) and creating programmes for achieving these objectives, as well as defining the relative priorities, timing and allocation of the respective responsibilities — also allocating the necessary resources — with particular reference to: - distributing tasks and duties;
- the activities of the Prevention and Protection Service, the Company Doctor, and the Referring Doctor;
 - the work of all the individuals involved responsible for implementing Employee health and safety measures;
- e) awareness of the company structure, at all levels, in order to guarantee the achievement of the objectives set also through programming of training plans with particular reference to: - monitoring, frequency, use and learning; - differentiated training for subjects exposed to specific risks;
- f) implementation of adequate monitoring, verification and inspection activities in order to ensure the effectiveness of the aforementioned health and safety management system, in particular with regard to: - maintenance and improvement measures; - management, rectification and inhibition of conduct in breach of the rules, relating to disciplinary measures; - consistency between the activity carried out and the skills possessed;
- g) implementation of the necessary corrective and preventive actions depending on the monitoring results;
- h) carrying out a periodic review by the company management in order to assess the effectiveness and efficiency of the management system for occupational safety and health protection in achieving the set objectives, as well as the adequacy of the latter with regard to both the specific situation of TAMINI and any changes in the activity;
- i) management of the activities entrusted to contractors within the scope of the above-mentioned activities.

- International Travel Security: management of the "Country-Risk" relating to the safety of TAMINI and/or external personnel who work abroad on behalf of the same company both permanently and occasionally;
- Participation in inspections, investigations and verifications carried out by representatives of the P.A., reporting, for example, to the Local Health Authority, Regional Environmental Protection Agency, Tax Police:
 - a) Management of the visit;
 - b) Contacting PA representatives;
 - c) traceability of the documentation/information delivered and verification of completeness;
 - d) Formalisation of inspection findings.
- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process HSE Sub-process: OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS Risk areas	Crimes against the Public Administration		Corruption between individuals		Homicide and personal injury	Organized crime, including transnational crime
	Articles 24 - 25		Article 25-ter		Article 25-septies	Article 24-ter
	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk		
<u>Requirements established by Italian Legislative Decree 81/2008 in relation to occupational H&S</u>	x				x	x
<u>International Travel Security: management of the "Country-Risk" relating to the safety of TERNIA and/or external personnel who work abroad on behalf of the same company both permanently and occasionally</u>	x				x	x
<u>Participating in inspections, investigations, and checks performed by Public Administration officials</u>	x					x
<u>Management of relations with certification bodies</u>		x	x			

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code).
- Corporate crimes (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006).
- Manslaughter or serious or very serious injuries committed in breach of the regulations for the protection of health and safety at work (art. 25-*septies*).

C) Specific control principles

With regard to the Area at Risk "Obligations established by Italian Legislative Decree 81/2008 on H&S" and "International Travel Security: management of At-Risk countries to ensure the safety of TAMINI and/or external personnel who work abroad on behalf of the company on a regular or occasional basis", TAMINI has adopted a health and safety management system that fully complies with the requirements of Article 30 of Italian Legislative Decree 81/2008. As proof of this, the same system **has been certified pursuant to the UNI ISO 45001:2018 standard** for the management of health and safety at work. The same art. 30 subsection 5 establishes, in fact, that: "*At the time of first application, the business organisation models defined in compliance 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 corresponding parts***"

Having clarified the above, in carrying out their respective activities/functions, in addition to the rules referred to in this Model, the Company Representatives are generally required to comply with all the rules and principles contained in the following documents, for the parts concerning them:

- Company Organisation Chart;
- Risk Evaluation Document with the related supplementary documents for each TAMINI Production Unit;
- Safety and environment improvement plan;
- Quality, Environment and Safety at Work and Health Protection Manual "MQAS";
- Adopted procedures regarding occupational health and safety, concerning, for example: a. the assessment of risks to occupational safety and the protection of health; b. occupational health and safety management; c. safety management at temporary or mobile sites and monitoring activities; d. health surveillance for the protection of occupational health and safety; e. management and production of the IRAD; f. procurement management; g. incident management; h. near-miss management;

- Procedures on the Organisation of Health and Safety at work in activities abroad.

Moreover, the occupational health and safety policy adopted by TAMINI must be a fundamental reference for all Company Representatives and for all those outside TAMINI who have relations with it.

This policy must be applied to all the activities carried out by TAMINI and must aim to set out the principles which inspire every company action and which everyone must adhere to in relation to their role and responsibilities within TAMINI, with a view to protecting the health and safety of all workers.

Based on the aforementioned policy, TAMINI will, therefore, have to carry out its activities pursuant to the following specific procedural principles:

- making the entire company organisation responsible, from the Employer to each of the Workers in the management of the occupational health and safety system, each for his or her own attributions and competences, in order to avoid prevention activities being considered the exclusive competence of certain subjects with a consequent lack of active participation by certain Company representatives;
- commitment to consider the health and safety system as an integral part of company management, the knowledge of which must be guaranteed to all Company representatives;
- commitment to continuous improvement and prevention;
- commitment to provide the necessary human and instrumental resources, evaluating the appropriateness of investments for new facilities, and considering in this evaluation, in addition to the economic and financial aspects, also those related to the safety and health protection of Workers;
- commitment to ensure that each Company Representative, within the limits of their respective powers, is sensitised and trained to perform their duties in compliance with the rules on the protection of health and safety at work;
- commitment to the involvement and consultation of the Workers, also through its Workers' Health and Safety Representative; in particular,

TAMINI defines appropriate methods to implement the involvement of the Workers, also through its Workers' Health and Safety Representative, to implement the preventive consultation on the identification and assessment of risks and the definition of preventive measures as well as periodic meetings with them;

- commitment to promote collaboration with the Competent Authorities (e.g., INAIL, ASL, etc.) in order to establish an effective communication channel aimed at the continuous improvement of performance in terms of safety and protection of the health of the Workers;
- commitment to constantly monitor the situation of company accidents in order to ensure control, identify critical issues and related corrective/training actions;
- commitment to define the guidelines and organisational methods of the safety management system in compliance with the British Standard;
- commitment to define and disseminate within TAMINI the OSH objectives and relevant implementation programmes;
- commitment to a periodic review of the health and safety policy adopted and the related management system implemented in order to guarantee their constant adequacy to TAMINI's organisational structure;
- compliance with legal technical-structural standards relating to equipment, plants, workplaces, chemical, physical, biological and carcinogenic agents;
- supervision with reference to the respect of the procedures and work instructions safely by the workers.

Having clarified the above, for every requirement included in Article 30 of Italian Legislative Decree 81/2008 (aka the Safety Decree), we will now illustrate the activities carried out by TAMINI in this regard.

D) The occupational health and safety management system in accordance with Article 30 of Italian Legislative Decree 81/2008

D.1.) Article 30, sections a) and b), of Italian Legislative Decree 81/2008

Article 30, sections a) and b), of Italian Legislative Decree 81/2008 provides that the Model may be exempt if compliance is ensured with regard to all legal obligations related to:

- a) compliance with legal technical-structural standards relating to equipment, plants, workplaces, chemical, physical and biological agents;*
- b) the risk assessment activities and the preparation of the consequent prevention and protection measures.*

Prior to the definition of specific objectives in the field of health and safety at work, TAMINI must, therefore, correctly identify the requirements required in this context by community, national, regional and local laws and regulations, also in order to ensure a correct preparation and implementation of the system for the management of the health and safety of workers.

Therefore, the Occupational Health and Safety Officer, in order to harmonise the behaviours within the scope of their competence:

- analyse every aspect of health and safety regulated by the legislator, using any existing databases, documents from Entrepreneurial associations, trade unions, etc.;
- identify the regulatory provisions affecting TAMINI, based on the activity carried out by each Production Unit;
- proceed to the identification of the requirements and obligations deriving from compliance with these rules applicable to the activity carried out by TAMINI;
- report such requirements and fulfilments in a specific list.

In order to implement the above policy, TAMINI, as part of the planning process of the health and safety objectives:

- defines the objectives aimed at maintaining and/or improving the system;
- prepares a plan for the achievement of each objective, the identification of the figures/structures involved in the implementation of the aforementioned plan and the attribution of the related tasks and responsibilities;
- defines the resources, including economic, necessary;
- provides for the methods for verifying the effective and efficient achievement of objectives.

D.2.) Article 30, section c), of Italian Legislative Decree 81/2008

Article 30, lett. c) requires that the Model must also ensure *the fulfilment of all the relevant legal obligations: (...) organisational **activities**, such as emergencies, first aid, procurement management, periodic safety meetings, consultations with workers' safety representatives.*

Moreover, Section 3 of Article 30, furthermore, provides that *the organisational model must in any case provide, as required by the nature and size of the organisation and the type of activity carried out, an articulation of functions that ensures the technical skills and powers necessary for the verification, assessment, management and control of risk, as well as a disciplinary system suitable for punishing non-compliance with the measures indicated in the model.*

In the definition of the organisational and operational tasks of the company management, Managers, Supervisors and Workers, those relating to the safety activities for which they are responsible, as well as the responsibilities connected to the exercise thereof and the inspection, verification and surveillance tasks in the field of OSH, must also be made explicit and made known.

Furthermore, the names of the Occupational Health and Safety Officer and Prevention and Protection Services Officer, the emergency management staff, as well as the tasks and responsibilities of the Occupational Physician must be documented and disclosed at all company levels. Below are the obligations that, in implementation of the principles described above and the applicable regulations, are placed on the relevant persons.

The Employer

The Employer of each TAMINI Production Unit is entrusted with all occupational health and safety obligations, including the following non-delegable ones:

- 1) *assess*, also in the selection of work equipment and the chemical substances or preparations used, as well as in the arrangement of the workplace, *all risks for the safety and health of the Workers*, including those related to groups of Workers exposed to particular risks, including those related to stress-related work, as well as those relating to groups of Workers exposed to particular risks (for example, risks related to gender differences, age, origin from other countries); in this regard, in the choice made, the Employer must ensure compliance with the structural technical standards provided for by law, and *prepare*, upon the outcome of this assessment, a **Risk Assessment Document**. The aforementioned document must be dated or, alternatively, attested by its signature by the persons indicated by the Safety Decree (i.e., the Employer, as well as, for the sole purpose of proof of the date, the Occupational Health and Safety Officer, the Workers' Health and Safety Representative and the Occupational Physician, where appointed) and must be kept at the Production Unit, to which the risk assessment refers, or on computer support in compliance with the procedures envisaged by the Safety Decree. The Risk Assessment Document must contain:

- a report on the risk assessment for health and safety at work, specifying the criteria adopted for the assessment; these criteria must be simple, brief and comprehensible, so as to ensure their completeness and suitability as an operational tool for planning company interventions and prevention;
- the indication of the prevention and protection measures implemented and the individual protection equipment adopted as a result of the aforementioned risk assessment;
- the programme of measures deemed appropriate to ensure the improvement of safety levels over time;

- the identification of the procedures for the implementation of the measures to be carried out as well as the roles of the company organisation that must provide them;
- the indication of the name of the Workers' Health and Safety Representative, the Occupational Health and Safety Officer and the Occupational Physician that participated in the risk assessment;
- the identification of tasks that may expose Workers to specific risks that require recognised professional skills, specific experience, appropriate education and training. The assessment and drafting of the document must be carried out in cooperation with the Occupational Health and Safety Officer and the Occupational Physician.

The risk assessment is subject to prior consultation with the Workers' Health and Safety Representative, and must be carried out again - within the terms provided for by the Safety Decree - on the occasion of significant changes in the production process or work organisation for the purposes of the health and safety of the Workers or in relation to the degree of evolution of the technique, prevention and protection, following significant accidents or when the results of the Health Surveillance highlight the need;

2) Appoint the Prevention Service Manager.

The Employer is assigned numerous other tasks delegable by the same to qualified persons.

These tasks, provided for in the Health and Safety Decree, regard, among other things, the power to a) appoint the Competent Doctor for performing the Health Surveillance, b) designate in advance the workers appointed to implement fire prevention and firefighting measures, evacuation of the workplaces in the event of serious and immediate danger, rescue, first aid and, in any case, emergency management, c) provide workers with the necessary and suitable personal protection equipment, after consulting the RSPP and the Competent Doctor, d)

take appropriate measures so that only workers who have received adequate instructions and specific training have access to the areas that expose them to a serious and specific risk, e) meet information, training and coaching requirements pursuant to the next paragraph, f) communicate to INAIL, in relation to the respective responsibilities, for statistical and information purposes (and, through it, to the national information system for prevention in the workplace - SINP), the data related to injuries in the workplace that entail an absence from work of at least one day, excluding the day of the event, g) call the periodic meeting pursuant to Article 35 of the Health and Safety Decree, h) update the prevention measures in relation to organizational and production changes which are significant for occupational health and safety purposes or in relation to the degree of evolution of prevention and protection techniques, i) provide for an adequate supervisory system on observance of the procedures and safety measures by the workers, identifying within their Production Unit specific figures responsible for this, l) adopt disciplinary measures, in compliance with contractual and legislative provisions, for employees that fail to comply with prevention measures and safety procedures, thus creating a real or potential threat to their own safety or the safety of others.

In relation to these tasks, and to any other task entrusted to the Employer that may be delegated by the latter pursuant to the Safety Decree, with the exception of the tasks referred to in art. 17 of the Safety Decree, the aforementioned delegation pursuant to Article 16, which must be given adequate and timely publicity, is permitted subject to the following limits and conditions:

- it results from a written document with a certain date;
- the delegate possesses all the requirements of professionalism and experience required by the specific nature of the delegated functions;
- it grants the delegate all the powers of organisation, management and control required by the specific nature of the delegated functions;
- it grants the appointed person the autonomy of expenditure necessary to perform the delegated functions;
- the proxy is accepted by the appointed person in writing.

Each Manager may, in turn, after agreement with the delegating Employer, delegate specific workplace health and safety functions under the same conditions as above. Such delegation of functions does not exclude the obligation of supervision on the part of the delegating party with regard to the proper performance of the functions transferred. The person to whom this proxy is conferred cannot, in turn, delegate the delegated functions. For more detailed information on the formalisation of the aforementioned proxies, the persons to whom they may be conferred, and the powers normally delegated, please refer to the organisational procedures adopted by the Company.

In order to ensure that the corporate safety model to be implemented is synergistic and participative, the Employer shall give the Prevention and Protection Service and the Company Doctor information regarding a) the nature of the risks b) the organization of work and the planning and implementation of preventive and protective measures c) the description of plants and production processes, d) accidents and occupational illnesses, e) the measures undertaken by vigilance bodies.

The Employer – or, in the case of delegation of functions, its delegate – must supervise the fulfilment of the obligations that, based on the provisions of the Safety Decree, are the responsibility of: i) Manager ii) Supervisor iii) Workers iv) Occupational Physician, in addition to v) Designers iv) Manufacturers vii) Suppliers Installers and without prejudice to the ‘Obligations related to tender or works contracts or supply contracts’ (pursuant to art. 26 of Italian Legislative Decree 81/2008).

Prevention and Protection Service (PPS)

In fulfilling the obligations regarding health and safety at work, the Employer organises the Prevention and Protection Service within the company or appoints external persons or services, ensuring that the Prevention and Protection Services Officers and the Occupational Health and Safety Officers, appointed by the same, are in possession of the skills and professional requirements referred to in art. 32 of the Safety Decree.

The Occupational Health and Safety Officer shall:

- identify risk factors, assess risks and identify measures for the safety and health of the working environments, in compliance with current regulations based on the specific knowledge of the corporate organisation;
- elaborate, to the extent of their competence, the preventive and protective measures pursuant to art. 28 of the Safety Decree and the control systems of these measures;
- elaborate the safety procedures for the various company activities;
- propose information and training programmes for employees;
- participate in the consultations on the protection of health and safety at work as well as organise "periodic meetings for prevention and protection from risks" referred to in art. 35 of the Safety Decree;
- provide Workers with any information regarding the protection of occupational health and safety that may be necessary.

Should the Occupational Health and Safety Officer or the Prevention and Protection Services Officer of each Production Unit verify the existence of any critical issues in the implementation of the recovery actions prescribed by the Employer, the Occupational Health and Safety Officer involved must immediately notify the VB.

Any replacement of an Occupational Health and Safety Officer must also be communicated to the VB with the express indication of the reasons in support of such decision.

The Occupational Physician

The Occupational Physician shall, inter alia:

- collaborate with the employer and the Prevention and Protection Service in risk assessment, also for the purposes of planning, where necessary, Health Surveillance, in preparing the implementation of measures for the protection of the health and psychophysical integrity of workers, in training and information activities for them, for the part falling within its competence, and in organising the first aid service, taking into account

the particular types of work and exposure and the specific work organisation methods;

- plan and carry out Health Surveillance;
- establish, update and keep under its responsibility a health and risk file for each of the Workers subject to Health Surveillance;
- provide information to the Workers on the meaning of the health checks to which they are subjected and inform them of the related results;
- at the meetings held pursuant to Article 35 of the Safety Decree, provides written reports regarding the anonymous collective results of health surveillance that has been carried out and explains the meaning of these results in light of implementing measures to protect Employee health and psychological and physical well-being;
- visit workplaces at least once a year or at different intervals based on the risk assessment;
- participate in the planning of the control of the exposure of the Workers whose results are provided in a timely manner for the purposes of risk assessment and Health Surveillance.

The Workers' Health and Safety Representative (RLS)

is the person elected or appointed, in compliance with the provisions of the relevant trade union agreements, to represent the Workers for health and safety aspects at work. He/she receives, by the Employer or his/her proxy, the envisaged specific training on health and safety.

Inter alia, the Workers' Health and Safety Representative:

- accesses the workplace;
- is consulted in advance and in a timely manner on the risk assessment and the identification, planning, implementation and verification of preventive measures;
- is consulted on the designation of the Occupational Health and Safety Officer, Prevention and Protection Services Officer and those in charge of the implementation of the emergency and first aid measures and the Occupational Physician;

- is consulted on the organisation of training activities;
- promotes the development, identification and implementation of appropriate prevention measures to protect the health and psychophysical integrity of Workers;
- participates in the "periodic meeting for prevention and protection from risks" pursuant to art. 35 of the Safety Decree;
- receives information and company documentation relating to the risk assessment and the related prevention measures and, where requested and for the performance of his/her function, copies of the Risk Evaluation Document and the single document on the assessment of risk from interference (so-called DUVRI).

The Workers' Health and Safety Representative has the time necessary to carry out the assignment, without loss of remuneration, as well as the means necessary for the exercise of the functions and powers granted to him; he may not be prejudiced in any way by the performance of his/her activity and the same protections provided by law for trade union representatives apply to him/her.

The Client

The Client, inter alia:

- complies, in the planning phase of the work and in particular at the time of the technical, architectural and organisational choices and when predicting the duration of the works, with the principles and general measures of protection pursuant to article 15 of the Safety Decree (general measures for the protection of the health and safety of workers);
- takes into consideration, in the design phase of the works, the Safety and Coordination Plan and the Work Dossier;
- prior to the assignment of the works, where necessary, designates the Design Coordinator after verifying the possession of the requirements pursuant to art. 98 of the Safety Decree. The designation must be formalised in writing;
- verifies the fulfilment of the obligations by the Design Coordinator;

- prior to the assignment of the works, where necessary, designates the Coordinator for the Execution of the Works. The designation must be formalised in writing;
- communicates to all contractors, contracting companies and self-employed workers the name of the Planning Coordinator and that of the Work Execution Coordinator;
- verifies the technical-professional suitability of the entrusting companies, of the executing companies and of the self-employed workers in relation to the works to be entrusted, also through registration with the Chamber of Commerce, Industry and Handicraft and the single document of contributory regularity accompanied by self-certification regarding the possession of the requirements set out in Annex XVII of the Safety Decree.

In any case, the appointment of the Project Coordinator and of the Works Coordinator does not relieve the Client (or the Works Manager) from responsibilities linked to verifying the fulfilment of obligations under Article 91, section 1, 92, section 1 parts a), b), c), d) and e) of the Health and Safety Decree.

The Project Manager

Is the person that may be appointed by the Client/Employer to perform the tasks attributed to the same by Italian Legislative Decree 81/2008, as amended. The responsibilities entrusted to the Project Manager are distinguished between the person in charge of the process during the planning phase, the person in charge of the process during the assignment phase and the person in charge of the process during the execution phase.

The Design Coordinator

The Design Coordinator, who must possess the professional requisites required by the Safety Decree, inter alia:

- draws up, during the design phase of the works and in any case before the request for submission of tenders, the Safety and Coordination Plan;

- prepares the Work Dossier containing the information useful for prevention and protection from the risks to which the Workers are exposed.

The Coordinator for the Execution of the Works

Inter alia, the Coordinator for the Execution:

- verifies, with appropriate coordination and control activities, the application by the executing companies and the self-employed, of the provisions of their relevance contained in the SCP, where applicable, and the correct application of the related work procedures;
- verifies the suitability of the OSP, to be considered as a complementary detailed plan of the SCP, ensuring its consistency with the latter, where provided for, adapts the SCP and the Work File in relation to the evolution of the works and any changes made, evaluating the proposals of the contractors aimed at improving safety at the Construction Site, verifies that the contractors adapt, if necessary, their respective OSPs;
- organises between the Employers, including self-employed workers, the cooperation and coordination of activities as well as their mutual information;
- verifies the implementation of the provisions of the agreements between the social partners in order to achieve coordination between the Workers' Health and Safety Representatives aimed at improving safety at the Construction Site;
- informs the Client and the Project Manager, where appointed, after written notification to the companies and the self-employed workers concerned, of the non-observance of the obligations of the self-employed workers, of the Employers of the executing companies and of the respective Managers and Supervisors pursuant to arts. 94, 95, 96 and 97 subsection 1 of the Safety Decree, as well as to the prescriptions of the SCP, where applicable, and proposes the suspension of the works, the removal of the executing companies or the Self-employed Workers from the Construction Site or the termination of the relative contract, notifying the VB. In the event of non-intervention by the Client or the Project Manager, the Work

Execution Coordinator communicates the non-compliances to the Local Health Authority and to the competent Provincial Labour Directorate;

- suspends, in the event of a directly observed serious and imminent danger, individual works until it has been verified that the undertakings concerned have made the necessary adjustments.

Workers

It is the responsibility of each Worker to take care of his or her own safety and health and that of other persons present in the workplace on whom the effects of his or her actions or omissions may fall, in relation to the training and instructions received and the equipment provided.

Workers must, in particular:

- comply with the provisions and instructions given by the Employer, Managers and Supervisors, for the purposes of collective and individual protection;
- correctly use machinery, equipment, tools, dangerous substances and preparations, means of transport and other work equipment, as well as safety devices;
- make appropriate use of the protective equipment made available to them;
- immediately report to the Employer, Manager or Supervisor any deficiencies in the means and devices referred to in the preceding points, as well as any other dangerous conditions of which they become aware, taking direct action, in case of urgency, within the scope of their powers and possibilities, to eliminate or reduce such deficiencies or dangers, and informing the Workers' Safety Representative thereof;
- not remove or modify safety, signalling or control devices without authorisation;
- not to carry out, on their own initiative, operations or manoeuvres that are not within their competence or that may jeopardise their own safety or that of other Workers;
- participate in the training programs organised by the Employer;

- undergo the health checks provided for them;
- contribute, together with the Employer, Managers and Supervisors, to the fulfilment of all obligations imposed by the competent authority or otherwise necessary to protect the safety and health of Workers while at work.

Workers of companies that carry out activities for TAMINI under contract and subcontract must display a specific identification card.

Designers, Manufacturers, Suppliers and Installers

The designers of the places, workplaces and plants are required to comply with the general principles of prevention in the field of health and safety at work at the time of design and technical choices and are also required to use machinery and protective devices that meet the essential safety requirements provided by current laws and regulations.

Manufacturers and Suppliers sell, rent and grant personal protective equipment, systems and devices in use that comply with the laws and regulations in force on occupational health and safety and product approval.

The installers and assemblers of systems, work equipment or other technical means, for the part of their competence must comply with the rules on health and safety at work, as well as the instructions provided by the respective manufacturers.

Tender management

The following principles must be observed in contracts for work or supply contracts and supplemented with the relevant existing company procedures.

The Employer, when entrusting works, services and supplies to the contractor or to self-employed workers within the company or production Unit, in compliance with company procedures, and provided that it has the legal availability of the places where the contract or self-employment is carried out, is called upon to:

- verify, with the support of the Issuing Units concerned, the technical-professional qualifications of the contracting companies or self-employed workers in relation to the activities to be contracted out;
- make available to contractors detailed information regarding the specific risks present in the work environments and regarding the prevention and emergency measures adopted in relation to their work;
- cooperate to implement preventative and protective measures against accident risks at the work place for contract activities;
- coordinate the protection and prevention from the risks to which the Workers are exposed, through a constant exchange of information with the Employers of the contractors, also in order to eliminate the risks due to interference between the works of the various companies involved in the execution of the overall work.

The Employer promotes the cooperation and coordination referred to in the previous points by drawing up a Single Document on the Assessment of Risk from Interference. which indicates the measures adopted to eliminate or, where it is not possible, reduce the risks of interference to a minimum. The above-mentioned document must be enclosed to the tender or works contract, already in the phase of the award procedure, and be amended in function of the evolution of the works, services and supplies. The obligation to draw up the aforementioned document does not exist in the event of a contract for services of an intellectual nature, mere supply of materials or equipment as well as for works or services having a duration of no more than two days, provided that they do not involve risks deriving from the presence of cancerous or biological agents, explosive atmospheres or special risks as identified in Annex XI of the Safety Decree. In the supply contracts (art. 1559 of the Italian Civil Code), tender contracts (art. 1655 of the Italian Civil Code) and subcontracts (art. 1656 of the Italian Civil Code), the costs of the measures taken to eliminate or, where this is not possible, reduce the health and safety risks at the workplace deriving from the interference of the works must be specifically indicated. These costs are not subject to rebate.

This data can be accessed, upon request, by the Workers' Health and Safety Representative and trade unions.

D.3.) Article 30, section e), of Italian Legislative Decree 81/2001

Article 30(e) of Italian Legislative Decree 81/2001 also states that the Model must ensure compliance with legal requirements regarding employee education and training activities.

Information

The information that TAMINI, also through each Production Unit, addresses to Company Representatives must be easily understandable and must enable them to acquire the necessary awareness of:

- a) the consequences deriving from the performance of its activity not in compliance with the OSH system adopted by TAMINI;
- b) the role and responsibilities that fall on each of them and the importance of acting in compliance with company policy and procedures and any other requirements relating to the OSH system adopted by TAMINI, as well as the principles indicated in this Special Part pertaining to the same.

Given the above, TAMINI, in consideration of the different roles, responsibilities and capabilities and the risks to which each Company Representative is exposed, provides, inter alia, adequate information to Workers on the following issues:

- company-specific risks, on the consequences of the same and on the prevention and protection measures adopted, as well as on the consequences that failure to comply with these measures may cause, also pursuant to Italian Legislative Decree 231/2001;
- procedures concerning first aid, fire-fighting measures, evacuation of the workplace;
- Prevention and Protection Service: names of the Occupational Health and Safety Officer, the Prevention and Protection Services Officer and the Occupational Physician.

With regard to the safety activities that determine the updating of the Risk Evaluation Document, the Workers' Health and Safety Representatives are promptly consulted in advance. Of all the information activities described above, evidence is given on a documentary basis, also by means of a specific report.

Training and Education

The Company provides adequate training to all workers on safety at work and the content of the training, in compliance with the provisions of the Safety Decree, is easy to understand and enables them to acquire the necessary knowledge and skills.

In this regard, it should be noted that:

- the Occupational Health and Safety Officer prepares the training plan, sharing it with the Occupational Physician and Workers' Health and Safety Representative;
- further complementary activities to this plan will have to be implemented in the presence of technological innovations, new equipment or the need to introduce new work procedures;
- the training provided must include learning assessment questionnaires;
- training must be appropriate to the risks of the task to which each Worker is actually assigned;
- each Worker must undergo all those training activities made compulsory by the law, such as, for example: a) use of work equipment; b) use of personal protective equipment; c) manual handling of loads; d) use of video terminals; e) visual, gestural, vocal, luminous and audible signs and on any other subject that, from time to time, is considered necessary to achieve the company's objectives in terms of OSH.
- Workers who change jobs and those transferred must receive specific, preventive and/or additional training, where necessary, for their new assignment;
- those assigned to specific emergency tasks (e.g. fire prevention and evacuation first aid) must receive specific training;

- - each Manager and each Officer in Charge receives from the Employer appropriate and specific training and a periodic update relating to their duties regarding occupational health and safety. The contents of such training activity are as follows: a) main persons involved and relative obligations; b) defining and identifying risk factors; c) risk assessment; d) Identifying technical, organizational and procedural measures for prevention and protection.
- periodic emergency drills must be carried out and evidence of these drills must be provided (e.g. by means of a record of the drill that has taken place with reference to how it was carried out and its results);
- newly recruited employees - in the absence of previous professional/work experience and adequate qualification - cannot be autonomously assigned to operational activities deemed to be more at risk of accidents unless they have acquired a degree of professionalism suitable for the performance of the same by means of adequate training for at least three months after recruitment, except for longer periods for the acquisition of specific qualifications.

Of all the training activities described above, evidence must be given on a documentary basis, also by means of a specific report, and where required, it must be repeated periodically.

Communication, information flow and cooperation

In order to give greater effectiveness to the organisational system adopted for safety management and, therefore, to the prevention of accidents at work, TAMINI is organised to ensure an adequate level of circulation and sharing of information among all Workers.

In this regard, TAMINI adopts an internal communication system that provides for two different types of information flows:

- a) from the bottom up: the flow from the bottom up is guaranteed by TAMINI by making available specific signalling sheets through the compilation of which each of the Workers has the possibility to bring to

the attention of their hierarchical superior observations, proposals and needs for improvement inherent to the management of safety in the company;

- a) from top to bottom: the flow from top to bottom has the purpose of spreading to all Workers the knowledge of the system adopted by TAMINI for the management of safety at work. To this end, TAMINI guarantees Company Representatives adequate and constant information through the preparation of communications to be disseminated internally and the organisation of periodic meetings that concern: - new risks regarding the health and safety of workers; - changes in the organisational structure adopted by the Company for the management of the health and safety of Workers; - contents of the company procedures adopted for the management of the health and safety of workers; - any other aspect related to the health and safety of Workers.

D.4.) Article 30, section g of Italian Legislative Decree 81/2008

Article 30 lett. g) also provides that the Model must ensure that the legal obligations with regard to the **acquisition of documentation and certifications required by law** are fulfilled.

In order to contribute to the implementation and constant monitoring of the system adopted to ensure health and safety in the workplace, TAMINI ensures that the following documents are adequately stored, both on computer and on paper, and updated:

- the health record, which must be established, updated and kept by the Occupational Physician;
- the register of exposed persons, to be prepared in the event of exposure to carcinogens or mutagens;
- the Risk Evaluation Document, which indicates the methodology with which the risk assessment was carried out and contains the program of maintenance and improvement measures;

- contract documentation: Safety and Coordination Plan; Work File; Coordination minutes relating to the verification of the application by the contractors of the provisions contained in the SCP; Operational Safety Plans.

The Company is also required to ensure that:

- the Manager and the Persons in Charge of the Prevention and Protection Service (Occupational Health and Safety Officer and Prevention and Protection Services Officer), the Occupational Physician, the persons in charge of the implementation of emergency and first aid measures, as well as any managers, are formally appointed;
- documentary evidence is provided of the workplace medical visits carried out by the Occupational Physician and, where appropriate, the Occupational Health and Safety Officer;
- documentation is kept concerning laws, regulations, accident prevention rules relevant to the company's activities;
- documentation concerning company regulations and agreements is kept;
- manuals and instructions for the use of machinery, equipment and personal protective equipment supplied by the manufacturers are kept;
- all procedures adopted for the management of health and safety at work are kept;
- all documentation relating to the activities referred to in the preceding paragraph (Information, training and education) is kept by the Occupational Health and Safety Officer and made available to the VB.

With regard to the company procedures, as identified by way of example in the previous paragraph, TAMINI ensures their constant monitoring, ensuring a review and re-examination of the same, particularly when an accident or emergency occurs, taking into account, among other things, the reports received from the Workers in the implementation of the information flows as set out in the previous paragraph.

D.5) Art. 30, letters f) and h) of Italian Legislative Decree 81/2008

Article 30 lett. f) and h) also provides that the Model must ensure that the legal obligations with regard to:

- ***supervision*** activities with reference to the respect of the procedures and work instructions safely by the workers;
- the periodic ***checks on the application and effectiveness of the procedures adopted.***

TAMINI, in order to guarantee the efficiency of the system adopted for the management of health and safety at work, prepares a monitoring plan for it.

For this purpose, TAMINI:

- ensures constant monitoring of the preventive and protective measures put in place for the management of health and safety at the workplace;
- ensures constant monitoring of the adequacy and functionality of the health and safety management system to achieve the set objectives and its correct application;
- performs an in-depth analysis with reference to each accident at work that has occurred, in order to identify any gaps in the health and safety management system and to identify any corrective actions to be taken.

The Company envisages that where monitoring concerns aspects requiring specific expertise, it is entrusted to competent external resources. TAMINI ensures that any corrective actions are promptly implemented in compliance with the specific procedure adopted by the Company. At the end of the monitoring activity, the system adopted by TAMINI for the management of the health and safety of workers is subject to a review at least annually, in order to ensure that it is properly implemented and guarantees the achievement of the objectives set.

The review of the system may be determined, by way of example but not limited to, by:

- results of internal and external audits;
- the status of the corrective and preventive actions taken;
- the actions to be taken following the previous reviews carried out;
- changes in the circumstances, including changes in legal requirements and other requirements relating to its environmental aspects and to occupational safety and health protection;
- important circumstances emerging during the periodical meetings held in compliance with Article 35 of the Safety Decree.

The results of this review activity, with a view to constantly improving the OSH system adopted by TAMINI, may result in changes to: - policies and objective planning as referred to in the previous sections;

- the organizational structure adopted by TAMINI with regard to health and safety;

- any other relevant element of the OHS management system. Of the aforementioned review activity and of the results thereof, evidence must be given on a documentary basis.

D.6) Article 30, section d), of Italian Legislative Decree 81/2008

Article 30 letter d) also provides that the Model must ensure that the legal obligations with regard to **health surveillance** activities are fulfilled.

In particular, in accordance with the legal provisions, TAMINI has Company Doctors for the cases provided for by Article 41 (health surveillance) of Italian Legislative Decree no. 81/2008 who are assigned health surveillance responsibilities.

In compliance with the provisions of the law:

- it is envisaged that the Occupational Physician will collaborate in the risk assessment, in the preparation of the implementation of measures, in the activity of informing and training workers, for the part falling within his competence, and in the organisation of the first aid service (art. 25 sub. 1 lett. a) Italian Legislative Decree no. 81/2008);

- it is envisaged that the Occupational Physician shall establish, update and keep the health and risk records of workers subjected to health surveillance (art. 25 sub. 1 lett. c) Italian Legislative Decree no. 81/2008);
- it is envisaged that the employer or manager(s) shall ensure that the workers for whom health surveillance is mandatory are not assigned to the specific work task without the prescribed suitability assessment (art. 18 lett. bb) Italian Legislative Decree no. 81/2008);
- The Occupational Physician is expected to carry out the annual medical visit (or at a different frequency determined on the basis of the risk assessment, after informing the Employer) of the workplace with the Occupational Health and Safety Officer;
- it is envisaged that the Employer and the Workers have received a written copy of the Occupational Physician's opinion (Art. 41 sub 6-bis).

With reference to the Area at Risk "Participation in inspections, investigations and verifications carried out by representatives of the P.A." in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
- have the Company Representatives involved the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;

- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
- engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available).

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A.".

A) Areas of risk and sensitive activities

In relation to sub-**process 2) "management of environmental obligations"** the following risk areas and sensitive activities have been identified:

- Requirements established by Italian Legislative Decree 152/2006 on environmental protection, in particular, for example:
 - a) determination of environmental protection policies aimed at defining the general commitments made by TAMINI for the prevention of risks and the improvement of environmental performance;
 - b) identification and correct application of the provisions of the applicable laws and environmental regulations;
 - c) identification and assessment of environmental risks related to the main activities carried out by TAMINI;
 - d) setting objectives aligned with the general commitments defined in the policies referred to in point a) and drawing up programmes for the achievement of these objectives, with the relative definition of priorities, timing and allocation of the respective responsibilities, with the allocation of the necessary resources, with particular reference to: - attribution of tasks and duties; - activities of all other persons who are responsible for the implementation of the measures for the protection of the environment;
 - e) awareness of the company structure, at all levels, in order to guarantee the achievement of the objectives set also through programming of training plans with particular reference to: - monitoring, frequency, use and learning;
 - f) implementation of adequate monitoring, verification and inspection activities in order to ensure the effectiveness of the aforementioned environmental management system, in particular with regard to: - maintenance and improvement measures; - management, rectification and inhibition of conduct in breach of the rules, relating to disciplinary measures; - consistency between the activity carried out and the skills possessed;

- g) implementation of the necessary corrective and preventive actions depending on the monitoring results;
 - h) carrying out a periodic review by the company management in order to assess the effectiveness and efficiency of the environmental management system in achieving the set objectives, as well as the adequacy of the latter with regard to both the specific situation of TAMINI and any changes in the activity;
 - i) management of the activities entrusted to contractors within the scope of the above-mentioned activities.
- Participation in inspections, investigations and verifications carried out by representatives of the P.A., reporting, for example, to the Local Health Authority, Regional Environmental Protection Agency, Tax Police:
 - a) Management of the visit;
 - b) Contacting PA representatives;
 - c) Traceability of the documentation/information delivered and verification of completeness;
 - d) Formalisation of inspection findings.
 - Management of relations with certification bodies.

B) Crimes that could be committed in the abstract

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process HSE	Crimes against the Public Administration		Corruption between individuals		Organized crime, including transnational crime	Environmental crimes	Crimes against cultural heritage
Sub-process: ENVIRONMENTAL AND LANDSCAPE REQUIREMENTS	Articles 24 - 25		Article 25-ter		Article 24-ter	Article 25-undecies	Articles 25- septiesdecies and 25- duodecies
Risk areas	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk			

Requirements established by Italian Legislative Decree 152/2006 on protecting the environment and the landscape	x				x	x	x
Participating in inspections, investigations, and checks performed by Public Administration officials	x				x		
Management of relations with certification bodies		x	x		x		

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Article 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);
 - Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code).
- Corporate crimes (Article 25-*ter* of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement (art. 2635 of the Italian Civil Code and 2635-*bis* of the Italian Civil Code).
- Organized crime (Article 24-*ter* of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)

- Environmental crimes (Article 25-*undecies* of Italian Legislative Decree no. 231/2001):
 - Environmental pollution (art. 452-*bis* of the Italian Criminal Code);
 - Environmental disaster (art. 452-*quater* of the Italian Criminal Code);
 - Involuntary crimes against the environment (art. 452-*quinquies* of the Italian Criminal Code);
 - Traffic and abandonment of highly radioactive materials (art. 452-*sexies* of the Italian Criminal Code);
 - Aggravating circumstances (art. 452-*octies* of the Italian Criminal Code);
 - Killing, destroying, capturing, taking or keeping specimens of protected wild animal or plant species (art. 727-*bis* of the Italian Criminal Code);
 - Destruction or deterioration of habitats within a protected site (art. 733-*bis* of the Italian Criminal Code);
 - Criminal penalties (Article 137 of Italian Legislative Decree 152/2006);
 - Unauthorized waste management activities (Article 256 of Italian Legislative Decree 152/2006);
 - Site reclamation (Article 257 of Italian Legislative Decree 152/2006);
 - Breach of reporting obligations, mandatory record keeping and forms (Art. 258 Italian Legislative Decree no. 152/2006);
 - Illegal waste trafficking (Article 259 of Italian Legislative Decree 152/2006);
 - Organized activities for illegal waste trafficking (Article 260 of Italian Legislative Decree 152/2006, repealed and replaced by Article 452-*quaterdecies* of the Italian Criminal Code);
 - Waste tracking computer systems (Article 260-*bis* of Italian Legislative Decree 152/2006);
 - Penalties (Article 279 of Italian Legislative Decree 152/2006);

- Discontinuation and reduction of the use of harmful substances (art. 3 Italian Law 549/1993).
- Crimes against cultural heritage (Articles 25-septiesdecies and 25-duodevicies of Italian Legislative Decree no. 231/2001):
 - Destruction, dispersion, degradation, defacement, staining, and illicit use of cultural or environmental assets (Article 518-duodecies of the Italian Criminal Code);
 - Ransacking and looting cultural and environmental assets (Article 518-terdecies of the Italian Criminal Code).

C) Specific control principles

With reference to the "Obligations envisaged by Italian Legislative Decree 152/2006 on environmental protection", it is necessary to guarantee:

- adoption of all mandatory measures required by law for the protection of the environment and the minimisation of the environmental impact of its activities;
- preparation of a periodic assessment of the environmental impact of its own activities and related risks;
- research into and, where appropriate, implementation of solutions to minimise any negative effects on the environment of its activities, even more stringently than required by the provisions of the law;
- due consideration of reports of negative impacts on the environment of activities, being available for assessments and, where appropriate, for testing and adopting mitigation measures.

In relation to the management of emergencies and accidental events, the Company envisages specific procedures for the management of events potentially capable of contaminating sites or for the management of the reclamation of already contaminated sites, which regulate in particular:

- the determination of the roles and responsibilities, as well as the activities and methods of communication of such events to the competent authorities;

- checks on the correct execution of the activities envisaged in the remediation project;
- the request, obtaining and preservation of the certificate of successful reclamation or self-certification relating to sites of less than 1000 square metres;
- periodic review and possible revision of the same procedure following the occurrence of accidents or emergency situations.

In relation to waste management, the Company:

- strives for disposal oriented towards recovery, reuse and recycling of materials, in order to ensure a higher degree of protection of human health and the environment;
- manages waste in compliance with the principles of sustainability, proportionality, accountability and cooperation of all parties involved in the production, distribution, use and consumption of goods from which the waste originates;
- manages waste according to criteria of effectiveness, efficiency, cost-effectiveness, transparency, technical and economic feasibility, as well as compliance with environmental regulations;
- defines the main requirements to be adopted within the company regarding the management of the various types of waste - hazardous and non-hazardous - in order to operate uniformly in the context of the various plants;
- provides for the classification of waste generated in the context of business activities in compliance with the provisions of current legislation and the competent authorities, to this end providing adequate training to the personnel of waste production units on the basis of their respective responsibilities;
- ensures that each production unit manages waste in full compliance with the regulations relating to the traceability control system and provides correct and truthful information, adopting specific procedures that regulate: - the use of the access credentials to the national electronic register for the traceability of waste, appointing one or more persons responsible for the custody of passwords and the entry of data relating to waste; - the criteria and methods for entering data relating to the qualitative and quantitative characteristics of

- waste, as well as in relation to the certificates to be registered National electronic register for the traceability of waste; - the transmission of the data relating to the waste produced to the persons responsible for entering the data in the national electronic register for the traceability of waste; - checks on the correct compilation of the chronological registers and the movement form as well as periodic checks on the release of the same to transporters;
- in compliance with the provisions of the environmental provisions, carefully and regularly compiles the Unified Environmental Declaration Form;
 - establishes suitable safeguards to ensure compliance with the regulatory provisions relating to the temporary storage of waste and in particular the methods and quantitative and temporal limits in force from time to time. To this end, it is necessary to guarantee that: - temporary storage is carried out by homogeneous categories of waste and in compliance with the relevant technical standards and, in the case of hazardous waste, in compliance with the standards governing the storage of the hazardous substances contained therein; - suitable controls are adopted (including through the use of *ad hoc* operating systems) to ensure constant monitoring of the waste stored and its periodic transfer, within the prescribed limits, to disposal centres;
 - ensures that the company procedures relating to waste management are subject to constant monitoring by the competent company Departments in order to periodically evaluate the opportunity for updates due to regulatory interventions in environmental matters;
 - constantly monitors the correct management of waste, making it mandatory to report any irregularities to the competent Departments (for example, a tampering with classification documents, suspicion of abandonment of waste by the transporter in illegal landfills, etc.) in order to take the consequent administrative and contractual actions as well as any legal actions before the competent authorities;
 -
 - entrusts the activities of collection, transport, recovery and disposal of waste exclusively to authorised companies and in compliance with the company procedures relating to the qualification of Suppliers.

With reference to the Area at Risk "Participation in inspections, investigations and verifications carried out by representatives of the P.A." in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
- have the Company Representatives involved in the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;
- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;

- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
- engage in any further conduct that is an obstacle to the performance of the functions of the tax authorities, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delaying communications or making documents available).

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A."

XIII. Process at risk of crime no. 11: SECURITY AND GENERAL SERVICES

A) Areas of risk and sensitive activities

In relation to the SECURITY and GENERAL SERVICES process (FLEET and FACILITY) the following risk areas and sensitive activities have been identified:

- Management of industrial, civil and non-instrumental real estate assets, including all acquisition, disposal and transformation activities through works modification interventions (Building Management):
 - a) Design, construction, transformation and renovation of offices;
 - b) Ordinary and extraordinary maintenance of the real estates for civil use for the offices in Rome (with the exception of the operational offices) and coordination of the process for the remaining Group property;
 - c) Acquisition and disposal of property.

- Carrying out procedures for the purpose of obtaining approvals from the Public Administration (building permits, etc.):
 - a) Management of relations with the competent authorities during authorisation/licensing (renewals, communications for changes in initial conditions, etc.);
 - b) Preparation and submission of the application to obtain the measure (licences, integrated environmental authorisation, etc.).

- Entertainment of relations with Court Authorities, Police, and Public Security as well as Civil Protection; management of requests for information or investigative collaboration with the Court Authority and the Police and Public Security;

- Participation in inspections, investigations and verifications carried out by representatives of the P.A., reporting, for example, to the Local Health Authority, Regional Environmental Protection Agency, Tax Police:
 - a) Management of the visit;
 - b) Contacting PA representatives;
 - c) Traceability of the documentation/information delivered and verification of completeness;
 - d) Formalisation of inspection findings.
- Management of privileged information (directly or indirectly) relating to TERNA and to activities of the Company deemed significant for the issuer TERNA and/or to operators of the electricity sector that are listed issuers or listed parent companies: for example, new products/services and markets, accounting data for the period, forecasts and quantitative objectives relating to the performance of transactions, communications relating to merger/spin off transactions and new initiatives of particular importance or to negotiations and/or agreements regarding the acquisition and/or sale of significant assets, quantitative data relating to the production or import of energy, M&A activities.
- Management of relations with certification bodies.

B) Theoretically Relevant Crimes

With reference to the risk areas/sensitive activities indicated above, the following abstractly conceivable offences have been identified:

Process SECURITY AND GENERAL SERVICES	Crimes against the Public Administration		Corruption between individuals		Tax crimes		Handling stolen goods, money laundering, and using money, assets, or benefits of illegal origin, as well as self- laundering	Organized crime, including transnational crime	Incitement not to make a statement or to make a false statement to a Judicial Authority	Market Abuse
	Articles 24 - 25		Article 25-ter		Article 25- quinquiesdecies					
Risk areas	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Area at direct risk	Area at instrumental risk	Article 25- octies	Article 24-ter	Art. 25-diecies	Article 25- sexies
<u>Asset management</u>		x	x		x		x	x		

Carrying out procedures for the purpose of obtaining approvals from the Public Administration (building permits, etc.)	x							x		
Maintaining relationships with Public Administration officials for safety	x							x	x	
Participation in inspections, investigations and evaluations performed by representatives of the Public Administration, responsible for ASL, local health authorities, ARPA, ARERA, the Italian Revenue Agency, law enforcement, for example.	x							x		
Managing insider information								x		x
Management of relations with certification bodies		x	x					x		

Below is a breakdown, for each crime family, of the individual configurable cases:

- Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001):
 - Corruption (Articles 318, 319, 319-*bis*, 320, 321, 322 and 322-*bis* of the Italian Civil Code);
 - Bribery in judicial proceedings (art. 319-*ter* of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Entity (art. 640, subsection 2, of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
 - Fraud to the detriment of the State or other Public Body (art. 640, subsection 2, of the Italian Criminal Code);
 - Computer fraud to the detriment of the State or other Public Body (Art. 640-*ter* of the Italian Criminal Code);
 - Undue incitement to give or promise benefits (art. 319-*quater* of the Italian Criminal Code);
 - Trafficking in illicit influences (art. 346-*bis* of the Italian Criminal Code);

- Extortion (art. 317 of the Italian Criminal Code, art. 110 of the Italian Criminal Code);
- Abuse of office (art. 323 of the Italian Criminal Code, art. 110 of the Italian Criminal Code).
- Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-octies Italian Legislative Decree no. 231/2001):
 - Receiving (art. 648 of the Italian Criminal Code);
 - Recycling (art. 648-bis of the Italian Criminal Code);
 - Use of money, goods or other benefits of unlawful origin (art. 648-ter of the Italian Criminal Code);
 - Self-laundering (art. 648-ter.1 of the Italian Criminal Code).
- Organized crime (Article 24-ter of Italian Legislative Decree 231/2001) including transnational crime (Italian Law 146/2006)
- Tax Crimes (Article 25-quinquiesdecies of Italian Legislative Decree no. 231/2001):
 - Fraudulent tax return through the use of invoices or other documents for non-existent transactions (art. 2 Italian Legislative Decree no. 74/2000);
 - Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000);
 - Issuing invoices for non-existent operations (Article 8 of Italian Legislative Decree 74/2000);
 - Tax evasion (Article 11 of Italian Legislative Decree no. 74/2000).
- Corruption between individuals (Article 25-ter of Italian Legislative Decree no. 231/2001):
 - Corruption between individuals and incitement to Corruption between individuals (arts. 2635 of the Italian Civil Code and 2635-bis of the Italian Civil Code).
- Crime of incitement not to make statements or to make false statements to judicial authorities (Art. 25-decies of Italian Legislative Decree 231/2001)

- Incitement not to make statements or to make false statements to the court authorities (art. 377-*bis* of the Italian Criminal Code).
- Market abuse (Article 25-sexies of Italian Legislative Decree no. 231/2001):
 - Abuse of insider information (art. 184 Italian Consolidated Law on Financial Intermediation).

C) Specific control principles

With regard to the "Managing industrial, civil, instrumental, and other real estate assets, including the purchase, sale, or conversion of such assets through operations to modify projects" Risk Area, TAMINI complies with the following control principles:

- follow a process of valuation and authorisation of the purchase/sale of property;
- formalise the estimate of the value of the property;
- verify with the competent structure of the aspects related to the registration in the land/building registry of the properties with the Tax Authorities – Territory;
- verify the legal and tax aspects of property purchases/sales with the competent functions;
- determine the sale price of a property on the basis of appraisals drawn up by an external technician;
- carry out checks on the correct updating of the assets master data;
- perform checks on the correctness of the calculation of amortisation/depreciation.

With reference to the Area at Risk "Completion of procedures for obtaining authorisation measures", it is strictly forbidden to:

- making cash donations on one's own initiative or as a result of solicitation to public officials and/or persons in charge of a public service;
- submit documentation that contains untrue data, information and/or omits data, information, in order to facilitate the obtaining of authorisation in favour of the Company.

In relation to the aforementioned activity, it is also required to:

- ensure that the documents, requests and formal communications addressed to the P.A. must be managed and initialled only by the persons previously identified and authorised by the Company;
- ensure that the involvement of third parties as consultants is governed by a specific contract and includes *ad hoc* contractual clauses aimed at guaranteeing the commitment to respect the principles contained in the Code of Ethics, the Model and the Anti-Bribery Guidelines.

With reference to the Area at Risk "*Participation in inspections, investigations and verifications carried out by representatives of the P.A.*" in addition to what is expressly provided for by the company procedures that regulate the matter, it is required to:

- participate in inspections, investigations and audits carried out by public officials in at least two persons, one of whom is competent in the subject matter relevant to the specific case (where possible, public officials are also assisted by staff of areas other than the one being inspected in order to avoid intermingling between the inspector and the direct supervisor that could lead to trust, familiarity and anything else that could favour undue requests);
- be assisted, where necessary or appropriate, by a lawyer;
- deal with public officials during inspections through the Company Representatives of the area involved in the inspection or by individuals identified by them;
- have the Company Representatives involved the inspection or the individuals identified by them for the inspection present all the documentation requested by public officials;

- record, in any case, ensure the traceability of the activities carried out during the inspection, investigation or verification;
- have either the Company Representatives involved in the inspection or the individuals identified by them for the inspection sign all inspection reports;
- keep the minutes and any other records concerning the related proceedings;
- promptly inform the VB of any findings and penalties imposed as a result of visits, inspections and investigations by public officials or Supervisory Authorities.

It is also strictly forbidden to:

- make cash donations or other benefits, on one's own initiative or following solicitation, to public officials and/or persons in charge of a public service, for the purpose of causing them to perform an act contrary to their official duties or to omit an official act to the benefit of the Company;
- engage in conduct that materially impedes the performance of the control activity by the Tax Authorities, by concealing documents and information requested by the latter, or by providing incomplete, unclear or misleading documents and information, or that in any way hinders the mentioned control activity;
- engage in any further conduct that obstructs the performance of the Administration's functions, including during the inspection (express opposition, pre textual refusals, or even obstructive or non-cooperative conduct, such as delayed communication or provision of documents).

With reference to the Area at Risk "*Entertaining relations with Court Authorities, Police and Public Security as well as Civil Protection*" it is strictly forbidden to:

- make cash donations on its own initiative or as a result of solicitation to public officials and/or public service representatives in order to obtain an advantage for the Company;
- submit documentation containing data, untrue information and/or omitting data, information, in order to facilitate the obtaining of authorisations/securities in favour of the Company.

Regarding the "Managing confidential information" Risk Area, TAMINI complies with the following specific control principles:

- the Code of Ethics;
- the Procedure for the management, processing and communication of company information relating to TERNA and its subsidiaries;
- the Procedure for keeping and updating Registers of persons who have access to privileged and potentially inside information;
- Internal Dealing Procedure;
- procedures on guidelines for identifying the nature of potentially privileged and inside information of corporate information and the prerequisites for the application of the delayed disclosure procedure;
- any other procedure adopted by TERNA for the keeping of the Registers;
- the procedures adopted by TERNA regarding the processing of personal data;
- clear definition of conduct that is (a) always prohibited, insofar as it may constitute an offence of market abuse, and (b) suspicious conduct, insofar as it may be construed as being aimed at the commission of an offence of market abuse, in line with the provisions of EU law;
- provision for the obligation of prior authorisation of transactions under (b) by the manager of the competent structure and communication to the VB and the possibility of carrying them out only where there is a justified reason (such as to exclude the hypothesis of market abuse);
- consistent with: EU and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the Procedure on Internal Dealing, (v) the Procedure for the management, treatment and communication of corporate information concerning TERNA and its subsidiaries, (vi) the Procedure for keeping and updating the Registers of persons with access to privileged and potentially privileged information; and the controls and procedures concerning the disclosure of external information, the following provisions must be respected:

- Mapping of types of relevant information: in order to promptly fulfil TERNA's obligations to disclose inside information as provided for by the regulations in force, TAMINI's corporate structures support - in

relation to activities considered significant for the issuer - the issuer in identifying and monitoring the types of relevant information.

- Processing of insider information: the processing of insider information must take place in compliance with internal procedures that must include:
 - tasks and roles of the persons responsible for handling inside information (the “persons in charge”);
 - the rules governing their dissemination and the procedures to be used by those responsible for their processing and publication;
 - the criteria for qualifying information as insider or intended to become such;
 - measures to protect, store and update information and prevent improper and unauthorised communication within or outside the Group of the same;
 - persons who, by reason of their work or professional activity or by reason of their duties, have access to inside information or information intended to become inside information;
 - the establishment of a Register of persons who, by reason of their work or professional activity or by reason of the functions carried out, handle and have access to specific inside information or intended to become such. In particular, the criteria for updating the register and constraints on access to the inside information must be established. The entry in the register must be communicated to the person concerned in order to enforce compliance with the relevant procedures and prohibitions. Whenever a transaction is carried out to which inside information is connected, the persons involved will be entered in the register and will issue an appropriate signature;
- provision of specific information management obligations and disclosure of external information: TAMINI supports the issuer in the timely fulfilment of

the information and disclosure obligations of the external information. In particular, the Company – as the “Competent Organisational Function Inside Information” (or “FOCIP”) – provides the issuer and the competent structures with all the necessary information on the specific relevant information relating to significant activities of the Company. The Company, therefore, transmits to TERNA and the competent structures all the data necessary for the fulfilment of obligations towards the public, CONSOB and for the management of the Registers of persons who have access to potentially insider and privileged information, in compliance with the provisions of the procedures adopted in the matter to which full reference is made;

- the management, processing and communication to the market of information relating to transactions in financial instruments carried out by “relevant persons” must be carried out in compliance with the relevant internal procedure, which provides for:
 - the scope of application within the Group;
 - the scope of the interested parties (“relevant parties”) and of the “closely associated persons”;
 - the type of transactions involved;
 - the type of financial instruments covered by the disclosures;
 - the timing of communications by the obligated parties;
 - the flow of communications;
 - the scope of the exempt transactions;
 - methods of dissemination of information;
 - the communication scheme that the obligated parties must send to the issuer.

To this end, TAMINI transmits to the issuer all information necessary for the fulfilment of the legal obligations envisaged.

- Definition of physical measures (e.g. printing documents only after identifying the user by name badge or storing paper documents in places with restricted access) and IT (e.g. limiting access to digital folders where documents are saved) in order to prevent unauthorized persons, including internal ones, from coming into possession of documents containing information they are not intended to have. Prompt reporting to the SB is guaranteed if these

measures are breached in such a way as to make it necessary to disclose insider information to the public.

- Controls on the performance of the equity investments: on open market days, *ex-post* or simultaneous checks are carried out on the performance of the Holding's equities in order to highlight any risk points (e.g. quantity of shares sold/limited number of buyers/time of purchase).
- Treasury Share Purchase Transactions and Stabilisation Activities: Internal procedures on treasury share purchase transactions and stabilisation activities must be carried out in compliance with the provisions of art. 5 of the MAR and the regulations envisaged in arts. 132 of the Italian Consolidated Law on Financial Intermediation, 73 and 144-*bis* of the Issuers' Regulations, and taking into account accepted market practices.
- The following controls are in place for transactions on financial instruments:
 - (i) definition of a specific authorization process for executing the transactions,
 - (ii) prior definition of the parameters for choosing the financial instruments in which to invest (e.g., term of the investment, security rating);
 - (iii) if necessary, the engagement of expert consultants, chosen after verifying their relevant professional and reputational qualifications in line with TERNA's procedures.
- Disclosure to the VB in the event of suspicious transactions: in any case of suspicious transactions, these may be carried out on the condition that:
 - there is a justified reason for them (such as to exclude the hypothesis of market abuse);
 - the transactions themselves are previously authorised by the manager of the competent structure;
 - information is provided, in any case, to the VB.
 - Training: TAMINI, with the support of the Holding's structures, guarantees adequate training on market abuse offences and administrative offences and the relevant corporate procedures in place.
 - Derogation from the procedures in cases of urgency: derogations from the above principles are permitted, under the responsibility of those implementing them, only in cases of particular urgency in the formation or implementation of the decision or in the event of temporary impossibility

of complying with the procedures. In these cases, immediate information is sent to the VB and subsequent ratification by the competent person is always required.

- Archiving relevant documentation.

With reference to the Area at Risk "Management of relations with certification bodies", relations must be limited to the exchange of information that is necessary - on the basis of the agreed contractual provisions - for the performance of the task, avoiding any conduct potentially liable to undermine their independence. The management of the inspection and verification activities of the certification companies must be based on the same procedural principles provided for the Area at Risk "participation in inspections, investigations and verifications carried out by representatives of the P.A.".

XIV. GENERAL RULES OF CONDUCT IN RELATION TO INDIVIDUAL CLASSES OF CRIME

1. Crimes against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001)

Recipients are expressly prohibited from:

- a) implementing conduct that constitutes a crime against the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/2001);
- b) engage in conduct which, although not in itself constituting a crime among those listed above, may potentially become one;
- c) initiating or facilitating transactions in conflict of interest - actual or potential - with the Company, as well as activities that may interfere with the ability to impartially take decisions in the best interests of the Company and in full compliance with the rules of the Code of Ethics;
- d) carrying out or facilitating transactions or activities that do not comply with the rules of the Code of Ethics.
- e) offer or promise to public officials or their relatives, or to persons close to them, any form of gift or benefit aimed at influencing their independence of judgement or inducing them to secure any advantage for the Company;
- f) accepting or receiving gifts or free services or benefits outside the scope of company procedures. In all cases, gifts or courtesy expenses must be adequately documented to allow verification by the Vigilance Body;
- g) grant, directly or indirectly, advantages of any nature in favour of representatives of the Italian or foreign P.A. such (or carried out in such a way) as to constitute a breach of the principles set out in the Model;
- h) submitting untrue statements to national public authorities or to EU or international authorities in order to obtain public funding (for example, grants or subsidies, loans, subsidized loans);
- i) allocating any disbursements received from national or EU public bodies (for example grants, subsidies, loans, subsidized loans) for purposes different from what they were intended for;

- j) recognise fees that are not adequately reflected in the contractual relationship with them, or that do not reflect the market value of the service itself;
- k) recognise rewards or other benefits that are not reflected in the relevant company procedures on the basis of objective, non-arbitrary and verifiable criteria;
- l) make payments in cash, on current accounts encrypted or not held by the counterpart or other than those provided for by the contract;
- m) make payments in countries other than the counterpart's country of residence;
- n) making payments that are not adequately documented;
- o) to make payments for services not rendered (in whole or in part);
- p) to create funds for unjustified payments (wholly or partially).

Recipients must also faithfully comply with the following rules of conduct:

- a) Company representatives, corporate bodies, proxies, agents, consultants and business partners who, in the performance of their functions or duties, materially entertain relations with the P.A. on behalf of the Company, must be formally authorised to do so by the Company;
- b) consultants, agents and any business partners must be chosen and managed in a transparent manner;
- c) statements made to national public bodies for the purpose of obtaining approvals, concessions, authorizations, visas and reports, addressed to Public Administration bodies, including supervisory authorities, must be complete and only contain absolutely truthful and correct information;
- d) grants received (for example subsidies, loans, subsidized loans), must be easy to verify for reporting purposes;
- e) to ensure compliance with the relevant laws over time, legislative and regulatory changes must be monitored, also with the support of external consultants.

2. Computer crimes (Article 24-bis of Italian Legislative Decree no. 231/2001)

Recipients and, in particular, those who hold relevant positions in the use and administration of information systems, must base their actions on the following principles of conduct:

- a) **Confidentiality:** guarantee that a particular piece of data is protected from improper access and is used only by authorised persons. Confidential information must be protected both at the transmission stage and at the storage stage, so that the information is only accessible to those who are authorised to know it;
- b) **Integrity:** guarantee that any company data is really the one originally entered into the computer system and has only been modified in a legitimate manner. It must be ensured that the information is processed in such a way that it cannot be tampered with or modified by unauthorised persons;
- c) **Availability:** guaranteeing the retrievability of company data according to the needs of continuity of processes and in compliance with the regulations that require their historical preservation.

In particular, Recipients are prohibited from:

- a) altering electronic documents with probative value;
- b) illegally accessing the computer or telecommunications systems of public or private entities;
- c) unauthorized access to the Company's or a third party's IT system to alter and/or delete data or information;
- d) unauthorized possession and use of codes, key words or other means to access the IT system of a public or private competitor in order to acquire any confidential information or intercept, prevent, or disrupt IT system-related communications;
- e) possessing and misusing codes, passwords or other means of access to one's computer or telecommunications system in order to acquire confidential information;

- f) possessing and misusing codes, passwords or other means of access to one's computer or telecommunications system in order to acquire confidential information;
- g) carrying out procurement and/or production and/or distribution of equipment and/or software for the purpose of damaging a computer or telecommunications system of public or private parties, or the information, data or programmes contained therein, or for the purpose of favouring the total or partial interruption or alteration of its operation;
- a) carrying out fraudulent activities of intercepting, blocking or interrupting communications;
- b) carrying out activities of modification and/or deletion of data, information or programmes of private or public entities or in any case of public utility;
- c) carrying out activities damaging the information, data and computer or telematic programmes of others;
- d) destroying, damaging, rendering useless public information or telecommunication systems.

Recipients must:

- a) use the information, applications and equipment exclusively for office purposes;
- b) avoid introducing and/or storing in the Company (in hard copy, computerised form and through the use of company tools), for any reason whatsoever, documents and/or computerised material of a confidential nature and owned by third parties, unless they have been acquired with their express consent and for strictly business reasons;
- c) avoid transferring outside the Company and/or transmitting files, documents, or any other confidential documentation belonging to the Company itself or to another company of the Group, except for purposes strictly related to the performance of one's duties;
- d) avoid using software tools and/or hardware designed to intercept, falsify, alter, or delete the content of electronic communications and/or documents, including that of third parties;

- e) use the Internet connection for the purposes and time strictly necessary for the performance of work activities;
- f) comply with the established procedures and standards, reporting without delay to the competent functions any abnormal use and/or operation of IT resources;
- g) use only products officially acquired by the Company on the Company's equipment;
- h) refrain from making copies of data and software that are not specifically authorised;
- i) refrain from using the available computer tools outside the prescribed authorisations;
- j) comply with any other specific rules regarding access to the systems and the protection of the Company's data assets and applications;
- k) scrupulously comply with the company security policies for the protection and control of IT systems.

XVII.3. Corporate crimes (Article 25-ter of Italian Legislative Decree 231/2001)

Recipients are required to:

1. refrain from engaging in conduct that would constitute corporate crimes;
2. refrain from conduct which, although not in itself constituting a crime among those listed above, may potentially become one;
3. behave correctly and transparently, ensuring full compliance with laws and regulations, as well as internal company procedures, in the performance of all activities aimed at preparing the financial statements, periodic accounting situations and other corporate communications, in order to provide shareholders and the general public with true, complete and appropriate information on the economic and financial standing of the Company and the Group;
4. ensure the regular operation of the Company and its corporate bodies, guaranteeing and facilitating all forms of internal control over the

Company's management provided for by law, as well as the free and correct formation of the resolutions of the Shareholders' Meeting.

With regard to these principles, it is strictly forbidden to:

- i. prepare, expose or communicate material facts that do not correspond to the truth, false, incomplete data or in any case likely to provide an incorrect description of the reality, regarding the economic, equity and financial situation of the Company and Group;
 - ii. failure to present or communicate relevant material facts or data and information required by the legislation and procedures in force regarding the economic, equity and financial situation of the Company and the Group;
 - iii. fail to comply with the principles and prescriptions contained in the instructions for the preparation of the financial statements, the half-yearly and quarterly reports, the administrative accounting procedures, the chart of accounts of the General Accounting Office and the Industrial Accounting Manual;
5. maintain a correct and transparent conduct, ensuring full compliance with the laws and regulations, as well as internal company procedures, in the performance of all activities aimed at the management, treatment and external communication of the information necessary to allow investors to reach an informed judgement on the equity, economic and financial situation of the Company and the Group as a whole and on the evolution of the related activities, as well as on the financial instruments of the Company and related rights.

With regard to these principles, it is strictly forbidden to:

- i. engage in conduct that materially impedes or that in any case hinders by concealing documents or using other fraudulent means, the performance of the control or audit of the corporate management by the Board of Statutory Auditors or the external auditors or by the shareholders;
- ii. carry out simulated or fraudulent acts during shareholders' meetings aimed at altering the regular procedure for the formation of the resolutions of the shareholders' meeting;

6. make prompt, correct and complete all the communications required by the law and regulations to the public Supervisory Authorities, not obstructing the exercise of their functions in any way.

With regard to these principles, it is strictly forbidden to:

- i. omit to make, with due clarity, completeness and timeliness, to the Authorities in question, all the communications, whether periodical or not, provided for by the law and further sector regulations, as well as the transmission of the data and documents provided for by the rules in force and/or specifically requested by the aforesaid Authorities;
 - ii. set out untrue material facts or omit material facts concerning the economic, asset or financial situation of the Company and the Group in such communications and in the documentation transmitted;
 - iii. engage in any conduct that is an obstacle to the exercise of the functions by the Public Supervisory Authorities, including during the inspection (express opposition, pre textual refusals, obstructive or non-collaborative behaviour, such as delays in communications or in making documents available);
7. to scrupulously comply with all provisions of the law to protect the integrity and effectiveness of the share capital and always act in compliance with company procedures that are based on such standards, in order not to jeopardise the rights of creditors and third parties in general in this regard.

With regard to these principles, it is strictly forbidden to:

- i. return contributions to the shareholders or release them from the obligation to make them, other than for cases of legitimate reduction of the share capital;
- ii. distribute profits (or advances on profits) not actually earned or allocated by law to reserves, as well as distribute reserves (even if not established with profits) that may not be distributed by law;

- iii. purchase or subscribe Company shares outside of the cases provided for by law, with detriment to the integrity of the share capital or reserves that cannot be distributed by law;
 - iv. to execute share capital reductions, mergers or spin-offs in breach of the provisions of the law for the protection of creditors;
 - v. proceed in any way with the fictitious formation or increase of the share capital;
 - vi. allocate the corporate assets among the shareholders – in liquidation – before the payment of the corporate creditors or the provision of the sums necessary to satisfy the same;
8. refrain from carrying out simulated or otherwise fraudulent transactions, as well as from disseminating false or incorrect information likely to cause a significant alteration in the price of unlisted financial instruments or for which no application for admission to trading on a regulated market has been submitted.

With regard to these principles, it is strictly forbidden to:

- 1. publish or divulge false information, or engage in simulated transactions or other fraudulent or deceptive behaviour likely to have repercussions on unlisted financial instruments or for which no application for admission to trading on a regulated market has been submitted and capable of appreciably altering their price.
9. ensure, in the performance of transactions of significant importance concluded with both third parties and related parties, transparency and compliance with the criteria of substantive and procedural correctness as well as the terms and methods of approval provided for by internal regulations.

4. Organized crime, terrorism, and subverting democracy, handling stolen goods, money laundering, and self-laundering, transnational crimes (Articles 24-ter, 25-quater and 25-octies of Italian Legislative Decree 231/2001; Article 10 of Italian Law 146/2006)

Recipients are prohibited from:

- a) engage, collaborate or cause the commission of behaviours such as to integrate the types of crimes of organised crime, including transnational crimes, terrorism, reception and money laundering and self-laundering;
- b) Engaging in, collaborating in or causing conduct which, although not constituting an offence in itself, may potentially become one;
- c) also occasionally use the Company or one of its organisational units for the purpose of allowing or facilitating the commission of such crimes;
- d) to promote, establish, organise or direct associations which seek to carry out acts of violence, in particular with a view to subverting democratic order;
- e) provide, directly or indirectly, funds to persons who intend to commit crimes of terrorism and/or subversion of democratic order, organised crime, reception, money laundering and self-laundering;
- f) hiring or assigning orders or carrying out any commercial and/or financial transaction, either directly or through intermediaries, with persons - natural or legal persons - whose names are on the Lists or controlled by persons on the Lists when such control relationship is known;
- g) undertake or assign orders or carry out any commercial and/or financial transaction, either directly or through intermediaries, with parties - natural persons or legal entities - residing in the countries indicated in the Lists;
- h) receive and make payments through the use of anonymous instruments for the performance of transactions transferring significant amounts;
- i) carrying out transactions, undertaking or assigning orders that may be anomalous in terms of type or subject matter and establishing or maintaining relations that present anomalous profiles from the point of view of the reliability and reputation of the persons and transactions to be executed.

Recipients are also required to follow these rules of conduct:

- a) all activities and transactions executed on behalf of the Company — including contacts relating to relations with Group companies — must be characterised by the utmost compliance with current laws, as well as with

the principles of fairness, transparency, good faith and traceability of documents;

b) separation of roles and responsibilities in process steps;

Moreover, in order to implement the rules of conduct described above, Recipients must also:

- a) comply with the Company's defined supplier selection process, which is guided by the principles of transparency, equal opportunity of access, professionalism, reliability, profitability (which, however, must never take precedence over the other criteria) as suggested by the Anti-Mafia Code for companies (Vigna, Fiandaca, Masciandaro);
- b) request all necessary information with regard to the commercial/professional reputation of suppliers and partners, using the tools made available by external consultants for this purpose;
- c) behave in a correct, open and collaborative manner, complying with the law and internal corporate procedures, in all the activities involved in keeping master data of suppliers and partners, including foreign ones;
- d) refrain from maintaining business relationships with persons (natural or legal) known or suspected of belonging to criminal organisations or operating outside the law, including but not limited to persons linked to money laundering, drug trafficking, and usury;
- e) refrain from maintaining business relationships with persons with a reputation for being unreliable, assessing them also on the basis of any previous convictions for relevant crimes in accordance with Italian Legislative Decree 231/2001;
- f) correctly acquire and store data relating to suppliers and partners (including Corporate Structure statements);
- g) constantly monitor corporate cash flows (including in relation to intercompany payments);
- h) ensure the correct preparation, upkeep and storage of accounting records for tax purposes and the correct recording of the related data in the

- annual statements and departmental reports regarding the tax payments, ensuring their correct payment;
- i) provide correct and truthful information to parties (required under Italian Legislative Decree 231/2007) which legitimately request information about the Beneficial Owner and Politically Exposed Persons;
 - j) draft written contracts granted to service companies and/or natural persons who look after the economic/financial interests of the Company, indicating the contents and agreed financial conditions;
 - k) scrupulously comply with the minimum qualifications established for selecting subjects offering goods and/or services that the Company intends to purchase;
 - l) set criteria for assessing bids and ensure that the proper departments verify that the due payments are made in relation to all counterparties (including Group Companies). In particular, it must be verified that the entity to which the order is made out is the same entity collecting the related amounts;
 - m) perform a formal and substantive check (verify the counterparty's registered office, verify the credit institutions used, verify the use of trust companies) on company cash flows and payments to third parties and Group companies;
 - n) guarantee maximum transparency when concluding an agreement/joint venture for the purpose of making an investment.

5. Crimes against individual personality, against equality and in breach of the Italian Consolidation Act on Immigration (arts. 25-quinquies, 25-terdecies, 25-duodecies Italian Legislative Decree 231/2001)

Recipients must comply with the following principles:

- a) always consider the protection of workers to be prevalent with respect to any economic consideration;
- b) in the event of recourse to temporary employment through agencies, ensure that these parties use workers in compliance with the regulations on residence permits and expressly request a commitment to comply with the Model;

- c) ensure, by means of appropriate contractual clauses, that any third parties with which the Company collaborates (suppliers, consultants, etc.) use workers in compliance with the regulations on residence permits and expressly request a commitment to comply with the Model;
- d) that the measures envisaged in the company's procedures aimed at preventing the use of irregular labour and protecting workers are complied with;
- e) not resorting, in any way, to child labour or collaborating with parties who do so;
- f) provide for an adequate system of proxies and powers of attorney for the recruitment of workers;
- g) implement a system for monitoring the events relating to residence permits (deadlines, renewals, etc.).

Recipients are absolutely prohibited from:

- hold, promote, collaborate in or give cause to conduct that, taken individually or collectively, directly or indirectly constitutes a crime falling within those relating to crimes against the individual, in particular illegal brokering and exploitation of labour, against equality and in breach of the Italian Consolidated Law on Immigration;
- engage in conduct which, although not such as to constitute a crime in itself, falling within those considered above, may potentially become one;
- use, even occasionally, the Company or one of its organisational units for the purpose of enabling or facilitating the commission of offences against the individual, in particular illegal brokering and exploitation of labour, against equality and in breach of the Italian Consolidation Act on Immigration.

6. Market abuse (Article 25-sexies of Italian Legislative Decree 231/2001)

Recipients are prohibited from:

- a) engaging in conduct constituting the crimes considered above;
- b) engaging in conduct which, although not such as to constitute a crime in itself, falling within those considered above, may potentially become one.

Recipients who, in the normal exercise of their occupation, profession or function, are involved in the activities related to the management and dissemination of Inside Information are required to comply with the provisions of current laws and regulations on the subject, the rules established by the procedures, as well as the rules of conduct referred to in the Code of Ethics.

In particular, Recipients are required, to the extent of their competence, to:

- a) treat with the utmost confidentiality all Inside Information and Relevant Information of which they become aware in the exercise of their functions, in order both to protect the Company's interest in confidentiality on its business, and to avoid market abuse, as well as to use Inside Information and Relevant Information only in relation to their work, profession or function;
- b) use the Information exclusively in the course of the normal exercise of their occupation, profession or function and to the extent strictly necessary for the purpose of the normal exercise of such occupation, profession or function and, therefore, do not use it, for any reason or cause, for personal purposes, or to the detriment of the Company or the Group;
- c) ensure that the information is processed taking all appropriate precautions so that the circulation of the same takes place without prejudice to its confidential nature until the same are communicated to the market or made known pursuant to the law or are otherwise in the public domain;
- d) allow the circulation of information only among those who really need it for the normal exercise of their occupation, profession or function;

- e) in the event of receipt (by mail, including electronic mail, or fax) of “confidential” or “privileged” documents, the receiving party must take care personally, or through an authorised person, of the collection of the documents, which must not remain in view of third parties or be left unattended at the interconnection facilities;
- f) secure collection containers or shredding equipment must be used for the destruction of such documents in such a way that they are unreadable;

In any case, Recipients are prohibited from implementing/collaborating/causing the implementation of conduct which may be included in the crimes considered for the purposes of Italian Legislative Decree 231/2001, the CLF and the MAR and, more specifically, crimes including but not limited to:

- a) carry out transactions of any nature whatsoever involving Financial Instruments, including derivatives, of the Company or of Third Parties in relation to which Information is held;
- b) communicate to third parties, internal or external to the Company, Information prior to its dissemination to the public, in compliance with the applicable provisions of the law;
- c) recommend or entice others, on the basis of the Information in its possession, to carry out transactions in the Financial Instruments, including derivatives, of the Company or of Third Parties, to which the Information relates;
- d) issue interviews and disseminate press releases or documents at conferences or public events, without the authorisation of the person in charge;
- e) leave the paper documentation unattended during their absence, even if temporary, especially during unattended hours or, in any case, at the end of working hours.

7. Crimes involving payment instruments other than cash (Art. 25-*octies*.1 of Italian Legislative Decree no. 231/2001)

Recipients are required to:

- a) adequately track cash flows;
- b) notify the SB of any irregularities found while managing cash flows that could cast doubt on the lawfulness and regularity of the actual origin of the cash received or paid.

In the context of the aforementioned behavioural principles, Recipients are expressly prohibited to:

- a) unlawfully using, altering, or forging credit or payment cards or any other similar document used for withdrawing cash or purchasing goods or providing services or any other payment instrument other than cash;
- b) receiving payments made with credit or payment cards or any other payment instrument other than cash that is suspected of being misused;
- c) using or providing third parties with equipment, devices, computer programs that, by their technical or constructive nature or by design, are built mainly to perpetrate crimes involving payment instruments other than cash

8. Crimes relating to copyright infringement (art. 25-*novies* Italian Legislative Decree 231/2001)

Recipients are required to:

- c) ensure compliance with internal, EU and international regulations protecting intellectual property;
- d) diligently take care of the administrative formalities connected with the use of copyright-protected works (e.g. scientific or software) in the context of the management of the company's IT system and web use;
- e) ensure appropriate controls on activities involving the use of copyrighted works;
- f) refrain from engaging in, collaborating in or causing conduct such that, taken individually or collectively, it constitutes the crime referred to in art. 25-*novies* of Italian Legislative Decree 231/2001.

In the context of the aforementioned behavioural principles, Recipients are expressly prohibited to:

- d) disseminate and/or transmit, through websites, works of third parties protected by copyright in the absence of agreements with the relevant owners, or in breach of the terms and conditions provided for in said agreements;
- e) carry out any conduct aimed, in general, at duplicating copyright-protected computer programmes or databases on the computer's fixed memory;
- f) install computer programmes without having first informed the company function responsible for managing IT security;
- g) download from the web and install programs or applications protected by copyright;
- h) engage in conduct of any nature whatsoever, within the scope of one's working activities and/or through the use of the Company's resources, likely to infringe the intellectual property rights of others;
- i) duplicate, import, distribute, sell, lease, disseminate/transmit to the public, possess for commercial purposes - or in any case for profit - computer programs, databases, works with literary, musical, multimedia, cinematographic or artistic content for which the obligations arising from copyright law and related rights have not been fulfilled.

9. Crimes relating to counterfeiting of coins, public credit cards, revenue stamps and instruments or signs of recognition and crimes against industry and commerce (arts. 25-bis and 25-bis.1 Italian Legislative Decree 231/2001)

Recipients are prohibited from:

- a) maintain, promote, collaborate or cause the commission of behaviours that, taken individually or collectively, integrate, directly or indirectly, crimes relating to counterfeiting of coins, public credit cards, revenue stamps and instruments or signs of recognition and crimes against industry and commerce;

- b) engaging in conduct which, although not constituting an offence in itself, may potentially become one.

10. Incitement not to make a statement or to make a false statement to a judicial authority (Article 25-decies of Italian Legislative Decree 231/2001)

Recipients are prohibited from:

- a) to coerce, in any form or manner whatsoever, the will to answer to the judicial authorities of persons called upon to make statements or to induce them to avail themselves of the right not to answer;
- b) inducing, in any manner whatsoever, persons called upon to make statements before the judicial authorities to make untrue statements;
- c) giving, offering or promising money, gifts or other advantages to persons called upon to make statements before the judicial authorities;
- d) to engage in any conduct which, although not actually constituting the criminal hypothesis outlined above, may in the abstract become one;
- e) to carry out or facilitate transactions or activities that are not in compliance with the applicable and company rules.

Moreover, to guarantee compliance with the general rules of conduct described above, Recipients must also:

- a) in relations with the judicial authorities, it must be ensured that suspects or defendants in criminal proceedings, especially where the subject of proceedings in which the Company may be directly or indirectly involved, are free to freely express their representations of the facts should they decide to submit to questions;
- b) guarantee full cooperation with Judicial Authorities, including through the refusal to influence any individuals called upon to make a statement to a judicial authority or encourage them to make use of their right not to respond.

11. Environmental crimes (Article 25-undecies of Italian Legislative Decree no. 231/2001)

All Recipients are prohibited from:

- a) maintain, promote, collaborate or cause the commission of behaviours that, taken individually or collectively, integrate, directly or indirectly, the types of crimes included among those considered in article 25-undecies of Italian Legislative Decree 231/2001;
- b) to engage in conduct which, although not such as to constitute a crime in itself, falling within those considered above, may potentially become one.

Recipients must also comply with the following principles:

- a) always consider protecting the environment as prevalent compared to any economic consideration;
- b) contribute, to the extent of its competence, to the fulfilment of the obligations provided for the protection of the environment;
- c) always assess the effects of its conduct in relation to the risk of damage to the environment: any action that may have an environmental impact must aim at minimising the actual or potential damage caused to the environment;
- d) in compliance with their training and experience, as well as the instructions and means provided or arranged by the employer, do not adopt reckless behaviour that could cause damage to the environment;
- e) refrain from carrying out, on their own initiative, transactions or manoeuvres that are not part of their duties or, in any case, are likely to cause damage to the environment;
- f) comply with the measures laid down in the company's procedures aimed at preventing the production and reduction of harmfulness of waste;
- g) ensure the protection of soil and subsoil, land conservation and the protection of surface, sea and groundwater;
- h) take all necessary precautions to minimise air pollution and in any case keep emissions below the limits set by law;
- i) temporarily store and then consign waste safely and in compliance with current regulations;

- j) comply with procedures aimed at preventing environmental emergencies and limiting damage if it does occur.

12. Tax crimes (Article 25-*quinqüesdecies* of Italian Legislative Decree 231/2001)

Recipients are required to:

- a) refrain from engaging in conduct that would constitute the crimes envisaged in art. 25-*quinqüesdecies* of Italian Legislative Decree 231/2001;
- b) refrain from engaging in any conduct which, while not actually constituting any of the criminal offences outlined above, may abstractly become one;
- c) ensure an adequate selection of third parties aimed at verifying, inter alia, the actual existence and performance of appropriate checks on the actual provision of the service rendered/supply of the goods;
- d) ensure that every operation and transaction is correctly recorded, traceable, authorised, verifiable, legitimate, consistent and appropriate;
- e) comply with the laws and regulations in force, in the performance of activities aimed at the formation and keeping of compulsory accounting records, so as to provide the tax authorities with true and correct information on the company's tax situation;
- f) behave loyally, transparently and correctly in relations with the Tax and Customs Authorities and, in general, in relations with public officials and/or persons in charge of a public service and, in any case, interface with them only if authorised to do so, within the limits of the powers conferred by the powers of attorney and proxies in force;
- g) comply with current laws and regulations for the acquisition, processing and illustration of the data and information necessary to allow an informed judgement to be made on the Company's tax situation;
- h) facilitate internal control over the tax obligations envisaged by the law;
- i) comply with current regulations and laws for the calculation of the tax obligation and related reporting obligations (in particular: IRES [corporate income tax] and VAT);

- j) base activities and relations with other group companies on the utmost fairness, integrity and transparency.

Recipients are prohibited from:

- a) exhibit false or altered documents to the P.A., or withholding or omitting the exhibition, if due, of documents, information or data of any kind, or engaging in conduct aimed at misleading the P.A.;
- b) alter or falsify computer documents of any kind.

13. Smuggling (Article 25-*sexiesdecies* of Italian Legislative Decree no. 231/2001)

Recipients are prohibited from:

- a) engage in conduct such as to constitute the crimes set out in art. 25-*sexiesdecies* of Italian Legislative 231/2001;
- b) implementing any conduct which, although it does not specifically constitute any of the crimes included in Article 25-*sexiesdecies* of Italian Legislative Decree 231/2001, may theoretically become such a crime;
- c) to carry out or facilitate transactions or activities that do not comply with the rules of the Code of Ethics;
- d) to carry out activities that are in contrast with the procedures and control principles envisaged therein.

Recipients must also comply with the following principles:

- a) behave loyally, transparently and correctly in relations with the Tax and Customs Authorities and, in general, in relations with public officials and/or persons in charge of a public service and, in any case, interface with them only if authorised to do so, within the limits of the powers conferred by the powers of attorney and proxies in force;
- b) all activities and transactions executed on behalf of the Company — including contacts relating to relations with Group companies — must be characterised

by the utmost compliance with current laws, as well as with the principles of fairness, transparency, good faith and traceability of documents;

- c) ensure that actual conducts corresponds, to the maximum possible extent, to the conduct required by internal procedures, paying particular attention to the performance of "sensitive" activities in the area "at risk of crime"; with specific reference to anyone with a control and supervisory function regarding the requirements associated with performing the aforementioned "sensitive" activities, pay close attention to the implementation of the requirements themselves and immediately report any irregularities to the SB.

14. Crimes against cultural heritage (Articles 25-septiesdecies and 25-duodevicies of Italian Legislative Decree no. 231/2001)

All Recipients are required to:

- a) guard and handle cultural assets, even if discovered by chance, with the utmost care and attention and in compliance with the rules imposed by the proper authorities to ensure their preservation and the ability to pass them on to future generations.

In the context of the aforementioned behavioural principles, Recipients are expressly prohibited to:

- a) destroy, deface, damage, disperse any cultural or environmental asset or in any way make it completely or partially useless or unusable;
- b) use cultural assets in a any way that is not consistent with their historic or artistic nature or that harms their preservation or integrity



T E R N A G R O U P

**ORGANIZATIONAL AND MANAGEMENT
MODEL
PURSUANT TO ITALIAN LEGISLATIVE
DECREE**

No. 231 DATED JUNE 8, 2001

SPECIAL SECTION – ANNEX 1

ANNEX 1 SPECIAL SECTION

"DESCRIPTION OF PREDICATE OFFENSES"

INTRODUCTION

This document contains (i) a short description of the crimes defined in Italian Legislative Decree 231/2001 (hereinafter the "**Decree**") deemed to be relevant following the risk assessment carried out and, consequently, indicated as "crimes which could, in the abstract, be applicable", in the Special Section for at-risk processes of the Model 231 of TAMINI TRASFORMATORI S.r.l. ("**TAMINI**" or the "**Company**"), (ii) a brief explanation of the possible ways in which such crimes may be carried out, (iii) as well as a list of the predicate offenses, as per the Decree, deemed not relevant to Terna.

A. CRIMES DEEMED RELEVANT FOLLOWING THE RISK ASSESSMENT CONDUCTED

1. CRIMES REFERRED TO IN ARTICLES 24 AND 25 OF ITALIAN LEGISLATIVE DECREE No. 231/2001: CRIMES AGAINST THE PUBLIC ADMINISTRATION

Crimes pursuant to Articles 24 and 25 of the Decree are all premised on the establishment of relationships with the Public Administration (foreign Public Administrations are also included in the definition).

Indicated hereinafter are some general criteria for defining "Public Administration", "Public Officials" and "Persons in Charge of a Public Service".

2.1 Public Bodies

For the purposes of criminal law, a Public Body is commonly defined as any legal person entrusted with attending to public interests that performs legislative, judicial or administrative activities by virtue of public law rules and authorization deeds.

The Italian Criminal Code does not include a definition of a public body. In the Ministerial Report on the code itself, and in relation to crimes provided for therein, organizations are considered as belonging to the public administration if they perform "all the activities of the State and of other public bodies".

In an effort to draft a preliminary classification of juridical persons belonging to said category, reference can be made, finally, to Article 1, section 2, of Italian Legislative

Decree 165/2001, which deals with labor regulations for employees of public administrations and defines public administrations as all State administrations.

For example, the following organizations or categories of organizations are considered public bodies:

1. institutes and schools of all orders and levels and education authorities;
2. State entities and administrations having autonomous structures, such as:
 - a. the Italian Presidency of the Council of Ministers;
 - b. Ministries;
 - c. the Italian Chamber of Deputies and the Senate of the Republic;
 - d. the Department for Community Policies;
 - e. the Italian Antitrust Authority;
 - f. the Italian Regulatory Authority for Energy, Networks and Environment;
 - g. the Italian Communications and Media Authority;
 - h. Bank of Italy;
 - i. CONSOB: the Italian Commission for Companies and the Stock Exchange;
 - j. the Italian Data Protection Authority;
 - k. the Italian Revenue Agency;
 - l. ISVAP: the Italian Institute for the Supervision of Private Insurance and the Collective Interest;
3. Regions;
4. Provinces;
5. Municipalities;
6. Mountain Communities, their consortia and associations;
7. the Italian Chamber of Commerce, Industry, Handicraft and Agriculture and its associations;
8. the European Community and the Institutes connected thereto;
9. all national, regional and local non-economic public bodies, such as:
 - a. INPS (Italian Social Security Institute);
 - b. CNR (Italian national research council);
 - c. INAIL (Italian institute for insurance against occupational injuries);
 - d. ISTAT (Italian Central Statistics Institute);
 - e. ENASARCO (Italian Entity for Assistance of Commerce Agents and Representatives);
 - f. Local Health Authorities;
10. State monopolies and bodies;
11. RAI (the Italian national TV and radio corporation).

It being understood that the above-mentioned list of public bodies is only provided as an example, it should be noted that not all natural persons who act within the field and in relation to these bodies are persons against whom (or for whom) criminal offenses can be punished under Italian Legislative Decree No. 231/2001.

In particular, the individuals that are relevant for this purpose are only "Public Officials" and "Persons in charge of a Public Service".

2.2 Public Officials

Under the terms of Article 357, section 1 of the Italian Criminal Code, a person is considered a public official *"for all effects of criminal law"* if he/she carries out *"a public legislative, judicial or administrative function"*.

Section two defines the concept of "public administrative function". There has not been, however, a similar definition for "legislative function" or "judicial function".

Therefore, for the purposes of criminal law, "an administrative function is considered public when it is regulated by public law and by authorization deeds and when it is characterized by the expression of the will of the public administration or by it being carried out by means of authorizing or certifying powers".

The aforementioned regulatory definition identifies, first of all, the "external" demarcation of the administrative function. This demarcation is implemented by recourse to formal criteria referencing the nature of the regulation, specifying that an administrative function is public when it is provided for by "public law provisions", namely by the provisions aimed at the pursuit of a public goal and protecting the public interest and, as such, are juxtaposed to private law provisions.

Section two of Article 357 of the Italian Criminal Code acknowledges some of the broad principal criteria identified by the law in order to differentiate between the concept of "public function" and "public service". Therefore, Administrative activities are defined as public functions if they respectively and alternately perform: (a) deliberative powers; (b) authoritative powers; (c) certifying powers.

With reference to the above-mentioned criteria, the following crimes are included (crimes that can be committed only by or against public officials):

- Official misconduct (Article 317 of the Italian Criminal Code);
- Corruption by official deed (Art. 318 of the Italian Criminal Code);
- Corruption by acts against official duties (Article 319 of the Italian Criminal Code);
- Corruption in judicial acts (Article 319-ter of the Italian Criminal Code);
- Undue incitement to give or promise benefits (Article 319-quater of the Italian Criminal Code);
- Incitement to corruption (Article 322 of the Italian Criminal Code);
- Embezzlement, official misconduct, undue incitement to give or promise benefits, corruption and incitement to corruption, abuse of office of members of the International Criminal Courts or the European Community bodies or international parliamentary assemblies or those organized at an international level and officials of the European Community and of foreign states (Article 322-bis of the Italian Criminal Code);

2.3 Persons in charge of a public service

The definition of the category of *"persons in charge of a public service"* can be found in Article 358 of the Italian Criminal Code, which states that *"...persons in charge of a*

public service are those who carry out a public service, with any professional qualification. Public service must be considered an activity regulated in the same ways as a public function, but characterized by a lack of power which is typical in the latter, and with the exclusion of carrying out simple secretarial duties and performance of merely material work...".

The legislator defines the concept of "public service" using two criteria, one positive and one negative. According to the first criterion, the "service", to be defined as public, must be governed by public law, and according to the other, second criterion, to classify as a public service, it must be free from powers of a certifying, authorizing and deliberative nature, which are typical of "public functions".

Examples of persons in charge of a public service include: employees of the supervisory authorities which do not contribute to form the will of the authority and which do not have authoritative powers, the employees of organizations that perform public services even if of a private nature, clerks in public offices, etc.

Moreover, the legislator specified that neither "simple secretarial duties" nor the "performing merely material work" may ever represent a "public service".

With reference to activities that are performed by private individuals based on a concessionary relation with a public individual, it is deemed that for the purposes of qualification as "public service" of the entire activity performed under the concessionary relation, it is necessary to verify whether the individual activities are subject to public governance, as the existence of an authoritative act of subjective vesting is not sufficient.

In this regard, case law proposes the objective interpretation of the concept in question, evaluating the character of the instrumentality and relating to priority of the activities with respect to the public one.

In other words, the person in charge of a public service may be the party making a concrete contribution to the aims of the public service, exercising, in fact, a public function.

In order to support identification of the public nature of an organization, case law has therefore developed "identifying factors", used above all in the context of cases concerning public joint-stock companies.

Specifically, reference is made to:

- a. being subjected to checks and guidance for social purposes, as well as to the power of the State or other public bodies to appoint and revoke directors;
- b. the existence of an agreement and/or a concession with the public administration;
- c. financial contribution from the State;
- d. the presence of public interests within the economic activity.

On the basis of the indications herein above, the discriminating element to assess whether an individual does or does not possess the qualification of a "person in charge of a public service" can be seen not by the juridical nature taken on or held by the

organization, but rather by the functions that have been entrusted to the individual, which must consist in handling public interests or satisfying the needs of general interest.

Regarding the aforementioned subjective qualification, the following crimes are relevant:

- Official misconduct (Article 317 of the Italian Criminal Code);
- Corruption by official deed (Art. 318 of the Italian Criminal Code);
- Corruption in acts against official duties (Article 319 of the Italian Criminal Code);
- Corruption in judicial acts (Article 319-ter of the Italian Criminal Code);
- Undue incitement to give or promise benefits (Article 319-quater of the Italian Criminal Code);
- Incitement to corruption (Article 322 of the Italian Criminal Code);
- Embezzlement, official misconduct, undue incitement to give or promise benefits, corruption and incitement to corruption, abuse of office of members of the International Criminal Courts or the European Community bodies or international parliamentary assemblies or those organized at an international level and officials of the European Community and of foreign states (Article 322-bis of the Italian Criminal Code).

2.4 Description of predicate offenses under Articles 24 and 25 of the Decree

Below is a brief description of the crimes under Articles 24 and 25 of the Decree which, based on a preliminary analysis, were deemed applicable to the Company, as well as a brief explanation of the possible ways in which such crimes may be carried out, without prejudice to the fact that, pursuant to Article 26 of the Decree, the Company could also be considered liable if the crimes are simply attempted.

On a preliminary basis, it should be noted that, with the approval of Italian Legislative Decree no. 75 of July 14, 2020, on the implementation of the PIF Directive (EU Directive 2017/1371, on the on the fight against fraud to the Union's financial interests by means of criminal law) the crime of fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development referred to in Article 2 of Italian Law no. 898 of December 23, 1986 was also introduced as a relevant crime pursuant to Article 24 of the Decree.

- ***Peculation (Article 314, section 1, of the Italian Criminal Code)***

The crime takes place when a public official or a person in charge of a public service who, by virtue of their office or service, possesses or in any case has access to money or other property belonging to others, appropriates said money or property for themselves.

In particular, for the purposes of liability under the Decree, the crime is committed if the act harms the financial interests of the European Union.

Since embezzlement constitutes a crime that can only be committed by certain qualified individuals, the Company's liability could be alleged in the event of collusion in the offense committed by a public official or a person in charge of a public service or, for

example, in the event that such acts are carried out so as to encourage conduct provided for and punished by law.

Theoretically, allegations of embezzlement could also be made against Company representatives where, in the performance of activities in the public interest as part of a concessionary relationship with a public entity, they are recognized as being a person in charge of a public service.

- ***Embezzlement through profiting from the errors of others (Article 316 of the Italian Criminal Code)***

The crime takes place when a public official or a person in charge of a public service, in exercise of their functions or service, taking advantage of the errors of others, unduly receives or withholds money or other benefits for themselves or on behalf of another person.

In particular, for the purposes of liability under the Decree, the crime is committed if the act harms the financial interests of the European Union.

Embezzlement through profiting from the errors of others constitutes a crime that can only be committed by certain qualified individuals, the Company's liability could be alleged in the event of collusion in the offense committed by a public official or a person in charge of a public service or, for example, in the event that such acts are carried out so as to encourage conduct provided for and punished by law.

Theoretically, allegations of embezzlement through profiting from the errors of others could also be made against Company representatives where, in the performance of activities in the public interest as part of a concessionary relationship with a public entity, they are recognized as being a person in charge of a public service.

- ***Misuse of public funds (Article 316-bis of the Italian Criminal Code)***

This type of crime occurs when grants, funding, financing, subsidized loans or other similar funds, however denominated — granted by the government, another public authority or the European Union — are not used for the purposes for which they were intended (the conduct consists of diverting, even partially, the amount obtained, without noting that the planned activity was performed).

As the commission of the crime coincides with its execution phase, the crime may also relate to funds obtained in the past and not used at present for the purposes they had been granted for.

- ***Undue receipt of public funds (Art. 316-ter of the Italian Criminal Code)***

This crime is committed when grants, fundings, financing, subsidized loans or other similar funds of similar nature — awarded or granted by the government, another public authority or the European Union — are obtained by means of the use or submission of false statements or documents or by the omission of due information, without having the right thereto.

Unlike the case described above (Article 316-*bis* of the Italian Criminal Code), this crime is committed as the grant is obtained, and it does not matter how these grants are used.

Finally, it should be noted that the crime in question is residual with respect to the case referred to in Article 640-*bis* of the Italian Criminal Code (aggravated fraud to obtain public funds). This means that misappropriation is committed only when the illegal behavior is not included in the above-mentioned crime.

- ***Official Misconduct (Article 317-ter of the Italian Criminal Code)***

This crime is committed when a public official or person in charge of a public service abuses his/her position or power to force someone to provide for himself/herself or someone else money or another undue benefit.

- ***Corruption by official deed or by acts against official duties (Articles 318 and 319 of the Italian Criminal Code)***

These crimes are committed when a public official receives or accepts the promise to receive, for themselves or for others, money or other benefits in exchange of performing, not performing or delaying their office duties (thus causing an undue advantage to the person who offered the money or other benefits).

The public official's activity may be expressed either through a purposeful act (for example giving priority to the processing of a file of his/her own concern), or through an act contrary to the public officer's duties (for example accepting money in exchange of guaranteeing the award of a tender), or through conduct that, while not constituting a specific and predetermined act, falls within his/her functions of public official (for example offering money to the public official to secure future favors).

This crime is different from official misconduct, since here an agreement exists to reach a mutual advantage between the receiver of the money or property and the corrupter, while in official misconduct, the private party, against their will, suffers the misconduct of the public official or the person in charge of a public service.

- ***Aggravating circumstances (Article 319 bis of the Italian Criminal Code)***

This provision states that the penalty is increased if the facts referred to in Article 319 of the Italian Criminal Code is based on the assignment of public offices or salaries or pensions or the signing of contracts involving the public authority to which the public official belongs.

- ***Corruption in judicial acts (Article 319-ter of the Italian Criminal Code)***

This crime is committed when, in order to privilege or damage a party in legal proceedings, a public official is corrupted (not only a judge, but also a judicial clerk or any other official) in exchange for performing his/her functions or powers or not performing or delaying in, or having not performed or delayed in carrying out his/her duties, or performing or having performed an act contrary to their official duties.

- ***Undue incitement to give or promise benefits (Article 319-quater of the Italian Criminal Code)***

This crime is committed when a public official or a person in charge of a public service, abuses of his/her position or power to force someone to provide, for himself/herself or other persons, money or other undue benefits.

In addition to the public official and the person in charge of a public service, this crime also applies to the private individual who, unlike in the situation of official misconduct, is not required but only incited to make the promise or pledge and consequently still has the possibility of making a criminal choice, which justifies the application of a penalty.

Moreover, according to the guidance of the Joint Divisions of the Court of Cassation, the application of the penalty is also justified on the basis that the private individual does not cede to the misconduct of the public individual to avoid an undue damage, as is the case in official misconduct, but rather offers or promises money or another benefit in order to obtain an undue advantage (unfavorable consequences deriving from the application of law).

- ***Corruption of a person in charge of a public service (Article 320 of the Italian Criminal Code)***

This crime is committed when a person, appointed to a public service, receives or accepts the promise of receiving, for himself or for others, money or other benefits in exchange for performing, delaying or not performing, or having performed, delayed or not performed an act inherent to their office or an act that is contrary to the duties of their office.

- ***Penalties for the corrupter (Article 321 of the Italian Criminal Code)***

This article provides that penalties as indicated in the first section of Articles 318, 319, 319-bis, 319-ter and 320 of the Italian Criminal Code, in relation to crimes as stated in Articles 318 and 319 of the Italian Criminal Code, also apply to everyone who gives or promises money or other public benefits to a public official or to a person in charge of a service.

- ***Incitement to corruption (Article 322 of the Italian Criminal Code)***

This crime is committed when undue money or another undue benefit is offered or promised to a public official or to a person in charge of a public service for performing their office duties or to induce them to perform, delay or not perform an act inherent to their office or an act that is contrary to the duties of their office and this offer or promise is not accepted.

This crime is also committed when a public official or person in charge of a public service solicits, in vain, the promise or the giving of money or other benefits in exchange for performing, delaying or not performing, or having performed, delayed or not performed an act inherent to their office or an act that is contrary to the duties of their office.

- ***Embezzlement, official misconduct, undue incitement to give or promise benefits, corruption and incitement to corruption, abuse of office of***

members of the International Criminal Courts or the European Community bodies or international parliamentary assemblies or those organized at an international level and officials of the European Community and of foreign states (Article 322-bis of the Italian Criminal Code)

On the basis of the reference to Article 322-*bis* of the Italian Criminal Code made in Article 25 of the Decree, the provisions of Articles 314, 316, 317 to 320, 322.3, 322.4, and 323 of the Italian Criminal Code also apply to:

- 1) members of the European Community Commission, of the European Parliament, of the Court of Justice and of the Court of Auditors of the European Community;
- 2) officers and agents contracted in compliance with the Staff Regulations of the European Community or with the rules applicable to agents of European Community;
- 3) persons entrusted by member countries or by any public or private body in the European Community which exercise functions corresponding to those of officers or agents of the European Community;
- 4) members and personnel of organizations founded on the basis of Treaties which established the European Community;
- 5) those who, in other member states of the European Union, perform functions and carry out activities corresponding to those of public officials and those in charge of a public service;
- 6) judges, prosecutors, deputy prosecutors, officers and agents of the International Criminal Court, to persons entrusted by countries belonging to the Treaty which established the International Criminal Court that exercise functions corresponding to those of officers or agents of said Court, to members and personnel of bodies founded on the basis of the Treaty which established the International Criminal Court;
- 7) persons who perform function or activities corresponding to those of public officials and those in charge of a public service in international public organizations;
- 8) members of international parliamentary assemblies or those organized at an international or supranational level and judges and agents of the international courts;
- 9) persons who perform function or activities corresponding to those of public officials and those in charge of a public service in States not belonging to the European Union, when the act harms the financial interests of the European Union.

Moreover, the provisions of Article 319-*quater*, section two, 321 and 322, sections one and two, of the Italian Criminal Code also apply if the money or other benefit is given, offered or promised to:

- 1) the persons specified above;
- 2) persons who perform function or activities corresponding to those of public officials and those in charge of a public service in other foreign countries international public organizations.

The persons specified above are deemed equivalent to public officials when they exercise corresponding functions, and equivalent to persons in charge of a public service in other cases.

- ***Abuse of office (323 of the Italian Criminal Code)***

The law punishes public officials or persons in charge of a public service who, in the performance of their functions or the service, in breach of specific rules of conduct expressly provided for by the law or acts with force of law in relation to which there is no margin for discretion, or by failing to abstain in the presence of an interest of their own or of a close relative, or in other prescribed cases, intentionally procures an unfair financial advantage for himself/herself or others, or causes undue damage to others.

In particular, for the purposes of liability under the Decree, the crime is committed if the act harms the financial interests of the European Union.

Since abuse of office constitutes a crime that can only be committed by certain qualified individuals, the Company's liability could be alleged in the event of collusion in the offense committed by a public official or a person in charge of a public service or, for example, in the event that such acts are carried out so as to encourage conduct provided for and punished by law.

Theoretically, allegations of abuse of office could also be made against Company representatives where, in the performance of activities in the public interest in the context of a concessionary relationship with a public entity, they are recognized as being a person in charge of a public service.

- ***Trading in illicit influence (Article 346-bis of the Italian Criminal Code)***

This crime punishes any person, aside from cases of collusion in the crimes as per Articles 318, 319, 319-ter of the Italian Criminal Code and in the crimes of corruption as per Article 322-bis of the Italian Criminal Code, exploiting or benefiting from existing or alleged relations with a public official or a person in charge of a public service or one of the other parties as per Article 322-bis of the Italian Criminal Code, to unduly secure obtainment or promise, for themselves or for others, of money or other benefit, as the price of their illegal mediation with the public official or person in charge of a public service as per Article 322-bis of the Italian Criminal Code, or as payment for performance of his/her duties or powers. Those who unduly give or promise money or other benefits are equally punished.

- ***Fraud against the State, a public authority or the European Union (Article 640.2(1) of the Italian Criminal Code)***

This crime is committed when devices or tricks are carried out in order to obtain an undue profit to the detriment of others, misleading the government (or another public authority or the European Union).

For instance, this crime may be committed when documents or information prepared to bid in tenders with the Public Administration contain untrue statements (e.g. supported by false documents), in order to be awarded the tender.

- ***Fraud in public procurement (Article 356 of the Italian Criminal Code)***

The legislation punishes whoever commits fraud in performance of supply contracts or other obligations deriving therefrom.

The offense is committed in the fraudulent performance of not only supply contracts, but also tendered contracts, since the legislation punishes all instances of fraud against the Public Administration, regardless of the contractual arrangements by virtue of which the suppliers are required to provide particular goods or services.

For this crime to be committed, a simple breach of contract is not sufficient, as the legislation requires a *quid pluris* that is identified in contractual bad faith, or the presence of a malicious device or deception, so as to make the performance of the contract appear to be in accordance with the obligations taken on. Therefore, the law does not require there to be specific devices or for faults in the provided goods or services to be hidden, but it is sufficient for there to be intentional misconduct in the performance of a public contract for the supply of goods or services.

For example, the crime could be committed in the event that the services provided are different from those agreed on in the contract, and the breach of contract is concealed with fraudulent conduct.

- ***Aggravated fraud to obtain public funds (Article 640-bis of the Italian Criminal Code)***

This type of crime occurs when fraud is committed to unduly obtain grants, subsidies, loans, subsidized loans or other similar funds, however denominated from the State, another public body, or the European Union.

This crime may be perpetrated using scams or tricks, for example submitting false information or false documents in order to obtain public funds.

- ***Computer fraud against the State or another public body (Article 640-ter of the Italian Criminal Code)***

This crime is committed when an undue profit is obtained by altering the operation of a computer or online system or by unduly intervening in any way in the data, information or programs contained therein or pertaining thereto, and a damage is caused to third parties as a consequence thereof.

In fact, the crime is committed when, once the financing is granted, the computer system is violated in order to enter a higher amount for the financing compared with the one lawfully obtained.

With respect to the penalties that can be applied to the organization, should crimes be committed in relations with the Public Administration, they can be of a pecuniary or interdictory nature, which may obviously vary depending on the type of crime committed.

Specifically, for the crimes included in Article 24 of Italian Legislative Decree 231/2001, a pecuniary penalty of up to five hundred shares – six hundred if, following the commission of the crime, the body has made a significant profit or suffered particularly severe damage – (and therefore up to a maximum of approximately € 930,000) and the interdictory penalties provided for by Article 9, section 2, points c), d) and e).

With regard to the commission of crimes under:

- Articles 318, 321 and 322, first and third sections, and 346-*bis* of the Italian Criminal Code, Articles 314, section one, 316 and 323 of the Italian Criminal Code (when the act harms the financial interests of the European Union) and Article 25, section 1, of the Decree, a monetary penalty of up to two hundred shares (up to approximately €310,000) applies;
- Articles 319, 319-*ter*, section 1, 321, 322, sections 2 and 4, and Article 25, section 2, of the Decree, a monetary penalty of up to six hundred shares (up to approximately €930,000) applies;
- Articles 317, 319, aggravated pursuant to Article 319-*bis* when the body has obtained considerable profit from the act, 319-*ter*, section 2, 319-*quater* and 321 of the Italian Criminal Code, and Article 25, section 3, of the Decree, a pecuniary penalty of up to 800 shares (and therefore up to a maximum of approximately € 1,300,000) applies.

For the crimes as per articles 317, 319, 319-*ter*, 319-*quater*, 321, 322, sections 2 and 4, the restrictions defined by Article 9, section 2 apply, for no less than four years and not longer than seven years if the crime has been committed by one of the parties described in Article 5, section 1(a) and for no less than two years and no longer than four years if the crime has been committed by one of the parties described in Article 5, section 1(b).

Lastly, pursuant to Article 25, section 5-*bis*, of the Decree, if before sentencing by a lower court, the organization has acted appropriately so as to avoid further consequences of the criminal activity, to guarantee evidence of the crimes and to identify the parties responsible, or to seize amounts of money or other benefit transferred, and has removed organizational shortcomings that led to the crime by adopting and implementing organizational models suitable to prevent crimes of the type which occurred, the restrictions have the duration established by Article 13.2.

2. THE CRIMES REFERRED TO IN ARTICLE 24-BIS OF ITALIAN LEGISLATIVE DECREE No. 231/2001: COMPUTER CRIMES AND ILLEGAL DATA PROCESSING

Below is a brief description of the crimes under Articles 24-*bis* of the Decree which, based on a preliminary analysis, were deemed applicable to the Company, as well as a brief explanation of the possible ways in which such crimes may be carried out, without prejudice to the fact that, pursuant to Article 26 of the Decree, the Company could also be considered liable if the crimes are simply attempted.

- ***Electronic documents (Article 491-bis of the Italian Criminal Code)***

The rule provides that all crimes relating to the falsification of documents as provided for by the Italian Criminal Code (see Chapter III, Title VII, Book II), including ideological and material misrepresentation, both in official and private documents, are punishable even if such conduct does not involve a paper document but an official electronic document of evidential value (as an electronic representation of acts, facts or legally relevant data).

In particular, it should be noted that "material falsehood" occurs when a document is created or signed by a person other than the intended sender or signer, with some differences between the alleged author and the real author of the document (forgery) that is when the document is counterfeited (thus altered) through additions or deletions to the original document.

"Ideological falsehood" occurs, contrarily, when the document is not truthful, i.e. when it is not counterfeited or altered but contains untrue statements.

In the case of ideological falsehood, thus, it is the author of the document who states untruthful facts.

Therefore, Electronic Documents are granted the same legal value as traditional paper documents to all intents and purposes.

By way of example, the crime of electronic document forgery is committed when a person falsifies business records that are part of an electronic information flow or when a person alters information that is stored on his/her system and that has evidential value for the purpose of eliminating data that are deemed "sensitive" in view of a possible inspection.

- ***Unauthorized access to an information or telecommunications system (Article 615-ter of the Italian Criminal Code)***

This crime is committed when a person gains unauthorized access to an information or telecommunication system protected by security measures, or remains there against the express or tacit will of a person who has the right to exclude them.

In this regard, it should be noted that legislators intended to punish the unauthorized access to an information or telecommunication system *tout court*, and thus even when, for example, such access does not cause proper data corruption: for example, a situation where a person, who has gained illegal access to a computer system, prints the contents of a document that was stored in the database of someone else's personal computer, while not removing any files, but merely copying information (unauthorized copy access), or simply displaying and reading information (unauthorized read-only access).

This type of crime is also committed when a person, while having gained authorized access to the system, remains in it against the will of its owner, and, according to prevailing case law, when the person has used the system to pursue a purpose other than the authorized one.

The crime could therefore theoretically occur in a situation where a person gains illegal access to a computer system owned by a third party (outsider hacking) to acquire someone else's confidential business information, or where a person gains illegal access to corporate information to which he would not have legitimate access in view of the completion of further activities in the interest of the Company.

- ***Unauthorized possession, distribution, or installation of equipment, codes, or other means of accessing computer or telecommunications systems (Article 615-quater of the Italian Criminal Code)***

This crime is committed when, in order to obtain a profit for himself/herself or for another person or to cause damage to others, a person illegally gets hold of, reproduces, propagates, transmits, or provides codes, passwords, or other means for accessing information or telecommunications systems protected by security measures or otherwise provides information or instructions for the above purpose.

Article 615-*quater* of the Italian Criminal Code, therefore, punishes the acts committed by a person in connection with the unauthorized access insofar as they are aimed obtaining, for themselves or for another person, the means to circumvent the protective barriers of an information system.

The devices which can allow unauthorized access to an information system comprise, for example, codes, passwords or other means (such as badges or smart cards).

This type of crime is committed whether the person, who is in lawful possession of the above-mentioned devices (for example a system operator), transmits them to a third party without authorization or whether the person gets hold of one of these devices unlawfully.

Moreover, Article 615-*quater* of the Italian Criminal Code punishes whoever provides instructions or directions that are suitable for recreating the access code or circumventing the security measures of a system.

An employee of Company (A) may be guilty of this crime if he/she transmits to a third party (B) the password to access the electronic mailbox of a co-worker (C) with the purpose of allowing B to check on the activities carried out by C when this may result in a specific benefit or interest to the Company.

- ***Unauthorized possession, distribution, or installation of equipment, devices, or computer programs aimed at damaging or interrupting an IT system's operation (Article 615-quinquies of the Italian Criminal Code);***

This crime is committed when a person, in order to illegally damage an IT system and the information, data or programs contained therein, and cause the partial or total interruption or alteration of the system's operation, obtains, possesses, transmits, produces, reproduces, imports, distributes, communicates, gives or otherwise provides any third party with computer equipment, devices or programs.

This crime is committed, for example, when an employee, in order to destroy documents that are deemed "sensitive" with regard to ongoing criminal proceedings against the company, obtains a Virus suitable for damaging or interrupting the operation of that Company's computer system.

- ***Illegally intercepting, blocking, or interrupting IT communications (Article 617-*quater* of the Italian Criminal Code)***

This crime is committed when a person fraudulently intercepts the transmissions of a computer or telecommunication system or between multiple systems, or prevents or

interrupts such transmissions and when a person publicly discloses the partial or total contents of communications through any information means.

Interception techniques make it possible, during the transmission of data, to acquire the contents of communications between information systems or change their destination: the purpose of the illegal act is typically to violate the confidentiality of messages, compromise their integrity, delay them or prevent them from reaching their destination.

This crime is committed when, for example, in order to obtain an advantage for the Company, an employee prevents specific communications from taking place through an information system so that a competing company is unable to transmit data relative to and/or an offer in a bid.

- ***Unauthorized possession, distribution, or installation of devices aimed at intercepting, blocking or interrupting IT communications (Article 617-quinquies of the Italian Criminal Code)***

This type of crime is committed when someone, outside the cases permitted by law, in order to intercept IT systems communications or communications between multiple systems or prevent or interrupt them, procures, possesses, produces, reproduces, distributes, imports, communicates, gives, otherwise provides others with or installs equipment, programs, codes, keywords, or other means capable of intercepting, preventing or interrupting IT systems communications or communications between multiple systems.

The conduct prohibited by Article 617-quinquies of the Italian Criminal Code is therefore the mere act of possessing, distributing, or installing these types of devices, regardless of whether or not they are used, provided they have the potential to cause damage.

The crime is committed, for example, to the advantage of the Company, when an employee makes a fraudulent access to the office of a potentially competing commercial counterpart for the purpose of installing devices suitable for wiretapping the transmissions of computer and information technologies systems that are relevant to a future business negotiation.

- ***Damaging computer information, data and programs (Article 635-bis of the Italian Criminal Code)***

This crime is committed when a person destroys, deteriorates, deletes, alters or suppresses information, data or computer programs of others.

The penalty is increased if the act is committed with violence to persons or threats, or with abuse of the position of system operator.

The damaging may be committed to the advantage of the Company where, for example, the deletion or alteration of a file or a newly purchased computer program may be carried out to eliminate the proof of debt by a supplier of a Company or to challenge the proper performance of obligations by the same supplier or in the event that "incriminating" corporate data is damaged.

- ***Damaging computer information, data and programs used by the Government or any other public body or of public service (Article 635-ter of the Italian Criminal Code)***

This crime occurs when a person commits an act intended to destroy, deteriorate, cancel, delete, alter, or suppress computer information, data or programs used by the Government or any other public organization, or pertaining to them, or otherwise of public service.

The penalty is increased if:

- the act causes the destruction, deterioration, deletion, alteration or elimination of the computer information, data or programs;
- the act is committed with violence to persons or threats, or with abuse of the position of system operator.

This crime differs from the previous one since, in this case, the damage is perpetrated against Government property or of other public organizations or of a public service. It follows that the crime occurs even when computer data, information or programs are privately owned but are intended to satisfy the public interest.

This crime could be committed in the interest of a Company, when, for example, an employee destroys electronic documents of evidential value regarding ongoing criminal proceedings against that same Company that are filed with public authorities (such as the police).

- ***Damaging computer or telecommunication systems (Article 635-quater of the Italian Criminal Code)***

This crime occurs when a person, by committing the crimes pursuant to Article 635-*bis* of the Italian Criminal Code, or by introducing or transmitting data, information or programs, destroys, damages, renders useless, totally or partially, computer or telecommunication systems of others or severely hinders their normal operation.

The penalty is increased if the act is committed with violence to persons or threats, or with abuse of the position of system operator.

Therefore, the crime of damaging computer systems and not the crime of damaging data pursuant to Article 635-*bis* of the Italian Criminal Code is committed when the alteration of data, information or programs renders useless or severely hinders the normal operation of a system.

- ***Damaging computer or telecommunication systems of public service (Article 635-quinquies of the Italian Criminal Code)***

This crime is committed when the conduct pursuant to the above mentioned art 635-*quater* of the Italian Criminal Code is intended to destroy, damage, render useless, totally or partially, computer or telecommunication systems of public service or to severely hinder their operation.

The penalty is increased if:

- the act causes the destruction of or damage to the computer or telecommunication system or public utility or if such system or utility is rendered entirely or partially unusable;
- the act is committed with violence to persons or threats, or with abuse of the position of system operator.

With regard to the crime of damaging computer or telecommunication systems of public service, unlike the crime of damaging data, information and programs of public service pursuant to Article 635-ter of the Italian Criminal Code, the relevant circumstances are that firstly the whole system is damaged and secondly that the system is for public service, regardless of whether the system is privately or publicly owned.

- ***Computer fraud by a digital signature certifier (Article 640 quinquies of the Italian Criminal Code)***

This crime is committed when a person providing digital signature certifying services, in order to obtain for himself/herself or others an undue profit or to cause damage to others, infringes the obligations provided by law relating to the issuance of qualified certificates.

This crime is therefore a proper crime because it can only be committed by a person who can issue qualified certificates, or rather, by certifiers of qualified digital signatures.

- ***Violating national cybersecurity rules (Article 1, section 11, of Decree-Law no 105 of September 21, 2019)***

It should also be noted that Law no. 133/2019, converting Decree-Law no. 105/2019, containing "**Urgent provisions on national cybersecurity**", which entered into force on September 22, 2019, was published in the Official Gazette on November 20, 2019. In particular, the aforementioned legislative provision introduced a number of measures aimed at ensuring a high level of security for networks, computer systems and computer services of collective interest, necessary for the performance of functions or the provision of essential services for the State.

The addressees of the aforementioned provision are public administrations, as well as public and private national bodies and operators, whose networks fulfill an essential service and the malfunctioning of which could cause harm to national security.

Therefore, the national cybersecurity perimeter includes public and private entities operating in sectors such as **energy** and transport, the banking sector, financial market infrastructure, the health sector or digital infrastructures, whose precise identification is assigned to a decree of the President of the Council of Ministers to be adopted four months from the date on which the Decree-Law is converted into law.

To protect the cyber defense plan, the aforementioned Decree provided for the introduction of a new crime, while at the same time extending, to that new crime, the criminal liability of institutions under Italian Legislative Decree 231/2001.

Specifically, the new crime provides for the punishment, with between one a five years imprisonment, of anyone who, in order to hinder or condition the relative procedures:

- a) provides false information, data or facts (i) for the updating of the lists of networks, computer systems and computer services, (ii) for the communications required to entrust supplies of goods, systems and ICT services to be used on networks, or (iii) for the carrying out of inspection and monitoring activities;
- b) fails to communicate such information, data or facts by the deadlines provided for by the Decree.

However, The pecuniary penalty of up to 400 shares is applicable to the private entity liable pursuant to Italian Legislative Decree 231/2001.

It should be noted, however, that the occurrence of any of the above-mentioned computer crimes is relevant, for the purposes of the Decree, only in the event that the conduct, regardless of the nature of the data, information, programs, computer or telecommunication systems – whether they are corporate or not – is to the advantage of TERNA.

Therefore, in the description of the single crimes, such relevant aspect was taken into account for the preparation of the proposed case studies.

The penalties that can apply to the organization should computer crimes be committed can be monetary or restrictive and will vary depending on the type of crime committed.

In particular, in relation to the commission of the crimes referred to in Articles 615-*ter*, 617-*quater*, 617-*quinquies*, 635-*bis*, 635-*ter*, 635-*quater* and 635-*quinquies* of the Italian Criminal Code, and the first section of Article 24-*bis* of the Decree, the monetary penalty of up to five hundred shares (up to approximately €775,000) and the restrictions provided for by Article 9.2(a), (b) and (e), apply.

In the event of the commission of the crimes referred to in Articles 615-*quater* and 615-*quinquies* of the Italian Criminal Code, and the first section of Article 24-*bis* of the Decree, the pecuniary penalty of up to 300 shares (and therefore up to a maximum of approximately € 465,000) and the interdictory penalties provided for by Article 9, section 2, points b) and e) (suspension or revocation of authorizations, licenses or concessions functional to the commission of the crime, prohibition on advertising goods or services) apply.

Lastly, in relation to the commission of the crimes referred to in Article 491-*bis* and 640-*quinquies* of the Italian Criminal Code, and the breach of the rules on the national cyber security perimeter (Article 1, section 11, of Decree-Law no. 105 of September 21, 2019), referred to in Article 24-*bis* of the Decree, the pecuniary penalty of up to 400 shares (and therefore up to a maximum of approximately € 620,000) and the interdictory penalties provided for by Article 9, section 2, points c), d) and e) (prohibition on negotiations with public authorities except for obtaining the handover of a public service, exclusion from facilitations, loans, grants or subsidies and the possible revocation of any such benefits already granted, prohibition on a prohibition on advertising goods or services).

3. THE CRIMES REFERRED TO IN ARTICLE 24-TER OF ITALIAN LEGISLATIVE DECREE No. 231/2001: ORGANIZED CRIME, INCLUDING TRANSNATIONAL CRIME

Italian Law no. 94, dated July 15, 2009, introduced Article 24-ter into the Decree, extending the range of relevant crimes and including some new ones, cumulatively referred to as "organized crime offenses".

These are the following types of crime.

1) Pursuant Article 24-ter of the Decree (added by Law no. 94/2009 and amended by Law no. 69/2015), the organization's liability can derive from the following crimes:

1. Criminal Conspiracy (Article 416 of the Italian Criminal Code);
2. Mafia Conspiracy, including foreign Mafia conspiracy (Article 416-bis of the Italian Criminal Code) (article amended by Law no. 69/2015);
3. Mafia-related political election exchange (Article 416-ter of the Italian Criminal Code);
4. Kidnapping for purposes of robbery or extortion (Article 630 of the Italian Criminal Code);
5. Criminal conspiracy for illegal trafficking of narcotics and psychotropic substances (Article 74 of Presidential Decree no. 309 of October 9, 1990);
6. All crimes, if committed while taking advantage of the conditions provided for by Article 416-bis of the Italian Criminal Code to facilitate the activity of the associations provided for by the same article (Law no. 203/1991);
7. Illegal manufacture, introduction into the Country, sale, transfer, illegal possession and shelter in a public place or open to the public of war weapons (referred to in Article 407, section 2, point a), number 5), of the Italian Code of Criminal Procedure).

2) Moreover, Law No. 146 of March 16, 2006, "*Ratification and implementation of the United Nations Convention and Protocols against Transnational Organized Crime, adopted by the General Shareholders' Meeting on November 15, 2000 and May 31, 2001*", extended the liability of organizations to transnational organized criminal offenses.

To qualify a criminal act as a "transnational offense", it is necessary for the following conditions, indicated by the legislator, to be met:

- 1) an organized criminal group must be involved in the commission of the crime;
- 2) the act must be punishable with a penalty of no less than 4 years' imprisonment;
- 3) the unlawful conduct must:
 - be committed in more than one State; or
 - be committed in one State but has substantial effects on another State; or
 - be committed in one State but a substantial part of its preparation, planning, direction or control must take place in another State; or
 - be committed in one State but involve an organized criminal group that engages in criminal activities in more than one State.

Pursuant to the United Nations Convention against Transnational Organized Crime, "organized criminal group" means "a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offenses established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit".

Pursuant to Law no. 146/2006, relevant crimes for the purposes of the organization's administrative liability are:

1. Provisions against illegal immigration (Article 12, sections 3, 3-*bis*, 3-*ter* and 5, of the consolidated text of Italian Legislative Decree no. 286 of July 25, 1998);
2. Criminal conspiracy for illegal trafficking of narcotics and psychotropic substances (Article 74 of the consolidated text of Presidential Decree no. 309 of October 09, 1990);
3. Criminal conspiracy to smuggle processed foreign tobacco (Article 291 of the consolidated text of Presidential Decree no. 43 of January 23, 1973);
4. Incitement not to make a statement or to make a false statement to a judicial authority (Article 377-*bis* of the Italian Criminal Code);
5. Aiding and abetting (Article 378 of the Italian Criminal Code);
6. Criminal Conspiracy (Article 416 of the Italian Criminal Code);
7. Mafia Conspiracy (Article 416-*bis* of the Italian Criminal Code).

Given the foregoing, **not all crimes referred to by Article 24-ter of the Decree and by Law no. 146/2006 appear to be applicable, even in the abstract; however, following a theoretical logic, some of the crimes indicated above could be relevant**, and these are the following crimes in particular:

A. Criminal Conspiracy (Article 416 of the Italian Criminal Code)

This is a conspiracy crime against public order and is committed by means of the conduct of three or more persons who conspire to commit crimes.

The crime included in Article 416 of the Italian Criminal Code (in the sense that, in order to be committed, it requires the participation of at least three persons).

The legal interest protected by the legislation is the protection of public order, understood as the sound organization and regular conducting of social life, as "public peace".

The conduct consists of promoting, creating or organizing the conspiracy or even simply participating in it. In fact, even simply participating in conspiracy constitutes the crime, provided that the criminal agreement is aimed at the implementation of an extensive criminal plan for the commission of an undetermined number of crimes.

From the subjective point of view, the conduct must be supported by the knowledge and intention to take part in the criminal association in order to commit several crimes (so-called specific intent).

The essential requirements outlined by case law for the conspiracy crime to exist (so as to differentiate it from mere collusion in the crime) are **i)** a generally permanent association, **ii)** each conspiring member being aware that they are taking part in the

association and participating in the shared plan, **iii**) the purpose of committing several crimes aimed at implementing an undetermined criminal plan, **iv**) an organizational structure, which may even be rudimentary, provided it is capable of implementing an undetermined criminal plan.

Doctrine allows "external collusion" in criminal conspiracy (pursuant to Article 110 of the Italian Criminal Code) characterized by the external contribution to maintaining and strengthening the association. Case law has been established in relation to the crime described in Article 416-*bis* of the Italian Criminal Code (see below).

Special aggravating circumstances for the crime are: armed raids (Article 416, section 4, of the Italian Criminal Code); ten or more members (Article 416, section 5, of the Italian Criminal Code); direct conspiracy in enslavement, people trafficking, the purchase of slaves, the trafficking or organs taken from living persons (Article 416, section 6, of the Italian Criminal Code); direct conspiracy to commit crimes against minors such as child prostitution, child pornography, sexual violence against a minor, sexual acts with minors, group sexual violence against children, soliciting children, etc. (Article 416.7 of the Italian Criminal Code).

For example, the crime could be said to be committed if several individuals related to the Company or related to other companies in the Group, together with external individuals (partners, suppliers, clients, representatives of the public administrations, consultants, etc.) conspire in order to commit several crimes (e.g. crimes against the public administrations or against intellectual property, etc.), including through:

- a) hiring personnel or consultants or assigning work to suppliers associated by family ties and/or marriage to representatives of known criminal organizations;
- b) the financing of the criminal conspiracy through the disbursement of money.

Outside of participation in conspiracy, the Company employee could commit the crime (in the form of external collusion) in the event that, while not forming part of the organizational structure of the criminal group, they contribute to the achievement of the conspiracy's objectives, by facilitating by any means the commission of the crimes that constitute the conspiracy's objectives, for example (provided that the conditions mentioned previously are met).

B. Mafia Conspiracy (Article 416-bis of the Italian Criminal Code)

This crime is committed by means of participation in a mafia conspiracy consisting of three or more people.

The conspiracy crime (crime in which collusion is necessary) is characterized in relation to the crime provided for in Article 416 of the Italian Criminal Code, by the use, by the conspirators, of intimidation, a typical feature of mafia-related conduct and, on the passive side, by the use of a system of subordination and the code of silence engendered by the intimidation, in order to commit several crimes, to directly or indirectly gain control over economic activities, concessions, authorizations, tenders and public services or to gain unfair profit or advantages for the organization itself or for others, or to

prevent or obstruct the free exercise of the right to vote, or to procure votes for itself or others during elections.

For examples of the means by which the crime is committed, reference can be made to the example provided with regard to "simple" criminal conspiracy, with the difference being that, in the latter case, the additional element of intimidation to form the association, and the system of subordination and code of silence that derives therefrom, must be present.

Case law (Court of Criminal Cassation, Section One, no. 22327/2002) accepts that external collusion can form part of the crime of criminal conspiracy (specifically, mafia conspiracy), characterized by: a) its occasional or ongoing nature and the independence of the contribution provided; b) the functionality of the contribution to the achievement of the conspiracy's objectives; c) the contribution's causal efficiency in strengthening the conspiracy and its objectives; d) knowledge of facilitating the achievement of unlawful purposes (general intent).

As regards external collusion in a mafia conspiracy, case law (Court of Criminal Cassation, Section IV, no. 30346 of 04/18/2013) has established that "collusion" is committed by any entrepreneur who, without forming part of the criminal group's organizational structure and without "*affectio societatis*", has established a relationship of reciprocal advantage with the group, which for the entrepreneur consists of imposing themselves on the territory in a dominant position and, for the mafia organization, consists of obtaining resources, services or benefits. (In this specific case, the entrepreneur was operating in the context of a system for the management and distribution of public contracts through unlawful interference which, to his advantage, led to the awarding of contracts and, for the group, the strengthening of its own ability to influence within the economic sector, with contiguous contracts and undertakings).

C. Incitement not to make statements or to make false statements to the judicial authority (Article 377-bis of the Italian Criminal Code)

This crime is committed through inciting – following violence, threats or the offer or promise of money or other benefits – an individual with the right not to respond, to abstain from making statements (i.e. to exercise said right) or to make false statements to the Judicial Authorities (Judge or Public Prosecutor).

Therefore, the crime could be said to be committed when an individual related to the Company or the Group takes measures – with violence, threats or promise of money or other benefits – aimed at inciting persons obliged to make statements (e.g. witness statements) to the legal authorities that can be used in criminal proceedings to make untruthful statements regarding, for example, the unlawful activities of Company directors and/or other employees.

D. Aiding and abetting (Article 378 of the Italian Criminal Code)

The law punishes those who, after an offense punishable by life imprisonment or confinement has been committed, and aside from cases of collusion in the same, help the relative persons to avoid investigation by the authorities or escape their searches.

The crime is also committed in the event that the person receiving such help cannot be charged or has not committed the crime, since the interest protected by the law is the administration of justice's interested in the proper conducting of criminal process, which is disturbed by acts that seek to hamper or divert activities aimed at ascertaining and preventing crimes.

The conduct must not only be supported by an intent to help, but it must also be objectively capable of hampering the course of justice.

By way of example, the crime could be committed if an individual related to the group carried out activities aimed at helping other employees or the directors of the company, for example, to divert judicial police investigations during an inspection.

4. THE CRIMES INCLUDED IN ARTICLE 25-BIS OF ITALIAN LEGISLATIVE DECREE No. 231/2001: FORGERY OF COINS, BANKNOTES, PUBLIC CREDIT CARDS AND REVENUE STAMPS

Italian Legislative Decree no. 350 of September 25, 2001, governing the "*Urgent provisions in view of the introduction of the euro*" provided, among other things, for the inclusion of Article 25-bis in the Decree (known as "forgery").

The above-mentioned article expanded the list of the predicate offenses, adding the following:

- Article 453 of the Italian Criminal Code ("Forgery of coins or banknotes, putting into circulation and introduction into the State, with conspiracy, of forged coins or banknotes");
- Article 454 of the Italian Criminal Code ("Forging coins and banknotes");
- Article 455 of the Italian Criminal Code ("Circulating and introducing into the State, without conspiracy, forged coins or banknotes");
- Article 457 of the Italian Criminal Code ("Circulating forged coins or banknotes received in good faith");
- Article 459 of the Italian Criminal Code ("Forging revenue stamps, introducing into the State, purchasing, possessing or circulating counterfeit revenue stamps");
- Article 460 of the Italian Criminal Code ("Counterfeiting watermarked paper used to manufacture public credit notes or revenue stamps");
- Article 461 of the Italian Criminal Code ("Manufacturing or possessing watermarks or equipment designed to forge coins or banknotes, revenue stamps or watermarked paper");
- Article 464 of the Italian Criminal Code ("Using counterfeit or altered revenue stamps");
- Article 473 of the Italian Criminal Code ("Counterfeiting, altering or using counterfeit or altered distinctive signs identifying intellectual works or industrial products");
- Article 474 of the Italian Criminal Code ("Introducing into the State and trading in products identified with fake signs").

Below is a brief description of the types of crime provided for in Article 25-bis of the Decree which — following a preliminary analysis — have been deemed *prima facie* to be relevant to TERNA, and in particular the crime provided for by Article 473 of the Italian Criminal Code.

- ***Counterfeiting or altering or using counterfeit or altered distinctive signs identifying intellectual works or industrial products (Article 473 of the Italian Criminal Code)***

This crime includes any person who is in a position to know of the existence of the intellectual property right, counterfeits or alters national or foreign trade marks or distinctive signs of industrial products, or, without having colluded in the counterfeiting or alteration, makes use of such counterfeited or altered marks or signs.

For example, the crime could be said to be committed if another party's trademark is falsely and abusively reproduced in the organization's promotional material (think of brochures, presentations, etc.).

With regard to the penalties applicable to the Organization if the crimes included in Article 473 of the Italian Criminal Code are committed, Article 25 provides for "an administrative-monetary penalty of up to five hundred shares" (up to approximately €775,000). Moreover, in the event of conviction, the organization is punished with the interdictory penalties established in Article 9, section 2, of the Decree for a period of no more than one year.

5. THE CRIMES REFERRED TO IN ARTICLE 25-BIS.1 OF ITALIAN LEGISLATIVE DECREE No. 231/2001: CRIMES AGAINST INDUSTRY AND TRADE

Law no. 99, dated July 23, 2009, containing "*Provisions for the development and internationalization of businesses, and concerning energy*" introduced Article 25-bis.1 into the Decree.

The above-mentioned article expanded the list of the predicate offenses, adding the following:

- Article 513 of the Italian Criminal Code ("Unfair interference in industrial or commercial activities");
- Article 513 *bis* of the Italian Criminal Code ("Unfair competition with use of threatens or violence");
- Article 514 of the Italian Criminal Code ("Fraud against national industries");
- Article 515 of the Italian Criminal Code ("Fraudulent commercial activities");
- Article 516 of the Italian Criminal Code ("Sale of non-genuine foodstuff as genuine");
- Article 517 of the Italian Criminal Code ("Sale of industrial products displaying untrue signs");

- Article 517 *ter* of the Italian Criminal Code (“Manufacturing and commercialization of goods using intellectual property rights belonging to others”);
- Article 517 *quater* of the Italian Criminal Code (“Counterfeiting of the geographical indications or designation of origin of agricultural foodstuff”).

Below is a brief description of the types of crime provided for in Article 25-bis.1 of the Decree which – following a preliminary analysis – have been deemed *prima facie* to be relevant to TERNA, and in particular the crimes provided for by Article 513-bis and 517-ter of the Italian Criminal Code.

- ***Unfair competition with threats or violence (Article 513-bis of the Italian Criminal Code)***

This type of crime is committed in cases in which – in the carrying on of a commercial, industrial or in any case productive activity – acts of competition are carried out with violence or threats. The crime is punished more severely in cases in which the acts of competition concern an activity that is entirely or partially financed in any way by the State or other public bodies.

- ***Manufacturing and trading goods using intellectual property rights belonging to others (Article 517-ter of the Italian Criminal Code)***

This crime includes any person whom, while being able to know of the existence of the intellectual property right, industrially manufactures or uses objects or other goods produced using or breaching an intellectual property right belonging to a third party.

Moreover, the crime is also committed in the event that, in able to obtain a profit, the goods referred to above are: i) imported into the territory of the State; ii) held for sale; iii) placed on sale with a direct offer to consumers or in any case placed in circulation.

As regards the penalties applicable to the Organization, Article 25-bis.1 establishes:

- for the crime included in Article 513-*bis* of the Italian Criminal Code, a monetary penalty of up to eight hundred shares (up to approximately €1,240,000);
- for the crime included in Article 517-*ter* of the Italian Criminal Code, a monetary penalty of up to five hundred shares (up to approximately €775,000).

Moreover, in the event of conviction for the aforementioned crimes, the organization is punished with the restrictions established in Article 9.2, of the Decree.

6. THE CRIMES REFERRED TO IN ARTICLE 25-TER OF ITALIAN LEGISLATIVE DECREE No. 231/2001: CORPORATE CRIMES

Article 25-*ter* of the Decree identified specific types of crime concerning corporate matters, the commission of which capable of bringing about a benefit to the company. Below is a brief description of the crimes which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

For clarity, the crimes have been grouped into five different types.

1. FALSE CORPORATE COMMUNICATIONS

- ***False statements in company notices (Article 2621 of the Italian Civil Code)***

The crime defined by Article 2621 of the Italian Civil Code is committed when, outside the cases established in Article 2622, directors, general managers, managers in charge of preparing the company's financial statements, auditors and liquidators, who, in the financial statements, reports or other company notices and announcements as provided for by the law, addressed to shareholders or the public and with the purpose of obtaining for themselves or for others an unlawful profit, willfully provide material information not corresponding to the truth, or omit material information that is mandatory according to the law regarding the economic, property or financial situation of the company or of the group to which it belongs, in a way that leads addressees to a misinterpretation of the above-mentioned situation.

Liability also extends to the eventuality that the false statements or omissions concern assets owned or managed by the company on the behalf of third-parties.

- ***Minor events (Article 2621-bis of the Italian Civil Code)***

The crime referred to in Article 2621-bis of the Italian Civil Code is committed, with the exception whereby it constitutes a more serious crime, if the events referred to in Article 2621 of the Italian Civil Code are minor in nature, considering the type and size of the company and the means and the effects of the conduct, or concerning companies not subject to bankruptcy as they do not exceed the limits given in section two of Article 1 of Italian Royal Decree no. 267 of March 16, 1942 and subsequent amendments and integrations. In this case the crime is prosecutable upon action taken by the company, shareholders, creditors or other recipients of company notices.

- ***False statements in company notices of listed companies (Article 2622 of the Italian Civil Code)***

The crime defined by Article 2622 of the Italian Civil Code is committed when directors, general managers, managers in charge of preparing the company's financial statements, auditors and liquidators of companies issuing financial instruments admitted to trading in a regulated market - Italian or of another EU member state - who, in the financial statements, reports or other company notices and announcements addressed to shareholders or the public and with the purpose of obtaining for themselves or for others an unlawful profit, willfully provide material information not corresponding to the truth, or omit material information that is mandatory according to the law regarding the economic, property or financial situation of the company or of the group to which it belongs, in a way that leads addressees to a misinterpretation of the above-mentioned situation.

The companies specified in the previous section are:

- 1) companies issuing financial instruments for which an application has been made for admission to trading in a regulated market - Italian or other EU member state;

- 2) companies issuing financial instruments which have been admitted to trading in an Italian multilateral trading system;
- 3) parent companies of companies issuing financial instruments which have been admitted to trading in a regulated market - Italian or other EU member state;
- 4) companies that invite publicly raised capital or that otherwise manage it.

Liability also extends to the eventuality that the false statements or omissions concern assets owned or managed by the company on the behalf of third parties.

- ***Non-disclosure of any conflict of interests (Article 2629-bis of the Italian Civil Code)***

This crime is represented by the violation of obligations set forth in Article 2391, section 1, of the Italian Civil Code, by the director or member of the Governing Board of a company with shares listed on regulated Italian markets or regulated markets of another EU member state, or distributed among the public to a significant extent pursuant to Article 116 of the TUF [Consolidated Law on Finance] (or other bodies subject to controls), if the above-mentioned violation leads to losses for the company or third parties.

Article 2391, section 1, of the Italian Civil Code obligates directors of joint stock companies to notify the other directors and the Board of Statutory Auditors on any interest that, on their behalf or on a third party's behalf, they might have in a specific company transaction, specifying its nature, terms, origins and extent. CEOs must also refrain from carrying out the transaction, assigning it to the body in charge. The Sole Administrator must inform about such transactions during the first meeting to be held.

2. PROTECTION AFFORDED BY CRIMINAL LAW OVER THE CORRECT MANAGEMENT COMPANY SHARE CAPITAL

- ***Undue return of contributions (Article 2626 of the Italian Civil Code)***

This crime is committed, with the exception of the cases considered to represent legitimate reductions of the share capital according to the law, through returning capital to shareholders -including simulated returning-, or releasing them from their obligations to do so.

Only company directors are defined as being punishable for having committed the crime. The law thus does not provide for punishment for shareholders benefiting from the return of capital or from being released from their obligations in that regard. However, the event is foreseen, of possible participation in the crime. In such circumstances, in compliance with the general rules applying to participation in a crime under Article 110 of the Italian Criminal Code, shareholders may also be considered guilty of the crime if their conduct has instigated or determined the illegal conduct of the Directors.

- ***Illegal distribution of profits or reserves (Article 2627 of the Italian Civil Code)***

The crime is defined as the distribution of profits (or advances on profits) which have not actually been accrued or which the law requires to be allocated to reserves, or the distribution of reserves (including those not made up from profits) which cannot be allocated according to the law.

It should be noted that returning profits or replenishing reserves prior to the term established for the approval of the Company's financial statement cancels the crime.

The only persons defined as being punishable for having committed this crime are the Directors. The law does not provide for punishing shareholders benefiting from the distribution of profits or reserves, excluding the possibility of necessary participation in the crime. However, the event is foreseen, of possible participation in the crime. In such circumstances, in compliance with the general rules applying to participation in a crime under Article 110 of the Italian Criminal Code, shareholders may also be considered guilty of the crime if their conduct has instigated or determined the illegal conduct of the Directors.

- ***Unlawful transactions concerning the company's or its parent company's shares or quotas (Article 2628 of the Italian Civil Code)***

Such a crime will be committed upon the purchase or subscription of shares or stakes issued by the company (or by its holding company), with the exception for cases provided for by the law, damaging the integrity either of the share capital or of reserves which may not be allocated according to the law.

It should be noted that, if the share capital or reserves are replenished prior to the term established for the approval of the Company's financial statement referring to the accounting period to which the conduct related, the crime will be canceled.

The only persons defined as being punishable for having committed this crime are the Directors. Furthermore, it is possible to foresee a situation where directors of a holding company participate in committing the crime together with those of a subsidiary, in the event illegal transactions on the shares owned by the holding company itself are carried out by the subsidiary's directors on the instigation of the directors of the holding company.

- ***Transactions to the detriment of creditors (Article 2629 of the Italian Civil Code)***

This crime is committed when transactions are carried out, in violation of the law for the protection of creditors, resulting in the reduction of the company's share capital, the merger with other companies or the splitting up of the company in such a way as to cause loss or damage to creditors.

It should be noted that the payment of compensation for damages to creditors prior to court judgment cancels the crime.

The crime punishable upon charges filed by the injured party.

The only persons punishable for having committed this crime in this case too, are the directors.

- ***Fictitious formation of corporate capital (Article 2632 of the Italian Civil Code)***

This crime is represented through the following conduct: a) fictitious formation or increase of the share capital, also partly, by means of the allocation of shares or quotas higher than the company's share capital; b) mutual subscription of shares or quotas; c) excessively high appraisal/evaluation of contributions in kind, receivables or assets of the company in the case of transformation.

The only persons punishable for having committed this crime are directors and contributing shareholders.

- ***Undue distribution of corporate assets by liquidators (Article 2633 of the Italian Civil Code)***

This crime is committed when company property is divided among shareholders prior to the payment of company creditors or before the amounts necessary to meet their debts have been set aside, thus causing damage to the creditors.

In particular:

- the crime will be punished upon charges filed by the injured party;
- The payment of compensation for damages to creditors prior to court judgment cancels the crime.

The persons punishable for this crime are only the liquidators.

3. PROTECTION AFFORDED BY THE CRIMINAL LAW OVER THE PROPER OPERATION OF THE COMPANY

- ***Obstruction to supervision (Article 2625 of the Italian Civil Code)***

The crime is committed when control activities legally attributed to shareholders or to other company bodies are prevented or obstructed by the concealment of documents or other methods.

For this crime, an administrative monetary sanction is required.

Penalties are increased (with imprisonment up to 1 year and doubled for companies with shares listed on the regulated Italian markets or of another country of the European Union) if such conduct has been detrimental to shareholders. In this case, the crime is punished only upon charges filed by another party.

Directors are the only persons that can be punished for the commission of the crime.

- ***Illicit influence on the General Meeting (Article 2636 of the Italian Civil Code)***

This crime occurs whenever the majority in the meetings is reached by means of simulated or fraudulent acts, in order for the offender, or for a third party, to obtain unjust profit.

The crime is defined as a common crime which may be committed by “anyone” carrying out the defined criminal conduct.

4. PROTECTION AFFORDED BY CRIMINAL LAW OVER EQUITY

- ***Agiotage (Article 2637 of the Italian Civil Code)***

This crime is committed when false information is disseminated or simulated transactions or other artificial acts are carried out, which are concretely capable of causing a significant change in the price of unlisted financial instruments or financial instruments with respect to which no request for admission to trading on a regulated market has been submitted, or of having a material impact upon the public’s reliance upon the economic stability of banks or banking groups.

This crime, too, is defined as a common crime which can be committed by “anyone” carrying out the criminal conduct as indicated.

- ***Corruption between individuals (Article 2635 of the Italian Criminal Code)***

This crime is included in the list of Predicate Offenses in the Decree, solely for active conduct (section 3). Consequently, the Decree punishes those who, acting themselves or through an intermediary, offer, promise or give money or other undue benefits to one of the following persons (to the extent they belong to a joint stock company pursuant to Book V, Title XI, Chapter IV of the Italian Civil Code):

- a manager;
- a general manager;
- a manager in charge of preparing the accounting statements;
- a statutory auditor;
- a liquidator;
- a person who carries out different managerial activities to those of the persons listed above;
- a person subject to the management or supervision of one of the persons listed above.

Moreover, for the sake of completeness, it should be noted that Article 2635 of the Italian Civil Code incriminates all those who solicit or receive (including through intermediaries) money or another benefit not justifiably owed to them, or undertake to perform or omit an action in breach of the obligations of their office or loyalty obligations to their group.

Finally, it is noted that the crime may be prosecuted *ex officio*.

- ***Incitement to corruption between individuals (Article 2635-bis of the Italian Civil Code)***

Italian Legislative Decree no. 38 of March 5, 2017 regarding the “*Implementation of the framework decision 2003/568/GAI of the Council, dated July 22, 2003, in relation to the fight against corruption in the private sector*”, introduced the cases of “Incitement to

corruption between individuals” which penalizes those who offer or promise money or other unjustified benefits to senior management figures or persons with managerial roles in private companies or institutions aimed at the performance or omission of an act in breach of the obligations of the office or the obligations of loyalty in the case that said offer or promise is not accepted (section 1), and those who solicit, for themselves or others, including as intermediaries, a promise or payment of money or other benefits in exchange for the performance or omission of an act in breach of the obligations of their office or the obligations of loyalty, in the case that the solicitation is not accepted (section 2).

In both cases, the penalties provided for corruption between individuals, reduced by one third, apply.

5. PROTECTION AFFORDED BY CRIMINAL LAW OVER SUPERVISION BY ADMINISTRATIVE AUTHORITIES

- Obstruction to the exercise of Public Supervisory Authorities’ functions (Article 2638 of the Italian Civil Code)

Two crimes are defined here, distinguished by the manner in which they are carried out:

- the first is committed (i) when material facts not corresponding to the truth relating to the assets or the economic or financial situation of the company under supervision have been included in notices required to be made by law to Public Supervisory Authorities (for the purpose of preventing such bodies from performing their duties), or (ii) when facts are concealed by other fraudulent means, concerning the same assets or the economic or financial position of the company, which should have been so communicated. The crime may also be committed in circumstances where the information relates to property held or managed by the company on behalf of third parties;
- the second crime is committed by simply and intentionally preventing a Public Authority from performing its supervisory duties, including in any way, the omission of notices required to be made to such authorities.

Subjects that can be punished for this crime are directors, general managers, managers in charge of drawing up the company’s accounting statements, auditors and liquidators; this crime is different from the one provided for by Article 170-*bis* of the Consolidated Law on Finance, not including the list given in Article 25-*ter* of the Decree, which penalizes the conduct of “whoever”, outside of those cases described by Article 2638 of the Italian Civil Code, such to compromise the supervisory activities entrusted to CONSOB.

6. CRIMINAL PROTECTION OF THE LEGALITY OF CROSS-BORDER TRANSACTIONS

- Crime of false or omitted declarations for the issuance of the preliminary certificate, provided for in the implementing legislation of Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019,

amending Directive (EU) 2017/1132 as regards cross-border transformations, mergers, and divisions (Legislative Decree No. 19 of 2 March 2023).

This is an offence introduced to harmonise EU law and provide for specific provisions with reference to cross-border mergers, divisions and transformations. This is to ensure a 'control of the legality' of such operations, 'before they take effect, in order to provide legal certainty'.

It follows that, each EU State must identify one or more competent authorities responsible for checking the legality of the operation, i.e. 'assessing compliance with all relevant conditions and the proper completion of all procedures and formalities in that State' and then deciding whether to issue a pre-transaction certificate within three months of the submission of the application.

Accordingly, the Decree provides that the notary, as the competent Italian authority, must carry out such checks for the purpose of issuing the preliminary certificate for the cross-border transaction (see Articles 13, 33, 47 of Legislative Decree No. 19 of 2 March 2023 concerning, respectively, cross-border transformation, merger and demerger).

In particular, the company may be held liable if, in its own interest and/or advantage (i.e.: the conclusion of the transaction), false statements are made or omissions are made in order to obtain the aforementioned preliminary certificate.

With respect to the penalties that can be applied to the organization, should corporate crimes be committed, they can be of a pecuniary or interdictory nature, which may obviously vary depending on the type of crime committed.

In particular, in relation to the commission of corporate crimes provided for by the Italian Civil Code, the following pecuniary penalties apply to the organization:

- for the crime of false statements in company notices included in Article 2621 of the Italian Civil Code, a pecuniary penalty of up to 400 shares (therefore up to a maximum of approximately € 620,000);
- for the crime of false statements in company notices included in Article 2621-*bis* of the Italian Civil Code, a pecuniary penalty of up to 200 shares (therefore up to a maximum of approximately € 310,000);
- for the crime of false statements in company notices included in Article 2622 of the Italian Civil Code, a pecuniary penalty of up to 600 shares (therefore up to a maximum of approximately € 930,000);
- for the crime of fictitious formation of corporate capital included in Article 2632 of the Italian Civil Code, a pecuniary penalty of up to 360 shares (therefore up to a maximum of approximately € 560,000);
- for the crime of undue return of contributions included in Article 2626 of the Italian Civil Code, a pecuniary penalty of up to 360 shares (therefore up to a maximum of approximately € 560,000);

- for the crime of illegal distribution of profits and reserves included in Article 2627 of the Italian Civil Code, a pecuniary penalty of up to 260 shares (therefore up to a maximum of approximately € 403,000);
- for the crime of unlawful transactions concerning the company's or its parent company's shares or quotas included in Article 2628 of the Italian Civil Code, a pecuniary penalty of up to 360 shares (therefore up to a maximum of approximately € 560,000);
- for the crime of transactions to the detriment of creditors included in Article 2629 of the Italian Civil Code, a pecuniary penalty of up to 660 shares (therefore up to a maximum of approximately € 1,023,000);
- for the crime of undue distribution of corporate assets by liquidators included in Article 2633 of the Italian Civil Code, a pecuniary penalty of up to 660 shares (therefore up to a maximum of approximately € 1,023,000);
- for the crime of unlawful influence over the shareholders' meeting included in Article 2636 of the Italian Civil Code, a pecuniary penalty of up to 660 shares (therefore up to a maximum of approximately € 1,023,000);
- for the crime of agiotage included in Article 2637 of the Italian Civil Code, and the crime of failing to report conflicts of interest included in Article 2629-*bis* of the Italian Civil Code a pecuniary penalty of up to 1,000 shares (therefore up to a maximum of approximately € 1,550,000);
- for the crimes of preventing public supervisory authorities from performing their duties included in Article 2638, sections 1 and 2, of the Italian Civil Code, a pecuniary penalty of up to 800 shares (therefore up to a maximum of approximately € 1,240,000);
- for the crime of corruption between individuals, in the cases provided for by section three of Article 2635 of the Italian Civil Code, a pecuniary penalty of up to 600 shares (therefore up to a maximum of approximately € 930,000) and, in the cases of incitement included in section one of Article 2635-*bis* of the Civil Code, a pecuniary penalty of up to 400 shares (and therefore up to a maximum of approximately € 620,000). The interdictory penalties established in Article 9, section 2, of the Decree also apply;
- for the offence of false or omitted declarations for the issue of the preliminary certificate, a fine ranging from one hundred and fifty to three hundred quotas (and therefore up to a maximum of approximately Euro 465,000) is provided for.

As regards corporate crimes, Article 2639 of the Italian Civil Code, governing the extension of subjective qualifications, is applicable.

The law extends the subjective application of the offenses envisaged in the present special section, equalizing the formal holder of an office or role with both the person who is required to perform the same role, otherwise qualified, and the person who in fact exercises the typical powers relating to the qualification or role in a continuous and significant way.

Furthermore, except in cases where the laws regarding crimes committed by public officials against the Public Administration apply, the punitive provisions relative to administrators also apply to persons who are legally charged by the judicial authority or the public supervisory body to manager to company or the assets held by the same or managed on behalf of third parties.

7. THE CRIMES REFERRED TO IN ARTICLE 25-QUATER OF ITALIAN LEGISLATIVE DECREE 231/2001: CRIMES AIMED AT TERRORISM OR AT THE SUBVERSION OF DEMOCRACY

Article 3 of Law no. 7 of January 14, 2003 ratified and rendered effective in Italy by the International Convention for the suppression of the financing of terrorism, signed in New York on December 9, 1999, introducing Article 25-quater to the Decree.

Below is a brief description of the crimes considered therein, as indicated in Article 25-quater of the Decree and which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

1. CRIMES INCLUDED IN THE ITALIAN CRIMINAL CODE

- ***Subversive associations (Article 270 of the Italian Criminal Code)***

This crime is committed when, within the territory of the State, any person promotes, forms, organizes, manages or participates in associations directed and aimed at violently subverting the economic and social orders established in the State or violently suppressing the political and legal system of the State.

- ***Associations with terrorist or subversive purposes, also of an international nature, against the democratic order (Article 270-bis of the Italian Criminal Code)***

This crime is committed when any person promotes, forms, organizes, manages or funds associations that are set out to perform acts of violence aimed at terrorism or at the subversion of democracy. According to the Criminal law, terrorism objectives also include those acts of violence addressed against a foreign nation, institution or international organization.

- ***Assisting the associates (Article 270-ter of the Italian Criminal Code)***

This crime is committed when any person, with the exception of cases of colluding in or facilitating a crime, offers refuge or hospitality, means of transportation or means of communication to any person who participates in the associations specified in the above-mentioned Articles 270 and 270-bis of the Italian Criminal Code. The penalty is increased if the assistance is provided on an ongoing basis.

If the person commits the crime in support of a close relative, he/she is not punishable.

- ***Recruitment with the aim of terrorism, also of an international nature (Article 270-quater Italian Criminal Code)***

This crime is committed when any person, with the exception for the cases specified in Article 270-bis, recruits one or more persons for carrying out acts of violence or for the sabotage of crucial public services, aimed at terrorism, even if addressed against a foreign nation, institution or international organization.

- ***Organization of transfers with the aim of terrorism (Article 270-quater 1 of the Italian Criminal Code)***

This crime is committed outside of the cases specified in Articles 270-bis and 270-quater of the Italian Criminal Code, and punishes anyone who organizes, funds or advertises travel to foreign territories aimed at carrying out acts of terrorism included within Article 270-sexies of the Italian Criminal Code.

- ***Training and activity aimed at terrorism, also of an international nature (Article 270-quinquies of the Italian Criminal Code)***

This crime is committed when any person, with the exception of cases specified in Article 270-bis, trains or provides instructions on the preparation or use of explosive materials, firearms, or other weapons, of chemical or bacteriological weapons that are harmful and dangerous, as well as any other technique or method for performing acts of violence or sabotage against essential public services, for terrorist purposes, even if against a foreign nation, institution or international organization.

- ***Financing conduct with terrorism purposes (Article 270-quinquies.1 of the Italian Criminal Code)***

This crime is committed outside of the cases specified in Articles 270-bis and 270-quater 1 of the Italian Criminal Code, and punishes anyone who collects, gives or offers assets or money, in any way, earmarked to be entirely or partly used to carry out acts of terrorism included within Article 270-sexies of the Italian Criminal Code, regardless of whether the funds are actually used to commit the aforementioned acts. The law also punishes those who deposit or hold the aforementioned assets or money.

- ***Theft of assets or money subject to seizure (Article 270-quinquies.2 of the Italian Criminal Code)***

This crime punishes anyone who steals, destroys, consumes, removes or deteriorates assets or money subject to seizure in order to prevent the financing conduct with terrorism purposes referred to in Article 270-sexies of the Italian Criminal Code.

- ***Conduct with terrorism purposes (Article 270-sexies of the Italian Criminal Code)***

Conduct that owing to its nature or context can seriously damage a nation or an international organization and that is performed with the purpose of intimidating the population and forcing public authorities or an international organization to perform or not perform any act or destabilize or destroy the fundamental public, constitutional,

economic and social structures of a nation or of an international organization, as well as other conduct defined as terrorism or committed with terrorist purposes is defined as having terrorist purposes by conventions or other international law provisions in force in Italy.

- ***Act of terrorism or subversion (Article 280 of the Italian Criminal Code)***

This crime is committed when any person, for purposes of terrorism or of subverting democracy, attempts against the life or safety of another person.

The crime becomes aggravated if the attempt against the safety of any person causes a serious or very serious injury or the death of the person, or if the action is addressed against persons who perform legal or penitentiary functions, i.e. for public safety while they are performing their duties.

- ***Act of terrorism with lethal or explosive devices (Article 280-bis of the Italian Criminal Code)***

This crime is committed when any person, for terrorism purposes, carries out any acts aimed at damaging tangible or intangible property belonging to another person, through the use of lethal or explosive devices.

Circumstances in which the act is targeted against the Presidency of the Republic, the Legislative Assemblies, the Constitutional Court, government bodies or other bodies established by the Constitution or constitutional laws, constitute aggravating circumstances.

- ***Acts of nuclear terrorism (Article 280-ter of the Italian Criminal Code)***

This provision punishes those who, for the terrorist purposes referred to in Article 270-*sexies* of the Italian Criminal Code, procures radioactive material for themselves or others, creates or is otherwise in possession of a nuclear device, uses radioactive material or a nuclear device, uses or damages a nuclear plant so as to release, or specifically risk releasing, radioactive material.

This crime also applies where the conduct describe above involves chemical or biological materials or agents.

- ***Unlawful restraint for terrorism or subversive purposes (Article 289-bis of the Italian Criminal Code)***

This crime is committed when any person kidnaps another person for terrorist purposes or for subverting democracy.

The crime is aggravated by the death, intentional or unintentional, of the person kidnapped.

- ***Kidnapping aimed at coercion (Article 289-ter of the Italian Criminal Code)***

This crime is committed when any person who, aside from the cases referred to in Articles 289-*bis* and 630 of the Italian Criminal Code, kidnaps a person or keeps them in their possession while threatening to kill or injure them or continue to hold them hostage in order to force a third party (State, international organization between several governments, natural or legal person or group of natural persons) to carry out or abstain from carrying out any act, and promising to release the kidnapped person only upon the performance of that act or omission.

- ***Incitement to commit one of the crimes against the international and domestic figure of the State (Article 302 of the Italian Criminal Code)***

This crime is committed when someone instigates any person to committing one of the unintentional crimes envisaged in the chapter of the Italian Criminal Code devoted to crimes against the international and national figure of the State, for which the law establishes life-imprisonment or imprisonment if incitement is not accepted, or if accepted, the crime is not in any case found to have been committed.

- ***Political conspiracy by means of an agreement or of an association (Articles 304 and 305 of the Italian Criminal Code)***

This crime is committed when any person agrees upon or associates with others for the purpose of committing one of the crimes described in the above-mentioned point (Article 302 Italian Criminal Code).

- ***Armed band, establishment and participation; assisting participants in conspiracy (Articles 306 and 307 of the Italian Criminal Code)***

These crimes are committed when any person (i) promotes, establishes or organizes an armed band with the purpose of committing one of the crimes described in Article 302 of the Italian Criminal Code (ii) with the exception of participation in the crime or of collusion, offers refuge, board, hospitality, means of transportation or of communication to any person participating in the conspiracy or the armed band.

2. CRIMES WITH THE OBJECTIVE OF TERRORISM OR SUBVERTING DEMOCRACY AS ESTABLISHED BY SPECIAL LAWS

Along with the cases expressly ruled by the Italian Criminal Code and in compliance with the terms stated in Italian Legislative Decree 231/2001, crimes included in provisions contained in special laws must also be considered.

- From among the provisions referred to above, attention should be paid to Article 1 of Italian Decree-Law no. 625 of December 15, 1979, converted with amendments by Law no. 15 of February 6, 1980, which states that an aggravating circumstance applicable to any crime is the fact that the crime itself was "committed with objectives of terrorism and of subverting democracy". Consequently, any crime included in the Italian Criminal Code or in special laws, even if different from those expressly aiming at punishing terrorism, can become, provided it is committed with these objectives, one of those crimes representing,

as stated in Article 25-quater, basis for establishing the Organization's responsibility.

- Other provisions specifically aimed at preventing crimes committed with terrorist objectives are contained in Articles 1 and 2 of Italian Law no. 342 of May 10, 1976, regarding: i) the taking over, hijacking and destruction of an airplane and ii) the damaging of land installations and in Law no. 422 of December 28, 1989, regarding the fight against crimes against maritime navigation safety and crimes against the safety of fixed installations on the intercontinental platform.

3. CRIMES WITH TERRORIST PURPOSES IN VIOLATION OF ARTICLE 2 OF THE NEW YORK CONVENTION DATED DECEMBER 9, 1999

In compliance with the above-mentioned Article, a crime is committed when any person by any means, directly or indirectly, unlawfully and deliberately provides or collects funds with the intention of utilizing them or knowing that such funds are intended to be utilized, fully or partially in order to perform:

- a) an act representing a crime according to the terms and as defined in one of the treaties listed in the attachment; or
- b) any other act aimed at causing the death or serious physical injury to a civilian, or any other person not having an active part in situations of armed conflict, when the objective of such act is to intimidate a population, or to obligate a government or international organization to perform or refrain from performing any action.

In order for an act to involve one of the above-mentioned definitions, it is not necessary that the funds be actually utilized to perform the provisions described in points a) and b).

A crime is considered committed, anyhow, by any person who attempts to commit one of the above-mentioned crimes.

A crime is also committed by any person who:

- a) participates as an accomplice in committing one of the above-mentioned crimes;
- b) organizes or directs other persons with the objective of committing one of the above-mentioned crimes;
- c) contributes to committing one or more of the above-mentioned crimes with a group of persons that act in mutual agreement. This act must be intentional and:
 - i. must be committed with the objective of facilitating the group's criminal objectives, where such activity or objective implies the committing of the crime; or

- ii. the person must have a full awareness that the group's intention is that of committing a crime.

In order to determine whether or not the risk of committing such a type of crime is recognizable, it is necessary to examine the subjective profile requested by the rule regarding the identification of a crime. From a subjective point of view, terrorist crimes are considered as willful crimes. Therefore, in order for willful crimes to be committed, from the point of view of the person's psychological representation, the latter must be aware of the action's illegality and must want to perform such action through a conduct that is traceable to him. Therefore, in order for the types of crimes in question to be identified, it is necessary that the person is aware of the terrorist nature of the action and that he/she has the intention to support it.

The above being considered, in order to identify criminal conduct that is part of a terrorist crime, it is necessary that the person is aware of the fact that the association to which the funding is being donated has objectives of terrorism or of subversion and that he/she has the intention of supporting such activity.

Moreover, this type of crime would also occur if the subject acts willfully. In this case, the person should foresee and accept the risk of the occurrence of the event, while not wishing for it directly. Foreseeing the risk of the occurrence of the event and the willful intention of adopting criminal conduct must however be inferable from unique and objective elements.

With respect to the penalties that can be applied to the Organization, should the crimes of terrorism or subverting democracy be committed, they can be of a pecuniary or interdictory nature, which may obviously vary depending on the type of crime committed.

In particular, in relation to the commission of the crimes included in Article 25-*quater* of the Decree, a pecuniary penalty of up to 600 shares (and therefore up to a maximum of approximately € 1,090,000) applies if the crime is punished with the penalty of less than ten years' imprisonment, or a pecuniary penalty of up to 1,000 shares (and therefore up to a maximum of approximately € 1,550,000) applies if the crime is punished with the penalty of no less than ten years' or life imprisonment.

Moreover, for these crimes, interdictory penalties can be applied to the organization as established by Article 9, section 2, of the Decree for a duration of no less than one year; if the Organization or one of its organizational units is steadily utilized with the sole or prevalent purpose of allowing or facilitating the commission of the crimes indicated above, the penalty of indefinite disqualification from performing business activity is applied, pursuant to Article 16, section 3, of the Decree.

8. THE CRIMES REFERRED TO IN ARTICLE 25-QUINQUIES OF ITALIAN LEGISLATIVE DECREE 231/2001: CRIMES AGAINST INDIVIDUALS

Article 5 of Law no. 228 dated 11 August 2003 introduced Article 25-quinquies in the Decree, which establishes the application of relative penalties to the Organizations in which representatives commit crimes against individuals (if the Organization or one of its organizational units is steadily utilized with the sole or prevalent purpose of allowing or facilitating crimes being committed as considered above, the penalty of indefinite disqualification from performing business activity is applied).

Below is a brief description of the crimes indicated in Article 25-quinquies of the Decree and which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

- ***Reducing to slavery or enslaving (Article 600 of the Italian Criminal Code)***

This crime is committed when someone exercises over a person powers corresponding to those of the right of ownership, or reduces or keeps a person in a condition of continuous subjection, forcing that person to perform work or sexual activity, or begging, or any illegal activity that involves exploitation or the removal of organs. Reducing or maintaining in a condition of subjection occurs when such conduct is carried out through violence, threats, deceit, abuse of authority or exploitation of vulnerabilities, of physical or psychological inferiority or of a situation of need, or through promises or giving amounts of money or other benefits by the person having authority over the other person.

- ***Human trafficking (Article 601 Italian Criminal Code)***

This crime is committed when a person recruits, introduces into the territory of the country, or moves out of the same, transports, gives authority over the person or hosts one or more people that find themselves in the conditions stated in Article 600 of the Italian Criminal Code, or behaves in the same way towards one or more persons through deceit, the use of violence, threat, abuse of authority or the exploitation of a situation of vulnerability (physical or psychologically inferior condition, or situation of need) or through promises of or giving money or other benefits, to the person over which they have authority, in order to induce or force them to perform work or sexual activity, or begging, or any illegal activity that involves exploitation or the removal of organs.

The same punishment is applied to anyone who behaves in the same way towards minors, even outside the criteria referred to in section 1.

- ***Illicit brokering and exploitation of labor (illegal recruitment) (Article 603-bis of the Italian Criminal Code)***

This type of offense aims to protect workers who are recruited in order to be exploited by a third-party employer.

In particular, the law penalizes those who recruit workers to work for third parties in exploitative conditions, taking advantage of the state of need of the workers, or rather the recruiter; and those who employ or engage workers, including through intermediaries as per point 1), subjecting the workers to exploitative conditions and taking advantage of their state of need, or rather the employer.

The penalty is increased if the acts are committed using violence or threats.

With regard to the above-mentioned crimes, it is necessary to bear in mind that not only those persons who directly engage in criminal activity are to be considered as being responsible, but also those persons who willfully engage in, even if only financially, the same conduct.

Consequently, crimes considered above could include any financial disbursement granted to third parties, made by TERNA with the awareness that such disbursement could be utilized by such parties for criminal purposes.

The penalties that can apply to the organization should crimes against individuals be committed can be monetary or restrictive and will vary depending on the type of crime committed.

In particular, in relation to the commission of the crimes referred to in Articles 600, 601 and 603 of the Italian Criminal Code, the pecuniary penalty of up to 1,000 shares (and therefore up to a maximum of approximately € 1,550,000) and the interdictory penalties provided for by Article 9, section 2, for a duration of no less than one year, apply.

If the organization or one of its organizational units is steadily utilized with the sole or prevalent purpose of allowing or facilitating the commission of the crimes indicated above, the penalty of indefinite disqualification from performing business activity is applied, pursuant to Article 16, section 3.

9. THE CRIMES REFERRED TO IN ARTICLE 25-SEXIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: MARKET ABUSE

Below is a brief description of the crimes indicated in Article 25-*sexies* of the Decree and Article 187-*quinquies* of the CLF, which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

See crimes and administrative offenses regarding market abuse, and specifically:

- insider trading and market manipulation pursuant to Part V, Title I-*bis*, Chapter II (criminal penalties) of Italian Legislative Decree no. 58 of February 24, 1998, (the "**CLF**"). The crimes in question are attributable to natural persons and also form the basis for administrative responsibility relative to the crime for organizations under the terms of Article 25-*sexies* of the Decree;
- administrative offenses as per part V, title I-*bis*, Chapter III (Administrative penalties) of the CLF. These offenses are attributable to natural persons and the Organization.

Account is also taken of (i) the amendment of EU Regulation no. 596/2014 ("**MAR**"), EU Directive no. 57/2014 and its relative implementing provisions, as well as the applicable provisions of the CLF, as reformed by Italian Legislative Decree no. 107 of August 10, 2018; (ii) the Issuer Regulation adopted with CONSOB Resolution no. 19971 of May 14, 1999 (the "**Issuer Regulation**"); (iii) the indications on the subject given by the European Securities and Markets Authority ("**ESMA**") and CONSOB, and, in particular,

the operational instructions contained in the CONSOB Guidelines regarding “Managing Insider Information” (the “**CONSOB Guidelines**”), as well as (iv) the provisions of the Corporate Governance Code for listed companies promoted by Borsa Italiana S.p.A..

Regulations on market abuse define a “twin track” system pursuant to which administrative crimes can be added to crimes of insider trading and market manipulation. The former are identified and punished by CONSOB, the latter by the criminal judicial authorities.

THE CRIMES

As regards the category of predicate offenses, Community Law 2004, introducing Art. 25-*sexies* of the Decree, included the legislative types of insider trading and market manipulation as per Part V, Title I-*bis*, Chapter II (criminal penalties) of the CLF. Below are the insider trading crimes (Article 184 of the CLF) and market manipulation (Article 185 of the CLF), defined by Article 25-*sexies* of the Decree, with some examples of relevant criminal conduct.

- ***Insider trading (Article 184 of the CLF)***

The provision of Article 184 of the CLF punishes any person who, possessing insider information by virtue of membership in the administrative, management, or supervisory bodies of an issuer, their stake in the capital of an issuer or the exercise of their employment, profession, duties, including public duties, or position:

- a) buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;
- b) communicates such information to others, outside the normal exercise of employment, profession, duties, position or market research performed pursuant to article 11 of the MAR⁷;
- c) recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in paragraph a).

The same provision applies to anyone who, possessing insider information due to the preparation or execution of criminal activities, performs any of the actions mentioned above, as well as the “secondary insider”, i.e. the person who carries out the above actions by exploiting insider information obtained, including outside of their jobs.

The criminal sanction also applies in the case that the transactions regard the financial instruments as per Article 180, section 1, part a), numbers 2), 2-*bis*) and 2-*ter*)⁸ of the TUF, limited to financial instruments with price or value dependent on the price or value of a financial instrument as per numbers 2) and 2-*bis*), or which has an effect on this

⁷ Art. 11 of the MAR governs market research.

⁸Pursuant to Article 180, section 1, part a), of the TUF, “the following definition applies for a) “financial instruments”: 1) the financial instruments as per Article 1, section 2, admitted to trading or for which a request for admission to trading has been submitted on a regulated market in Italy or another EU country; 2) the financial instruments as per Article 1, section 2, admitted to trading or for which a request for admission to trading has been submitted on a multilateral trading system in Italy or another EU country; 2-*bis*) the financial instruments traded on an organized trading system in Italy or another EU country; 2-*ter*) financial instruments that do not fall into the above categories, with price or value dependent on the price or value of a financial instrument mentioned above, or which has an effect on the price or value, including, but not limited to, credit default swaps and differential contracts”.

price or value, or relative to auctions on an authorized auctioning platform such as a regulated market for emission allowances.

- **Market Manipulation (Article 185 of the CLF)**

The provision as per Art. 185 of the CLF punishes any party that spreads false information or performs simulated transactions or other deceitful actions aimed at causing significant price alteration in financial instruments.

However, parties carrying out the action described via purchase and sales orders or transactions performed for legitimate reasons and in compliance with approved market practices pursuant to Article 13 of the MAR are not punishable.

Pursuant to Art. 182 CLF, the criminal sanction also applies in the case that the transactions regard the financial instruments as per Article 180, section 1, part a), numbers 2), 2-bis) and 2-ter), limited to financial instruments with price or value dependent on the price or value of a financial instrument as per numbers 2) and 2-bis), or which has an effect on this price or value, or relative to auctions on an authorized auctioning platform such as a regulated market for emission allowances.

Also pursuant to Art. 182 of the CLF, the provisions below also apply:

- a) actions regarding spot commodity contracts that are not wholesale energy products, sufficient to provoke a significant alteration in the price or value of the financial instruments as per Article 180, section 1, part a);
- b) actions regarding financial instruments, including derivative contracts or derivative financial instruments for the transfer of credit risk, sufficient to provoke a significant alteration in the price or value of a spot commodity contract, where the price or value is dependent on the price or value of such financial instruments;
- c) actions concerning benchmark indexes.

With respect to the penalties that can be applied to the Organization, should market abuse crimes be committed, they can be of a monetary nature.

In particular, in relation to the commission of the crimes referred to in Articles 184 and 185 of the CLF, referred to in Article 25-*sexies* of the Decree, the monetary penalty of up to one thousand shares (up to approximately €1,550,000) applies.

Where, following commission of these crimes, the product thereof or the resulting profit accruing to the organization is particularly large, the penalty shall be increased up to ten times such product or profit.

ADMINISTRATIVE OFFENSES

The administrative offenses of abuse and illicit communication of insider information, as well as market manipulation are defined by Article 187-*bis* of the CLF and Article 187-*ter* of the CLF, respectively, with reference to natural persons.

Specifically, with the exception of criminal penalties in cases representing a crime, the following are punishable with administrative penalties (i) pursuant to Article 187-*bis*, section 1 of the CLF, any person violating the prohibition of insider trading and illicit communication of insider information as per Article 14 of the MAR and (ii) pursuant to Article 187-*ter*, section 1 of the CLF, any person violating the ban on market manipulation as per Article 15 of EU Regulation no. 596/2014.

With reference to the organization⁹, Article 187-*quinquies* of the CLF defines the administrative monetary penalty from €20,000 to €15,000,000, or up to 15% of turnover, if this amount is above €15,000,000 and the turnover can be determined as per Article 195, section 1-*bis*¹⁰, in the case a violation of the prohibitions as per Article 14 (ban on insider trading and illicit communication of insider information) or Article 15 of the MAR (ban on market manipulation), has been committed in its interest or to its advantage:

- a) by people holding representative, administrative or managerial positions in the organization or in one of its organizational units having financial and operational independence, as well as by people who carry out the organization's management and control, also *de facto*;
- b) by people who are supervised or inspected by one of the entities mentioned under point a).

If, following commission of the crimes indicated, the product thereof or the resulting profit accruing to the organization is particularly large, the monetary penalty shall be increased up to ten times such product or profit. The organization is not responsible if it demonstrates that the parties in question acted exclusively in the interests of themselves or of third parties.

It should be noted that in relation to these crimes, where compatible, the provisions of the following articles of the Decree apply: Art. 6 (persons in senior positions and organizational models of the organization), Art. 7 (persons subject to the direction of

⁹ With reference to the responsibility of organizations, it is noted that Italian Legislative Decree no. 107/2018 introduced to the TUF the new Article 187-*ter*.1 that punishes violation of certain provisions of the MAR (as indicated herein) with administrative penalties; these penalties are also applicable to natural persons. The aforementioned Article 187-*ter*.1 does not expressly reference the provisions of the Decree.

Specifically, pursuant to the indicated provisions:

- an administrative monetary penalty shall be applied to the organization from €5,000 to €2,500,000, or 2% of turnover, where this amount is greater than €2,500,000 and the turnover can be determined as per Article 195, section 1-*bis*, in the case of violation of the obligations defined by Article 16 ("Prevention and identification of market abuse"), sections 1 and 2, and Article 17 ("Communication to the public of insider information"), sections 1, 2, 4, 5, and 8 of the MAR, from delegated acts and relative regulatory and implementing technical standards as well as Article 114, third section of the CLF;
- an administrative monetary penalty shall be applied to the organization from €5,000 to €1,000,000 in the case of violation of the obligations defined by Article 18 ("Insider lists"), sections 1 to 6, of Article 19 ("Transactions made by persons with administrative, control, or management functions"), sections 1, 2, 3, 5, 6, 7, and 11, and of Article 20 ("Investment recommendations and statistics"), section 1, of the MAR, as well as delegated acts and relative regulatory and implementing technical standards.

When the advantage gained by the author of the violation as a consequence of the violation itself is greater than the maximum limits indicated for these violations, the administrative monetary penalty is increased by up to three times the total of the advantage gained, providing that this total can be determined. CONSOB may also apply the penalties as per Article 30, section 2, points a) to g) of the MAR ("Administrative penalties and other administrative measures"). Failure to meet the requirements defined with the measures under Article 30.2 of the MAR within the determined deadline carries an increase of up to one third of the administrative penalty issued or application of the administrative monetary penalty defined for the violation originally alleged, increased by up to one third.

¹⁰Pursuant to Article 195, section 1-*bis*, of the TUF "For the purposes of application of the pecuniary administrative penalties defined under this title, turnover is understood as total annual turnover of the company or organization, resulting from the last available financial statements approved by the competent body, as defined by the implementing provisions under Article 196-*bis*" of the TUF.

others and organizational models of the corporation), Art. 8 (autonomy of the corporation's liability) and Art. 12 (cases of reduction of monetary penalty).

Application of the pecuniary administrative penalties as per Chapter III of Part V of the TUF carries confiscation of the product or profit of the offense. Where this is impossible, confiscation may be applied to equivalent sums of money, goods or other assets.

Below are Articles 14 and 15 of the MAR, violation of which, under the aforementioned terms, is punished by the aforementioned Articles 187-*bis*, 187-*ter* and 187-*quinquies* of the CLF.

a) Ban on insider trading and of unlawful disclosure of insider information (Art. 14 of the MAR)

On the basis of Art. 14 of the MAR, it is prohibited to:

- a) engage or attempt to engage in insider trading;
- b) recommend that another person engage in insider trading or induce another person to engage in insider trading; or
- c) unlawfully disclose insider information.

The definitions of the prohibitions in question are contained particularly in Articles 8 (Insider trading) and 10 (Unlawful disclosure of insider information) of the MAR, as described below.

Pursuant to Article 8 of the MAR, insider trading takes place when a person possesses insider information and uses it by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by canceling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, shall also be considered to be insider dealing. In relation to auctions of emission allowances or other auctioned products based thereon that are held pursuant to Regulation (EU) No 1031/2010, the use of insider information shall also include submitting, changing, or withdrawing a bid by a person for its own account or for the account of a third party.

Recommending that another person engage in insider trading or inducing another person to engage in insider trading takes place when the person possesses insider information and:

- recommends, on the basis of that information, that another person acquire or dispose of financial instruments to which that information relates, or induces that person to make such an acquisition or disposal, or
- recommends, on the basis of that information, that another person cancel or amend an order concerning a financial instrument to which that information relates, or induces that person to make such a cancellation or amendment.

The use of these recommendations or inducements amounts to insider trading when the person using the recommendation or inducement knows or ought to know that it is based on insider information.

This article applies to any person who possesses insider information as a result of:

- a) being a member of the administrative, management or supervisory bodies of the issuer or emission allowance market participant;

- b) having a holding in the capital of the issuer or emission allowance market participant;
- c) having access to the information through the exercise of an employment, profession or duties; or
- d) being involved in criminal activities;
- e) circumstances other than those referred to in the first subparagraph where that person knows or ought to know that it is insider information.

Where the person is a legal person, this Article shall also apply, in accordance with national law, to the natural persons who participate in the decision to carry out the acquisition, disposal, cancellation or amendment of an order for the account of the legal person concerned.

Pursuant to Art. 10 of MAR, illegal disclosure of insider information occurs when a person is in possession of inside information and discloses such information to another person, except in cases where such disclosure takes place during the normal execution of a job, profession, or role. This provision applies to any natural or legal person in the situations or circumstances pursuant to the previous section entitled "Insider trading".

Disclosure to third parties of the recommendations or incitements referred to in the previous section "Insider Dealing" is understood as illicit disclosure of insider information when the person who discloses the recommendation or incitement knows or should know that it is based on insider information.

- ***Prohibition of market manipulation (article 15 of the MAR)***

Based on Art. 15 of the MAR, it is prohibited to engage in or attempt to engage in market manipulation. The definitions regarding the prohibition in question are contained in particular in Art. 12 (market manipulation) of the MAR.

Pursuant to Article 12 of MAR, market manipulation shall comprise the following activities:

- a) entering into a transaction, placing an order to trade or any other behavior which:
 - i. gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances; or
 - ii. secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level;unless the person entering into a transaction, placing an order to trade or engaging in any other behavior establishes that such transaction, order or behavior has been carried out for legitimate reasons, and conforms with an accepted market practice as established in accordance with Article 13 of the MAR;
- b) entering into a transaction, placing an order to trade or any other activity or behavior which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances, which employs a fictitious device or any other form of deception or contrivance;

- c) disseminating information through the media, including the Internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumors, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
- d) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behavior which manipulates the calculation of a benchmark.

The following behavior shall, *inter alia*, be considered as market manipulation:

1. the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;
2. the buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
3. the placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, and which has one of the effects referred to in paragraph 1, points (a) or (b), by:
 - i. disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so;
 - ii. making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilization of the order book; or
 - iii. creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;
4. the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;
5. the buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held pursuant to Regulation (EU) No 1031/2010

with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

Annex I defines non-exhaustive indicators relating to the employment of a fictitious device or any other form of deception or contrivance, and non-exhaustive indicators related to false or misleading signals and to price securing.

Where the person referred to in this Article is a legal person, this Article shall also apply, in accordance with national law, to the natural persons who participate in the decision to carry out activities for the account of the legal person concerned.

Insider information

The concept of insider information represents the cornerstone around which the entire insider trading discipline is based, as well as the corporate information discipline regulated by Article 7 of the MAR (as referenced by Art. 180, section 1, part *b-ter*, of the CLF).

Specifically, pursuant to the aforementioned legislative provisions, "Insider Information" is understood as information of a precise nature which has not been made public regarding, directly or indirectly, one or more issuers or one or more financial instruments which, if made public, could have a significant effect on the prices of such financial instruments or the prices of related derivative financial instruments. For the purposes of the above, information of a precise nature is considered as such if a) it makes reference to a series of existing circumstances or circumstances that can be reasonably expected to occur, or the occurrence of an event or an event that can be reasonably expected to occur; b) it is sufficiently specific as to enable conclusions to be drawn on the possible effect of the circumstances or events described in point a) on the prices of the financial instruments or derivative financial instruments.

In the case of a prolonged process that is expected to lead to, or that determines, a particular circumstance or event, the future circumstance or future event, as well as the intermediary stages of processes linked to the occurrence or determination of the future circumstance or event, may be considered information of a precise nature.

An intermediary stage of a prolonged process is considered insider information if it meets the aforementioned criteria regarding insider information.

Information that, if disclosed to the public, would likely have a significant effect on the prices of financial instruments or derivative financial instruments (price sensitive information) is understood as information that an investor would likely use as one of the elements upon which to base investment decisions.

In relation to information obligations, it is noted that, pursuant to Art. 17 of the MAR (referenced by Art. 114, section 1 of the CLF), issuers must notify the public as soon as possible of insider information directly regarding them.

In order to support issuers in correct and prompt assessment of insider information, CONSOB¹¹ has provided some indications which were adopted by TERNA in the context of company procedures regarding market abuse. Specifically, the aforementioned procedures contain the following additional definitions, connected to the concept of insider information and functional for prompt identification of the latter:

1. "Types of Significant Information": types of information that TERNA deems to be generally significant as regards dates, events, projects or circumstances that, in a continuous, repeated, periodic or occasional, sporadic or unplanned manner, directly affect TERNA (or a Subsidiary in the case that the information also directly affects TERNA) and which, based on relative characteristics, experience and other circumstances, may, theoretically, later develop into Insider Information or Potential Insider Information.
2. "Potential Insider Information" (or "Specific Significant Information" according to the definition provided in the CONSOB Guidelines): specific information that usually falls under the Types of Significant Information which is deemed by TERNA to be effectively significant in that it presents all the characteristics to reasonably become Insider Information at a later moment, even very soon, but which currently lacks one or more of the prerequisites to qualify as Insider Information pursuant to the current legislation.

Regarding the concept of Insider Information and the potential possibility of some conduct to include the crimes and offenses of insider dealing and market manipulation, it should be noted that TERNA adopted procedures and operational instructions including a "Compliance Regulation for the prevention of administrative and market abuse crimes and offenses" (hereinafter the "Regulation"). On the basis of this Regulation, the Recipients of the Model have an effective instrument at their disposal to assess if their conduct may lead to administrative and market abuse crimes and offenses and, consequently, to prevent conduct which could result in administrative responsibility for TERNA.

10. THE CRIMES REFERRED TO IN ARTICLE 25-SEPTIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: MANSLAUGHTER AND SERIOUS OR VERY SERIOUS PERSONAL INJURY, COMMITTED BY INFRINGING REGULATIONS ON ACCIDENT PREVENTION, THE PROTECTION OF HEALTH AND OCCUPATIONAL HEALTH AND SAFETY

Italian Law no. 123 of August 3, 2007 introduced Article 25-septies into the Decree, which was later replaced pursuant to Article 300 of the Health and Safety Decree, which provides for the application of pecuniary and interdictory penalties to Organizations whose representatives commit the crimes referred to in Articles 589 (manslaughter) and

¹¹ CONSOB Guideline no. 1/2017 of October 2017 relative to the "Management of Insider Information".

590, section three (serious or very serious personal injury) of the Italian Criminal Code, in breach of the standards for the protection of occupational health and safety.

Cases in which crimes included in Article 25-*septies* are committed are only those in which the event has occurred not as a result of generic negligence (therefore only due to inexperience, imprudence or negligence) but of "specific negligence", which arises when legislation to prevent work accidents is not complied with.

Below is a brief description of the crimes indicated in Article 25-*septies* of the Decree and which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

- ***Manslaughter (Article 589 of the Italian Criminal Code)***

This crime is committed whenever a person causes the death of another person because of negligence.

The penalty is increased if:

- the act is committed in breach of the rules for the prevention of occupational accidents;
- the act is committed in the unauthorized practice of a profession for which special State authorization is required or in practicing a healthcare profession.

In the event of the death of several individuals, or the death of one or several individuals and the injury of one or several individuals, the penalty that should be imposed for the most serious of the violations, increased by up to a factor of three, applies; however, the penalty cannot exceed fifteen years.

- ***Involuntary personal injuries (Article 590, section 3, of the Italian Criminal Code)***

This crime is committed whenever a person causes to another person serious or very serious injuries.

If the acts are committed in breach of the rules for the prevention of occupational accidents, the penalty is increased.

Under section 1, Article 583 of the Italian Criminal Code, an injury is considered to be serious in the following cases:

- 1) if the accident gives rise to an illness that endangers the injured person's life, or to an illness or an incapacity that renders the person unable to perform his/her day-by-day duties for a period of over forty days;
- 2) if the accident produces the permanent weakening of a sense or an organ.

Under section 2, Article 583 of the Italian Criminal Code, an injury is considered to be very serious if the accident gives rise to:

- an illness that is certainly or probably incurable;
- the loss of a sense;
- the loss of a limb or a mutilation that renders the limb unusable or the loss of the use of an organ or of the capacity to procreate or a permanent and serious difficulty in speech;
- the disfigurement or permanent scarring of the face.

For both of crimes indicated above – namely manslaughter and serious or very serious personal injuries – for TERNA to be considered as administratively liable under the Decree, Article 5 of the Decree requires the crimes to have been committed in its interest or to its advantage (by way of example, if they are aimed at reducing the costs of occupational health and safety).

The penalties that can apply to the organization should the crimes of manslaughter and serious or very serious injuries be committed by violating the standards to protect health and safety in the workplace can be monetary or restrictive and will vary depending on the type of crime committed.

In particular, for the crime included in Article 589 of the Italian Criminal Code and Article 25-*septies*, sections one and two, of the Decree, the following apply:

- a pecuniary penalty equivalent to 1,000 shares (therefore equal to approximately € 1,550,000) and the interdictory penalty included in Article 9, section 2, for a duration of no less than three months and no more than one year, if the act is committed in breach of Article 55, section 2, of the legislative decree implementing the mandate under Italian Law no. 123 of August 3, 2007, on health and safety in the workplace;
- a pecuniary penalty of up to 500 shares (and therefore up to a maximum of approximately € 770,000) and the interdictory penalties included in Article 9, section 2, for a duration of no less than three months and no more than one year, if the act is committed in breach of the rules on health and safety in the workplace.

In relation to the crime included in Article 590, section three, of the Italian Criminal Code, and Article 25-*septies*, section 3 of the Decree, committed in breach of the rules on health and safety in the workplace, a pecuniary penalty of up to 250 shares (and therefore up to a maximum of approximately € 390,000) and the interdictory penalties included in Article 9, section 2, for a duration of no more than six months, apply.

Finally, of the “transnational” crimes pursuant to Law no. 146 of 2006, the crime of aiding and abetting established by Article 378 of the Italian Criminal Code is given particular relevance, above all with reference to Management of Country Risk.

Pursuant to Article 378 of the Italian Criminal Code, persons who, after an offense punishable by life imprisonment or confinement has been committed and asides from cases of complicity in the same, help such persons to avoid investigation by Italian or international authorities, are punishable by up to four years’ imprisonment.

In particular, the Company may be held responsible not only for acts of omission (such as withholding or falsifying the identity of the guilty party) but also direct actions such to represent the creation of obstructions to the investigations (for example, the payment of a ransom to a criminal organization that has kidnapped an employee).

A monetary penalty of a maximum of five hundred shares (up to approximately €770,000) is applied to the organization.

11. THE CRIMES REFERRED TO IN ARTICLE 25-OCTIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: HANDLING STOLEN GOODS, MONEY LAUNDERING, AND USING MONEY, ASSETS, OR BENEFITS OF ILLEGAL ORIGIN, AS WELL AS SELF-LAUNDERING

Reference is made to money laundering/self-laundering crimes (hereinafter "Money Laundering Crimes") introduced into the body of Italian Legislative Decree 231 of 2001, in Article 25-*octies*, by means of Italian Legislative Decree 231 of 21 November 2007 as amended¹² (hereinafter the "Anti-Money Laundering Decree").

Furthermore, TERNA complies with the recommendations against money laundering and the financing of terrorism issued by the international body of the Financial Action Task Force (FATF-GAFI) which coordinates the fight against money laundering and the financing of terrorism and any other applicable regulation relevant to the Group.

Below is a brief description of the crimes considered therein, as indicated in Article 25-*octies* of the Decree and which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

- ***Handling of stolen goods (Article 648 of the Italian Criminal Code)***

This crime is committed when a person, with the exception of cases of participating in or facilitating a crime, in order to obtain a profit for himself/herself or for others, acquires, receives or conceals money or things resulting from any crime or by any crime punishable by imprisonment exceeding a maximum of one year or a minimum of six months, or if he or she is involved in arranging for such money or things to be acquired, received or concealed. The penalty is increased for crimes relating to money or other things resulting from acts of aggravated robbery, aggravated extortion or aggravated theft or if the crime was committed while on the job. The penalty is increased in the case of minor crimes.

- ***Money laundering (Article 648-bis of the Italian Criminal Code)***

This crime occurs when, apart from the cases of complicity in the crime, a person replaces or transfers money, goods or other benefits deriving from a crime or from any crime punishable by imprisonment exceeding a maximum of one year or a minimum of six months or performs other operations in relation to them in order to hinder the identification of the illicit origin of such money, goods, or other benefits. The penalty is increased if the crime is committed during the performance of a professional activity and reduced if the money, goods or other profit result from an unpremeditated crime punishable by imprisonment of up to five years. As is the case for the crime of handling stolen goods, a necessary prerequisite for the crime of money laundering is the prior commission of another criminal act (not just negligent but culpable) is not required to

¹²The latest amendment was made with Italian Legislative Decree no. 90 of May 25, 2017, with which Italy implements Directive (EU) 2015/849 ("IV Anti Money Laundering Directive"). For the sake of completeness, "V Anti Money Laundering Directive" no. 843 of May 30, 2018 is also noted.

have been determined in a past judgment that has become final, it being sufficient for the criminal act to be stated in the procedural records and for the commission of that crime to therefore have been completed by the start of the conduct governed by this provision.

- ***Use of money, goods or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code)***

This crime occurs when, except for in cases of complicity in the crime and the cases provided for by the articles indicated above, a person uses money, goods or any other benefit deriving from a crime or from any criminal activity punishable by detention of up to one year and no less than six months as part of economic or financing activities. The penalty is increased if the crime is committed during the performance of a professional activity and reduced in the case of minor crimes.

It should be noted that, with regard to all the above-mentioned crimes, the relative provisions apply also in cases where the perpetrator of the crime from which the money or things derive is not imputable or not punishable or when there is a lack of procedural conditions referring to such a crime.

- ***Self-laundering (Article 648-ter.1 of the Italian Criminal Code)***

This crime occurs when a person, having committed or participated in committing an intentional criminal act or a crime punishable by detention of up to one year and no less than six months uses, substitutes or transfers, in economic, financial, entrepreneurial or speculative activities, money, goods or other benefits resulting from the aforementioned crime in such a way as to tangibly hinder their identification as the proceeds of a crime. The punishment is reduced if the money, goods or other benefits result from a crime punished with an imprisonment term of less than five years. The penalty is increased if the crimes are committed during the exercise of banking or financial activities or another professional activity. The penalty is reduced by up to half for people that undertook effective measures to prevent the conduct from leading to further consequences or to safeguard the evidence of the crime and the identification of the goods, money and other benefits resulting from the crime.

Conduct for which the money, assets or other benefits are earmarked for mere personal use or enjoyment are not punishable.

As shown by the description of the crime of self-laundering given above, the latter has as a necessary condition the commission of other "upstream" crimes.

With reference to the prevention of Money Laundering Crimes, the Italian law includes provisions whose purpose is to counter money laundering practices, prohibiting, among other things, the carrying out of transactions whereby substantial amounts of money are transferred using anonymous instruments and making it possible to retrace transactions by the identification of customers and the recording of the data in special databases.

Specifically, the anti-money laundering legislative body is derived from the Anti-Money Laundering Decree. Essentially, the Anti-Money Laundering Decree includes the following tools to counter the laundering of money of unlawful origin:

1. under Article 49, the prohibition to transfer cash, bearer bank or post office savings books or bearer instruments (checks, postal orders, deposit certificates, etc.) in euro or foreign currency carried out between different persons for any reason if the value of the transaction is equal to or higher than € 3,000. Transfers, however, can be made through banks, electronic money institutions, payment institutions and Poste Italiane S.p.A.;
2. under Article 17, the obligation on the part of some of the recipients of the Anti-Money Laundering Decree (the "Responsible Parties" listed in Article 3) with regard to the relations and transactions involved in the performance of the institutional or professional activities of such entities;
3. under Article 31, the specific obligations regarding the storing of useful documents, data and information entrusted to the Responsible Parties in order to prevent, identify or ascertain any money-laundering activities or financing of terrorism, as well as copies of documents acquired in the course of appropriate customer checks, as well as the originals, or copies admissible in court, of the documents and registrations regarding the transactions);
4. under Article 35, the obligation of the Responsible Parties to notify all transactions instigated by the customer that are deemed "suspicious" or in the case of their knowing, suspecting or having reasonable grounds to suspect that money laundering activities or the financing of terrorism is taking place, has taken place or has been attempted or that the funds, independently of their amount, derive from criminal activity;
5. under Article 42, certain obligations of abstention on the part of the Responsible Parties, in particular in the case of the impossibility of objectivity in the performance of appropriate customer checks;
6. under Article 46, specific notification obligations on the part of the members of the Board of Statutory Auditors, the Supervisory Board and the Committee for Management Control of Responsible Parties.

The Responsible Parties¹³ that are subject to the obligations in points 2, 3, 4, 5, and 6 above and are indicated in Article 3 of the Anti-Money Laundering Decree. These are:

- 1) Banking and financial brokers. Among these entities are, by way of an example:
 - banks;
 - Poste Italiane S.p.A.;
 - electronic money institutions (IMEL);

¹³ To this end, it should be pointed out that the "V Anti Money Laundering Directive" expands the category of obligated persons.

- payment institutions (IP);
 - brokerage firms (SIM);
 - asset management companies (SGR);
 - variable capital investment funds (SICAV);
 - insurance companies operating in the "life insurance" sector.
- 2) Other financial operators. These include but are not limited to:
- trust companies;
 - credit brokers;
 - persons who carry out professional foreign exchange activities.
- 3) Professionals, some of whom are:
- persons registered on the Register of Chartered Accountants and Bookkeepers and the Employment Consultants' Register;
 - notaries and lawyers when they carry out financial or real estate transactions in the name and on behalf of their clients and when they assist their clients in certain transactions;
 - auditors and auditing firms.
- 4) Non-financial operators; these may include but are not limited to:
- antiques dealers;
 - auction house or art gallery operators;
 - professional gold traders;
 - persons who perform activities relating to the storage and transport of cash, securities or values.
- 5) Betting service providers.

As shown by the above list, TERNA does not feature among the recipients of the Anti-Money Laundering Decree; however, Company Representatives may, theoretically, commit a Money Laundering Crime in the interests or to the advantage of the Company.

Furthermore, Article 22 of the Anti-Money Laundering Decree provides for a series of obligations borne by customers of the Responsible Parties, who must:

- submit in writing and at their own liability, all necessary and up-to-date information required to enable the Responsible Parties to fulfill their appropriate due diligence obligations;
- as regards businesses with judicial roles and private judicial persons, obtain and retain, for a period not less than five years, appropriate, accurate and up-to-date information regarding their beneficial ownership as well as submit such

information to the Responsible Parties to enable the performance of appropriate customer checks¹⁴.

Lastly, Italian Legislative Decree 231/2007 also establishes that Public Administrations which perform active administration or control tasks in the context of some procedures are obliged to provide the FIU with data and information concerning suspect transactions of which they become aware in the exercise of their activities (Article 10 of Italian Legislative Decree no. 231/2007).

Article 25-*octies* of Decree 231 ("Handling stolen goods, money laundering, and using money, assets, or benefits of illegal origin, as well as self-laundering ") may therefore theoretically apply to TERNA.

The penalties that can apply to the organization should the crimes of money laundering and self-laundering be committed can be monetary or restrictive and will vary depending on the type of crime committed.

In particular, in relation to the commission of the crimes referred to in Articles 648 and 648-*bis*, 648-*ter* and 648-*ter.1* of the Italian Criminal Code, referred to in Article 25-*octies* of the Decree, the monetary penalty of up to eight hundred shares (up to approximately €1,240,000) applies. If the money, assets or benefits resulting from a crime for which the penalty established is imprisonment for at most five years, a fine of up to 1,000 shares (and therefore up to a maximum of approximately € 1,550,000) is imposed. If such a crime is committed, the organization is also punished with disqualification measures established in Article 9.2 of the Decree for a period of not more than two years.

12. THE CRIMES INCLUDED IN ARTICLE 25 of the OCTIES. 1 OF ITALIAN LEGISLATIVE DECREE No. 231/2001: CRIMES INVOLVING PAYMENT INSTRUMENTS OTHER THAN CASH

Refer to the crimes involving payment instruments other than cash introduced into the Decree with Art. 25-*octies.1* of Italian Legislative Decree no 184 of November 8, 2021.

Below is a brief description of the crimes indicated in Article 25-*octies.1* of the Decree and which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

¹⁴This information must be acquired by the directors on the basis of the results of the accounting entries and financial statements, the shareholders' register, communications relating to the ownership or control structure of the entity to which the company is held according to the current provisions, as well as communications received from members and any other data available to them. Should any doubts remain regarding the beneficial ownership, the information is acquired by the directors following an express request addressed to the shareholders with respect to whom further information regarding the organization is required.

- ***Unauthorized use and forgery of credit and payment cards (Art. 493-ter of the Italian Criminal Code);***

The illegal conduct punishable by the case in question consists of:

- the unauthorized use of credit or payment cards or any other similar document used to withdrawal cash or pay for goods or services or any payment instrument other than cash by someone who is not the owner or, alternatively
- falsifying, altering or possessing, transferring or acquiring such instruments or documents of illegal origin or however altered or falsified as well as making payment orders with them.

As for the material object of the aforementioned illegal conduct, non-cash payment instruments include not only physical instruments but also intangible devices, such as digital payment apps (for example, Satispay or Paypal), regardless of the existence of a physical document or digital means of payment through which electronic money having legal tender, including cryptocurrency, is exchanged.

For example, this crime can become relevant when a Company employee uses a payment app or a credit card in the name of a third party who is not part of the company organization in the interest or to the advantage of the Company.

- ***Possessing and distributing equipment, devices, or computer programs aimed at committing crimes involving payment instruments other than cash (Article 493-quater of the Italian Criminal Code)***

Anyone who produces, imports, exports, sells, transports, distributes, provides, or otherwise obtains for their own use or for others equipment, devices, or computer programs built or designed mainly to commit crimes involving payment instruments other than cash or specifically adapted for this purpose will be punished.

For example, this crime can occur by providing, within the company, instruments (equipment, devices, or computer programs) made to perpetrate fraud or falsify payment instruments other than cash.

- ***Aggravated computer fraud by transferring money, monetary value, or virtual currency (Art. 640-ter of the Italian Criminal Code)***

The crime of aggravated computer fraud by transferring money, monetary value, or virtual currency, punishes the typical behavior of computer fraud (consisting of altering the operation of an IT system or unauthorized interference with data, information or programs contained in an IT system or pertinent to it) which results in a transfer of money, monetary value, or virtual currency.

This crime could be committed if an employee of the Company alters the IT system of a competitor of TERNA to perpetrate fraud aimed at transferring money to TERNA.

- ***Other crimes against the public trust, property or that violate property and are included in the Italian Criminal Code***

Article 25-*octies*.1 of the Decree establishes residual liability for the organization by introducing an express reserve clause (“unless the crime constitutes another administrative crime penalized more severely”) if any other crime against the public faith, against property, or that violates property included in the Italian Criminal Code is committed when it involves payment instruments other than cash.

Therefore, the following crimes, among others, are worthy of mention:

- “Crimes against the public trust” pursuant to Title VII of the Italian Criminal Code (Articles 453 and subsequent): Article 453 of the Italian Criminal Code “forging coins or banknotes, circulating and introducing into the State, with conspiracy, forged coins or banknotes”; Art. 454 of the Italian Criminal Code “forging coins or banknotes”; Article 455 of the Italian Criminal Code “circulating and introducing into the State, without conspiracy, forged coins or banknotes”; Article 457 of the Italian Criminal Code “circulating forged coins or banknotes received in good faith”; Article 459 of the Italian Criminal Code “forging revenue stamps, introducing into the State, purchasing, possessing or circulating counterfeit revenue stamps”; Article 460 of the Italian Criminal Code “counterfeiting watermarked paper used to manufacture public credit notes or revenue stamps”; Article 461 of the criminal code “manufacturing or possessing watermarks or equipment designed to forge coins or banknotes, revenue stamps or watermarked paper”; Article 462 of the Italian Criminal Code “forging public transportation company tickets”; Article 464 of the Italian Criminal Code “using counterfeit or forged revenue stamps”; Article 456 of the Italian Criminal Code “using forged public transportation company tickets”; Article 466 of the Italian Criminal Code “altering signs on revenue stamps or on bills used and using such altered objects”;
- “Crimes against property” pursuant to Title XIII of the Italian Criminal Code (Articles 624 and subsequent): Article 624 of the Italian Criminal Code “burglary”; Article 624-*bis* of the Italian Criminal Code “burglary of a residence and theft”; Article 626 of the Italian Criminal Code “burglary punishable upon complaint of the injured party”; Article 628 of the Italian Criminal Code “armed robbery”; Article 629 of the Italian Criminal Code “extortion”; Article 630 of the Italian Criminal Code “kidnapping for extortion”; Article 631 of the Italian Criminal Code; “usurpation”; Article 640 of the Italian Criminal Code “fraud”; Article 640-*bis* of the Italian Criminal Code “aggravated fraud to obtain public funds”; Article 640-bis of the Italian Criminal Code “computer fraud”; Article 644 of the Italian Criminal Code “usury”; Article 646 of the Italian Criminal Code “*misappropriation*”.

In terms of punishment, Art. 25-*octies*.1 of the Decree calls for restrictions, as well as the following monetary penalties:

- three hundred to eight hundred shares (up to approximately €1,240,000) for the crime pursuant to Art. 493-*ter* of the Italian Criminal Code;
- up to five hundred shares (up to approximately €775,000) for the crime pursuant to Articles 493-*quater* and 640-*ter* of the Italian Criminal Code;
- up to five hundred shares and three hundred to eight hundred shares (up to approximately €1,240,000) for the residual category crimes against the public trust or property involving payment instruments other than cash for the related punishment.

13. THE CRIMES INCLUDED IN ARTICLE 25-NOVIES OF ITALIAN LEGISLATIVE DECREE 231/2001: CRIMES OF INFRINGEMENT OF COPYRIGHT

Article 25-novies provides for a number of crimes pursuant to the Copyright Law (and, in particular, to Articles 171, 171-bis, 171-ter, 171-septies and 171-octies) such as, for example, the import, distribution, sale or possession for commercial or business purposes of programs contained on a medium not bearing the SIAE stamp; the reproduction or reuse of database contents; the illegal duplication, reproduction, transmission or public dissemination of intellectual works for television or cinema; the introduction of an intellectual work protected, in part or totally, by copyright, into a telecommunication network system through any type of connection.

A preliminary analysis showed the immediate inapplicability to TERNA and to the other Group Companies of cases under Articles 171-ter, 171-septies and 171-octies of the Copyright Law.

The following is therefore a brief description of the two types of crimes under Article 25-novies of the Decree that are considered *prima facie* relevant to the Company, provided for by Articles 171.1(a-bis) and 171.3 and Article 171-bis of the Copyright Law.

- ***Crimes connected to copyright protection and other rights connected to its exercise (Article 171, section 1, point a-bis and section 3 of the Copyright Law)***

With regard to the type of crime under Article 171, the Decree takes into account only two types of crimes, namely:

- i. the act of making available to the public, by introducing into a telecommunication network system, through connections of all kinds, an intellectual work that is partially or totally protected;
- ii. the act of making available to the public, by introducing into a telecommunication network system and through connections of all kinds, an intellectual work not intended to be used for advertisement, or through the usurpation of authorship, or the distortion, mutilation, or other modification of the work itself that would be prejudicial to the honor or reputation of the author.

In the first case, it is the author's financial interest in the work that is protected; the author's earning expectation would in fact be compromised in the event that his/her work is freely distributed over the network; and, in the second case, the protected legal right is clearly not the author's earning expectation but his/her honor and reputation.

Such a crime could be committed in the interests of TERNA or of another Group company if, for example, the content of a work protected by copyright is loaded into website of TERNA or of another Group Company.

- ***Copyright protection and other rights connected to its exercise (Article 171-bis of the Copyright Law)***

Said provision is designed to protect the proper use of software and databases.

With regard to software, a crime is committed in the case of unlawful duplication or import, distribution, sale and possession for commercial or business purposes and rental of "pirated" programs.

This crime is committed when, in order to obtain a profit, a person unlawfully duplicates computer programs, or for the same purpose, imports, distributes, sells or holds for commercial or business purposes or rents programs contained on media not bearing the SIAE stamp.

The act is punished even when the conduct relates to any means where the sole intended purpose is to enable or facilitate the unauthorized removal or circumvention of any technical device which may have been applied to protect a computer program.

The second section punishes anyone who, in order to obtain a profit, reproduces on media not bearing the SIAE stamp, transfers onto another medium, distributes, communicates, presents or shows to the public the contents of a database or extracts or reuses a database or distributes, sells or rents a database.

At the subjective level, the crime is committed even when there is a will to achieve a benefit, therefore also when there are acts that are not prompted by the specific purpose of obtaining a purely economic gain (such as the assumption of obtaining an advantage).

Such crime could be committed in the interest of the Company when, for example, in order to save the cost associated with licensing for the use of an original software, non-original programs are used for business purposes.

With respect to the penalties that can be applied to the Organization, should crimes relating to copyright breaches be committed, they can be of a pecuniary or interdictory nature, which may obviously vary depending on the type of crime committed.

In particular, for the commission of the crimes referred to in Articles 171, section one, point a-bis, and section three, and 171-bis of Italian Law no. 633 dated April 22, 1941, referred to in Article 25-novies of the Decree, a monetary penalty of up to five hundred

shares (and therefore up to approximately €775,000) and the restrictions provided for by Article 9.2 for no more than one year shall apply.

14. THE CRIME REFERRED TO IN ARTICLE 25DECIES OF ITALIAN LEGISLATIVE DECREE 231/2001: INCITEMENT NOT TO MAKE A STATEMENT OR TO MAKE A FALSE STATEMENT TO A JUDICIAL AUTHORITY

- ***Incitement not to make statements or to make false statements to the Judicial Authority (Article 377-bis of the Italian Criminal Code)***

The provision included in Article 377-bis of the Italian Criminal Code intends to fine every conduct aiming at influencing a person who has been called before the Judicial Authority to make statements useful in a criminal proceeding. Said influence can have as its objective incitement not to make statements or to make false statements in order to conceal "compromising" elements for a certain organization, with evident interest on its part.

The provision aims at ensuring that proceedings are carried out properly by protecting against every form of undue interference. Such crime occurs even if "transnational" in nature, in compliance with Article 10 of Law No. 146 of March 16, 2006, which ratified and implemented the United Nations Convention and Protocols against Transnational Organized Crime.

In this regard, it should be emphasized that, pursuant to Article 3 of the above-mentioned law, the crime is considered "transnational" when it is punished by imprisonment for a period of not less than four years, when it involves an organized criminal group, and:

- it is committed in more than one State;
- or it is committed in one State but a substantial part of its preparation, planning, direction or control takes place in another State;
- or it is committed in one State but involves an organized criminal group that engages in criminal activities in more than one State;
- or it is committed in one State but has substantial effects on another State.

The penalties that can apply to the organization should crimes against judicial activity be committed can be monetary.

In particular, in relation to the commission of the crime referred to in Article 377-bis of the Italian Criminal Code, referred to in Article 25-decies of the Decree, the monetary penalty of up to five hundred shares (and therefore up to approximately €775,000) applies.

15. THE CRIMES REFERRED TO IN ARTICLE 25-UNDECIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: ENVIRONMENTAL CRIMES

Legislative Decree no. 121 dated July 7, 2011 entitled the "Implementation of Directive 2008/99/EC on the protection of the environment through criminal law as well as of Directive 2009/123/EC which amends Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements" provided, through the inclusion of Article 25-undecies into the Decree, for the extension of administrative responsibility of the companies and bodies to a series of environmental crimes.

The above-mentioned article expanded the list of the predicate offenses, adding the following:

1. the killing, destruction, capture, possession or taking of specimens of protected wild fauna or flora species (Article 727-bis of the Italian Criminal Code);
2. the destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian Criminal Code);
3. Illegal dumping of industrial waste water containing harmful substances and/or exceeding threshold values established by the law and/or competent authorities (Article 137, sections 2, 3, and 5 of the Italian Environmental Code), violating the prohibition to discharge waters on land, in the land and in groundwater (Article 137, section 11, of the Environmental Code) and illegal dumping in sea waters by vessels or aircrafts of substances or materials for which spill is forbidden (Article 137, section 13, of the Italian Environmental Code);
4. Unauthorized waste management (Article 256, section 1, point a, of the Italian Environmental Code), unauthorized creation and management of a waste disposal site (Article 256, section 3 of the Italian Environmental Code), mixing of hazardous waste (Article 256, section 5, of the Italian Environmental Code) and temporary storage of hazardous sanitary waste (Article 256 section 6, first sentence, of the Italian Environmental Code);
5. reclamation of sites (Article 257, sections 1, 2, of the Italian Environmental Code);
6. breach of obligations regarding reporting and the keeping of mandatory registers and forms (Article 258, section 4, of the Italian Environmental Code);
7. illegal waste trafficking (Article 259, section 1, of the Italian Environmental Code);
8. organized activities for illegal waste trading (Article 452-quaterdecies of the Italian Criminal Code);
9. Waste tracking computer system (Article 260-bis of the Italian Environmental Code);
10. the violation of the emission values limits and of the regulations established by legislative provisions or by competent authorities (Article 279, section 5 of the Italian Environmental Code);
11. crimes connected to the international trade of endangered animal and vegetable species, as well as crimes connected to the violation of legislation for trading and holding live specimens of mammals or reptiles which may be dangerous for public health and safety (Article 1, section 1 and 2; Article 2, section 1 and 2; Article 6, section 4 and Article 3-bis, section 1 of Law 150/1992);

12. violation of regulations concerning the production, consumption, import, export, possession and trade of harmful substances (Article 3, section 6 of Law no. 549 dated December 28, 1993 entitled "Stratospheric Ozone and Environmental Protection Measures");
13. Pollution by fraud and pollution by negligence on the part of vessels (Article 8, section 1 and 2; Article 9, section 1 and 2, of Italian Legislative Decree no. 202/2007).

Subsequently, with Article 8 of Italian Law no. 68, dated 05/22/2015, the predicated offenses for which Organizations are administratively liable were included in Article 25-*undecies* of Decree 231, as well as under Articles 452-*bis*, 452-*quater*, 452-*quinquies*, 452-*sexies* and 452-*octies* of the Italian Criminal Code.

Below is a brief description of the crimes indicated in Article 25-*undecies* of the Decree and which, on the basis of a preliminary analysis, have been deemed to be applicable to the Company.

For clarity, the crimes have been grouped into five different types, depending on relevant legislative source.

A) ITALIAN CRIMINAL CODE

A.1) Environmental pollution¹⁵ (Article 452 bis of the Italian Criminal Code)

This crime is committed when someone unlawfully causes a significant and measurable deterioration or impairment:

- 1) of the water or air, or of extended or significant portions of the soil or subsoil;
- 2) of an ecosystem, biodiversity, also agricultural, or pertaining to flora and fauna.

The offense will be considered more serious when pollution is created within a protected natural area or one with landscape, environmental, historical, artistic, architectural or archaeological restrictions or harms protected flora or fauna.

A.2) Environmental disaster¹⁶ (Article 452-quater of the Italian Criminal Code)

This crime is committed when someone, outside of the cases provided for by Article 434 of the Italian Criminal Code, unlawfully causes an environmental disaster which, alternatively, could be constituted by:

- a) an irreversible change in the balance of an ecosystem;

¹⁵ The terms used by the legislator, "impairment or deterioration", "of extended or significant proportions of the sole or subsoil", may be specified more fully when the verdicts of the Judicial Authority intervene.

¹⁶ The adverb "unlawfully" may be interpreted in two ways and as such may entail the violation of the general rules in force concerning the protection of public health and the environment, excluding any administrative authorizing act connected to the activity that caused the environmental disaster, or intended as directly connected to an administrative act that authorized the specific activity that was carried out and formed the base of the disaster. When we consider the second interpretation, several hypotheses can emerge, namely: lack of any authorization, activities carried out in violation of the authorization and unlawful authorization.

It will also be necessary to await the rulings of the criminal courts for this offense, in regards to the interpretation of the terms "balance of the ecosystem", "costly removal", "extent of the impairment or its harmful effects", "number of people injured or exposed to danger", especially in light of the obligatory nature of criminal law.

- b) a change in the balance of an ecosystem which would be particularly costly to reverse and likely to entail exceptional measures;
- c) an offense against public safety due to the importance related to the extension of the impairment or its harmful effects in terms of the number of people injured or exposed to the hazard.

The offense will be considered more serious when the disaster is created within a protected natural area or one with landscape, environmental, historical, artistic, architectural or archaeological restrictions or harms protected flora or fauna.

A.3) Culpable crimes against the environment (Article 452-quinquies of the Italian Criminal Code)

Article 452-quinquies of the Italian Criminal Code provides for mitigation in sanctions for cases in which:

- any of the acts referred to in Articles 452-bis and 452-quater of the Italian Criminal Code is committed culpably;
- the hazard of environmental pollution or an environmental disaster is caused by such acts.

A.4) Trading and discarding highly radioactive material (Article 452-sexies of the Italian Criminal Code)

This crime is committed when, with the exception of when the act constitutes a more serious offense, someone unlawfully gives, purchases, receives, transports, imports, exports, procures for others, holds, transfers, abandons or unlawfully disposes of highly radioactive material. The offense will be considered more serious if the act causes:

- 1) the risk of impairment or deterioration of the water or air, or of extended or significant portions of the soil or subsoil;
- 2) the risk of impairment or deterioration of an ecosystem, biodiversity, also agricultural, or pertaining to flora and fauna;
- 3) risk to life or people's health.

A.5) Aggravating circumstances (Article 452-octies of the Italian Criminal Code)

The legislation provides for heavier penalties when:

- a) the conspiracy referred to in Article 416 of the Italian Criminal Code (Criminal Conspiracy) is exclusively or concurrently directed for the purposes of committing any of the offenses provided for by Title VI-bis of the Italian Criminal Code;
- b) the conspiracy referred to in Article 416-bis of the Italian Criminal Code (Mafia Conspiracy, including foreign Mafia conspiracy) aims to commit any of the offenses provided for in Title VI-bis of the same code, namely ranging from the purchase to the management or control over economic activities, concessions, authorizations, tenders and public services concerning the environment;
- c) if public officials or persons in charge of public services or person who provide services concerning the environment participate in the conspiracy.

A.6) Organized activities for illegal waste trafficking (Article 452-quaterdecies of the Italian Criminal Code)

Article 452-*quaterdecies* of the Italian Criminal Code punishes anyone who, in an attempt to obtain unjust profit through several operations and through the setting up of means, as well as continuous organized activities, gives, receives, transports, exports, imports or in any case unlawfully manages huge quantities of waste. In the case of highly radioactive substances, the penalty is increased.

A.7) The killing, destruction, capture, possession or taking of specimens of protected wild fauna or flora species (Article 727-bis of the Italian Criminal Code)

Unless the fact constitutes a more serious crime, Article 727-bis of the Italian Criminal Code punishes different types of unlawful conduct regarding protected wild fauna and flora species, i.e.:

- a) except for cases where it is allowed, the killing, capture or possession of specimens belonging to a protected wild fauna species (section 1);
- b) except for cases where it is allowed, the destruction, taking, or possession of specimens belonging to a protected wild flora species (section 2).

The delegated legislator, however, adapting to Community provisions (Article 3, paragraph 1, point f) of Directive no. 2008/99/EC), excludes a crime being committed in cases where the action regards a negligible quantity of said specimens and has a negligent impact on the state of conservation of the species. For the purposes of applying Article 727-bis of the Italian Criminal Code, "protected wild fauna or flora species" means those listed in Annex IV of Directive 92/43/EC and in Annex I of Directive 2009/147/EC (Article 1, section 2, Italian Legislative Decree no. 121/2011).

The reference regards, on the one hand, Directive 92/43/EEC of the Council, dated May 21, 1992, concerning the conservation of natural and semi-natural habitats and of wild flora and fauna (the "Habitat" Directive) and, on the other hand, Directive 2009/147/EC of the European Parliament and Council of November 30, 2009, concerning the conservation of wild birds (the "Birds" Directive).

A.8) The destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian Criminal Code)

Article 733-bis of the Italian Criminal Code punishes anyone who, with the exception of the cases allowed, destroys a habitat within a protected site or in any case deteriorates it, thereby compromising its state of conservation. For the purposes of applying Article 733-bis of the Italian Criminal Code, "habitat within a protected site" means any habitat of species for which an area is classified as a special protection area pursuant to Article 4, paragraphs 1 and 2 of Directive 79/409/EEC, or any natural habitat or habitat of species for which a site is designated as a special area of conservation pursuant to Article 4, section 4, of Directive 92/437/EEC.

Outlining the objective scope of application of the criminal matters at hand based on current Italian laws must be made as per the provisions in the following regulations: a)

Ministerial Decree, Ministry of the Environment and Protection of Land and Sea, dated September 3, 2002 "Guidelines for the management of Natura 2000 sites" (Official Gazette no. 224, 24 September 2002); b) Italian Presidential Decree no. 357 dated September 8, 1997 "Regulation implementing Directive 92/43/EEC concerning the conservation of natural and semi-natural habitats and of wild flora and fauna" (Official Gazette no. 248 dated 23 October 1997), as amended by Italian Presidential Decree no. 120, dated March 12, 2003 (Official Gazette no.124 dated May 30, 2003); c) Ministerial Decree, Ministry of the Environment and Protection of Land and Sea dated March 14, 2011 (Official Gazette no. 77, dated April 4, 2011, Ordinary Supplement no. 90) containing the "Fourth updated list of sites of Community importance for the Alpine biogeographical region in Italy, pursuant to Directive 92/43/EEC"; d) Ministerial Decree, Ministry of the Environment and Protection of Land and Sea, dated March 14, 2011 (Official Gazette no. 77 of April 4, 2011, O.S. No. 90) containing the "Fourth updated list of Sites of Community importance for the Mediterranean biogeographical region in Italy pursuant to Directive 92/43/EEC"; e) Ministerial Decree from the Ministry of the Environment and Protection of Land and Sea dated March 14, 2011 (Official Gazette no. 77 dated April 4, 2011, Ordinary Supplement no. 90) containing the "Fourth updated list of sites of Community importance for the continental biogeographical region in Italy, pursuant to Directive 92/43/EEC"; f) Ministerial Decree from the Ministry of the Environment and Protection of Land and Sea dated October 17, 2007 (Official Gazette no. 258 dated November 6, 2007) regarding "Minimum uniform criteria for defining conservation measures related to Special Areas of Conservation (SCAs) and Special Protection Areas (SPAs)", as per the latest amended version of Ministerial Decree from the Ministry of the Environment and Protection of Land and Sea of January 22, 2009 (Official Gazette no. 33 dated February 10, 2009); g) Ministerial Decree from the Ministry of the Environment and Protection of Land and Sea of June 19, 2009 (Official Gazette no. 157 dated July 9, 2009) containing the "List of Special Protection Areas (SPAs) classified pursuant to Directive 79/409/EEC"

B) Italian Legislative Decree 152/2006 (Environmental code)

B.1) Crimes referred to in Article 137 of the Italian Environmental Code.

For purposes of the Decree, the following conduct is considered significant:

a) dumping of industrial waste water containing hazardous substances

Article 137, sections 2 and 3 of the Italian Environmental Code, punishes any new dumping of industrial waste water containing hazardous substances without respecting the rules in the authorization or other rules by competent authorities pursuant to Articles 107, section 1, and 108, section 4 of the Italian Environmental Code.

Specifically, in relation to the above conduct, "hazardous substances" mean those expressly indicated in Tables 5 and 3/A of Annex 5 to Part Three of the Italian Environmental Code, to which the reader is referred.

b) dumping industrial waste water in excess of table limits

Article 137-ter.5 of the Italian Environmental Code states that penalties may be levied against anyone who dumps industrial waste water in excess of limits set by law or by the proper authorities, pursuant to Article 107 of the Italian Environmental Code. It should be specified that said conduct is in exclusive relation to the substances listed in Table 5 of Annex 5 to Part Three of the Italian Environmental Code, and that the limit values referenced by said regulation are indicated in Tables 3 and 4 of Annex 5.

The criminalization of such conduct is also punished with higher monetary penalties if specially established values for the substances as listed in Table 3/A of Annex 5 to the Italian Environmental Code are exceeded.

c) dumping on land and in the land and in groundwater

Article 137.11, first sentence punishes the conduct of anyone who dumps on land, pursuant to Table 4 of Annex 5, Part Three of the Italian Environmental Code, and does not respect the ban on dumping referred to in Articles 103 and 104 of the Italian Environmental Code.

d) dumping in sea waters by vessels or aircraft

Pursuant to Article 137.13 of the Italian Environmental Code, the dumping by ships or aircraft of substances or materials into the sea, for which there is an absolute dumping ban pursuant to the regulations contained in governing international conventions on the matter and ratified in Italy, is punished, unless they are of such quantity that they are rendered innocuous by biological, chemical and physical processes that naturally occur in the sea and as long as there is pre-authorization by the competent authorities.

B.2) Crimes referred to in Article 256 of the Italian Environmental Code.

Article 256 of the Italian Code criminally punishes a multitude of behaviors considered primarily as violations of regulations concerning waste management and which are potentially harmful to the environment.

The illegal activities referred to in Article 256 of the Italian Environmental Code can fall into the category of "crimes of theoretical danger", for which lawmakers presume that a protected legal asset (i.e. the environment) has been placed in danger, without having to concretely verify the existence of the danger. The simple violation of the regulations concerning Waste Management or the hindrance of controls in place under an administrative procedure, constitute therefore, in and of themselves, punishable crimes.

The following are relevant for the purposes of the Decree:

a) unauthorized waste management pursuant to Article 256.1 of the Italian Environmental Code.

Article 256.1 of the Italian Environmental Code punishes a multitude of conducts connected to the unauthorized management of waste or the recycling, transport, recovery, disposal, trade and brokering waste of any kind — hazardous and non-

hazardous — taking place in the absence of specific authorization, registration, or notification provided for in Articles 208-216 of the Italian Environmental Code.

It is specified that, pursuant to Article 193.9 of the Italian Environmental Code, “transport” does not include the movement of waste within a private area.

A producer could, however, be considered liable, when it acts as an accomplice in the crime. This may occur not only in the case it is aware of the unlawful nature of the waste management being contracted out, but also in the case of violation of specific supervisory requirements on whoever is charged with the collection and disposal of waste products.

It must be kept in mind that all parties involved in waste management activities — including the producer — must not only respect the regulations concerning their own field of activity, but must also check and ensure that the activities before or after their own have been executed properly. Consequently, the producer is required to check that the party who is charged with the collection, transport or disposal of waste produced carries out these activities in a lawful manner. Otherwise, failure to comply with precautionary requirements could be considered “contributory negligence in an intentional crime”.

b) managing unauthorized landfill sites under Article 256.3 of the Italian Environmental Code.

Section three of the regulation punishes anyone who creates or manages an unauthorized landfill site, with specific aggravated penalties if the landfill is being used for disposing of hazardous waste.

In particular, it should be noted that the definition of landfill site does not include “facilities where waste is unloaded in order to be prepared for subsequent transport to a recovery, treatment or disposal facility and storage of waste awaiting treatment or recovery for a period of less than three years as a general rule, or storage of waste awaiting disposal for a period of less than one year”.

In order to determine the unlawful conduct of creating and managing an unauthorized landfill site, the following conditions must be present:

- i. repeated conduct of accumulation of waste in an area, or simply fitting an area by leveling or fencing off the land;
- ii. the degrading of the area itself, consisting in the permanent alteration of the state of the locations, as well as
- iii. the dumping of a substantial amount of waste.

Lastly, to be considered “unauthorized management”, once the site has been built, the activity must be autonomous, which implies the establishment of an organization made of machinery and people for the operation of the landfill itself.

c) Mixing hazardous waste pursuant to Article 256.5 of the Italian Environmental Code.

Article 256.5 of the Italian Environmental Code punishes the unauthorized mixing of waste that has different hazardous properties, i.e. hazardous waste with non-hazardous waste.

It must be remembered that mixing hazardous waste — not having the same properties of hazardousness with each other or with other waste, substances or materials — is allowed only if expressly authorized pursuant to and within the limits of Article 187 of the Italian Environmental Code. Such conduct is criminal only if carried out in violation of the regulatory measures.

The crime under consideration can be committed by anyone who has access to hazardous and non-hazardous waste.

d) Temporary storage of hazardous medical waste pursuant to Article 256.6, first sentence of the Italian Environmental Code.

Violation of the ban on temporary storage of hazardous medical waste at the place of production as provided for in Article 227 of the Italian Environmental Code is considered included pursuant to Article 256.6 of the Italian Environmental Code.

It must be pointed out that a crime is considered as having been committed if the following conditions exist:

- a) the waste is of a hazardous medical nature with infection risk included in the list of examples in Annex 1 to Italian Presidential Decree no. 254 of July 15, 2003, entitled "*Regulation concerning discipline in the management of sanitary waste in accordance with Article 24 of Law no. 179 of July 31, 2002, no. 179*";
- b) the time or quantity limits provided for by Article 8 of Italian Presidential Decree 254/2003, which envisages that the temporary storage of hazardous sanitary waste may have a maximum duration of five days from the moment of closure of the container, are violated. This term can be extended to thirty days for quantities of waste less than 200 liters.

B.3) Crimes referred to in Article 257 of the Italian Environmental Code.

Article 257 of the Italian Environmental Code, concerning the criminal regulation of site reclamation, provides for two distinct crimes:

- failure to provide for reclamation of polluted sites;
- failure to report the polluting event to the competent authorities in compliance with the procedure indicated in Article 242 of the Italian Environmental Code.

a) Failure to provide for reclamation

In particular, Article 257 of the Italian Environmental Code punishes first and foremost – with the exception of when the act constitutes a more serious offense – anyone who pollutes the soil, the subsoil, surface waters or groundwater by exceeding the risk concentration threshold, and if they do not provide for reclamation in compliance with the plan approved by the competent authority in the administrative procedure indicated by Articles 242 *et seq.* of the Italian Environmental Code.

Requirements for determining the existence of the above-mentioned crime are:

- 1) exceeding the risk concentration threshold (RCT);
- 2) failure to provide reclamation in compliance with the project approved by the competent authority in the administrative procedure under Articles 242 *et seq.*

It is a crime whose perpetration is determined by the occurrence of the criminal event or a purely causal crime, subject to objective conditions of criminal liability, where a) the criminal event is provided for only as a damaging event, such as pollution; b) pollution is defined as exceeding the risk concentration threshold (RCT), which is a level of risk higher than the attention levels identified by the contamination concentration threshold (CCT), and therefore at levels of acceptability already established by Italian Ministerial Decree no. 471/1999.

Pollution by itself is not punishable, but rather the failure to clean up in compliance with the rules established in the ad-hoc plan. Italian Law no. 68, dated 22 May 2015, amended by Article 257 of Italian Legislative Decree 152/2006, replacing section four and stating that the compliance of approved projects pursuant to Articles 242 *et seq.* constitutes a condition for exemption from punishment for environmental violations covered by other laws regulating the same event and for the same polluting conduct referred to in section 1. The crime is aggravated if pollution is a result of hazardous substances, as provided for in Article 257, section 2 of the Italian Environmental Code.

b) failure to report pursuant to Article 242 of the Environmental Code.

Upon the occurrence of an event that could potentially contaminate a site, the subject responsible for contamination must, within 24 hours of the event, adopt all necessary prevention measures and immediately inform the competent authorities in accordance with the procedures referred to in Article 304, section 2 of the Italian Environmental Code.

B.4) Crimes referred to in Article 258.4, second point of the Italian Environmental Code. -Violation of the requirements regarding reporting and keeping mandatory logs and forms

Pursuant Article 258.4, second sentence of the Italian Environmental Code, unless the act is a crime, anyone who transports waste without the form referred to in Article 193 or the substitute documents provided for therein, or reports incomplete or inaccurate data on the same form, is punished with the administrative pecuniary penalty of between €1,700 and €10,000.

B.5) Crimes referred to in Article 259 of the Italian Environmental Code. - Illegal waste trafficking

Article 259.1 of the Italian Environmental Code punishes two crimes connected to the trading and the cross-border shipment of waste.

Illegal waste trafficking means engaging in the conduct expressly referred to in Article 2 of EEC Regulation no. 259 dated February 1, 1993 or any shipment of waste carried out:

- a) without sending notification and/or without the consent of the competent authorities concerned;
- b) with the consent of the competent authorities concerned through falsification, misrepresentation or fraud;
- c) without being specifically specified in the accompanying document;
- d) in such a way as to lead to disposal or recovery in violation of community or international regulations;
- e) in violation of bans on the import and export of waste provided for in Articles 14, 16, 19 and 21 of the above-mentioned Regulation no. 259/1993.

The crime is being committed also when shipping of waste intended for recovery is made (specifically listed in Annex II of the said Regulation no. 259/1993). Criminal conduct takes place each time the conditions expressly referred to in Article 1.3 of the Regulation have been violated (waste must always be directed to authorized facilities, it must be able to be checked by proper authorities, etc.).

B.6) Crimes referred to in Article 260-bis of the Italian Environmental Code. - Waste tracking computer system

With Article 6 of Italian Decree-Law no. 135/2018, in force since December 15, 2018, starting January 1, 2019, SISTRI will go away, and all subjects that manage waste must comply with the requirements (keeping a loading and unloading log, identification forms, etc.) that were in force prior to the changes made by Italian Legislative Decree no. 205/2010 to Italian Legislative Decree 152/2006, repealed by the Decree-Law in relation to the provision of a waste tracking system.

As regards the catalog of Environmental Crimes that can give rise to the liability of organizations, sections 6, 7 and 8 of Article 260-bis of Italian Legislative Decree 152/06, referenced by Italian Legislative Decree 231/01, are deemed inapplicable due to the inapplicability of the requirements provided for in the cited Article 260-bis.

B.7) Crimes referred to in Article 279 of the Italian Environmental Code. - Emission of polluting gases above allowed limits

Article 279.5 of the Italian Environmental Code, punishes anyone who, in the operation of a factory, violates emission limit values or requirements established by the authorization, the Annexes I, II, III or V to section five of the Italian Environmental Code, the plans and programs or regulations governed by Article 271 of the Italian

Environmental Code or provisions otherwise imposed by the competent authority, also causing air quality limit values required by current legislation to be exceeded.

- **Crimes referred to in Italian Law no. 549/1993**

Concerning protection of the ozone layer (Law 549/1993), the production, consumption, import, export, sale and possession of harmful substances in accordance with Regulation (EC) no. 3093/94 (the latter repealed and replaced by Regulation (EC) no. 1005/2009) are instead punished.

- **Crimes referred to in Italian Law no. 150/1992**

On matters concerning the protection of wild flora and fauna species through supervising their trade, anyone who engages in, *inter alia*, the actions indicated hereinafter in violation of the provisions of Regulation no. 338/97 and subsequent implementations and amendments, for specimens belonging to the species listed in Annexes A, B and C of the Regulation, shall be punished:

- a) imports, exports or re-exports specimens under any customs procedure without the required certificate or license, or with invalid certificate or license;
- b) fails to comply with the requirements for safety of the specimens, specified in a license or certificate issued in accordance with Regulation;
- c) uses said specimens in a manner not compliant with the requirements in the authorization or certification measures issued together with the import license or subsequently certified;
- d) transports or arranges for the transit, also for third parties, of any specimens without the required license or certificate;
- e) trades in plants that have been artificially reproduced in contrast to the requirements in Article 7 of the Regulation;
- f) possesses, uses for profit, buys, sells, displays or holds for the purposes of selling or for commercial purposes, offers to sell or in any case gives away specimens without the required documentation.

- **Crimes referred to in Italian Law no. 202/2007**

In relation to ship-source pollution, the commander of a ship, as well as members of the crew, the owner, and the shipping company shall be punished if they are responsible for spilling, or causing the spilling, of pollutants into the sea. The crime is aggravated if as a result permanent or particularly serious damage is caused to the water quality, to animal or plant species or to parts of the same.

- **Crimes pursuant to Article 256-bis of Italian Legislative Decree 152/2006**

By introducing the new Article 256-bis of Italian Legislative Decree 152/2006 "Illegal burning of waste", while not expanding the list of predicate offenses, the legislator has,

however, made an explicit reference to the penalty system referred to in Italian Legislative Decree 231/2001. This crime is committed when someone sets fire to abandoned waste, namely waste that has been stored in an uncontrolled manner within unauthorized areas. The connection with the rules under Italian Legislative Decree 231/2001 is made explicit in the second section of Article 256-*bis* of Italian Legislative Decree 152/2006, which states that if a crime is committed by part of an enterprise's activity or, in any case, by a business, the owner of said enterprise or the head of the business is liable under the independent profile of having failed to supervise the work of the material actors in the crime, which is, nevertheless, connected to the same enterprise or business; the sanctions provided for by Article 9, section 2 of Italian Legislative Decree no. 231 dated June 8, 2001 also apply to the aforementioned enterprise owners or business heads.

The penalties that can apply to the organization should an environmental crime be committed can be monetary or restrictive and will vary depending on the type of crime committed.

In particular, in relation to the commission of crimes provided for by the Italian Criminal Code, the following penalties apply:

- for the infringement of Article 452-*bis* of the Italian Criminal Code, a pecuniary penalty of between 250 and 600 shares (and therefore up to a maximum of approximately € 930,000) and the interdictory penalties provided for by Article 9, section 2, for a period of no more than one year;
- for the infringement of Article 452-*quater* of the Italian Criminal Code, a pecuniary penalty of between 400 and 800 shares (and therefore up to a maximum of approximately € 1,240,000) and the interdictory penalties provided for by Article 9, section 2;
- for the infringement of Article 452-*quinquies* of the Italian Criminal Code, a pecuniary penalty of between 200 and 500 shares (and therefore up to a maximum of approximately € 775,000);
- for the aggravated conspiracy crimes under Article 452-*octies* of the Italian Criminal Code, a pecuniary penalty of between 300 and 1,000 shares (and therefore up to a maximum of approximately € 1,550,000);
- for the crime of trafficking and abandonment of highly radioactive material under Article 452-*sexies* of the Italian Criminal Code, a pecuniary penalty of between 250 and 600 shares (and therefore up to a maximum of approximately € 930,000);
- for the infringement of Article 727-*bis* of the Italian Criminal Code, a pecuniary penalty of up to 250 shares (and therefore up to a maximum of approximately € 387,000);
- for the infringement of Article 733-*bis* of the Italian Criminal Code, a pecuniary penalty of between 150 and 250 shares (and therefore up to a maximum of approximately € 387,000);

In relation to the commission of crimes provided for by Italian Legislative Decree no. 152 of April 3, 2006, the following penalties apply:

- a) for the crimes included in Article 137:
- for the infringement of sections 3, 5, first sentence, and 13, a pecuniary penalty of between 150 and 250 shares (and therefore up to a maximum of approximately € 387,000);
 - for the infringement of sections 2, 5, second sentence, and 11, a pecuniary penalty of between 200 and 300 shares (and therefore up to a maximum of approximately € 465,000) and the interdictory penalties provided for by Article 9, section 2, for a duration of no more than six months;
- b) for the crimes included in Article 256:
- for violating sections 1(a) and 6.1, a monetary penalty of up to two hundred fifty shares (and therefore up to approximately €387,000);
 - for violating sections 1(b)(3) first sentence, and 5, a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to a maximum of approximately € 387,000);
 - for the infringement of section 3, second sentence, a pecuniary penalty of between 200 and 300 shares (and therefore up to a maximum of approximately € 465,000) and the interdictory penalties provided for by Article 9, section 2, for a duration of no more than six months;
- c) for the crimes included in Article 257:
- for violating section 1, a monetary penalty of up to two hundred fifty shares (and therefore up to approximately €387,000);
 - for violating section 2, a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to approximately €387,000);
- d) for violating Article 258.4, a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to approximately €387,000);
- e) for violating Article 259.1, a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to approximately €387,000);
- f) for the crime included in Article 260 (reference to be understood to relate to Article 452-*quaterdecies* of the Italian Criminal Code, pursuant to Article 7 of Italian Legislative Decree no. 21 of March 1, 2018), a pecuniary penalty of between 300 and 500 shares (and therefore up to a maximum of approximately € 775,000) in the case provided for by section 1 and between 400 and 800 shares (and therefore up to a maximum of approximately € 1,240,000) in the case provided for by section 2, and the interdictory penalties provided for by Article 9, section 2, for a duration of no more than six months;
- g) for Article 260-*bis*, a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to approximately €387,000) in the case provided for by sections 6, 7.2, 7.3, and 8.1, and a monetary penalty of between two hundred and three hundred shares (and therefore up to approximately €465,000) in the case provided for by section 8.2;
- h) for violating Article 279.5, a monetary penalty of up to two hundred fifty shares (and therefore up to approximately €387,000).

Regarding the commission of crimes referred to in Italian Law no. 150 of February 7, 1992, the following penalties shall apply to the organization:

- a) for violating Articles 1.1, 2.1, 2.2, 2.6, and section 4, a monetary penalty of up to two hundred fifty shares (and therefore up to approximately €387,000);
- b) for the infringement of Article 1, section 2, a pecuniary penalty of between 150 and fifty and 250 shares (and therefore up to a maximum of approximately € 387,000) and the interdictory penalties provided for by Article 9, section 2, for a duration of no more than six months;
- c) for the crimes under the Italian Criminal Code referenced by Article 3-*bis*.1 of Italian Law no. 150 of 1992, respectively:
 - a monetary penalty of up to two hundred fifty shares (and therefore up to approximately €387,000), for the commission of crimes punishable by no more than a maximum of one year's imprisonment;
 - a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to approximately €387,000), for the commission of crimes punishable by no more than a maximum of two year's imprisonment;
 - a monetary penalty of between two hundred and three hundred shares (and therefore up to approximately €465,000), for the commission of crimes punishable by no more than a maximum of three year's imprisonment;
 - a monetary penalty of between three hundred and five hundred shares (and therefore up to approximately €775,000) for the commission of crimes punishable by more than a maximum of three year's imprisonment.

In relation to the commission of the crimes referred to Article 3.6 of Italian Law no. 549 of December 28, 1993, a monetary penalty of between one hundred fifty and two hundred fifty shares (and therefore up to approximately €387,000) is applicable to the organization.

Regarding the commission of crimes referred to in Italian Legislative Decree no. 202 of November 6, 2007, the following monetary penalties shall apply to the organization:

- a) for the crime referred to in Article 9.1, a monetary penalty of up to two hundred fifty shares (and therefore up to approximately €387,000);
- b) for the crimes included in Articles 8, section 1, and 9, section 2, a pecuniary penalty of between 150 and 250 shares (and therefore up to a maximum of approximately € 387,000) and the interdictory penalties provided for by Article 9, section 2, for a duration of no more than six months;
- c) for the crime included in Article 8, section 2, a pecuniary penalty of between 200 and 300 shares (and therefore up to a maximum of approximately € 465,000) and the interdictory penalties provided for by Article 9, section 2, for a duration of no more than six months.

If the organization or one of its organizational units is steadily utilized with the sole or prevalent purpose of allowing or facilitating the commission of the crimes included in Article 260 of Italian Legislative Decree no. 152 of April 3, 2006, and Article 8 of Italian Legislative Decree no. 202 of November 6, 2007, the penalty of indefinite disqualification

from performing business activity pursuant to Article 16, section 3, of the Italian Legislative Decree no. 231 of June 8, 2001, applies.

16. THE CRIMES REFERRED TO IN ARTICLE 25-DUODECIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: EMPLOYMENT OF FOREIGN CITIZENS ILLEGALLY RESIDING IN ITALY

Italian Legislative Decree no. 109 dated July 16, 2012, entitled "Implementation of Directive 2009/52/EC providing for minimum standards on penalties and measures against employers of foreign citizens illegally residing in the country", in Article 2, by adding the Article 25-*duodecies* to the Decree, extends administrative liability to Organizations violating certain standards relating to the employment of foreign citizens residing in the country illegally, as established in Italian Legislative Decree no. 286 dated July 25, 1998 (the Consolidated Law on Immigration).

Furthermore, Italian Law no. 161 dated October 17, 2017, referring to "Amendments to the anti-Mafia law and preventative measures, pursuant to Italian Legislative Decree no. 159 dated September 6, 2011, the Italian Criminal Code and regulations, including temporary regulations, regarding the implementation and coordination of the criminal procedure and other provisions. Powers of the Government to protect jobs in seized and confiscated companies", introduced as crimes those described in Article 12, sections 3, 3-*bis*, 3-*ter*, and 5 of the Consolidated Law on Immigration.

Below is a brief description of the crimes referred to in Article 25-*duodecies* of the Decree and which, on the basis of a preliminary analysis, have been deemed to apply to the Company.

- ***Employment of foreign citizens residing in Italy illegally (Article 22.12 of Italian Legislative Decree no. 286/1998)***

This crime is committed when the employer hires foreign workers without residence permits or with expired permits that have not requested renewal according to the law or with revoked or canceled permits.

Article 22.12-*bis* of Italian Legislative Decree 286/1998 provides for an increase in the penalties by a third to half if the following situations occur:

- if there are more than three hired workers;
- if the hired workers are minors;
- if the hired workers are subject to other particularly exploitative working conditions as per Article 603-*bis*, section 3 of the Italian Criminal Code (i.e., in addition to the situations above, if workers are exposed to serious danger with regard to the characteristics of the services they need to perform and the working conditions).

The organization is therefore responsible when the crime is aggravated by the number of individuals hired or by the fact that they are minors or by work performed in seriously dangerous conditions.

- **Provisions against illegal immigration (Article 12, sections 3, 3-bis, 3-ter, and 5 of Legislative Decree no. 286/1998).**

These crimes intend to incriminate migrant smuggling, which occurs in cases in which direct acts are made to facilitate the entry of persons into the country in breach of the provisions of the Consolidated Law on Immigration 286/1998 or, in any case, the case of direct acts to facilitate the illegal entry to another country of which the person is not a citizen nor has the right of permanent residency in order to derive direct or indirect profit.

In particular, Article 12, sections 3, 3-bis, and 3-ter penalize anyone who "promotes, directs, organizes, finances or transports foreign nationals into the country or commits other direct acts to facilitate the illegal entrance of foreign nationals into the country or any other country of which the person is not a citizen and does not have the right of permanent residency".

Article 12, section 5 penalizes those who "*in order to derive an unfair profit from the illegal status of the foreign national or in the context of activities punishable by law [article 12], facilitate the residence of such foreign nationals in the country in breach of the regulations*" set forth by the Consolidated Law on Immigration.

The penalties that can apply to the Organization should crimes involving the employment of foreign citizens residing Italy illegally be committed can be monetary or restrictive and will vary depending on the type of crime committed.

In particular, in relation to the commission of the crimes referred to in Article 22.12-bis of Italian Legislative Decree no. 286/1998, referred to in Article 25-duodecies of the Decree, a monetary penalty of up to two hundred shares (and therefore up to approximately €150,000) shall apply.

Moreover, in the event of the commission of the crimes referred to in Article 12, sections 3, 3-bis, and 3-ter, a monetary penalty of between four hundred and one thousand shares (and therefore up to approximately €1,550,000) shall apply to the organization, while for the commission of the crime referred to in Article 12.5, a monetary penalty of between one hundred and two hundred shares (and therefore up to approximately €309,800) shall apply.

In both cases, restrictions shall apply pursuant to Article 9.2 of Italian Legislative Decree 231/2001 for a duration of no less than one year.

Additionally, under the terms of Article 10 of Italian Law no. 146 of 2006, the aforementioned circumstances and aiding and abetting pursuant to Article 378 of the Italian Criminal Code also apply to this Special Section in cases of an international nature as defined by Article 3 of Italian Law no. 146/2006.

The crime of migrant trafficking incriminates anyone who commits direct acts to facilitate the entry of people into the country in violation of the provisions of the Consolidated Law on Immigration 186/1998 or acts aimed at facilitating the illegal entry to another country of which the person is not a citizen and does not have the right of permanent residency in order to derive direct or indirect profit.

a administrative monetary penalty of between two hundred and one thousand shares (and therefore up to approximately €1,550,000) shall apply to the organization;

The crime of aiding and abetting pursuant to Article 378 of the Italian Criminal Code incriminates those who, after an offense punishable by life imprisonment or confinement has been committed and asides from cases of collusion in the same, help such persons to avoid investigation by Italian or international authorities.

The Company may be held responsible not only for acts of omission (such as withholding or falsifying the identity of the guilty party) but also direct actions such to represent the creation of obstructions to the investigations.

A monetary penalty of up to five hundred shares (and therefore up to approximately €774,500) shall apply to the organization.

17. THE CRIMES REFERRED TO IN ARTICLE 25-QUINQUESDECIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: TAX CRIMES

Italian Law no. 157 of 19 December 2019 governing the "*Conversion into law, with amendments, of Italian Decree Law no. 124 of October 26, 2019, governing urgent provisions on tax matters and for non-deferrable expenditures*" provided, among other things, for the inclusion of Article 25-*quinqüesdecies* in the Decree.

The above-mentioned article expanded the list of the predicate offenses, adding the following:

- Article 2 of Italian Legislative Decree 74/2000 ("Misrepresentation using invoices or other documents for non-existent operations");
- Article 3 of Italian Legislative Decree 74/2000 ("Fraudulent misrepresentation by other devices");
- Article 8 of Italian Legislative Decree 74/2000 ("Issuing invoices or other documents for non-existent operations");
- Article 10 of Italian Legislative Decree 74/2000 ("Concealment or destruction of accounting records");
- Article 11 of Italian Legislative Decree 74/2000 ("Tax evasion").

Subsequently, Italian Legislative Decree no. 75 of July 14, 2020 – the decree implementing Directive (EU) 2017/1371, on the fight against fraud to the Union's financial interests by means of criminal law (referred to as the PIF Directive) – introduced Article 25-*quinqüesdecies*, adding, if committed as part of fraudulent cross-border systems and in order to evade value added tax for an overall amount of no less than €10,000,000, the following crimes provided for by Italian Legislative Decree 74/2000:

- Article 4 of Italian Legislative Decree 74/2000 (“Misrepresentation”);
- Article 5 of Italian Legislative Decree 74/2000 (“Failure to file”);
- Article 10-*quater* of Italian Legislative Decree 74/2000 (“Undue offsetting”).

Below is a brief description of the types of crime provided for in Article 25-*quinquiesdecies* of the Decree which — following a preliminary analysis — have been deemed relevant.

- ***Misrepresentation using invoices or other documents for non-existent operations (Article 2 of Italian Legislative Decree no. 74/2000)***

Anyone who, in order to evade income taxes or value added taxes, falsely represents their tax liability in a statement relating to said taxes, using invoices or other documents for non-existent operations shall be punished. This crime is committed through the use of “invoices” or “other documents” which become relevant pieces of evidence in relations with the Financial Administration when they are:

- registered in the statutory accounting record or
- stored as evidence for the Financial Administration, without there being any obligation to attach the supporting documentation for the false entries to the tax return.

The invoices or other documents used may relate to:

- subjectively non-existent operations (e.g. the supplier indicated on the invoice does is not the supplier that actually provided the service or sold the goods);
- objectively non-existent operations (e.g. the transaction indicated on the invoice was not completed in its entirety or in part, or even partially differs from what actually took place, or reports higher prices or VAT than the real prices or VAT).

The purpose of the provision is to criminally sanction any divergence between the commercial reality and how it is expressed in documentation. This is a crime of “declaration” that is committed upon filing a tax return and is not subject to a minimum threshold of taxes evaded.

- ***Misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000)***

The aforementioned article punishes anyone who, in order to evade value added taxes or income taxes, falsely represents their tax liabilities or declares asset items of lower value than the actual items in annual statements, on the basis of a false representation in the accounting records and using fraudulent means capable of hampering assessment.

The crime is committed if certain punishable thresholds are reached overall, i.e.

- if the amount of tax evaded, with reference to any individual tax, is greater than €30,000;
- if the overall amount of the asset items that have evaded taxation (including by means of falsely representing liabilities) is greater than five per cent of the overall value of the asset items indicated in the tax return or is in any case greater than €1,500,000, or the overall value of the fictitious receivables and withholdings

used to reduce taxation is greater than five per cent of the amount of tax itself or in any case €30,000.

The crime of misrepresentation by other devices can alternatively be committed by means of:

- subjectively or objectively simulated transactions, such as apparent transactions carried out with no intention of being completed in whole or in part, or transactions relating to fictitiously interposed parties;
- the use of a false document other than an invoice or one of the other non-existent documents referred to in Article 2 (e.g. a contract, where it is not the only evidentiary document provided for by tax laws);
- other fraudulent means or active deception, as well as omissive conduct implemented in breach of a legal obligation, bringing about a false representation of reality where such conduct could hamper tax assessment and mislead the Financial Administration.

- **Misrepresentation (Article 4 of Italian Legislative Decree no. 74/2000)**

The punishable conduct constitutes the indication, in a tax return, of non-existent liabilities (namely costs that were not materially incurred by the taxpayer) or the failure to report income asset items (namely positive income components, such as failing to invoice and/or note income, as well as a failure to report assets and earnings deriving from real estate or financial assets), with the intention, in both cases, of falsely representing the taxable base of their income for the calculation of tax rates and, therefore, taxes due.

The legislation provides for an initial reservation clause which excludes the application of the provisions on misrepresentation in cases in which the more serious conduct is absorbed into the scope of application of fraudulent statement put in place by the use of invoices (Article 2 of Italian Legislative Decree 74/2000) or other documents for non-existent operations and misrepresentation by other devices (Article 3 of Italian Legislative Decree no. 74/2000).

In particular, in contrast to the cases included in Articles 2 and 3 of Italian Legislative Decree 74/2000, the illegal act is performed by means of the simple submission of an ideologically false declaration without any further acts to support the lies being necessary for the conduct to be relevant under criminal law.

Moreover, the crime is only committed where the aforementioned conduct exceeds, overall, the quantitative thresholds indicated in points a) and b) of section 1, namely:

- a) the amount of tax evaded, with reference to any individual tax, is greater than €100,000;
- b) the overall amount of the asset items that have evaded taxation, including by means of indicating non-existent liabilities, is greater than ten per cent of the overall value of the asset items indicated in the tax return or is in any case greater than 2,000,000.

However, in terms of responsibility, according to the Decree, the conduct is relevant only if the purpose is to evade value added tax using fraudulent cross-border systems

connected to the territory of at least one other EU Member State and results in or could result in total damages equal to or greater than €10 million.

- ***Failure to file (Article 5 of Italian Legislative Decree no. 74/2000)***

The punishable conduct must materialize in the mere failure to file mandatory tax returns in accordance with the terms provided for by law.

Like in the cases referred to in Article 4 of Italian Legislative Decree no. 74/2000, the crime is only committed where the aforementioned conduct exceeds the quantitative thresholds provided for by the law, namely:

- a) in order to evade income taxes or value added taxes, the taxpayer does not submit when obliged one of the declarations relating to said taxes, when the amount of evaded tax is no more than €50,000, with reference to any individual tax;
- b) the taxpayer does not submit when obliged the withholding agent's declaration, where the amount of withholdings not paid is greater than €50,000.

Returns filed within ninety days of the deadline, unsigned returns and returns not prepared as required are not included in the scope of failure to file.

However, in terms of responsibility, according to the Decree, the conduct is relevant only if the purpose is to evade value added tax using fraudulent cross-border systems connected to the territory of at least one other EU Member State and results in or could result in total damages equal to or greater than €10 million.

- ***Issuing invoices or other documents for non-existent operations (Article 8 of Italian Legislative Decree no. 74/2000)***

This crime consists of allowing third parties to evade value added taxes or income taxes by means of issuing invoices or other documents for non-existent operations. For this crime to be committed, it is necessary for the active party not to have simply prepared the false document, but they must have then delivered it to the user or intermediary, with the false document leaving their possession. The issuance crime is committed regardless of whether the invoices is actually used by the recipient in their own tax returns for income and value added taxes. Moreover, the issuance of a single invoice or other false document is sufficient, there being no need for the unlawful conduct to be repeated.

The purpose of the conduct is to allow third parties to evade taxes, in contrast to the speculative cases of usage included in Article 2. However, if the taxpayer issued the false invoice in order for themselves or a third party to fulfill a purpose other than tax evasion, the crime is still committed where the conduct is useful for obtaining an undue tax advantage.

The crime is also understood to have been attempted if the person responsible carries out acts that are directly and clearly aimed at issuing invoices or other documents for non-existent operations. If the amount indicated on the false invoice or document is lower than €100,000 for the tax period, the penalty of between one year and six months and six years of imprisonment applies.

- ***Concealment or destruction of accounting records (Article 10 of Italian Legislative Decree no. 74/2000)***

This crime includes any person who, in order to evade income taxes or value added taxes, or allow third parties to evade taxes, conceals or destroys all or part of their accounting records or the documents that they are required to keep, so as to prevent or hamper the reconstruction of income or turnover. The following persons are defined as being punishable for having committed the crime:

- taxpayers obliged to keep accounting records and documents;
- also a different person (e.g. an employee of a company who conceals accounting records in the absence of a criminal agreement with the party obliged to keep the accounting records or the party who will obtain a tax advantage from the concealment thereof).

A material prerequisite provided for in the law is the original existence of the accounting records; therefore, a failure to prepare them is a mere administrative offense. "Accounting records and documents" are understood to be all records provided for by tax law, as well as any other documents which are required to be kept for tax purposes (e.g. original copies of letters, telegrams, invoices, receipt books, files, etc.). If accounting records and documents are kept in digital format, if the digital storage process is not followed in accordance with the provisions in force on the matter, the documents cannot be validly used in proceedings with the Financial Administration and, moreover, when the relative prerequisites are met, this crime can be deemed to have been committed. As regards the ways in which the crime is committed, "concealment" is understood to be conduct intended to conceal accounting records using any means capable of rendering it unobtainable, in order to prevent entities responsible for auditing it from being able to examine the documentation; "destruction" is understood to be the elimination, removal or degradation of records, documents or digital devices, so as to prevent them from being consulted, or actions by means of which the documentation is rendered unusable through scratching, deletions or similar acts.

- ***Undue offsetting (Article 10-quater of Italian Legislative Decree no. 74/2000)***

Punished conduct must materialize in the submission of a unique payment form in which non-existent or non-computable receivables are indicated and used for offsetting, so as to alter the result of the offsetting between debit and credit entries, thus avoiding the payment of amounts due to the treasury.

Like in the cases included in Articles 4 and 5 of Italian Legislative Decree no. 74/2000, the crime is only committed where the aforementioned conduct exceeds the quantitative thresholds provided for by the law, namely:

- a) failure to pay amounts due, using ineligible receivables for offsetting pursuant to Article 17 of Italian Legislative Decree no. 241 of July 9, 1997, for an annual amount of more than €50,000;
- b) failure to pay amounts due, using non-existent receivables for offsetting pursuant to Article 17 of Italian Legislative Decree no. 241 of July 9, 1997, for an annual amount of more than €50,000.

However, in terms of responsibility, according to the Decree, the conduct is relevant only if the purpose is to evade value added tax using fraudulent cross-border systems connected to the territory of at least one other EU Member State and results in or could result in total damages equal to or greater than €10 million.

- ***Tax evasion (Article 11 of Italian Legislative Decree no. 74/2000)***

This crime includes anyone who, in order to avoid the payment of income taxes or value added taxes, or interest or administrative penalties related to said taxes, for an overall amount of more than €50,000, simulates the disposal of or performs other fraudulent acts in relation to their own assets or those of others in such a way that is liable to render the enforced recovery procedure completely or partially ineffective.

Anyone who can be qualified as a tax debtor in relation to which the Treasury can enforce a tax claim for an amount of over €50,000 are defined as being punishable for having committed the crime. For this crime to be committed, the avoidance conduct simply needs to be capable of rendering the tax collection procedure even partially ineffective, with said procedure not necessarily needing to have been activated. In fact, the crime is a crime of danger. With regard to the ways in which the crime can be committed "simulated disposal" must be understood to be any fictitious transfer of ownership, for valuable consideration or for free, or any disposal characterized by a predetermined divergence between the declared intention and the real intention. "Fraudulent act" must be understood to mean any legal or material act which, although formally legal, entails elements of deception or deceit liable to render enforced collection ineffective. Section 2 of the Article punishes the falsification of documentation submitted for the purposes of tax settlement procedures, or when asset items are indicated as being of higher value than their actual value or fictitious liabilities are declared.

There is a punishable threshold of €50,000, which must be reached with regard to both falsified asset items and falsified liabilities.

As regards the penalties applicable to the Organization in the event that tax crimes are committed, Article 25-*quinqüesdecies* establishes:

- for the crime of Fraudulent statement put in place by the use of invoices or other documents for non-existent operations provided for in Article 2, section 1, a pecuniary penalty of up to 500 shares (therefore up to a maximum of approximately € 775,000);
- for the crime of Fraudulent statement put in place by the use of invoices or other documents for non-existent operations provided for in Article 2, section 2-*bis*, a pecuniary penalty of up to 400 shares (therefore up to a maximum of approximately € 620,000);
- for the crime of Fraudulent misrepresentation by other devices provided for in Article 3, a pecuniary penalty of up to 500 shares (therefore up to a maximum of approximately € 775,000);
- for the crime of misrepresentation referred to in Article 4, if committed in using a fraudulent cross-border systems and in order to evade value added tax for a total

amount of €10 million or more, a monetary penalty of up to three hundred shares (and therefore up to approximately €465,000);

- for the crime of failing to file referred to in Article 5, if committed using a fraudulent cross-border system and in order to evade value added tax for a total amount of €10 million or more, a monetary penalty of up to four hundred shares (and therefore up to approximately €620,000);
- for the crime of issuance of invoices or other documents for non-existent operations, provided for in Article 8, section 1, a pecuniary penalty of up to 500 shares (therefore up to a maximum of approximately € 775,000);
- for the crime of issuance of invoices or other documents for non-existent operations provided for in Article 8, section 2-*bis*, a pecuniary penalty of up to 400 shares (therefore up to a maximum of approximately € 620,000);
- for the crime of concealment or destruction of accounting records provided for in Article 10, a pecuniary penalty of up to 400 shares (therefore up to a maximum of approximately € 620,000);
- for the crime of undue offsetting referred to in Article 10-*quater*, if committed using a fraudulent cross-border system and in order to evade value added tax for a total amount of €10 million or more, a monetary penalty of up to four hundred shares (and therefore up to approximately €620,000);
- for the crime of fraudulent avoidance of tax payment provided for in Article 11, a pecuniary penalty of up to 400 shares (therefore up to a maximum of approximately € 620,000);

Moreover, if the organization has obtained a significant profit, the fines indicated above are increased by one third.

Lastly, for the aforementioned crimes, the interdictory penalties established in Article 9, section 2, points c), d) and e) also apply.

18. THE CRIMES REFERRED TO IN ARTICLE 25-SEXIESDECIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: SMUGGLING

Italian Legislative Decree no. 75/2000 – the decree implementing Directive (EU) 2017/1371, on the fight against fraud to the Union’s financial interests by means of criminal law (referred to as the PIF Directive) – introduced Article 25-*sexiesdecies* “Smuggling” into the catalog of crimes included in Italian Legislative Decree no. 231/2001.

As per that article, “1. *In relation to the commission of crimes provided for by Italian Presidential Decree no. 43 of January 23, 1973, a pecuniary penalty of up to 200 is applicable to the organization.*

2. *When the due customs duties exceed €100,000, a pecuniary penalty of up to 400 shares is applicable to the organization.*

3. *In the cases provided for by sections 1 and 2, the interdictory penalties established in Article 9, section 2, points c), d) and e) apply to the organization.*

Considering TERNA’s business, despite the fact that it is deemed unlikely that the crimes provided for by Italian Presidential Decree no. 43 of January 23, 1973 (“Consolidated

Customs Law”) referenced by Article 25-*sexiesdecies* of Italian Legislative Decree 231/2001, will be committed, for the sake of prudence, we have identified the Risk Areas that are potentially relevant in relation to this category of crimes and, in particular, in relation to Article 292 of the Consolidated Customs Law, which establishes:

- **Other cases of smuggling (Article 292 of Italian Presidential Decree 43/1973):** *Anyone who, aside from the cases provided for in the previous articles, avoids payment of the due customs duties on goods, is punished with a fine of no less than twice and no more than ten times the value of said duties.*

For the act to be relevant under criminal law, the circumstances referred to in Article 295 must have occurred, i.e.:

- a) when, upon committing the crime, or immediately thereafter in the monitored area, the guilty person bore arms;
- b) when, upon committing the crime, or immediately thereafter in the monitored area, three or more persons guilty of smuggling unexpectedly banded together so as to hamper the police force;
- c) when the act is connected to another crime against public trust or the public administration;
- d) when the guilty person is a conspirator in the commission of smuggling crimes and the committed crime is one for which conspiracy has been established;

when the value of customs duties due is greater than €100,000.

19. CRIMES REFERRED TO IN ARTICLES 25-SEPTIESDECIES AND 25-DUODEVICIES OF ITALIAN LEGISLATIVE DECREE No. 231/2001: CRIMES AGAINST CULTURAL HERITAGE

Italian Law no. 22 of March 9, 2022 refers to “Provisions on crimes against cultural heritage” and establishes, among other things, the addition of Articles 25 *septiesdecies* e 25 *duodevicies* to the Decree.

Below is a brief description of the types of crimes referred to in these articles of the Decree, which — following a preliminary analysis — have been deemed relevant.

- ***Theft of cultural assets and possessing archaeological assets (Article 518-bis of the Italian Criminal Code);***

Anyone who (i) is found in possession of movable cultural assets belonging to someone else, taking them from the owner to profit from them on their own behalf or on behalf of a third party or (ii) is found in possession of cultural assets belonging to the State discovered in underground or in the seabed will be punished.

The second illegal circumstance presupposes the application of Art. 91, the Cultural Heritage Code, as cultural assets, by whomever and however discovered, belong to the State (a part of its inaccessible property).

As an example, this crime is committed when someone possesses archaeological assets found underground as part of excavation carried out under a contract in order not to have to declare the discovery to the proper authorities.

- **Misappropriation of cultural assets (Article 518-ter of the Italian Criminal Code)**

Anyone who, for the purpose of unjust profit —for themselves or for someone else — appropriates someone else's cultural asset that they possess, for whatever reason, shall be punished.

This crime occurs when, for example, after the discovery of an artifact while digging, the authorities required that it be temporary preserved where it was found; however, the person in possession of the artifact took it in order to continue construction activities.

- **Destruction, dispersion, degradation, defacement, staining, and illicit use of cultural or environmental assets (Article 518-of the Italian Criminal Code)**

Anyone who destroys, disperses, degrades or makes a cultural or environmental asset completely or partially unusable in any way shape or form shall be punished.

Section 2 of the provision punishes anyone who defaces or stains cultural assets or uses them in a way that is inconsistent with their historical or artistic nature or that harms their preservation or integrity.

The crime in question could be committed, for example, if archaeological assets were to be found while excavating land and knowingly destroyed to avoid having to declare the discovery to the proper authorities or if environmental assets were to be defaced during grid maintenance.

- **Ransacking and looting cultural and environmental assets (Article 518-terdecies of the Italian Criminal Code).**

Anyone who ransacks or loots a cultural or environmental asset or a cultural institute or place shall be punished.

Considering the breadth of the regulatory provision, it cannot be ruled out that the crime may be supplemented by causing significant destruction or damage.

This crime could theoretically occur when, again during grid maintenance or construction, an area with environmental restrictions becomes damaged in such a way as to result in significant degradation of the surrounding area

If the above-mentioned crimes against cultural heritage are committed, the following shall apply:

- a monetary penalty of four hundred to nine hundred shares (up to approximately €1,400,000) for theft of cultural assets;
- a monetary penalty of two hundred to five hundred shares (up to approximately €775,000) for misappropriation of cultural assets;
- a monetary penalty of three hundred to seven hundred shares (up to approximately €1,085,000) for destroying, dispersing, degrading, defacing, staining, and illicitly using cultural or environmental assets;

as well as restrictions for no longer than two years.

However, for the crime of ransacking and looting cultural and environmental assets, a monetary penalty of five hundred to one thousand shares (up to approx. €1,549,000) is indicated.

B. CRIMES NOT INCLUDED IN ITALIAN LEGISLATIVE DECREE 231/2001 AND INCLUDED IN THE ORGANIZATIONAL MODEL ON A CAUTIONARY BASIS

Although not considered as being a predicate offense of administrative liability, it was also decided to consider the crime provided for by Article 256-*bis* of Italian Legislative Decree 152/2006, introduced by Decree-Law no. 136, dated December 10, 2013, enacted into Law no. 6 on February 6, 2014:

- Article 256-*bis* of Italian Legislative Decree no. 152/2006 – **Illegal burning of waste.**

C. PREDICATE OFFENSES WITH ADMINISTRATIVE LIABILITY FOR ORGANIZATIONS AS ESTABLISHED BY THE DECREE BUT NOT APPLICABLE TO TERNA

Following risk assessments, the crimes listed below were deemed not to be applicable to Terna.

In particular, it is specified that, following the analyses carried out, TERNA did not deem relevant some of the crimes of forgery of coins, banknotes, public credit cards and revenue stamps, some crimes against industry and trade, female genital mutilation,

some crimes against individuals, racism and xenophobia, fraud in sports competitions, illegal gaming, betting or gambling operations using prohibited equipment and, lastly, fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 of Italian Law 898/1986).

In fact, to this end, it should also be noted that, after carefully analyzing the corporate situation and the reporting system, special Risk Areas were not identified for the following crimes:

- 1) crimes referred to in Article 25-*bis* (introduced into the Decree by Article 6 of Decree-Law no. 350 of September 25, 2001), namely **forging coins, banknotes, public credit cards, and revenue stamps**, or:
 - Article 453 of the Italian Criminal Code - Forging coins or banknotes, circulating and introducing into the State, with conspiracy, forged coins or banknotes;
 - Article 454 of the Italian Criminal Code - Forging coins and banknotes;
 - Article 455 of the Italian Criminal Code - Circulating and introducing into the State, without conspiracy, forged coins or banknotes;
 - Article 457 of the Italian Criminal Code - Circulating forged coins or banknotes received in good faith;
 - Article 459 of the Italian Criminal Code - Forging revenue stamps, introducing into the State, purchasing, possessing or circulating counterfeit revenue stamps;
 - Article 460 of the Italian Criminal Code - Counterfeiting watermarked paper used to manufacture public credit notes or revenue stamps;
 - Article 461 of the Italian Criminal Code - Manufacturing or possessing watermarks or equipment designed to forge coins or banknotes, revenue stamps, or watermarked paper;
 - Article 464 of the Italian Criminal Code - Using counterfeit or altered revenue stamps;

- 2) crimes referred to in Article 25-*bis*.1 (introduced by Article 15, section 7, point b) of Italian Law no. 99 dated July 23, 2009), specifically **crimes against industry and commerce**), namely:
 - Article 513 of the Italian Criminal Code - Unfair interference in industrial or commercial activities;
 - Article 514 of the Italian Criminal Code - Fraud against national industries;
 - Article 515 of the Italian Criminal Code - Fraudulent commercial activities;
 - Article 516 of the Italian Criminal Code - Sale of non-genuine foodstuff as genuine;
 - Article 517 of the Italian Criminal Code Selling industrial products displaying untrue signs using intellectual property rights belonging to others;
 - Article 517-*quater* of the Italian Criminal Code - Counterfeiting of the geographical indications or designation of origin of agricultural foodstuffs.

- 3) crimes referred to in Article 25-*quater*.1 (introduced in the Decree by Article 8 of Law no. 7 dated January 9, 2006) **female genital mutilation**, namely:
 - Article 583-bis of the Italian Criminal Code - Female genital mutilation;
- 4) crimes referred to in Article 25-*quinquies* (introduced by Italian Law no. 228 dated August 11, 2003) referred to as **crimes against individuals**, namely:
 - Article 600 *bis* of the Italian Criminal Code - Prostitution of minors
 - Article 600 *ter* of the Italian Criminal Code - Child Pornography
 - Article 600 *quater* of the Italian Criminal Code - Possessing pornographic material
 - Article 600-*quater* 1 of the Italian Criminal Code - Virtual Pornography
 - Article 600 *quinquies* of the Italian Criminal Code - Tourism aimed at exploiting child prostitution
 - Article 602 of the Italian Criminal Code – Buying and selling slaves
 - Article 609 *undecies* of the Italian Criminal Code - Child grooming.
- 5) crimes referred to in Article 25-*terdecies* (introduced by Law no. 167 dated November 20, 2017) labeled as “**Racism and Xenophobia**”, namely:
 - Article 3.3-*bis* of Italian Law no. 654 of October 13, 1975 — article repealed and replaced by Article 604-*bis* of the Italian Criminal Code: Propaganda and instigation to commit a crime for reasons of racial, ethnic or religious discrimination.
- 6) crimes provided for by Article 25-*quaterdecies* of the Decree (introduced by Italian Law no. 39 of 3 May 2019 providing for the “ratification and execution of the Council of Europe Convention on the Manipulation of Sports Competitions, done in Magglingen on 18 September 2014”) labeled as “**Fraud in sports competitions, the abusive carrying on of gaming, betting or gambling operations**”, namely:
 - Article 1 of Italian Law 401/1989: Fraud in sports competitions;
 - Article 4 of Italian Law 401/1989: Illegal gaming, betting or gambling operations.
- 7) crimes referred to in Article 24 of the Decree (introduced by Article 5, paragraph 1, lett. a), no. 3) of Italian Legislative Decree no. 75 of July 14, 2020), namely **Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development** (Article 2 of Italian Law no. 898/1986).