



Organizational, Management and Control Model

SPECIAL SECTIONS



Pursuant to Legislative Decree no. 231 of 08 June 2001

Approved by the Board of Directors of
TAMINI Trasformatori S.r.l. on May, 31
2005 and subsequently amended on
September 12, 2011, September 26, 2014,
January 29, 2015, September 04, 2015,
October 20, 2016 and December 04, 2017

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CRIMES TOWARDS THE PUBLIC ADMINISTRATION

**CRIME OF INCITEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE
STATEMENTS TO THE JUDICIAL AUTHORITY**

SPECIAL SECTION "A"

DEFINITIONS

With the exception of the new definitions included in this Special Section, the definitions of the General Section remain valid.

A. CRIMES AGAINST THE PUBLIC ADMINISTRATION AND CRIMES INVOLVING INCITEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY

A.1 TYPES OF CRIMES: CRIMES AGAINST THE PUBLIC ADMINISTRATION (Articles 24 and 25 of the Decree) AND CRIMES INVOLVING INCITEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY (Article 25-*decies* of the Decree)

Here follows a brief description of the crimes included in this Special Section "A", as provided by Articles 24, 25 and 25-*decies* of the Decree.

- ***Embezzlement against the State or the European Union (Article 316-bis of the Italian Criminal Code)***

This crime is committed when the funds or grants obtained from the Italian Government or from another public authority or from the European Union are not used for the purposes they were intended for (the conduct consists in stealing, even partially, the funds received, even without implementing the planned activities).

As the commission of 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.

- ***Misappropriation of funds to the detriment of the State or of the European Union (Article 316-ter of the Italian Criminal Code)***

This crime is committed when grants, financing, facilitated loans or other funds of similar nature - awarded or granted by the Government, by other public authorities or by the European Community - are obtained by means of the use or submission of false statements or documents, or by means of the omission of due information, without having right thereto.

Unlike the case above described (Article 316-*bis*), this crime is committed as the grant is obtained, and it does not matter the use made of these grants.

This crime is residual with respect to the crime established by 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.

- ***Graft (Article 317 of the Italian Criminal Code)***

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

Unlike the Parent Company, the Company is not in charge of a public service in any way and, therefore, such crime could - at most - be observed whereby a person acting in the name or on the behalf of TAMINI participates in the crime of the public official, who, abusing his/her office, asks undue services from third parties (provided that this behavior generates some sort of benefit for the Company).

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

This crime is committed when a public official receives (or accepts the promise to receive), for his/herself or for other persons, money or other benefits in exchange of performing, not performing or delaying his/her office duties (thus causing an advantage to the person who offered the money or other benefits).

The public official's activity may be expressed either through a purposeful act (e.g. giving priority to the processing of a file of his/her own concern), or through an act contrary to the public officer's duties (e.g. 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 (e.g.: offer of money to the public official to secure future favors).

This crime is different from graft, since here an agreement exists to reach a mutual advantage between the receiver of the money or property and the corrupter, while in graft, the private party suffers against its will the conduct of the public official or of 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 and in order to obtain an advantage in the proceeding itself (not expressly provided for by the law), a public official is corrupted (not only a judge, but also a judicial clerk or any other official). This crime is also committed when an advantage is sought for a company that is not necessarily a party in the proceedings.

- ***Undue incitement to give or promise benefits (Article 319 quater 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 graft, is not obliged, 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.

- ***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 with the purpose of performing, delaying or not performing an office act or an act that is contrary to his office duties.

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

This article provides that penalties as indicated in the first paragraph of art. 318 of the Italian Criminal Code, in art. 319, in art. 319-bis, in art. 319-ter, and in art. 320 in relation to crimes as stated in articles 318 and 319 of the Italian Criminal Code, are also applied to everyone who gives

or promises money or other public benefits to a public official or to a person in charge of a public service.

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

This crime is committed when money or another benefit is offered or promised to a public official or to a person in charge of a public service (for performing his/her office duties or to induce him/her to perform, delay or not perform an office act or an act that is contrary to his/her office duties) and this offer or promise is not accepted.

- ***Peculation, graft, undue incitement to give or promise benefits, corruption and incitement to corruption of members of the International Criminal Court or the European Community bodies and officials of the European Community and of foreign states (Article 322-bis of the Italian Criminal Code)***

On the basis of Article 25 of the Decree mentioning Article 322-bis, the above-mentioned corruption and graft crimes are also considered as having been committed in cases in which money, or another benefit, is given, offered or promised, also following incitement to do so, 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 corporations 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. to 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. those people who perform functions or activities corresponding to those of public officials and those in charge of a public service in other foreign states or international public organizations, in the event that the act was committed in order to obtain for oneself or others undue benefit in international economic transactions or in order to obtain or maintain an economic or financial activity.

- ***Fraud against the State, a public authority or the European Union (Article 640, paragraph 2, no. 1, of the Italian Criminal Code)***

This crime is committed when devises or tricks are carried out in order to obtain an undue profit, misleading and causing damage to the State (or another public body 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.

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

This crime is committed when a fraud is carried out in order to obtain undue public funds.

This circumstance may occur when devises or tricks are carried out, e.g. submitting false information or false documents, in order to obtain public funds.

- ***Computer fraud against the State or other public bodies (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 manipulating the data contained therein, 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.

The crime as per Article 640-ter of the Italian Criminal Code is punished on the basis of charges laid by another party.

- ***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 or in other related proceedings. 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.

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 monetary nature, up to 800 shares (and, therefore, up to a maximum of nearly €1,240,000.00) or of a disqualifying nature, which may obviously vary depending on the type of crime committed.

With respect to the penalties that can be applied to the Corporation, should crimes be committed to incite not to make statements or to make false statements to judicial authorities, they can be of a monetary nature, up to 500 shares (and, therefore, up to a maximum of nearly €780,000.00).

A.2 CRITERIA FOR DEFINING PUBLIC ADMINISTRATION; PUBLIC OFFICIALS AND PERSONS IN CHARGE OF A PUBLIC SERVICE

Crimes under this Special Section "A" are all premised on the establishment of relations with the Public Administration (foreign State 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".

A.2.1 Public Bodies

With respect to criminal law, a "Public Body" is commonly considered as any juridical person who is entrusted with attending to public interests and who 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 carry out "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, paragraph 2 of Legislative Decree No. 165/2001 that deals with labor regulations for employees of public administrations, which defines public administrations as all State administrations.

By way of an example, the following organizations or category of organizations can be indicated as public bodies:

1. institutes and schools of all orders and levels, and education authorities;
2. State entities and administrations having autonomous structures, such as:
 - 2.1 Presidency of the Council of Ministers;
 - 2.2 Ministries;
 - 2.3 Chamber of Deputies and Senate of the Republic;
 - 2.4 Department for Community Policies;
 - 2.5 Italian Antitrust Authority;
 - 2.6 Electricity and Gas Authority;
 - 2.7 Communications and Media Authority;
 - 2.8 The Bank of Italy;

- 2.9 CONSOB;
- 2.10 Data Protection Authority;
- 2.11 Revenues Agency;
- 2.12. IVASS: Institute for the Supervision of Private Insurance and of the Collective Interest;
- 3. Regions;
- 4. Provinces;
- 5. Municipalities;
- 6. Mountain Communities, their consortia and associations;
- 7. Chamber of Commerce, Industry, Handicraft and Agriculture and its associations;
- 8. the European Community and Institutes connected thereto;
- 9. all national, regional and local non-economic public bodies, such as:
 - 9.1. INPS (Italian state body which coordinates national insurance funds);
 - 9.2. CNR (Italian national research council);
 - 9.3. INAIL (national institute for the insurance against occupational injuries);
 - 9.4. ISTAT (Central Statistics Institute);
 - 9.5. ENASARCO (National Entity for Assistance of Commerce Agents and Representatives);
 - 9.6. ASL (local health authority);
 - 10. State Monopolies and bodies;
 - 11. RAI (Italian national TV and radio corporation).

Being understood that the above mentioned list of public bodies is only provided by way of an example, it should be noted that not all natural persons who act within the activity field and in relation to said bodies are persons against whom (or for whom) criminal offenses can be punished under 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".

A.2.2 Public Officials

Under the terms of Article 357, paragraph 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".

Paragraph 2 defines the concept of "public administrative function". There has not been, however, a similar definition for "legislative function"

or “judicial function” in that identifying the individuals who respectively carry out the functions has not usually caused particular problems or difficulties.

Therefore, for the criminal law “an administrative function is considered public when it is regulated by public law provisions 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 legislation definition identifies, first of all, the “external” demarcation of the administrative function. Said 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 those provisions aimed at the pursuit of a public goal and at protecting the public interest and, as such, are juxtaposed to private law provisions.

Paragraph 2 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 that of “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 can be included (crimes which can be committed only by or against public officials):

- Graft (Article 317 of the Italian Criminal Code);
- Corruption for official acts (Article 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);

Peculation, graft, undue incitement to give or promise benefits, corruption and incitement to corruption of members of the International Criminal Court or the European Community bodies and officials of the European Community and of foreign states (Article 322-bis of the Italian Criminal Code)

A.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 specified the concept of “public service” through two criteria, one positive and one negative. The “service” as long as it can be defined as public – must be regulated in the same way as a “public function” – by public law provisions, but with the differentiation relative to the lack of powers of a certifying, authorizing and deliberative nature of the public function.

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 “performance of merely material works” may ever represent a “public service”. With reference to activities that are performed by private individuals on the basis of a concessionary relation with a public individual, it is deemed that for the purposes of the definition as public service of the entire activity performed under the concessionary relation, the existence of an authoritative act of subjective vesting of the public service is not sufficient, but it is necessary to ascertain whether single activities which come into question have been subjected to regulation of a public nature.

Jurisprudence has identified the category of persons in charge of a public service, focusing on the character of the instrumentality and relating to priority of the activities with respect to the public one. Essentially, this deals with individuals who give a concrete contribution to the implementation of the purposes of a public service, with a connotation of subsidiarity and complementarity exercising, in fact, a public function.

It therefore indicated a series of “revealing indicators” of the public nature of the body, for which case studies on the subject of public joint-stock companies are emblematic. In particular, reference is made to the following indicators:

- (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 corporation, 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.

With reference to said individual, the following crimes can be included (crimes which can be attributed to persons in charge of a public service):

- Graft (Article 317 of the Italian Criminal Code);
- Corruption for official acts (Article 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);
- Peculation, graft, undue incitement to give or promise benefits, corruption and incitement to corruption of the members of European Communities’ bodies and of the officials of the European Communities and of foreign States (art. 322-bis of the Italian Criminal Code).

A.3 AT-RISK AREAS AND INSTRUMENTAL ACTIVITIES

Crimes under Articles 24 and 25 of the Decree are all premised on the establishment of relations with the Public Administration (in a broad sense and including the Public Administrations of foreign countries or of performing activities that may involve carrying out a public service).

Given the multiplicity of relationships which the Company has with the Public Administration in Italy and abroad, the At-Risk Areas in relation to crimes against the Public Administration are the following:

- 1. participation in direct tendering or negotiation procedures called by Italian or foreign public authorities for awarding orders or other similar dealings. In the event of awarding, At-Risk Areas also include: i) performing the order; ii) relations with any sub-contractors and iii) testing and assistance activities;**
- 2. managing relations with the Public Administration in relation to inspection management and obtaining authorization provisions;**
- 3. managing custom procedures;**
- 4. application to obtain subsidized grants, funds or financing from Italian public authorities or from the EU and their utilization.**

Within the above-mentioned At-Risk Areas, particular attention should be devoted to:

- a) participating in direct tender or negotiation procedures (as in paragraph 1. above) in those regions where these procedures are not guaranteed by appropriate transparency standards (the country-related risk may be assessed for such purpose also considering the rating prepared by Transparency International or by similar classifications of equal authority);
- b) participating in the procedures and processes as described in paragraphs 1 to 4 above, in association with a Partner (e.g. by means

of a joint venture, temporary business association, consortia, etc.);

- c) assigning, for the purpose of participating in the procedures as described in paragraphs 1 to 4 above, a specific consulting or representation task to a third party;

With reference to the crime under Article 25-*decies*, the At-Risk Area identified is **managing criminal proceedings brought before Judicial Authority in Italy and abroad**.

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group - fully or partly - in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

The following activities were also identified as being "instrumental" to those examined above, in that - while direct relationships with the Public Administration do not exist - they may constitute both financial and operational support and premise for the commission of the above-listed crimes:

- 1. hiring, managing, training and incentivizing personnel;**
- 2. handling gifts and entertainment, sponsorship and social initiative expenses;**
- 3. assigning consulting positions;**
- 4. selecting Suppliers and Partners and managing the relative relationships;**
- 5. managing cash flow.**

TAMINI's CEO may add other At-Risk Areas and instrumental activities to the ones described above, identifying the relevant profiles and defining the most appropriate action.

A.4 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of the Recipients of the Model.

The purpose of this Special Section is to ensure that all the Recipients, to the extent they may be involved in carrying out activities in At-Risk Areas or “instrumental” acts, act in compliance with conduct rules as established in the section. This, in order to prevent the occurrence of crimes in relations with the Public Administration and with other parties when TAMINI carries out institutional tasks, considering as well the different position of each Recipient (Company Representatives and External Contractors) in relation with the Group and, therefore, with their different duties, as specified in the Model.

This Special Section has the aim of:

- providing specific general and procedural rules which the Recipients, in relation to the type of relation existing with the Group, must comply with for the proper application of the Model;
- provide the VB and the Directors of other company departments cooperating with the latter, the operational tools to control, monitor and verify the activities established.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with respect to their activity - will generally be expected to be familiar with, and comply with, the Code of Ethics, the disciplinary system provided for in the National Collective Labor Contract in force and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

TAMINI Company Representatives – directly – and Contractors – within the limits of obligations covered by the specific clauses included within the relative contracts – are prohibited from:

- 1) engaging in, collaborating or causing conduct that, if taken individually or collectively, integrate directly or indirectly the types of crimes that fall under those considered above (Articles 24, 25 and 25-*decies* of the Decree);
- 2) implementing a conduct that, while not representing one of the crimes as described above, may become a crime;
- 3) making payments - on one’s own initiative or upon solicitation – to Italian or foreign public officials;

- 4) distributing gifts and presents or granting other types of advantages (e.g. sponsorships) other than those provided by corporate policies and practices. In particular, it is prohibited - in any case - to offer any type of gift - made on one's own initiative or upon solicitation - to Italian and foreign public officials (even in Countries where gift-giving is a widespread practice), or to their relatives, which may affect their impartiality of judgment or induce them to ensure any kind of advantage to the Company. Gifts, contributions and sponsorships that are allowed shall always be of low value or intended to promote charity or cultural initiatives or the Group's brand image;
- 5) grant or promise undue benefits of any kind (e.g. promises to hire) in favor of Italian or foreign public officials;
- 6) loan or pay amounts of any value to Contractors that are not justified in relation to the contractual relationship established with the same or in relation to the duties to be carried out and common local practices;
- 7) submit untrue statements to national public authorities or to Community authorities in order to obtain funds, grants or subsidized loans or, generally, such as to mislead and cause damage to the State or another public authority;
- 8) allocate amounts received from public authorities as funds, grants or loans for purposes different from those they were intended for;
- 9) altering the operation of computer or telecommunication systems or manipulating data contained within the same, causing damage to the State or other public bodies;
- 10) obstruction of justice through intimidation. Regarding specifically to the management of criminal proceedings brought before Judicial Authorities involving Company Representatives or other Recipients (in relation to activities carried out for the Company) each Recipient is prohibited from committing acts of violence, threats (or other similar forms of coercion) or to give or promise donations in money or in any other form so that the person charged or under investigation:
 - does not collaborate in making statements that are true, transparent and correctly represent the facts;

- does not freely explain the facts, exercising his/her legal right to remain silent, by virtue of the above-mentioned types of influence.

A.5 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA AND INSTRUMENTAL ACTIVITIES

The control standards related to each At-Risk Area (as identified under A.3) are given below. These standards, if deemed appropriate, may be implemented in specific company procedures.

1. With reference to **"Participation in direct tendering or negotiation procedures called by Italian or foreign public authorities for awarding orders or other similar dealings"**, the regulation of the same shall provide for:
 - (a). the segregation of management functions in preparing and submitting the tender, performance of the contract and billing and settling charges;
 - (b). specific kinds of adequacy tests on the submitted tenders, graded according to the type and size of the contractual activity;
 - (c). when the tender is being defined, a control system capable of preventing incomplete or inaccurate documents from being produced to the Public Administration which indicate, falsely, that the essential conditions and requirements exist for participating in the tendering procedure and/or for being awarded the tender;
 - (d). identifying the department appointed to represent the company towards the Public Administration during contract administration, which is given a special proxy and power of attorney, establishing specific kinds of periodic reporting on the activity carried out to the competent department head that manages such relations, which will notify the Vigilance Body concerning abnormal situations;
 - (e). specific informational flows between the departments and the Consultants involved, in view of collaboration, mutual vigilance and coordination.
2. With reference to **"Managing relations with the Public Administration in relation to inspection management and obtaining authorization provisions"**, the regulation of the same shall provide for:

- (a). conferring special powers of attorney to the heads of departments assigned to manage inspections, investigations and authorization requests in order to provide them with the power to represent the company before public authorities;
 - (b). the joint drafting, by the attorneys indicated above, of an informative report on the activity carried out, containing, *inter alia*, the names of the officials met, the documents requested and/or submitted, the persons involved and a summary of verbal information requested and/or provided;
 - (c). specific information flows between the company departments and the Consultants involved in the activity, in a view of collaboration, mutual vigilance and coordination;
 - (d). in cases where it is deemed appropriate to include another company department and those in which the CEO must be notified.
3. With reference to **"Application to obtain subsidized grants, funds or financing from Italian public authorities or from the EU and their utilization"**, the regulation of the same shall provide for:
- (a). identifying the department appointed to represent the Company towards the granting Public Administration, which is given a special proxy and power of attorney;
 - (b). indicating the tasks of the department responsible for the controlling phases of obtaining and managing public grants/funds, with particular regard for the actual and rightful prerequisites for submitting the relative request and reporting on the activities carried out;
 - (c). specific protocols for controlling and checking the truthfulness and accuracy of the information and documents that must be produced to obtain the public grant/funds;
 - (d). specific information flows between the company departments and the Consultants, in a view of collaboration, mutual vigilance and coordination.
4. With reference to **"Managing custom procedures"**, the regulation of the same shall provide for:

- (a). identifying the department appointed to represent the Company towards the granting Public Administration, which is given a special proxy and power of attorney;
- (b). indicating the tasks of the department responsible for the controlling phases of obtaining and managing the authorizations, with particular regard for the actual and rightful prerequisites for submitting the relative request;
- (c). specific protocols for controlling and checking the truthfulness and accuracy of the documents that must be produced to obtain the authorizations;
- (d). specific information flows between the company departments and the Consultants involved in the activity, in a view of collaboration, mutual vigilance and coordination;

The control standards relating to each “instrumental activity” (as identified in chapter A.3) that must be implemented in specific company procedures are given below:

1. With reference to “**Hiring, managing, training and incentivizing personnel;**”, the regulation of the same shall provide for:
 - (a). that the selection process involves at least two distinct company areas;
 - (b). a clear formalization of the roles and tasks of the persons responsible for personnel selection and management;
 - (c). a candidate assessment system and standard form that must be carefully completed by the persons doing the recruiting, in order to guarantee the traceability of the reasons which led to the selection/exclusion of the candidate;
 - (d). management of personnel incentivization aimed at ensuring that the set objectives are such as to not lead to illegal conduct, with particular reference to the definition of:
 - (i). professional levels of application;
 - (ii). number and type of objectives to be assigned;
 - (iii). calculation method for the variable compensation component.
 - (e). the storage of the documentation related to the activities in questions.

2. With reference to "**Handling gifts and entertainment, sponsorship and social initiative expenses**", the regulation of the same shall provide for:
 - (a). the authorization process required for entertainment, sponsorship, gifts and social initiative expenses, providing for segregation between persons that request, authorize and control said expenses;
 - (b). limits on spending and the type of gifts, sponsorships and social initiatives permitted;
 - (c). the formal verification of proof of expenditure and the correspondence between the proof of expenditure and the expenses accounted for in the note;
 - (d). the storage of the documentation related to the activities in questions.

3. With reference to "**Assigning consulting positions**", the regulation of the same shall provide for:
 - (a). the methods and criteria for evaluating and selecting Consultants, also through the use of special tools (e.g., compiling evaluation forms);
 - (b). that contracts with Consultants are concluded in writing with a definition of the assignment and the agreed compensation;
 - (c). that contracts with Consultants include the declaration made by the latter stating they are aware of the provisions of the Decree, as well as of the implications for TAMINI, and that they have not been under investigation in the last 10 years in legal proceedings relative to the Crimes mentioned in the Decree, of if they have been, they should declare that in order for TAMINI to place greater attention should a consulting relationship be established;
 - (d). that contracts with Consultants are proposed or negotiated or verified or approved by at least two TAMINI representatives, or representatives from the Parent Company or other Group Companies, in the event that the activity is conferred to the same;
 - (e). the storage of the documentation related to the activities in questions.

4. With reference to "**Selecting Suppliers and Partners and managing the relative relationships**", the regulation of the same shall provide for:
 - (a). the methods for evaluating and selecting Suppliers and Partners, also through the use of special tools (e.g., compiling evaluation forms) aimed at enabling the constant verification of the prerequisites of integrity, loyalty and honesty required for the assignment to be awarded;
 - (b). that contracts with Suppliers and Partners are concluded in writing with a clear definition of the subject matter of the contract and any agreed compensation;
 - (c). that contracts with Suppliers and Partners include the declaration made by the latter stating they are aware of the provisions of the Decree, as well as of the implications for TAMINI, and also a declaration to whether a final judgment for a 231 crime has been pronounced and/or if criminal proceedings are underway for a 231 crime;
 - (d). that contracts with Suppliers and Partners are proposed or negotiated or verified or approved by at least two TAMINI representatives, or representatives from the Parent Company or other Group Companies, in the event that the activity is conferred to the same;
 - (e). the storage of the documentation related to the activities in questions.
5. With reference to "**Managing cash flow**", the regulation of the same shall provide for:
 - (a). the prohibition of using cash (with the exception of minor expenses) or another bearer instrument, for any collection, payment and funds transfer transactions, as well as the employment or other use of financial resources, as well as the prohibition on the anonymous use of current accounts and savings accounts or ones that have been registered under a false name;
 - (b). the formalization of a management procedure for minor expenses that specifies the rules for replenishment, the types of authorized expenses and custody rules;
 - (c). the formalization of a procedure for the use of company credit cards that establishes the granting criteria and the authorization process that applicants should follow;

- (d). the formalization of a procedure for opening/closing bank current accounts (defining the authorization process to be followed, indicating the persons officially authorized to use said accounts, clarifying internal monitoring mechanisms and separating the roles and responsibilities of individuals that carry out banking and cash reconciliations);
- (e). the obligation to produce documents substantiating the financial resources used with reasons, proof of pertinence and appropriateness, which are validated by the line manager and stored;
- (f). the definition of the tasks and responsibilities of the department assigned to manage and control financial resources;
- (g). the provision of information flows (also to the VB, concerning situations that may appear anomalous) related to resource control activities through a system that ensures the traceability of each individual step and the identification of the persons that enter the data into the system.

A.5.1 Anti-Corruption Guidelines

All the principles given above are included in the Anti-Corruption Guidelines adopted by TAMINI in order to prevent corruption, at a transnational level also.

The Policy is based on the most applicable international and Community legislation regarding the fight against corruption, as well as the United States' FCPA and the British Bribery Act.

It also applies to any individual who works in the name and/or on the behalf of TAMINI, and therefore includes consultants, intermediaries and suppliers also.

A.6 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The VB's duties in relation to compliance with the Model are as follows:

- a) carrying out periodical checks on compliance with internal procedures;
- b) periodically monitoring the effectiveness of the established checks for preventing the Crimes in question from being committed and examining any specific reporting by the control bodies, third parties or any Company Representative and carrying out any investigation considered necessary or appropriate following the reporting received.

TAMINI evaluates the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

In particular, Control Model 231 prescribes the submission of an annual report to the VB regarding any breaches of the Anti-Corruption Guidelines or critical issues related to 231 matters.

The information to the VB shall be given timely should violations to specific procedural principles be detected as indicated in paragraph A.5, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

CORPORATE CRIMES

SPECIAL SECTION "B"

DEFINITIONS

With the exception of the new definitions included in this Special Section, the definitions of the General Section remain valid.

B. CORPORATE CRIMES

B.1 TYPES OF CORPORATE CRIMES (Article 25-ter of the Decree)

This Special Section "B" includes a brief description of the crimes considered and defined under Article 25-ter of the Decree (hereinafter defined "Corporate Crimes"), grouped into 6 different categories to describe them better.

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 is committed, with the exception whereby it constitutes a more serious crime, if the events referred to in Article 2621 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 paragraph 2 of Article 1 of Royal Decree no. 267 of 16 March 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 paragraph 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, paragraph 1 of the Italian Civil Code on the part of the managing director of a company with shares listed on the Italian regulated markets or of other EU member states (or other bodies subject to controls), if the above-mentioned violation is detrimental to the company or to third parties.

Article 2391, paragraph 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.

By virtue of the foregoing, this crime is not applicable to the Company.

2. PROTECTION AFFORDED BY THE CRIMINAL LAW OVER 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.

In particular:

- 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 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.

In particular:

- 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 will be punished upon charges filed by another 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-pecuniary penalty is envisaged.

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 THE CRIMINAL LAW AGAINST FRAUD

- ***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.

Regarding the extent of this crime for listed companies and regarding the measures to be established to avoid it from occurring, please also refer to the provisions included in Special Section “E”.

5. PROTECTION AFFORDED BY THE CRIMINAL LAW OVER SUPERVISORY FUNCTIONS

- ***Obstruction to the exercise of Public Supervisory Authorities’ functions (Articles 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 - in full or in part - 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, the manager in charge of preparing the company's accounting statements, auditors and liquidators; this crime is different from the one provided for by Article 170-*bis* of TUF, not included in the list of Article 25-*ter* of the Decree, which applies penalties to the conduct of anyone who, outside the cases established by Article 2638 of the Italian Civil Code, obstructs the supervisory functions attributed to CONSOB.

6. PROTECTION AFFORDED BY THE CRIMINAL LAW AGAINST CORRUPTION

• *Corruption between individuals (Article 2635 of the Italian Criminal Code)*

This Crime is included in the list of Predicate Crimes solely for the conduct of active corruption. Consequently, a person is punishable under the Decree who gives or promises money or other 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 director;
- 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.

The regulation 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.

Lastly, the Crime is punishable on complaint by the injured party unless the circumstance results from a distortion of competition in the acquisition of goods or services.

- ***Inducement to corruption between individuals (art. 2635-bis of the Italian Criminal Code);***

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 another unjustified benefit 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 (paragraph 1), those who solicit, for themselves or others, including as intermediaries, a promise or payment of money or another benefit 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 (paragraph 2).

In both cases, the penalties provided for corruption between individuals, reduced by one third, apply.

As for penalties attributable to the Organization in the event of Corporate Crimes, these can consist of pecuniary penalties and interdictory penalties pursuant to Article 9, paragraph 2.

In particular, in the event of corruption between private individuals, pecuniary sanctions will be applied, ranging from a minimum of four hundred to a maximum of six hundred shares, as well as the disqualification sanctions provided by Article 9, paragraph 2.

In the case of incitement to corruption, a pecuniary penalty of a minimum of two hundred up to a maximum of four hundred shares shall be applied to the Organization, as shall the interdictory penalties pursuant to Article 9, paragraph 2.

7. Extension of subjective qualifications

- ***Extension of subjective qualifications (Article 2639 of the Italian Civil Code).***

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.

B.2 AT-RISK AREAS

The At-Risk Areas identified in reference to Corporate Crimes under Article 25-ter of Legislative Decree 231/2001, with regard to activities conducted for other Group companies also, are the following:

- 1. the preparation of notices addressed to shareholders or to the general public regarding the Company's assets or its economic or financial position and that of the other Group companies, even if different from periodic accounting documents;**
- 2. the preparation and distribution of data or information to the public (even further compared to point 1) relative however to the Company;**
- 3. the preparation of notices to Public Supervisory Authorities and managing relations with such bodies;**
- 4. the management of relations with the audit body (e.g. Board of Statutory Auditors or the sole auditor) and the auditing company;**
- 5. the conclusion of significant or internal transactions with both third parties and related parties.**

Notwithstanding the fact that Legislative Decree no. 39 dated 27 January 2010 ("Auditing Decree") actually repealed Article 2624 of the Italian Civil Code ("False statements in the reports or communications of the audit company"), the Company has decided – as a precaution – to continue to consider relations with the auditing company as an At-risk Area, and thus by virtue of the fact that the cases mentioned above, while no longer included within the Decree, are still legally relevant today, and are included within the Auditing Decree under Articles 27 and 29.

With regard to the crime of corruption between individuals, the areas deemed more specifically at risk are:

- 1. the sale, in Italy and abroad, of transformers, with particular regard to the negotiation stages in direct dealings or sales processes, including competitive bidding;**
- 2. the management of procurement, with particular regard to the definition and subsequent fulfillment of contractual provisions;**
- 3. the management of relations with credit institutions;**
- 4. the management of relations with insurance companies (solely for the definition of compensations);**
- 5. the conclusion and the subsequent management of partnership agreements;**
- 6. the management of disputes with counterparties, particularly with regard to the definition of settlement agreements;**
- 7. the conclusion of significant or internal transactions with both third parties and related parties;**
- 8. the management of relations with Certification Bodies;**
- 9. the management of relations with the audit company/those in charge of the audit;**
- 10. the management or participation in the tender phases of private contracts.**

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group – fully or partly – in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different

degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

With regard to the crime of corruption between individuals, the following activities were also identified as being “instrumental” to those examined above, as they may constitute both financial and operational support and premise for the commission of the above-listed crimes:

- 1. hiring, managing, training and incentivizing personnel;**
- 2. handling gifts and entertainment, sponsorship and social initiative expenses;**
- 3. assigning consulting positions;**
- 4. selecting Suppliers and Partners and managing the relative relationships;**
- 5. managing cash flow.**

Any additions to the aforementioned At-Risk Areas and instrumental activities may be made by TAMINI’s CEO, who has been appointed to analyze the existing control system and draw up the appropriate operational rules.

B.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of the Recipients of the Model.

The purpose of this Special Section is to ensure that all Recipients, to the extent in which they may be involved in activities in At-Risk Areas, follow rules of conduct consistent with the provisions set out herein in order to prevent the occurrence of Corporate Crimes, while considering the different positions held by them with regard to the Company and, therefore, the different obligations they may have as specified in the Model.

In particular, the function of this Special Section is to provide:

- a list of general and specific procedural principles which Company Representatives, Consultants and Partners will be required to comply with to ensure a correct application of the Model, based on the type of relations they have with the Group;
- the VB and the directors of other company departments cooperating with the latter, the operational tools to control, monitor and verify the activities established.

While performing all the tasks related to company management, in addition to the regulations included in this Model, Company Representatives – with reference to their respective activities- must, in general, know and respect:

- the Code of Ethics;
- Anti-corruption Guidelines;
- the corporate governance rules adopted in transposition of the relevant corporate and regulatory law;
- Internal Rules for processing confidential information and for the distribution to the public of documents and information;
- the Guidelines for approving significant transactions and managing situations of interest;
- the procedure for Transactions with Related Parties;
- all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

TAMINI Company Representatives - directly - and External Contractors - limited to the obligations covered in the specific clauses included within the relative contracts - are prohibited from implementing, collaborating

or giving rise to conduct that - whether considered individually or collectively - entails the types of crimes considered above, either directly or indirectly (Article 25-ter of Legislative Decree 231/2001).

Therefore the aforementioned individuals are obligated to fully observe all laws in force, in particular:

- 1) avoiding conduct representing Corporate Crimes as described above;
- 2) avoiding conduct that is not in itself such as to represent the commission of one of the above Crimes, but has the potential to become so;
- 3) adopting proper, transparent and collaborative conduct, in compliance with both the regulating law and the company procedures when carrying out all activities forming part of the drafting of the accounts and other company notices, in order to provide shareholders and the public with truthful, complete and appropriate information concerning the company's assets and economic and financial position.

As a consequence of the above, it is prohibited to:

- a) represent or transmit for processing or inclusion in financial statements or other company notices, false or incomplete data or relevant material information or data which does not otherwise correspond to reality, regarding the company's assets or economic or financial position;
 - b) omit data and information required by law on the company's assets or economic or financial position;
 - c) fail to comply with the principles and provisions included in the instructions for drawing up financial statements, in the administrative and accounting procedures, in the General Accounting plan and in the Industrial Accounting manual;
- 4) guarantee that the information presented to the public is truthful, timely and transparent.

With regard to this point, it is prohibited to present all data and information to the public in such a way as to provide an improper and untruthful representation of the Company's financial status and on the progress of the related activities, as well as on the Company's financial instruments and relative rights;

- 5) refrain from performing simulated or fraudulent transactions or spreading false information about the Company or about another Group company. With reference to the above, it is prohibited to publish or spread false information, or carry out simulated transactions or other fraudulent, deceiving conduct which can influence non-listed financial instruments or instruments for which an admission request to the negotiations was not submitted for a regulated market and suitable to considerably change their price. With reference to listed financial instruments or to instruments for which an admission request has been submitted for negotiations or for a regulated market, please refer to Special Section "E";
- 6) carefully comply with all the provisions provided for by the law for the protection of the integrity of the share capital with the aim to not damage the interests of creditors and third parties.

As a consequence of the above, it is prohibited to:

- a) return capital contributions to the shareholders or free them from the obligation to implement them, except for the cases of the legal reduction of the share capital;
 - b) distribute profits or advances on the profits not actually earned or intended for reserves according to the law, or distribute reserves, even not set up with profits, that cannot be distributed pursuant to the law;
 - c) purchase or underwrite the Parent Company's shares except for the cases provided for by the law, damaging the integrity of the share capital or of reserves that cannot be distributed;
 - d) implement reductions in the share capital, carry out mergers or split-offs in violation of the law for the protection of creditors, thereby causing damage to the same;
 - e) carry out fictitious capital formation or increase;
 - f) distributing corporate assets among shareholders – during the winding-up phase – before paying creditors or allocating to reserves the necessary sums to pay them;
- 7) making all notices, as required by law and the regulations of the Public Supervisory Authorities, in a correct, complete, proper and expeditious manner, not preventing them, in any way, from performing their duties.

As a consequence of the above, it is prohibited to:

- a) fail to carry out the following in relation to the Authorities concerned with the necessary requirement of clarity, completeness and expedition: i) all notices, whether of a periodical nature or not, provided for under the law and by additional sector regulations, and ii) the transmission of data and documents required under the law in force and/or specifically requested by the above-mentioned Authorities;
 - b) include material information not corresponding to the truth or the omission of relevant material information concerning the Company's assets and economic and financial situation, in the above notices or in any documentation sent;
 - c) adopt any conduct to prevent the Public Supervisory Authorities from performing its duties even in the context of inspections (express opposition, unreasonable refusal, obstructive conduct or failure to give collaboration in the form of delays in notices and in making documents available).
- 8) ensure the proper operation of the Company and of Company Bodies, guaranteeing and favoring all types of internal control on company management as required by the law, in addition to ensuring the free and proper application of the indications of the General Meeting.

As a consequence of the above, it is prohibited to:

- a) engage in conduct which materially hinders, through the concealment of documents or the use of other fraudulent means, the activities involved in checking by shareholders, company bodies and the audit company;
 - b) carry out simulated or fraudulent acts during General Meetings intended to alter the proper procedure involving the application of the indications of the General Meeting;
- 9) characterize activities and relations with other Group Companies with the utmost correctness, integrity and transparency and ensure, during the implementation of significant transactions carried out both with third parties and with related parties, transparency and compliance with essential and procedural correctness criteria and the approval terms provided for by internal provisions;
- 10) refrain from making cash donations and offerings designed to obtain favorable treatment in conducting any business activity; In

particular, it is prohibited to make any form of donation to any Italian and foreign counterparty (even in those countries where the giving of donations is a widespread practice), that may affect their impartiality of judgment or induce them to ensure any kind of advantage to the Group;

- 11) Grant other types of advantages to an Italian or foreign counterparty (promises to hire, etc.), that may lead to the same consequences as described in point 10;
- 12) Pay to fees or provide services to Suppliers, External Contractors or Partners that are not justified in relation to the respective service requested, the duties to be performed, the characteristics of the partnership agreement, and common local practices.

B.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

The control standards relating to each "At-Risk Area" (as identified in chapter B.2) that must be implemented in specific company procedures are given below.

With reference to the At-Risk Areas referred to in chapter B.2 above, the regulation of the same activity shall provide for:

- the existence and distribution to personnel engaged in preparing accounting documents of Group regulatory tools that clearly define the accounting principles to be adopted when defining information and data concerning the company's assets and economic and financial position and the operational procedures involved in their accounting.

These regulations must be expeditiously incorporated/updated from the information supplied by the competent department based on the new amendments to primary and secondary legislation and distributed to the above-mentioned recipients;

- the identification of the internal Company departments engaged in the various phases of preparing financial statements (and relative attachments) and other periodic reports;
- Group level instructions for the internal departments which establish the data and notices that must be provided for annual and interim closures (for company accounting documents), stating the manner and relative time frames;
- the procedures for the formal transmission of data that guarantees the traceability of the various steps and the identification of the persons that sent said data;
- rules that identify the roles and responsibilities concerning keeping, storing and updating the financial statements and other company accounting documents (including the relative certificates), from when they are drafted to their eventual approval by the Board of Directors, to the filing and publication (also online) of the same and their relative storing;
- the communication to the VB of any assignment conferred to the audit company, or to companies connected to it, that

does not concern auditing and/or reviewing financial statements;

- basic training (in relation to the main accounting and legal information and problems and related Group regulations), in favor of the departments involved in drafting company accounting documents and the departments involved in defining the items requiring evaluation in the same documents;
- directives that sanction the obligation for maximum collaboration and transparency in relations with the audit body and the audit company, and the obligation to provide all the requested data, information and documents with the utmost completeness, transparency, accuracy, truthfulness and timeliness;
- the obligation to hold special meetings to share the provided data and/or information, in order to guarantee that the data and/or information can be understood by the people that carry out control measures and the obligation to take the minutes of the relative rulings with the formalization of the main meetings;
- specific information flows between the departments involved in the process and the documentation and traceability of each step, in a view of maximum collaboration and transparency;
- when processing, managing and communicating corporate news or data outside of the company, the obligation for Company Representatives to comply with the corporate governance rules adopted in transposition of the law that applies at any time, in line with provisions of the Parent Company;
- In order to plan some suitable aids to avoid the crime's commission on the part of the auditing company¹, also together with Company Representatives, and in

¹ Please note that Legislative Decree No. 39 of January 27, 2010 reformed the legislation concerning the statutory auditor and the audit company, introducing new crimes (yet, not included in Decree 231): false statements in the reports or communications of the audit company (Article 27); corruption of auditors (Article 28); obstructed control (Article 29); illegal payments (Article 30); illegal financial relations with the audit company (Article 31).

compliance with TUF and Issuer Regulations, in starting and managing relations with the auditing company:

a) the need to ensure compliance with the independence requirements and reasons of non-transferability requested from the audit company and the statutory auditor, as indicated or referred to in Legislative Decree no. 39, January 27, 2010 (the "Statutory Auditing Decree");

b) the identification of the person responsible for sending the documentation to the auditing company;

c) the possibility for the manager of the audit company to contact the VB to jointly verify situations that may present critical issues.

- In preparing notices to Public Supervisory Authorities and in managing relations with such bodies, particular attention must be devoted to the following:

- a) legal and regulatory provisions governing the notices requested by such Authorities;

- b) the obligation to send to the above-mentioned Authorities the documents and data specifically requested by such Authorities (e.g. company accounts and minutes of company bodies);

- c) the obligation to collaborate with such authorities during any inspections and assessments.

To that effect, the procedures to be respected must be consistent with the following criteria:

- a) all organizational and accounting measures must be implemented which are necessary to ensure that the acquisition and processing of data and information guarantees correct and complete preparation of notices and their timely forwarding to Public Supervisory Authorities, in compliance with the procedures and time limits provided for by sector regulations;

- b) the procedures followed in the implementation of the measures, must be adequately underlined, with particular reference to the identification of the managers who carried out the collection and processing of the data and information referred to;

- c) in the event of investigative inspections carried out by the authorities involved, collaboration must be

provided by the relevant business units. In particular, for each inspection established by the relevant authorities, a manager within the Company must be identified with the responsibility to ensure coordination among personnel in the different business units for their proper implementation of the activities they are responsible for. The manager will be entrusted with the task of coordinating the different competent business units and the officers of the Authority concerned to allow the latter to obtain the elements they require;

d) the manager appointed pursuant to point c) above will be required to draw up a special informative report on the investigations undertaken by the Authority, which must be periodically up-dated in relation to the on-going progress of the investigation itself and its final outcome; this report must be sent to the other company offices with competence in relation to the matters dealt with.

- In managing transactions concerning assignments, distribution of profits or reserves, shares or stakes' subscription or purchase, transactions on the company's share capital, mergers and divisions and asset distribution during winding-up:

a) each significant transaction concerning the establishment of new companies, the acquisition or sale of shareholdings, assignments, profits or reserves distribution, transactions on share capital, mergers and divisions and assets distribution during winding-up, must be submitted to the Administrative Body of the company involved (also a delegated body), whose decisions shall be submitted to TERNA's prior evaluation in accordance with the *Guidelines for the approval of significant transactions and management of situations of interest*;

b) all the documentation concerning the transactions under point a) shall be kept at the VB's disposal;

- in carrying out transactions of significant importance concluded with both third parties and related parties, put in place by the Company - either directly or indirectly - it is compulsory for Company Representatives to follow the

Guidelines for the approval of significant transactions and management of situations of interest and the Procedure for Related-Party Transactions.

- in managing procurement activities and relations with credit institutions and insurance companies, Company Representatives undertake to comply with the corporate procedures adopted by the Group aimed at preventing corruptive conduct designed to obtain particularly favorable contractual conditions;
- in the management of partnership relationships, TAMINI adopts measures aimed at preventing: 1) the Company from being held responsible for corruption activities carried out by its partners; 2) the Company from committing corruptive conduct;
- when participating in tenders for the sale of transformers, Company Representatives shall refrain from maintaining relationships with representatives of the commissioning entity or the principal competitors for reasons other than professional motives and not attributable to the skills and functions assigned and the use of any preferential pathways - including legitimate - or personal knowledge acquired even outside of their professional environment. TAMINI also requires the person responsible for the process:
 - to complete and comprehensively inform the head of the competent Department regarding the progress of the individual steps of the process;
 - to inform the head of the competent Department, without delay, of any behavior by the counterparties aimed at obtaining favors, illegal cash donations or other benefits also with respect to third parties.
- in managing disputes with counterparties and concluding settlement agreements, Company Representatives undertake to act in order to ensure maximum transparency and traceability of the decision-making process;
- in carrying out intra-group transactions, the Company Representatives undertake to ensure that they are

preceded by an adequate evaluation and subsequent motivation by the competent bodies.

With reference to the control standards related to each “instrumental activity” (as identified under B.3), please refer to chapter A.4 in Special Section “A”.

B.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The VB's duties in relation to compliance with the Model are as follows:

- a) with reference to financial statements, reports and other company notices, since the financial statement is subject to audit by an auditing company, the VB will carry out the following tasks:
 - monitoring the effectiveness of internal procedures in the prevention of the crime of false statements in company notices;
 - examining any specific reporting from control bodies, third parties or Company Representatives and carrying out any investigation considered necessary or appropriate following the reporting received;
 - supervising the true occurrence of conditions allowing the audit company's effective independence in checking and controlling business activities;
- b) with reference to the other at-risk activities, the VB shall periodically monitor the effectiveness of the established checks for preventing the Crimes in question from being committed and exam any specific reporting by the control bodies, third parties or any Company Representative and carry out any investigation considered necessary or appropriate following the reporting received.

TAMINI evaluates the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural principles be detected as indicated in paragraph B.4, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

**TERRORISM CRIMES
AND OF SUBVERSION OF DEMOCRACY**

SPECIAL SECTION "C"

DEFINITIONS

With the exception of the new definitions included in this Special Section, the definitions of the General Section remain valid.

C. CRIMES OF TERRORISM AND OF SUBVERSION OF DEMOCRACY

C.1 TYPES OF TERRORISM CRIMES AND OF SUBVERSION OF DEMOCRACY

This Special Section "C" refers to crimes aimed at terrorism or at the subversion of democracy.

Article 3 of Law no. 7 of 14 January 2003 ratified and rendered effective in Italy by the International Convention for the suppression of the financing of terrorism, signed in New York on 09 December 1999, introducing Article 25-*quater* to the Decree.

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 or manages associations aimed at violently establishing a dictatorship of one social class over another, or violently eliminating a social class or violently subverting the economic and social orders of the State having as their aim the violent suppression of any political and legal system in the society.

- ***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.

- ***Crime involved in assisting the associates (Article 270-ter of the Italian Criminal Code.)***

This crime is committed when any person, with the exception of cases of participating 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.

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 and, with the exception of training, is also committed by the person recruited.

- ***Organization of transfers with the aim of terrorism (Article 270-quater 1 of the Italian Criminal Code)***

This crime is committed when any person, with the exception of cases specified in Articles 270-*bis* and 270-*quater* of the Italian Criminal Code, 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 aimed at terrorism, even if against a foreign nation, institution or international organization.

- ***Conduct with terrorist 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 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.

- ***Terrorist act with lethal or explosive devices (Article 280-bis of the Italian Criminal Code)***

This crime is committed when any person, for terrorist purposes, carries out any acts aimed at damaging tangible or intangible property belonging to another person, through the use of lethal or explosive devices.

- ***Unlawful restraint for terrorist 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.

- ***Incitement to commit one of the crimes against the 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 figure of the State, for which the law establishes life-imprisonment or imprisonment. Mitigating circumstances are the cases in which the instigation is not accepted, or if accepted, the crime is not however 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 and assistance to the 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 complicity, offers refuge, board, hospitality, means of transportation or of communication to any person participating in the association or the band, as stated in Articles 305 and 306 of the Italian Criminal Code.

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 Legislative Decree 231/2001, crimes included in provisions contained in special laws must also be considered.

- The above-mentioned provisions include Article 1 of Law no. 15 of 06 February 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 Corporation's responsibility.
- Other provisions specifically aimed at preventing crimes committed with terrorist objectives are contained in Law no. 342 of 10 May 1976 regarding crimes against air traffic safety and in Law no. 422 of 28 December 1989, regarding 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 09 DECEMBER 1999

In compliance with the above-mentioned Article, a crime is committed when any person by any means, directly or indirectly, 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 a certain 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 with a common objective. This act must be intentional and must:
 - (i) 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 univocal and objective elements.

For crimes of terrorism or subversion of democracy, the pecuniary penalty that can be applied to the Corporation ranges from a minimum of 200 to a maximum of 1000 shares; therefore, considering that the amount of a share may vary from around €258 to around €1,549, the pecuniary penalty may reach around €1.5 million. Moreover, for these crimes, disqualifications can be applied to the Corporation as established by Article 9, paragraph 2, of the Decree, for at least one year, in addition to indefinite disqualifications from performing its business activity pursuant to Article 16, paragraph 3, of the Decree.

C.2 AT-RISK AREAS

With regard to the crimes and criminal conduct set out above, the areas deemed more specifically at risk are financial and commercial transactions with:

- 1. Natural persons or corporations with residence in the at-risk countries as identified in the "Lists of countries" and/or natural persons or corporations indicated in the "Nominative Lists" (hereinafter collectively the "Lists") connected to international terrorism and listed on the Bank of Italy website (Financial Intelligence Unit (FIU) > combating the funding of terrorism > lists) and also indicated in the Lists published by the Office of Foreign Assets Control.**
- 2. companies controlled directly or indirectly by the above-mentioned subjects.**

These aforementioned Lists can be provided by the VB and/or the Parent Company that updates them, also aided by Security and Services Department.

TAMINI's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate action.

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group - fully or partly - in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

C.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of the Recipients of the Model.

The objective of this Special Section is that the Recipients, if they are involved in carrying out activities in At-Risk Areas, respect conduct rules in compliance with the provisions stated in this Special Section in order to prevent and avoid Terrorist Crimes from occurring, while considering the different position of each of the subjects with respect to the Group and, therefore, of their obligations as specified in the Model.

In particular, the function of this Special Section is to:

1. providing a list of the general and specific procedural rules which the Recipients, in relation to the type of relation they have with the Group, must comply with for correctly applying the Model;
2. provide the VB and the Company Representatives with the operational tools for carrying out the necessary checks, monitoring and verifications.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with respect to their activity - will generally be expected to be familiar with, and comply with, the Code of Ethics and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

TAMINI Company Representatives – directly – and Contractors – within the limits of obligations covered by the specific clauses included within the relative contracts – are prohibited from:

1. engage in, promote, collaborate or cause conduct that if taken individually or collectively integrate directly or indirectly the types of Crimes that fall under those considered in this Special Section (Article 25-*quater* of the Decree);
2. utilize, even if occasionally, the Company or one of its organizational units with the purpose of allowing or facilitating a Crime included in this Special Section being committed;
3. promote, establish, organize or manage associations that intend to commit acts of violence particularly with the aim of subverting democracy;
4. provide, directly or indirectly, funds in support of subjects that intend to carry out Terrorist Crimes;

5. taking on or assigning orders or carrying out any type of commercial and/or financial transactions, either directly or through an intermediate person, with subjects –natural persons or corporations- whose names are included in the Lists or controlled by subjects included in the Lists and this type of control is known;
6. take on or assign orders or carry out any type of commercial and/or financial transactions, either directly or through an intermediate person, with subjects – natural persons or corporations - residing in the countries included in the Lists, unless explicit approval is given by the Company's CEO;
7. carry out transactions, take on or assign orders that present anomalous characteristics according to type or object and establish or maintain relations with anomalous profiles from the point of view of reliability and reputation of the subjects and of the transactions to be concluded;
8. carry out transactions in support of Contractors that cannot be adequately justified within the context of the contract terms established with them;
9. make payments to Contractors that cannot be adequately justified in relation to the type of assignment to be carried out and to common local practices.

C.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

The procedural rules that, in relation to each At-Risk Area (as identified under C.2), Company Representatives must comply with are listed below:

1. any financial transaction must provide for the beneficiary's knowledge, at least directly, of the relative sum;
2. significant transactions must be carried out with natural persons or corporations who have been preventively checked through appropriate controls, assessments and verifications (for example, presence in the Lists; personal references; etc.);
3. in the event TAMINI involves in its transactions those subjects whose names are included in the Lists or who are notoriously controlled by subjects included in the Lists, such transactions must be automatically suspended or interrupted and be submitted to the assessment of TAMINI's VB;
4. in the event that the Company is proposed irregular transactions, these transactions will be suspended and evaluated beforehand by the VB. Specifically, the latter will express its opinion on the appropriateness of the transaction and will adopt the necessary precautionary measures for the continuation of the transactions; such opinion will be taken into account during the approval process of the transaction itself;
5. contracts with Contractors must include a specific statement according to the terms established in the company procedures and/or to the VB's indications, which must clearly indicate that the parties are fully aware of their mutual commitment to establish conduct aimed at implementing initiatives based on transparency and correctness principles in the strictest compliance with law provisions;
6. data collected relative to relations with customers and Contractors must be complete and updated, both to properly and immediately identifying them, and to correctly evaluate their profile.

C.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The TAMINI VB's duties in relation to compliance with the Model regarding Terrorist Crimes are as follows:

- a) propose that standardized instructions relating to conduct to be followed in the At-Risk Areas, as identified in this Special Section, are issued and updated. These instructions should be in writing and saved on hard copy and on computer file;
- b) conduct periodical checks on compliance with internal procedures and periodically evaluate their effectiveness in preventing Crimes from being committed;
- c) examine any specific reports and carry out the necessary check operations deemed necessary or appropriate in relation to the reporting received;
- d) consult periodically, or when deemed necessary, with the Director of TERNA's Security and Services Department, also for evaluating a possible update of the Lists.

TAMINI evaluates the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information shall be given without delay to the VB should violations to specific procedural rules be detected as indicated in Chapter C.4 of this Special Section, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

**CRIMES AGAINST INDIVIDUALS AND
IN VIOLATION OF THE CONSOLIDATED LAW ON IMMIGRATION**

SPECIAL SECTION "D"

DEFINITIONS

With the exception of the new definitions included in this Special Section, the definitions of the General Section remain valid.

D. CRIMES AGAINST INDIVIDUALS AND IN VIOLATION OF THE CONSOLIDATED LAW ON IMMIGRATION.

D.1 CRIMES AGAINST INDIVIDUALS (Article 25-*quinquies* of the Decree) AND IN VIOLATION OF THE CONSOLIDATED LAW ON IMMIGRATION (Article 25-*duodecies* of the Decree)

1) Crimes against individuals

Article 5 of Law no. 228 dated August 11, 2003 introduced Article 25-*quinquies* in the Decree, which establishes the application of relative penalties to the Corporations in which representatives commit Crimes against individual personality (if the Corporation or one of its organizational units is steadily utilized with the sole or prevalent purpose of allowing or facilitating crimes being committed as considered in this Special Section, the penalty of indefinite disqualification from performing business activity is applied).

- ***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 type of illegal activity that involves exploitation.

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 a situation 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.

- ***Juvenile prostitution (Article 600-bis of the Italian Criminal Code)***

This crime is committed when any person:

- a) recruits or induces a person under the age of eighteen to prostitution;

- b) encourages, exploits, manages, organizes or controls the prostitution of a person under the age of eighteen, or otherwise profits from the same.

The crime in question punishes anyone, with the exception of where the deed constitutes a more serious crime, who has performed sexual acts with a child between the ages of fourteen and eighteen, in exchange for money or other benefits, even merely promised.

- ***Juvenile pornography ² (Article 600-ter of the Italian Criminal Code)***

This crime is committed when someone realizes pornographic performances or exhibitions, or produces pornography using children under the age of eighteen, or when someone recruits or induces people under the age of eighteen to participate in pornographic performances or exhibitions or when someone makes a profit from the above-mentioned performances; punishment is inflicted also to any person who trades above-mentioned pornographic material.

In addition to the cases established in the first and second paragraphs, punishment is inflicted also to any person who, through any means, also computer, distributes, circulates, disseminates or advertises pornographic material as stated in paragraph one, or distributes, or circulates news or information aimed at luring or sexually exploiting children under the age of eighteen; or who, in addition to the cases established in the first, second and third paragraphs, willfully gives others, even free of charge, pornographic material produced through the sexual exploitation of children under the age of eighteen, except where it constitutes a more serious offense.

- ***Possession of pornographic material (Article 600-quater of the Italian Criminal Code)***

This crime is committed when a person, in addition to the cases established in Article 600-ter of the Italian Criminal Code, willfully obtains or is in possession of pornographic material produced through the sexual exploitation of children under the age of eighteen. Large quantities of material entail an increased punishment.

- ***Virtual Pornography (Article 600-quater of the Italian Criminal Code)***

² Juvenile pornography refers to any representation, through any means, of a child under the age of eighteen engaged in explicit sexual activities, whether real or simulated, or any representation of the sexual organs of a child under the age of eighteen for sexual purposes.

The crimes mentioned in Articles 600-ter and 600-quater also include pornographic material consisting of virtual images made using the images of children under the age of eighteen or parts thereof. Virtual images refer to images created using graphic techniques which are not associated, in whole or in part, to real situations, the quality of which, however, make them look like real situations.

- ***Tourist projects aimed at the exploitation of juvenile prostitution (Article 600-quinquies of the Italian Criminal Code)***

This crime is committed when a person organizes or advertises travel aimed at prostitution activities harmful to children or inclusive of such activity.

- ***Trafficking in human beings (Article 601 of the Italian Criminal Code)***

This crime is committed when a person recruits, introduces into the territory of the country, also 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 paragraph 1.

- ***Purchase and disposal of slaves (Article 602 of the Italian Criminal Code)***

This crime is committed when a person, in addition to the cases envisaged in Article 601 of the Italian Criminal Code, purchases or sells, or transfers a person who is found to be in one of the conditions as stated in Article 600 of the Italian Criminal Code.

- ***Illicit mediation 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.

- ***Child grooming³ (Article 609-undecies of the Italian Criminal Code)***

This crime is committed when, if the deed does not constitute a more serious crime, a person, for the purposes of committing crimes referred to in Articles 600, 600-bis, 600-ter and 600-quater, also in relation to pornographic material referred to in Articles 600-quater-1, 600-quinquies, 609-bis, 609-quater, 609-quinquies and 609-octies, grooms a sixteen-year-old child.

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 TAMINI with the awareness that such disbursement could be utilized by such parties for criminal purposes.

For Crimes against individuals, a pecuniary sanction may be applied to the Organization ranging from 200 to 1000 shares; therefore, considering that the value of a share may vary from around €258 to around €1,549, the pecuniary penalty may reach around €1.5 million. Moreover, for these Crimes, disqualifications can be applied to the Corporation as established by Article 9, paragraph 2, of the Decree, for at least one year, in addition to indefinite disqualifications from performing its business activity pursuant to Article 16, paragraph 3, of the Decree, should the Corporation or its organizational unit be steadily used for the only or prevailing purpose of allowing or facilitating these Crimes.

³ Grooming refers to any act aimed at eliciting the trust of a minor through artifice, flattery or threats made also through the use of the Internet or other networks or communication means.

2) Crimes provided by the Consolidated Law on Immigration

Legislative Decree no 109 dated 16 July 2012, entitled "*Implementation of Directive 2009/52/EC providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals*", in Article 2, by inserting in the Decree Article 25-*duodecies*, provides the extension of administrative responsibility for the Entities violating certain standards relating to the employment of illegally staying third-country nationals, as established in Legislative Decree no. 286 dated 25 July 1998 (the Consolidated Law on Immigration).

Furthermore, Law no. 161 of October 17, 2017 referring to "*Amendments to the anti-mafia law and preventative measures, pursuant to Legislative Decree no. 159 of 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 for the protection of jobs in seized and confiscated companies*" introduced as crimes those provided for by Article 12, paragraphs 3, 3-*bis*, 3-*ter* and 5 of the Consolidated Law on Immigration.

- ***Employment of illegally staying third-country nationals (Article 22, paragraph 12 and 12-*bis*, Italian Legislative Decree. 286/1998)***

This crime is committed when the employer which hires foreign workers without residence permit or whose permit has expired and has not been requested, in accordance with the law, to be renewed or has been revoked or canceled.

Article 22, paragraph 12-*bis*, Italian Legislative Decree 286/1998 provides for an increase of the penalties by a third to half if the following assumptions occur:

- if the hired workers are more than three;
- if the hired workers are children in non-working age;
- if the hired workers are subject to the other particularly exploitative working conditions under paragraph 3 of Article 603-*bis* of the Italian Criminal Code (i.e., in addition to the assumptions above, if

workers are exposed to situations of serious danger, having regard to the characteristic of the performances to be undertaken and working conditions).

The Corporation's responsibility occurs when the crime is aggravated by the number of the hired subjects or by their non-working age or, lastly, by working performances in conditions of serious danger.

For Crimes of employment of illegally staying third-country nationals, a pecuniary penalty may be applied to the organization ranging from 100 to 200 shares, within the limit of €150,000.

- ***Provisions against illegal immigration (Article 12, paragraphs 3, 3 bis, 3 ter and 5, 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 profit directly or indirectly from said act.

In particular, Article 12, paragraphs 3, 3-bis and 3-ter penalizes those who *"...promote, direct, organize, finance and carry out the transportation of foreign nationals in the country or commit 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 nor has the right of permanent residency"*.

Article 12, paragraph 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.

As regards penalties, in the first circumstance a pecuniary penalty of between 400 and 1000 shares is applied to the organization; in the second circumstance, a pecuniary penalty of between 100 and 200 shares is applied.

In both cases, disqualification sanctions apply pursuant to Article 9, paragraph 2 of Legislative Decree 231/2001 for a duration of no less than one year.

Lastly, pursuant to Article 10 of Law no. 146 of 2006, migrant smuggling provided and punished for by Article 12, paragraphs 3, 3-*bis*, 3-*ter* and 5 of Legislative Decree 286/1998 and aiding and abetting pursuant to Article 378 of the Italian Criminal Code, in cases that have transnational character pursuant to Article 3 of Law 146/06, are relevant in regard to this special section.

The crime of migrant smuggling incriminates those who commit direct acts such to facilitate the entry of persons into the country in breach of the provisions of the Consolidated Law on Immigration 186/98, or rather such to facilitate the illegal entry into another country of a person who is not a citizen nor has the right to permanently reside in that country, in order to derive direct or indirect profit.

The administrative-pecuniary sanction of two hundred to one thousand shares applies to the Corporation.

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 complicity in the same, help such persons to avoid investigation by Italian or international authorities.

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.

A pecuniary penalty of a maximum of 500 shares is applied to the organization.

D.2 AT-RISK AREAS

With regard to the crimes and criminal conduct set out above, the areas deemed more specifically at risk are:

- 1. signing of contracts with companies that utilize unskilled personnel coming from countries outside of the European Union;**
- 2. management of commercial activity, also in partnership with third parties or by relying on local entrepreneurs, in Countries where individual rights are not fully protected.**

TAMINI's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate action.

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group - fully or partly - in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

D.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of the Recipients as already defined in the General Section.

The purpose of this Special Section is to ensure that the Recipients, to the extent in which they may be involved in activities in At-Risk Areas, follow rules of conduct consistent with the provisions set out herein in order to prevent the occurrence of the Crimes covered in this Special Section, while considering the different positions held by them with regard to the Company and, therefore, the different obligations they may have as specified in the Model.

In particular, the function of this Special Section is to:

1. provide a list of the general principles, as well as specific procedural rules which the Recipients, in relation to the type of relation they have with the Group, must comply with in order to correctly apply the Model;
2. provide the VB and Company Representatives with the operational tools for carrying out the necessary checks, monitoring and verifications.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with respect to their activity - will generally be expected to be familiar with, and comply with, the Code of Ethics, the disciplinary system provided for in the National Collective Labor Contract in force and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

In carrying out at-risk activities, TAMINI Company Representatives – directly – and Contractors – within the limits of obligations covered by the specific clauses included within the relative contracts – are expressly prohibited from:

1. maintaining, promoting, collaborating in or causing conduct that, if taken individually or collectively, integrate directly or indirectly the types of Crimes that fall under those considered in this Special Section (Article 25-*quiquies* and 25-*duodecies* of the Decree);

2. engage in conduct that, even if not considered as representing *per se* the types of Crimes included in the above-mentioned ones, can potentially become such;
3. utilize, even if occasionally, the Company or one of its organizational units with the purpose of allowing or facilitating a Crime included in this Special Section being committed.

D.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

With reference to the At-Risk Areas (as identified under D.2), the procedural rules are indicated hereunder that must be implemented in specific company procedures and respected by all Company Representatives:

1. Recipients should respect law provisions regarding the protection of child labor and of women, hygienic-sanitary conditions, safety, union rights or right to form associations and to representation included in the regulations of the country where they work;
2. the selection of counterparts for providing special services (as for example companies with a high amount of unskilled labor), whether Partners or Suppliers, should be conducted with particular attention and on the basis of appropriate internal procedures. Specifically, the reliability of such Partners or Suppliers should be evaluated in order to prevent the Crimes included in this Special Section, also through specific *ex ante* investigations;
3. in case of personnel being directly hired by TAMINI, the respect of labor provisions and union agreements for hiring employees should be verified, as well as the labor relation in general. It is also necessary to verify compliance with the conduct regulations in the work place and in any case special attention should be placed to abnormal work situations;
4. if a Partner has his registered office abroad and carries out his work for TAMINI abroad, the Partner should comply with local rules or, if stricter, with the ILO conventions on the minimum age for employment and on the worst forms of child labor ("C138 Minimum Age Convention, 1973" and "C182 Worst Form of Child Labor Convention 1999");
5. if a person notices anomalous management of the personnel utilized by the Partner, he/she should immediately inform the VB of such anomaly;
6. contracts with Partners and Suppliers should include specific declarations made by the latter stating they are aware of the provisions of the Decree, as well as of the implications for TAMINI, and whether they have been under investigation in the

last 10 years in legal proceedings relative to the Crimes mentioned in the Decree, in order for TAMINI to place greater attention should a consulting or partnership relation be established;

7. all Company Representatives should comply with the term of the Code of Ethics aimed at prohibiting any conduct that is in contrast with the prevention of Crimes included in this Special Section;
8. TAMINI evaluates and arranges with particular attention and care the direct and/or indirect organization of travel or periods of stay in foreign locations with specific focus on locations known for the phenomenon of the "sexual tourism";
9. in case violations of the provisions of the Decree are reported concerning its Partners or Suppliers, TAMINI should undertake the most appropriate initiatives to acquire every related useful information;
10. in case doubts persist regarding the proper conduct of Partners or Suppliers, the VB will issue notification for the TAMINI Board of Directors.

D.5 INSTRUCTIONS AND INSPECTIONS OF THE VB

The TAMINI VB's duties in relation to compliance with the Model regarding the crimes included in this Special Section are as follows:

- conduct periodical checks on compliance with internal procedures and periodically evaluate their effectiveness in preventing Crimes from being committed;
- examine any specific reports and carry out the necessary check operations deemed necessary or appropriate in relation to the reporting received;

TAMINI evaluates the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural rules be detected as indicated in Chapter D.4 of this Special Section, or procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

MARKET ABUSE

SPECIAL SECTION “E”

DEFINITIONS

With the exception of the new definitions included in this Special Section, the definitions of the General Section remain valid.

E.1 TYPES OF CRIMES AND THE ADMINISTRATIVE CRIME OF MARKET ABUSE (Article 25-*sexies* of the Decree and Article 187-*quinquies* of the "Consolidated Finance Act" hereinafter referred to as TUF)

The present Special Section "E" refers to the types of crimes of market abuse:

- abuse of insider information, market manipulation and illegal communication of insider information pursuant to arts 8-10-12-14-15 of the MAR (defined below) and to the related types of administrative offense.
- Chapters II (criminal penalties) and Chapter III (administrative penalties) of the TUF. The present Special Section takes into account the abrogation of Directive 2003/6/EC following the issue of Regulation (EU) no. 596/2014 ("**MAR**") and with the related implementing provisions, as well as with the applicable provisions of Italian Legislative Decree 58 of 24 February 1998 (the "**TUF**") and of the Regulation for Issuers adopted with CONSOB Resolution no. 19971 of 14 May 1999 (the "**Regulation for Issuers**"), and taking into account the guidance issued on the by the European Securities and Markets Authority ("**ESMA**") and CONSOB, and in particular the operating indications contained in the CONSOB Guidelines on "*Managing Insider Information*" (the "**CONSOB Guidelines**"), as well as the provisions of the Governance Code for listed companies (July 2015 edition).

THE CRIMES

As regards the category of predicate crimes, we can remind you that the Community Law 2004, introducing art. 25-*sexies* of the Decree, included the legislative types pursuant to the aforesaid Chapter II and also provided, in relation to the commission of such crimes, for the applicability to the entity itself of a fine which goes from a minimum of four hundred to a maximum of one thousand units (that is approximately €1.5 million). When the corporation is responsible for a number of crimes committed with a single operation or omission during the execution of such activity, the pecuniary penalty for the most serious violation is applied, increased up to three times (up to approximately €4.5 million).

If a significant amount of results or profits are gained by the company, the penalty could be increased up to ten times the results or profits value.

Here below are described the single crimes established in Article 25-*sexies* of the Decree with some examples of relevant criminal conduct:

- ***Abuse of insider information (arts 8 MAR and 184 TUF)***

Under the terms of Art. 8 MAR, there is abuse of insider information when a person in possession of insider information uses this information buying or selling, on his or her own behalf or on behalf of third parties, directly or indirectly, the financial instruments to which this information refers. The use of the said information by canceling or changing an order concerning a financial instrument to which the information refers is also considered abuse of insider information when this order was sent before the person involved came into possession of the said insider information.

There is a recommendation to another person to commit abuse of insider information or induction of another person to commit abuse of insider information when the person is in possession of another person insider information and:

- He or she recommends, on the basis of this information, that another person should buy or sell financial instruments to which this information refers or induces this person to make the purchase or sale; or
- recommends, on the basis of this information, to another person to cancel or change an order concerning a financial instrument to which the information refers or induces this person to make the cancellation or change.

The use of these recommendations or inducements constitutes abuse of insider information when the person that uses the recommendation or inducement knows or should know that it is based on insider information.

This rule applies to any person that possesses insider information:

- a) owing to the fact that he or she is a member of administrative, management or auditing bodies of the issuer or participant in the emission quota market;
- b) owing to the fact that he or she has an equity interest in the share capital of the issuer or of a participant in the emission quota market;
- c) owing to the fact that he or she has access to such information in carrying on a job, a profession or a function; or
- d) owing to the fact that he or she is involved in criminal activities;
- e) owing to circumstances other than those above, but in any case, when the said person knows or should know that this is insider information.

When a person is a legal person, this provision applies, in accordance with national law also to the natural persons that participate in the decision to make the purchase, sale, cancellation or change of an order on behalf of the legal person in question.

- ***Illegal communication of insider information (art. 10 MAR)***

Under the terms of art. 10 MAR, there is illegal communication of insider information when a person is in possession of insider information and communicates this information to another person, except when the communication occurs during the normal performance of a job, a profession or a function.

This provision applies to any natural or legal person in the situations or circumstances pursuant to the previous paragraph entitled "Abuse of insider information".

Communication to third parties of the recommendations or inducements pursuant to the previous paragraph entitled "Abuse of insider information" is understood as illegal communication of insider information if the person who communicates the recommendation or the inducement knows or should know that it is based on insider information.

- ***Market manipulation (arts 12 MAR and 185 TUF)***

Under the terms of art. 12 MAR, by market manipulation is meant the following activities:

- a) the completion of a transaction, the transmission of an order to buy or sell or any other conduct which:
 - i) transmits, or is likely to transmit, false or misleading signals regarding the supply, demand or price of a financial instrument, of a related spot contract on commodities or of a product involved in an auction on the basis of emission quotas; or
 - ii) fixes, or is likely to fix, the market price of one or more financial instruments, or of a related spot contract on commodities or of a product involved in an auction on the basis of emission quotas at an abnormal or artificial level;unless the person who concludes a transaction, transmits an order to buy or sell or has carried out any other conduct shows that this transaction, order or conduct is justified by legitimate reasons and is compliant with a permitted market practice, as established in accordance with article 13 of the MAR;
- b) conclusion of a transaction, transmission of an order to buy or sell or any other activity or conduct that affects, or is likely to affect, the price of one or more financial instruments, of a related spot contract on commodities or of a product involved in an auction on the basis of emission quotas, using artifices or any other form of deception or expedient;
- c) the diffusion of information through the information media, including the Internet, or through any other means, that provide, or are capable of providing, false or misleading indications regarding the supply, demand

or price of a financial instrument, of a related spot contract on commodities or of a product involved in an auction on the basis of emission quotas or that fix, or are likely to fix, the market price of one or more financial instruments, or of a related spot contract on commodities or of a product involved in an auction on the basis of emission quotas at an abnormal or artificial level, including spreading rumors, when the person that has spread them knew, or should have known that the information was false or misleading;

- d) the transmission of false or misleading information or the communication of false or misleading data in relation to a reference index (benchmark) when the person who made the transmission or provided the data knew, or should have known that, they were false or misleading, or any other conduct that manipulates the calculation of a benchmark.

The following conduct is considered, among other things, market manipulation:

1. the conduct of one or more persons who act in collaboration to acquire a dominant position on the supply or demand of a financial instrument, of a spot contract on related commodities or of a product involved in an auction on the basis of emission quotas which has, or is likely to have, the effect of fixing, directly or indirectly, the purchase or selling prices or puts in place, or is likely to put in place, other incorrect commercial conditions;
2. the purchase or sale of financial instruments when the market opens or closes, with the effect or the likely effect of misleading investors who act on the basis of the prices shown, including the opening and closing prices;
3. the transmission of orders to a trading venue, including the related cancellations or changes, with all available trading means, also through electronic means, such as high-frequency algorithmic trading strategies, and which has one or more of the effects pursuant to paragraph 1, points a) or b), because:
 - i. it interrupts or delays, or is likely to interrupt or delay, the operation of the trading system of the trading venue;
 - ii. it makes more difficult for the other participants in the market to identify the authentic orders on the trading system of the trading venue, or it is likely to do so, also entering orders that result in an overload or in destabilization of the order book; or
 - iii. it creates, or is likely to create, a false or misleading signal regarding the supply, demand or price of a financial instrument, in particular entering orders to start or intensify a trend;http://bd07.leggiditalia.it/cgi-bin/FulShow?PRINT_ACTION=2&PRINT_MODE=1&OPERA=07&HM=4&FM=2&NOTXT=1&NO_PRINT=1&PRINT_MODE=1&PRINT_NOTES=1&PRINT_SO_MM=1&id0=07LX0000800469ART0&KEY=07LX0000800469PRNT&numarts=43&realopera=07-15
4. taking advantage of an occasional or regular access to traditional or electronic information media spreading an assessment of a financial instrument, a related spot contract on commodities or of a product involved in an auction on the basis of emission quotas (or indirectly on its issuer) after previously taken positions on this financial instrument,

- related spot contract on commodities or product involved in an auction on the basis of emission quotas, benefiting subsequently from the impact of the assessment diffused on the price of the said instrument, spot contract on commodities or product involved in an auction on the basis of emission quotas, without having at the same time communicated to the public, correctly and effectively, the existence of this conflict of interests;
5. the purchase or sale on the secondary market, in advance of the auction held under the terms of Regulation (EU) no. 1031/2010, of emission quotas or the related derivative instruments, with the effect of fixing the auction clearing price at an abnormal or artificial level or to lead the other participants in the auction into error.

The consequences of this crime for unlisted companies regarding the agiotage crime (Article 2637 civil code) and the measures established to avoid its occurrence are also found in Special Section "B".

THE OFFENSES

The 2004 Community Law introduced the "twin track" system, therefore - to criminal cases of insider trading and market manipulation - cases of administrative crimes can be added for the same unlawful actions established in Part V, Title I – *bis*, Chapter III of the TUF, according to Articles 187-*bis* and 187-*ter*.

The first crimes are verified and punished by the criminal courts, the latter directly and autonomously by CONSOB.

With reference to this assumption of administrative crime and in addition to the individual responsibility of the person who committed the crime, the Corporation may be held responsible by virtue of the provisions established in Article 187-*quinquies* TUF, for the crimes committed in its interest and to its advantage:

- a) by people holding representation, administration or managerial positions in the Corporation or in one of its organizational units having financial and operational independence, as well as by people who carry out the Corporation's management and control, also *de facto*;
- b) by people who are supervised or inspected by one of the entities mentioned under point a).

The definitions of the administrative crimes of misuse of privileged information and market manipulation refer to those defined in the respective criminal crimes, but have greater consequences and also include negligence and not only fraud as a subjective element.

In this case the Entity is responsible for the payment of a sum equal to that of the administrative penalty inflicted – for the administrative offenses of misuse of insider information (a penalty that can arrive at €15 million and be tripled or reach the higher amount of ten times the results or profits earned from the

crime when, due to the significant offensiveness of the action, the personal characteristics of the offender or for the amount of the results or profits earned from the crime, the penalty appears inadequate even when applied in the highest amount) and of market manipulation (penalty that can arrive at €25 million and can be increased up to three times or up to the higher amount of ten times the results or profit earned from the crime when, due to the significant offensiveness of the action, the personal characteristics of the offender, or the amount of the results or profit earned from the crime, the penalty appears inadequate even if applied in the highest amount).¹ Also in this case, if the results or profits earned by the company are of a significant amount, the penalty can be increased up to ten times the results or profits value.

Article 187-*quinquies* of the TUF does not distinguish, with respect to the burden of proof, the case where the offender causing the corporation's administrative responsibility is an individual in top position or, rather, in a subordinate position, attributing in both cases the burden of proof to the legal person.

Here below the crimes are illustrated covered in articles 187-*bis* and 187-*ter* of the TUF:

- ***The Administrative crime of insider trading (Article 187-bis TUF)***

The provision included in Article 187-*bis* TUF punishes with an administrative penalty both the conduct of the primary insiders already punished as a crime with Article 184 TUF ("*any person who having obtained privileged information as a member of the board of directors, of the management or control bodies of the issuer, with a share in the capital of the issuer, or in carrying out work activity, a profession or function, even public, or of an office*"), and that carried out by the secondary insiders (or *tippees*, persons obtaining access to privileged information directly or indirectly by primary insiders), where the corresponding crime attributes relevance exclusively to the conduct performed by the primary insiders.

The only difference consists in the fact that the conduct of the secondary insiders is punished both if committed with fraudulent intention or with negligence ("*the penalty provided for in par. 1*" of Article 187-*bis* "*is applied to any person who, in possession of privileged information, knowing or being in the condition to know, on the basis of ordinary diligence, their privileged characteristics, commits any of the facts therein described*").

Moreover, it should be emphasized that even a simple attempt can justify the application of this disciplinary action.

¹ Please note also that the Entity is obliged to pay, in the event of insolvency of the natural person convicted, a sum equivalent to the amount of the fine or penalty imposed (pursuant to art. 197 Italian Criminal Code).

- ***The administrative crime of market manipulation (Article 187-ter TUF)***

The provision pursuant to Article 187-ter TUF extends application of administrative penalties in addition to criminal penalties to include persons who, through any means of communication (including the INTERNET), spread information, rumors, or false or misleading news that provide or “*are susceptible to provide false or misleading indications with regard to financial instruments*”, regardless of the effects (Article 185 TUF requires, for punishing the conduct, that the false news be “*actually suitable*” to alter the prices). Even in this case fraud is not required as a general subjective requirement.

The definition of administrative crime relating to market manipulation is more detailed with respect to the criminal crime and includes:

- a) the transactions or purchase and sale orders that provide or aim at providing false or misleading indications with regard to the offer, to the demand or to the price of the financial instruments;
- b) the transactions or purchase and sale orders that allow, through the action of one or more persons acting jointly, to set the market price of one or more financial instruments at an anomalous or artificial level;
- c) the transactions or purchase and sale orders that use stratagems or other types of deception or expedients;
- d) the other deceptions aiming at providing false or misleading indications with regard to the offer, to the demand or to the price of the financial instruments.

For offenses pursuant to points a) and b), a penalty cannot be imposed on anyone who can prove that they acted for legitimate reasons in accordance with market practices provided for in art. 13 of the MAR or permitted by the ESMA or by CONSOB in the market involved, under the terms of art. 180, para. 1, point c), TUF. In this regard, with resolution no. 16839 dated 19 March 2009, CONSOB accepted as market procedures those relative to:

- a) activity aimed at supporting market liquidity;
- b) purchase of own shares to form a securities portfolio (so-called “magazzino titoli”).

Both market procedures are accepted upon condition that they are implemented according to the terms established by the resolution, to which reference is made for further information on the matter.

E.1.1 Insider Information

The concept of insider information represents the cornerstone around all the insider trading rules are based, as well as the corporate information rules governed by art. 7 of the MAR.

According to the provisions of MAR, as implemented in company procedures, definitions related to the concept of insider information must be given. Therefore, the following definitions are understood:

1. "Insider Information": information defined as such according to current legislation and, in particular, information of a precise nature which has not been made public regarding - directly or indirectly - TAMINI TRASFORMATORI or rather one or more of the financial instruments issued by the Parent Company 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.

As regards Subsidiaries, all information that may be considered insider information for TAMINI TRASFORMATORE in the light of the significance of the activities carried out by the said Subsidiaries is considered.

2. "Types of Significant Information": the types of information that TAMINI TRASFORMATORE deems to be generally significant because it regards dates, events, projects or circumstances that, in a continuous, repeated, periodic or occasional, sporadic or unplanned manner, directly affect TAMINI TRASFORMATORE (or a Subsidiary to the extent that the information also directly affects TAMINI) and which, based on related characteristics, experience and other circumstances, may, in the abstract, later develop into insider information or potential insider information.
3. "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 TAMINI 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.

Acknowledgment of the Community Law on the subject of market abuse has brought about important innovations to the listed companies' information systems.

Indeed, based on the Issuers Regulation, in compliance with the legal provisions introduced in Title III, Chapter I Article 114 and subsequent articles of the TUF, CONSOB ruled the conditions and terms of the communications to the public of the information flows regarding price sensitive matters provided in the TUF.

Based on these amendments, CONSOB² also provided indications and interpretations on the correct implementation of such information obligations, partly included in the following chapter E.4.1.

Regarding the concept of Privileged Information and the potential possibility of some conduct to include the crimes of misuse of privileged information and market manipulation, it should be noted that TAMINI TRASFORMATORI Srl has adopted procedures and operating instructions including also “Compliance Regulations for preventing market abuse crimes and administrative offenses” (hereinafter the “Regulations”).

On the basis of these Regulations, the recipients of the Model have an effective instrument at their disposal to assess if their conduct may lead to administrative crimes and market abuse crimes being committed and, consequently, to prevent conduct which could cause TAMINI TRASFORMATORI Srl’s administrative responsibility.

E.2 AT-RISK AREAS

² CONSOB Guidelines no. 1/2017 of October 2017 and related to “Managing Insider Information”.

With regard to the crimes and criminal conduct set out above, the areas deemed more specifically at risk are:

1. management of public disclosure (relations with the Parent Company's investors, financial analysts, rating agencies, journalists and other representatives of the mass media; organization and participation in meetings, of whatever form, held with the above mentioned persons; with the subjects indicated above);
2. management of Insider Information related to the Parent Company (directly or indirectly) and/or Operators of the Electricity Sector that are listed issuers or parent companies of listed issuers: for example, new products/services and markets, periodic accounting data, forecasts and quantitative objectives concerning management trends, communications related to merger/demerger transactions and new initiatives of particular importance or negotiations and/or agreements with regard to the acquisition and/or transfer of significant assets, quantitative data pertaining to the production or importation of energy, M&A activity;
3. spreading, through any means, information, rumors and news susceptible to provide indications with regard to financial instruments listed in a regulated market.

TAMINI TRASFORMATORI Srl's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate actions.

E.3 GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section is intended to regulate the conduct of Company Representatives and of External Contractors.

The objective of this Special Section is that the Recipients – insofar as they may be involved in the activities in At-Risk Areas and in consideration of different positions and different obligations that each of them has vis-à-vis the Group, comply with the rules of conduct set out herein in order to prevent the occurrence of the offenses provided for herein.

In particular, the function of this Special Section is to:

- a) provide to Recipients a list of examples of the most significant transactions for TAMINI TRASFORMATORE considered by CONSOB as transactions entailing market abuse, that is “suspicious” transactions (to carry out the latter a justified reason and prior authorization are necessary);
- b) provide specific procedural rules which the Recipients, in relation to the type of relation existing with the Group, must comply with for the proper application of the Model;
- c) provide the Oversight Committee, as well as the managers of the other company units that cooperate with the same, with the operational tools for carrying out the necessary control, monitoring and checks entrusted to them.

While performing all the tasks related to the company management, in addition to the regulations included in this Model, Company Representatives –with reference to their respective activities- must, in general, know and observe the current community and national legislation and all the rules and principles set forth in the corporate documents adopted on the subject.

This Special Section provides that Company Representatives in direct form, and External Contractors by means of specific agreement terms, shall expressly refrain from:

- 1. behaving in such a way as to commit the crimes described above;
- 2. implementing a conduct that, while not representing one of the crimes as described above, may become a crime.

E.3.1 Forbidden Transactions and Suspicious Transactions

Some examples of transactions and/or conduct to be considered, which could, in the abstract, apply to TAMINI, are presented below:

- a) Conduct always forbidden, because it is such as to entail a market abuse offense (H.3.1.1),

or
- b) Suspicious conduct, because it may be interpreted as aimed at committing a market abuse offense (H.3.1.2).

For every instance *sub* (B) the transactions may all the same be carried out, on condition that they are for a valid reason (such that excludes the possibility of

market abuse), that the transactions themselves are authorized in advance by the competent department or unit head and, finally, that the Oversight Committee has been notified.

The examples of conduct indicated below are mainly based on the indications provided by the community legislation, and by the national legislation of reference.

E.3.1.1 Conduct always illegal

- *Insider trading*

Some examples of conduct that would be considered insider trading and that could in theory occur in TAMINI are provided below. It remains understood, however, that for specific identification of forbidden conduct reference must be made to the MAR. The said conduct is to be considered always forbidden.

1. direct or indirect trading - carried out using insider information (obtained from Company Representatives on the basis of one's position within the Group or from third parties owing to the fact that they are in a business relationship with the Group) - of shares (or other financial instruments admitted to trading or for which an application for admission to trading has been presented) of the Parent Company or of another Group Company, and of client or competitor companies, or of other companies, if the transaction itself is aimed at favoring or in any case at obtaining an advantage for TAMINI. Such conduct, usually carried out by the issuer companies or by the subjects that control them, must be kept distinct from conduct related to the conclusion of transactions that come within the programs for the purchase of treasury shares or in the stabilization of financial instruments provided for in the regulations. These latter activities may however be carried out in observance of the community and national legislation.
2. communication to third parties of insider information (obtained from Company Representatives on the basis of one's position within the Group or from third parties owing to the fact that they are in a business relationship with the Group), except when such communication is required by laws, by other regulatory provisions or by specific contractual agreements, if such communication is aimed at favoring or in any case at obtaining an advantage for TAMINI.
3. recommendation to third parties or inducement, on the basis of insider information (obtained from Company Representatives on the basis of one's position within the Group or from third parties owing to the fact that they are in a business relationship with the Group), to carry out purchase or sale transactions or transactions of other kinds on financial instruments, if the performance of such transactions is aimed at favoring or in any case at obtaining an advantage for TAMINI.

- *Market manipulation*

Some examples⁴ of conduct that would be considered market manipulation and that could in theory occur in TAMINI are provided below. It remains understood, however, that for specific identification of forbidden conduct reference must be made to the MAR and to what is indicated in paragraph E.1. above. The said conduct is to be considered always forbidden.

- a) the purchase, including by colluding parties, of positions of a financial instrument on the secondary market after placement on the primary market, in order to set the price at an artificial level and generate interest among investors - this practice is generally known in the context of shares as "colluding in the after-market of an Initial Public Offer where colluding parties are involved". This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) unusual concentration of purchase and sale transactions and/or orders, in general terms or by an individual who uses one or more accounts or by a limited number of people;
 - ii) purchase and sale transactions without any other apparent justification other than to increase the price or the volumes of trades, in particular at a crucial time of the trading day such as opening or closing;
- b) purchase and sale transactions or orders that prevent the prices of the financial instrument from falling below or surpassing a predetermined level, principally to avoid negative consequences related to price variations of the financial instrument - this practice is generally known as the "creation of a floor, or a ceiling in the price pattern". This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) purchase or sales transactions or orders that have or are likely to have the effect of increasing or reducing the average weighted price on a certain day or period during the trading session;
 - ii) transactions that have or are likely to have the effect of modifying the settlement price of a financial instrument if this price is used as a benchmark or is particularly relevant for the calculation of margin requirements;
- c) actions such to take advantage of the significant influence of a dominant position on the supply or demand of delivery mechanisms of a financial instrument in order to create or make probable a substantial price distortion to which other parties must deliver, take delivery or postpone delivery in order to fulfill their obligations - this practice is generally known as "abusive squeeze";
- d) trades or placements of purchase or sale orders in a trading venue or outside a trading venue (including expressions of interest) in order to unfairly influence the price of the same financial instrument in another trading venue or outside a trading venue - this practice is generally known as "inter-trading venue manipulation". this practice

⁴ Delegated Reg. (EU) 2016/522

may also be illustrated by the following additional indicator of market manipulation: making a transaction to modify the purchase and sale prices when the differential between these two prices is a price calculation factor in any other transaction, whether in the same trading venue or in other venues;

- e) entering into agreements for the sale or purchase of a financial instrument without changes to the beneficiary interests or market risk or by transferring the beneficiary interest or market risk between parties acting in concert or in collusion with each other - this practice is generally known as "wash trades". This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) unusual repetition of a transaction by a limited number of individuals during a set period of time;
 - ii) purchase and sale transactions or orders that modify or are likely to modify the valuation of a position without reducing or increasing its dimension;
- f) purchase and sale orders or participation in a transaction or series of transactions listed on public display devices in order to create apparent trading activity or price movement on a certain financial instrument - this practice is generally known as "painting the tape";
- g) transactions following the placement of purchase and sale orders that are traded simultaneously or almost simultaneously in similar quantities and at a similar price by one individual or group of individuals in collusion with one another - this practice is generally known as "improper matched orders". This practice may also be illustrated by the following additional indicator of market manipulation: purchase and sale transactions or orders that have or are likely to have the effect of setting a market price when the liquidity or weight of the order book is not sufficient to set a price during the session;
- h) a transaction or series of transactions aimed at concealing the ownership of a financial instrument, violating the obligations of communication through the possession of the financial instrument in the name of one or more individuals in collusion with one another. The communications are misleading as regards the actual owner of the financial instrument - this practice is generally known as "concealing ownership";
- i) taking a long position in a financial instrument and then performing additional purchasing activities and/or disseminating misleading positive information relating to the financial instrument in order to increase its price and attract other buyers. When the price is at an artificially high level, the long position is liquidated - this practice is generally known as "pump and dump";
- j) taking a short position in a financial instrument and then performing additional sales activities and/or disseminating misleading negative information relating to the financial instrument in order to reduce its price and attract other buyers. When the price has fallen, the position is closed - this practice is generally known as "trash and cash";

- k) entering large quantities of purchase and sales orders and/or cancellations and/or updates of such orders to create uncertainties among other participants, slow down the process of other participants and/or mask personal strategies - this practice is generally known as "quote stuffing";
- l) entering purchase and sale orders or a series of such orders or making transactions or a series of transactions that are likely to start or accentuate a trend and encourage other participants to accelerate or amplify the trend to create the opportunity to close or open a position at a favorable price - this practice is generally known as "momentum ignition". This practice can also be illustrated by a high rate of canceled orders (the order-to-trade ratio), which may be associated with a volume rate (such as number of financial instruments per order);
- m) the purchase or sale of a financial instrument deliberately at a crucial moment of the trading session (such as the opening, closing or price fixing) with the intention of increasing, decreasing or maintaining the reference price (such as the opening price, closing price, fixed price) at a certain level - this practice is generally known as "marking the close". This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) placement of orders that represent significant volumes of the central order book of the trading system a few minutes before the price fixing on the market and the subsequent cancellation of such orders a few seconds before the order book is frozen to calculate the market price, in order that the theoretical opening price may seem higher/lower than it would otherwise be;
 - ii) performance of transactions or the presentation of trading orders in particular near a crucial moment of the trading day which, due to their dimension compared to the market, clearly have a significant impact on the supply or demand or on the price or value;
 - iii) purchase and sale transactions without any other apparent justification other than to increase/decrease in price or increase the volumes of trades, in particular at a crucial time of the trading day, such as the opening or closing time;
- n) placement of orders that are removed before their execution in order to create or have the likely effect of creating, in a misleading manner, apparent supply or demand of a financial tool at that price - this practice is generally known as "placing orders with no intention of executing them". This practice may also be illustrated by the following additional indicator of market manipulation: purchase and sales orders placed at a price that would increase demand or reduce supply and have or are likely to have the effect of increasing or decreasing the price of a related financial instrument;
- o) placement of purchase and sales orders that increase demand (or reduce supply) of a financial instrument in order to increase (or reduce) its price - this practice is generally known as "advancing the bid";

- p) disseminating false or misleading information in relation to the market through the media, including the Internet, or through any other means, that lead or are likely to lead to changes to the price of a financial instrument in a way that is favorable to the position held or a transaction planned by the person or persons involved in the dissemination of such information;
- q) opening a position in a financial instrument and closing it immediately after publicly and emphatically declaring a long investment holding period - this practice is generally known as "opening a position and closing it immediately after its public disclosure".

E.3.1.2 Suspicious conduct

Some examples of conduct likely to be interpreted as aimed at committing a market abuse offense (abuse of insider information or market manipulation), that could in theory occur in TAMINI TRASFORMATORI are indicated below. This conduct may be carried out provided that there is a justified reason and it is duly authorized.

- d) Participating in Internet discussion groups or chat rooms on the subject of financial instruments or issuers of financial instruments, listed or unlisted (and where there is an exchange of information concerning the Group, its companies, competitors or listed companies in general or financial instruments issued by these entities). The exchange of information obtained within these initiatives may give rise to a possible case of market abuse. Consequently, these initiatives may be conducted only if they refer to institutional meetings for which the pertinent departments have verified its legitimacy or when it is clear that the exchange of information does not involve insider information;
- e) An unusual number of transactions carried out on a particular financial instrument, for example, between one or more institutional investors that are known to be linked to the issuer company or to subjects with interests in that company's regard, who may intend to or could make a tender offer;
- f) Unusual repetition of transactions by a small number of individuals in a set period of time;
- g) Performing transactions that do not appear to have a reason other than to increase or reduce the price of a financial instrument or to increase the quantities exchanged on a certain financial instrument, especially when orders of this type lead to the execution of contracts during negotiation periods that are required to determine reference prices (for example, towards the end of negotiations);
- h) Unusual transactions on company shares prior to the announcement of price-sensitive information related to the same. Transactions that lead to sudden and unusual changes in the total value of the orders and in the prices of shares before public disclosure of information regarding these shares.
- i) Awarding of orders which, due to their size compared to the liquidity of a specific financial instrument, will have a clear, significant impact on the supply and demand or on the price or on the valuation of said financial

instrument, especially when such orders lead to the execution of transactions during negotiation periods that are required to determine reference prices (for example, towards the end of negotiations);

- j) Carrying out transactions that appear to be aimed at increasing the price of the financial instrument in the days prior to the release of a related derivative financial instrument or a convertible financial instrument;
- k) Carrying out transactions that appear to attempt to change the evaluation of a position, without it being changed, either increasing or decreasing the size of the same position;
- l) Carrying out transactions that, undertaken precisely in the days prior to the release of a related derivative financial instrument or a convertible financial instrument, appear to be aimed at sustaining the price of the financial instrument when there is a downwards trend in the prices of said financial instrument;
- m) Carrying out transactions that seem to attempt to increase or decrease the weighted average price of the day or of a period during negotiations;
- n) Carrying out transactions that appear to attempt to define a market price for the financial instrument, while its liquidity is not sufficient to define a price during negotiations (unless market rules and mechanisms explicitly allow such transactions);
- o) Carrying out transactions that appear to attempt to circumvent measures put in place by negotiation mechanisms (with reference, for example, to quantity limits, parameters related to the differential between the proposals for buying and selling and alternative trading on prices);
- p) Modifying the bid-ask spread (as calculated by the negotiation system) exactly when a transaction must be concluded or executed and this spread is a factor in determining the price of the same transaction;
- q) Canceling large orders a few seconds before the end of the auction via an electronic call, resulting in a significant variation in the theoretical price of the auction and, therefore, in the price of the auction itself;
- r) Carrying out transactions that seem to attempt to maintain the price of an underlying financial instrument below the exercise price of the derivative financial instrument on the maturity date of said derivative;
- s) Carrying out transactions that seem to attempt to push the price of an underlying financial instrument above the exercise price of the derivative financial instrument on the maturity date of said derivative;
- t) Carrying out transactions that seem to attempt to modify the settlement price of a financial instrument when this price is to be used as a reference for calculating margins;
- u) When a person opens an account and immediately orders a significant transaction or, operating on wholesale markets, makes unusual orders or exceptionally large ones on a specific financial instrument; it is even more significant in the event that the person insists on the order being carried out with particular urgency or before a certain time;
- v) When the transaction or the investment strategy implemented by a person is significantly different to previous investment strategies used for the same type of financial instrument or for the total value of the investment or for the order size or investment duration, etc. In this regard some examples can be given:

- the person sells all the stocks he/she has in their portfolio to invest the arising liquidity in a specific financial instrument;
 - the person, who has only invested in mutual investment funds previously, suddenly makes a request to purchase financial instruments issued by a specific company;
 - the person, who has only invested in blue chip stocks previously, moves their investments to an illiquid stock;
 - the person, who has carried out long-term (buy and hold) investments in the past, suddenly makes a purchase on a specific financial instrument just before price sensitive information is announced and, then sells those stocks.
- w) When a person specifically requests the immediate execution of an order, regardless of the price that the order is made at (this example implies something more serious than a simple order at market price).
- x) The case in which a significant transaction between major shareholders or managers of a company prior to the announcement of a major corporate event;

E.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

E. 4.1 Procedural Rules

Consistently with: (i) the community legislation and CONSOB regulations, (ii) the corporate governance system, (iii) the principles of the Code of Ethics, (iv) the controls and procedures related to external disclosure of information, the following provisions must be observed.

1. Mapping of the Types of Significant Information

In order to fulfill promptly the obligations of communication of Insider Information provided for in the current legislation, TAMINI, taking into account also the specific features of the business it carries on, identifies and monitors the Types of Significant Information.

2. Handling of Insider Information

The handling of Insider Information must occur observing internal procedures that must provide for:

- The duties and roles of persons responsible for managing Privileged Information (the "Persons in charge");
- Provisions to regulate its circulation and procedures that the Persons in Charge are obliged to follow during its handling and publication;
- The criteria suitable to qualify the information as insider information or intended to become such;

- The measures needed to protect, preserve and update the information and avoid inappropriate or non-authorized communication within or outside of the Group;
- Those persons who, because of their professional activity or functions, have access to Privileged Information or information intended to become privileged;
- creating a register listing those persons who, due to their professional activity or functions, manage or have access to specific Insider Information or information intended to become such. In particular the criteria for updating the register must be established with access limitations. Inclusion in the register must be communicated to the person involved in order to oblige him to comply with the procedures and consequent restrictions. Each time a transaction is carried out where privileged Information is involved, the persons concerned will be listed into the register and must undersign the necessary subscription.

3. Operating disclosure and external disclosure divulgation obligations

TAMINI TRASFORMATORI communicates to the public, as soon as possible, the Insider Information that regards TAMINI directly, guaranteeing that it is made public according to the methods provided for in the current legislation, so as to enable rapid access and a complete, correct and prompt assessment of the information by the public and avoiding combining the communication of Insider Information to the public with the marketing of its activities.

As an exception to the above, TAMINI TRASFORMATORI may delay, under its own responsibility, the communication to the public of Insider Information, on condition that all the following conditions are met:

- a) immediate communication would probably be detrimental to TAMINI's legitimate interests;
- b) the delay in the communication would probably not have the effect of misleading the public;
- c) TAMINI is capable of guaranteeing the confidentiality of such information.

It is considered opportune to note finally certain norms that provide for further obligations on issuers to communicate to the public and to CONSOB:

Communications to the public

- a) Information on extraordinary transactions (Chapter II, Section IV, articles 70 and following of the Regulations for Issuers);
- b) Periodic Information (Chapter II, Section V, articles 77 and following of the Regulations for Issuers);
- c) Other information (Chapter II, Section VI, articles 84 and following of the Regulations for Issuers).

Communications to CONSOB

- a) Information on extraordinary transactions (Chapter II, Section IV, articles 70 and following of the Regulations for Issuers);
- b) Periodic Information (Chapter II, Section V, articles 77, 81 and 82 of the Regulations for Issuers);
- c) Other information (Chapter II, Section VI, article 85-*bis* of the Regulations for Issuers; Title III, Chapter I, Section I, article 117 and following of the Regulations for Issuers).

4. Information relative to transactions on financial instruments performed by "relevant parties"

The management, handling and dissemination to the market of information relating to transactions regarding financial instruments carried out by "Relevant Subjects" must respect internal procedures that require:

- The sphere of application within the Group;
- the sphere of the subjects involved ("relevant subjects") and "persons closely connected";
- The type of transactions involved;
- The type of financial instruments involved in the communications;
- The timing of the communications by the Obligated Persons;
- the communication flow;
- the sphere of exempt transactions;
- the terms for disseminating information;
- the communication procedure that the Obligated Persons must submit to the Issuer.

5. Checks on the performance of shares

Ex-post or simultaneous checks are carried out on market trading days on the performance of shares; these are aimed at reporting any risk points (e.g. quantity of shares sold/small number of buyers/purchase time).

6. Treasury share purchase transactions and stabilization activities

The internal procedures on treasury share purchase transactions and stabilization activities must be carried out observing what is specified by art. 5 of the MAR and by the rules pursuant to articles 132 TUF, 73 and 144-*bis* Regulations for Issuers and taking into account the permitted market practices.

7. Information to the VB in case of suspicious transactions

In all cases of suspicious transactions, these may be carried out on condition that:

- a justified reason is seen for them (such as to exclude the hypothesis of market abuse);
- The transactions are previously authorized by the director of the competent department or unit;
- The VB is informed.

8. Training

TAMINI arranges for a periodical training and information program for the Recipients of this Special Section referring to crimes and administrative crimes of market abuse and relative existing company procedures.

9. Waivers to the procedures in urgent cases

Exceptions to the principles pursuant to paragraphs E.3.1 and E.4 are possible, under the responsibility of those carrying them out, only in cases of particular urgency in making or implementing a decision or if it is temporarily impossible to comply with the procedures. In these cases, the information is immediately sent to the VB and a subsequent approval is always requested by the competent body.

E.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The supervision functions of the VB to enforce the correct application of the Model with regard to the crime of market abuse are the following:

- a) propose that standardized instructions relating to conduct to be followed in the At-Risk Areas, as identified in this Special Section, are issued and updated. These instructions should be in writing and saved on hard copy and on computer file;
- b) propose that company procedure regarding the prevention of crimes and of administrative crimes included in this Special Section are updated;
- c) with reference to the handling of Privileged Information, the VB will undertake to fulfill the following duties:
 - Monitoring the effectiveness of the internal procedures used in the prevention of abuse of privileged information;
 - Examining any specific case signaled by the internal control bodies or by any Employee and execution of the necessary or opportune verification as a result of the reporting received;
 - supervising that conditions exist to guarantee the auditing company true independence in its control functions over company activities;
- d) with reference to other at-risk activities:
 - carrying out periodical checks on compliance with internal procedures;
 - performing periodic checks that the communications to the public Supervisory Authorities have been made;
 - periodically monitoring the effectiveness of the established checks for preventing crimes from being committed;
 - examining any specific cases signaled by the internal control bodies or by third parties or any Company Representative and carry out the relative necessary or opportune verifications.

TAMINI guarantees the establishment of proceduralized information flows between the VB, the 231 Representatives and the directors of the competent

Departments, or other Company Representatives each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural rules be detected as indicated in Chapter E.4 of this Special Section, or procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

**COMPLIANCE REGULATIONS FOR PREVENTING ADMINISTRATIVE
MARKET ABUSE CRIMES AND OFFENSES PURSUANT TO THE
CONSOLIDATED LAW ON FINANCE (TUF - TESTO UNICO DELLA
FINANZA)**

1 - INTENDED RECIPIENTS OF THIS REGULATION

This Compliance Regulation (hereinafter referred to as the "Regulation") applies to the conduct of Company Representatives and External Contractors as defined in the General Section of the Model (hereinafter referred to as the "Recipients").

The defined terms used in this Regulation have the same meanings ascribed thereto in the Model, unless otherwise specified.

2 - PURPOSE OF THIS REGULATION

This Regulation is a specification and supplements what has already been described, in terms of general conduct and implementation rules, in Special Section "E" of the Model.

The aim of this regulation is to provide a useful operational tool to Recipients who are more likely to be exposed to the risk of committing an administrative market abuse offense/crime (for example, External Communication and Sustainability, Administration, Finance and Control, Corporate Affairs, Strategy and Development, etc.) so that each recipient can assess whether their conduct could give rise to the above offenses. Consequently, this will allow them to prevent conduct that could have a potentially significant impact on the administrative responsibility of the Group.

Firstly, a non-exhaustive list of example conduct and/or operations which could, in the abstract, apply to the Group will be provided, to be considered as **suspicious behavior** in that they may constitute elements of the crimes and the offenses in question.

Secondly, in consideration of the importance that the management of public and Insider Information takes within the Parent Company and other Group Companies, the essential features that qualify such information as "Insider Information" will be indicated (hereinafter, the "Insider Information").

Through the analysis of these requirements, followed by a list providing an overview of the possible subject of the information, the Recipients will be given evaluation criteria on the basis of which they can guide their conduct.

As regards the "practical" side of the Regulation, this brief review will be accompanied by several case studies which will allow the Recipients to apply

the above criteria in resolving several simple situations involving the use of Insider Information.

3 - SUSPICIOUS TRANSACTIONS

The example list given below is principally based on EU Regulation 2016/522.

It should be noted that the differences between crimes and illicit administrative actions of market abuse, as demonstrated in the Model, do not affect the structural elements of suspicious behavior.

Among the conduct listed in paragraphs 3.1, 3.2 and 3.3, some of these are not properly included in the Group's areas of activity, or rather, although being part of the Group's areas of activities, are not part of the At-Risk Areas. However, these types of conduct are listed below for the sake of completeness.

However, manipulative strategies related to individuals that are not Recipients, due to the functions and activities they undertake, which are attributable - for example - to employees of asset management companies or financial intermediaries, have been excluded from this list.

3.1- Suspicious Conduct - Insider trading and market manipulation

Below are several examples of conduct that could be possible signs of insider trading or market manipulation:

- 1) participating in Internet discussion groups or chat rooms on the subject of financial instruments or issuers of financial instruments, listed or unlisted (and where there is an exchange of information concerning the Group, its companies, competitors or listed companies in general or financial instruments issued by these entities). The exchange of information obtained within these initiatives may give rise to a possible case of market abuse. Consequently, these initiatives may be conducted only if they refer to institutional meetings for which the pertinent departments have verified its legitimacy or when it is clear that the exchange of information does not involve insider information;
- 2) an unusual number of transactions on a particular financial instrument (for example, between one or more institutional investors that are known to be linked to the Company or to subjects with interests in its regard, who may intend to or could make a tender offer).

3.2 - Suspicious conduct - Insider trading

Below are several examples of conduct that could be possible signs of insider trading:

- 1) a significant transaction between major shareholders and/or managers of Company prior to the announcement of a major corporate event;
- 2) an unusual transaction on Company shares prior to the announcement of price sensitive information related to the same. Transactions that lead to

sudden and unusual changes in the total value of the orders and in the prices of shares before public disclosure of information regarding these shares.

3.3 - Suspicious conduct – Market manipulation

Below are several examples of conduct that could be possible signs of market manipulation:

- 1) the purchase, including by colluding parties, of positions of a financial instrument on the secondary market after placement on the primary market, in order to set the price at an artificial level and generate interest among investors - this practice is generally known in the context of shares as “colluding in the after-market of an Initial Public Offer where colluding parties are involved”. This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) unusual concentration of purchase and sale transactions and/or orders, in general terms or by an individual who uses one or more accounts or by a limited number of people;
 - ii) purchase and sale transactions without any other apparent justification other than to increase the price or the volumes of trades, in particular at a crucial time of the trading day such as opening or closing;
- 2) purchase and sale transactions or orders that prevent the prices of the financial instrument from falling below or surpassing a predetermined level, principally to avoid negative consequences related to price variations of the financial instrument - this practice is generally known as the “creation of a floor, or a ceiling in the price pattern”. This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) purchase or sales transactions or orders that have or are likely to have the effect of increasing or reducing the average weighted price on a certain day or period during the trading session;
 - ii) transactions that have or are likely to have the effect of modifying the settlement price of a financial instrument if this price is used as a benchmark or is particularly relevant for the calculation of margin requirements;
- 3) actions such to take advantage of the significant influence of a dominant position on the supply or demand of delivery mechanisms of a financial instrument in order to create or make probable a substantial price distortion to which other parties must deliver, take delivery or postpone delivery in order to fulfill their obligations - this practice is generally known as “abusive squeeze”;
- 4) trades or placements of purchase or sale orders in a trading venue or outside a trading venue (including expressions of interest) in order to unfairly influence the price of the same financial instrument in another trading venue or outside a trading venue - this practice is generally known as “inter-trading venue manipulation”. this practice may also be illustrated by the following additional indicator of market manipulation: making a transaction to modify the purchase and sale prices when the

differential between these two prices is a price calculation factor in any other transaction, whether in the same trading venue or in other venues;

- 5) entering into agreements for the sale or purchase of a financial instrument without changes to the beneficiary interests or market risk or by transferring the beneficiary interest or market risk between parties acting in concert or in collusion with each other - this practice is generally known as "wash trades". This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) unusual repetition of a transaction by a limited number of individuals during a set period of time;
 - ii) purchase and sales transactions or orders that modify or are likely to modify the valuation of a position without reducing or increasing its dimension;
- 6) purchase and sales orders or participation in a transaction or series of transactions listed on publicly available devices in order to create apparent trading activity or price movement on a certain financial instrument - this practice is generally known as "painting the tape";
- 7) transactions following the placement of purchase and sale orders that are traded contemporaneously or almost contemporaneously in similar quantities and at a similar price by one individual or group of individuals in collusion with one another - this practice is generally known as "improper matched orders". This practice may also be illustrated by the following additional indicator of market manipulation: purchase and sale transactions or orders that have or are likely to have the effect of setting a market price when the liquidity or weight of the order book is not sufficient to set a price during the session;
- 8) a transaction or series of transactions aimed at concealing the ownership of a financial instrument, violating the obligations of communication through the possession of the financial instrument in the name of one or more individuals in collusion with one another. The communications are misleading as regards the actual owner of the financial instrument - this practice is generally known as "concealing ownership";
- 9) taking a long position in a financial instrument and then performing additional purchasing activities and/or disseminating misleading positive information relating to the financial instrument in order to increase its price and attract other buyers. When the price is at an artificially high level, the long position is liquidated - this practice is generally known as "pump and dump";
- 10) taking a short position in a financial instrument and then performing additional sales activities and/or disseminating misleading negative information relating to the financial instrument in order to reduce its price and attract other buyers. When the price has fallen, the position is closed - this practice is generally known as "trash and cash";
- 11) entering large quantities of purchase and sales orders and/or cancellations and/or updates of such orders to create uncertainties among other participants, slow down the process of other participants

and/or mask personal strategies - this practice is generally known as "quote stuffing";

- 12) entering purchase and sales orders or a series of such orders or make transactions or a series of transactions that are likely to start or accentuate a trend and encourage other participants to accelerate or amplify the trend to create the opportunity to close or open a position at a favorable price - this practice is generally known as "momentum ignition". This practice can also be illustrated by a high rate of canceled orders (the order-to-trade ratio), which may be associated with a volume rate (such as number of financial instruments per order);
- 13) the purchase or sale of a financial instrument deliberately at a crucial moment of the trading session (such as the opening, closing or price fixing) with the intention of increasing, decreasing or maintaining the reference price (such as the opening price, closing price, fixed price) at a certain level - this practice is generally known as "marking the close". This practice may also be illustrated by the following additional indicators of market manipulation:
 - i) placement of orders that represent significant volumes of the central order book of the trading system a few minutes before the price fixing on the market and the subsequent cancellation of such orders a few seconds before the order book is frozen to calculate the market price, in order that the theoretical opening price may seem higher/lower than it would otherwise be;
 - ii) performance of transactions or the presentation of trading orders in particular near a crucial moment of the trading day which, due to their dimension compared to the market, clearly have a significant impact on the supply or demand or on the price or value;
 - iii) purchase and sale transactions without any other apparent justification other than to increase/decrease in price or increase the volumes of trades, in particular at a crucial time of the trading day, such as the opening or closing time;
- 14) placement of orders that are removed before their execution in order to create or have the likely effect of creating, in a misleading manner, apparent supply or demand of a financial tool at that price - this practice is generally known as "placing orders with no intention of executing them". This practice may also be illustrated by the following additional indicator of market manipulation: purchase and sales orders placed at a price that would increase demand or reduce supply and have or are likely to have the effect of increasing or decreasing the price of a related financial instrument;
- 15) placement of purchase and sales orders that increase demand (or reduce supply) of a financial instrument in order to increase (or reduce) its price - this practice is generally known as "advancing the bid";
- 16) disseminating false or misleading information in relation to the market through the media, including the Internet, or through any other means, that lead or are likely to lead to changes to the price of a financial instrument in a way that is favorable to the position held or a transaction planned by the person or persons involved in the dissemination of such information;

- 17) opening a position in a financial instrument and closing it immediately after publicly and emphatically declaring a long investment holding period - this practice is generally known as "opening a position and closing it immediately after its public disclosure".

Considering the aforementioned list, Recipients - wherever they were to identify such conduct or events related to the financial instruments issued by the Company or other Insider Information that directly or indirectly concerns the Company or financial instruments issued by the same - are obliged to notify the VB in order to be instructed in this regard. For every instance of suspicious transactions, these can be carried out on the condition that they are executed for a valid reason (such that excludes the possibility of market abuse), that the transactions themselves were previously authorized by the department head or the competent unit and, finally, that the VB has been notified.

Waivers are possible under the responsibility of those carrying them out and within the limits of the law, only in cases of particular urgency in the decision-making process or in case it is temporarily impossible to comply with internal procedures. In these cases, the information is immediately sent to the VB and a subsequent approval is always requested by the competent body.

Reports can also be submitted by e-mail to the following address: OdV_TAMINI@terna.it or by post to the following address: **Organismo di Vigilanza Modello 231 c/o TAMINI TRASFORMATORI S.r.l. Viale Cadorna, 56/A - 20025 Legnano**

4. THE NOTION OF 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 EU Regulation 596/2014 ("**MAR**").

According to the provisions of MAR, as implemented in company procedures, definitions related to the concept of insider information must be given. Therefore, the following definitions are understood:

1. "Insider Information": information defined as such according to current legislation and, in particular, information of a precise nature which has not been made public regarding, directly or indirectly, TAMINI or one or more of the financial instruments issued by the Parent Company 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.

As regards Subsidiary Companies, all information that may be considered to be of a precise nature for TAMINI in the light of the significance of the activities carried out by said Subsidiary Companies is considered.

2. "Types of Significant Information": type of information that TAMINI 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 TAMINI (or a Subsidiary if the information also directly affects TAMINI) and which, based on the related characteristics, experience and other circumstances, may, in the abstract, later develop into Insider Information or Potential Insider Information.

3. "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 TAMINI 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.

Based on this definition, therefore, the constituent elements that qualify corporate information as "insider information" are as follows:

a) The precise nature

Information shall be deemed to be of a precise nature if it refers to:

- a set of circumstances which exists;
- an event which has occurred;
- a set of circumstances or an event which may be expected to occur.

In this regard, it should be noted that information is considered sufficiently precise when it is specific enough to enable a conclusion to be drawn as to the possible effect of the set of circumstances or event could have on the prices of financial instruments.

The reference to objectively determinable, or however reasonably foreseeable events, excludes the relevance of all information which is general and too vague, not supported by objective data and therefore cannot be accurately verified.

For these reasons soft information and forward-looking information, i.e. the set of forecasts and general estimates based merely on speculation and general opinions, do not appear to be relevant.

Based on the foregoing, it appears clear that the requirement of precision intends to exclude from the list of Insider Information also rumors, namely market rumors not supported by objective evidence.

b) The fact that it has not yet been made public

The disclosure requirement to determine whether corporate information is insider information may be considered fully satisfied also by disclosure different to that provided for in Article 114, TUF: it is sufficient to use any other means of disclosure, provided that it is not restricted to a limited group of operators, as happens, for example, when providing information during meetings with

rating agencies, intermediaries and institutional investors, in relation to which there can be no question of actual publicizing.

At any rate, it appears to be essential that the assessment be made on a case-by-case basis, to take into consideration the specific ways in which information has been circulated.

c) It relates, directly or indirectly ⁵, to one or more financial instruments or to one or more issuers of such financial instruments

This information may concern political, environmental, economic or social events that might affect the business or structure of the issuer or the market sector in which it operates.

Firstly, this notion includes corporate information, i.e. information generated by the issuer company and related to its internal organization, assets and liabilities, financial position and development prospects (e.g. important agreements with other companies, contracts or acquisitions, change in income prospects).

Secondly, it includes market information, i.e. all information which, although it does not directly concern a corporate body, but rather the market in which it carries out its typical activities, ultimately reflects on the organization or on the financial instruments that it has issued.

d) The likelihood, if made public, of having a significant effect on the prices of the financial instruments

This concerns the potential value of information which, regardless of the positive or negative outcomes it causes or can cause, could affect prices, even if only potentially, if disclosed to the public.

The essential element, according to paragraph 4 of Article 181, TUF, is that there is a significant effect, and therefore of such significance to cause a "sensible investor" to use this information as part of the basis of his/her investment decisions.

Please see the table below for an overview of the possible content of the information, in relation to its ability to affect the market price of the issuer's financial instruments.

4.1 Examples of insider information⁶

⁵ Only for the purposes of the application of Articles 184 and 187-bis, TUF.

⁶ Sources: Issuer Regulation; CONSOB Communication no. DME/6027054 issued 28 March 2006; guidance note of CESR 06-562b published in July 2007 ("*Market Abuse Directive Level 3 – Second set of CESR guidance and information on the common operation of the Directive to the market*").

CORPORATE INFORMATION

Information relating to changes in control and shareholders' agreements	<ul style="list-style-type: none"> - changes in controlling interest resulting from the conclusion of new shareholders' agreements, voting agreements, etc.
Information relating to management and company bodies	<ul style="list-style-type: none"> - resignation or appointment of board members or auditors; - changes in the company's key personnel (e.g. General Manager, CAO, etc.).
Information on the corporate and financial structure	<ul style="list-style-type: none"> - transactions involving capital (e.g. increase through the subscription of newly-issued shares, decreases due to losses; the issuing of debt instruments or warrants for the purchase or subscription of shares; - transactions resulting in changes to the corporate structure (e.g. mergers/divisions; spin-offs); - transactions in own shares (e.g. buy-back programs, stock option plans); - corporate restructuring or reorganizations that have an effect on the issuer's assets and liabilities, financial position or profits and losses; - transactions in other listed financial instruments; - purchase or disposal of equity interests or other major asset or branches of corporate activity; - conclusion, amendment or termination of contracts or agreements of significant value (e.g. procurement contracts, supply contracts, joint ventures, etc.); - offers to buy by third parties.
Information on trading parameters	<ul style="list-style-type: none"> - changes in the rights of listed financial instruments; - inclusion/exclusion of market indices; - information on dividends (e.g. payment date, ex-dividend date, changes in payment policy); - possible presentation of

	application for admission to trading on a new market.
Information on going concern	<ul style="list-style-type: none"> - initiating bankruptcy proceedings or the issuing of orders for bankruptcy proceedings; - dissolution or the occurrence of grounds for dissolution; - revocation or cancellation of credit lines by one or more banks.
Information on legal disputes	<ul style="list-style-type: none"> - criminal proceedings pursuant to Legislative Decree 231/01; - important labor disputes (e.g. collective dismissal); - product liability or significant cases of environmental damages.
Economic-accounting related information	<ul style="list-style-type: none"> - receiving offers to buy significant assets; - significant changes in the valuation of assets in financial statements; - changes in expected earnings or losses; - decrease in value of patents or rights or intangible assets due to market innovation; - destruction of uninsured goods of a significant value; - approval of accounting data for the period and disclosure of pre-closing accounting data; - disclosure of forecasts or quantitative objectives; - resignation by independent auditors or other significant circumstances related to the audit process (e.g. adverse opinion, qualified opinion or disclaimer of opinion); - insolvency of significant debtors; - increase or decrease in value of financial instruments in portfolio; - transactions with related parties as per Article 71-<i>bis</i> of the Issuer Regulation.
Information on forthcoming legislative or administrative measures	<ul style="list-style-type: none"> - regulatory action that concerns several aspects of the Issuer's activity; - new regulations that affect a certain type of financial

	instruments.
Information on business development	<ul style="list-style-type: none"> - entry into or withdrawal from a business area; - significant changes in the business organization; - significant changes in the investment policy of the issuer; - business operating performance; - new licenses, patents, registered trademarks; - creation of innovative products or processes.

MARKET INFORMATION

- Data and statistics published by statistical institutes (e.g. data on inflation and other statistics);
- Publication of rating agency reports;
- Publication of research, recommendations or suggestions concerning the value of listed financial instruments;
- Central Bank decisions concerning interest rates;
- Government decisions on taxation, industrial policy, debt management, etc.;
- Decisions concerning changes in the rules governing market indices, especially as regards their composition;
- Decisions concerning governance rules for regulated and unregulated markets;
- Decisions by the Antitrust Authority concerning listed companies and measures of the sector authorities (e.g. tariff measures);
- Relevant orders by government bodies, regional or local authorities or other public organizations;
- Changes related to trading procedures (e.g. information relating to trading financial instruments of an issuer in another market segment; changes from continuous trading to auction trading);
- Change of market players or market conditions.

In relation to the above examples, it seems clear that, in spite of the possible categories, the materiality of each event should be assessed on a **case-by-case basis**, taking into consideration any possible element that, combined with other details, could lead, through inductive-logical reasoning, to assessing the materiality of company information.

So, for example, in relation to notice of resignation by a member of the Board of Directors we need to consider, on the one hand, the reason why the member resigned, and on the other hand, the importance of the role played by the member, e.g. based on his/her powers and specific responsibilities. Likewise, the significance of extraordinary finance transactions will be based on their larger or smaller quantitative dimensions.

Considering this brief discussion, to help Recipients evaluate the appropriate circumstances for making company information insider information and whether they are likely, in case of disclosure, to be an objective condition for the administrative crime or offense of insider trading referred to in Articles 184 and 187-*bis*, TUF, a series of cases will be specified, all of which can be resolved on the basis of the interpretative instruments provided in this Regulation. However, these are mere examples, it being understood that assessment is to be carried out on a case-by-case basis according to current company procedures.

4.2 CASE STUDIES

CASE No. 1

The CEO of the Company reveals to a friend that maneuvers which are sure to have a significant impact on the Company's future, in particular concerning the investment in the acquisition of new relevant assets, are going to be discussed at the next Board of Directors meeting.

Should this be considered insider information?

Answer

Yes: Here we have a piece of information that has not yet been made public, which is of a precise nature, as it concerns an event that may reasonably be expected to happen, and has the potential to affect the price of the Company's financial instruments.

CASE No. 2

An auditor at the Company tells a friend, in confidence, that he/she has some concerns about how the company financial statements have been prepared, hinting that the audit company will probably express an adverse opinion on the financial statements.

Should the information revealed to the friend be considered insider information?

Answer

Yes, this is a piece of information of a precise nature (based on the fact that the source of the information is a party directly involved in auditing the financial statements, as well as the reference to a reasonably foreseeable event), not yet made public (since these are financial statements for which all of the preliminary activities for its certification are still underway) and able to affect the price of the financial instruments issued by the Company.

CASE No. 3

The CEO of the Company tells a friend to have learned, following checks carried out by the public prosecutor's office, to have just been placed on the list of persons under investigation, together with the Company, for the offense of issuing false statements in company notices and preventing Public Supervisory Authorities from performing their duties.

Should this news be considered insider information?

And if yes, could this be viewed as a case of insider trading if the CEO discloses this information to his/her lawyer?

Answer

Unless the news was not immediately made public, this could validly fall within the notion provided for in Article 181, TUF, as it is fully substantiated and capable of generating major uncertainty on the performance of Company bonds in the securities market.

As far as disclosure to a lawyer is concerned, it is clear that such disclosure is legitimate according to paragraph 1, point b) of Article 184, TUF (and Article 187-*bis*, TUF with regard to administrative offense), as it was disclosed to a person within the scope of the exercise of his employment.

CASE No. 4

The HR and Organization Manager of the Company confides to a family member that the decision on whether to outsource activities for recruiting new employees will be taken at the next Board of Directors meeting.

Is this insider information?

Answer

No, because although the information is of a precise nature, and despite the fact that it is "information not yet made public", it does not represent information associated with price sensitivity.

CASE No. 5

The Company's audit manager, in the course of his/her duties, is informed by the Finance and Control Manager of significant variations in the evaluations of the balance sheet assets.

During a conference on improving the grid and energy service, he/she shares this information with a friend/colleague from Operations.

The information he/she shared is considered insider information; therefore, does the disclosure of such information meet the criteria of an insider trading offense?

Answer

Yes: not only is it precise information which has not yet been made public, here it is also a piece of information that is likely to affect the market. As to whether it constitutes an offense of insider trading, the fact that the communication was between colleagues is irrelevant. Here we have a piece of information that has to do with financial statements, disclosed to an Operations manager. For this reason it is easy to establish that the information was disclosed outside of the normal exercise of his/her duties, and therefore does not fall under the exceptions provided for in paragraph 1, point b) of Articles 184 and 187-*bis*, TUF: those provisions exclude the constitution of an administrative offense/crime of insider trading when the disclosure takes place during the “*normal exercise of employment, profession, duties or position*”.⁷

CASE No. 6

The head of Investor Relations, aware of the high probability of an important acquisition being concluded by the Company, due to the identity of the target company and for the total value of the transaction, acquires a considerable number of shares in the Company. While up until that point everything indicated a positive outcome for the aforementioned acquisition, said transaction does not go through.

Should the information used by the employee be considered insider information? And if so, could his/her conduct be considered insider trading?

Answer

Yes. The information presents all the requisites provided for in Article 181, TUF: as to where it constitutes insider trading, the achievement of profit on the behalf of the person who used said information is not relevant. Indeed, the crime is executed subsequent to the mere completion of the transaction, regardless of the outcome of the same.

CASE No. 7

The Company CFO, during a private event, notifies some professional investors of completely optimistic forecasts for the immediate future, also revealing - by way of further confirmation of this news - that the Company had received a consistent number of new orders and of the subsequent decision to invest in the construction of new facilities. Moreover, this information is in clear contrast to the latest press releases that had been released to the public immediately prior.

Following on from this disclosure, some participants at this private event conduct several transactions on Company shares.

⁷ With regard to the interpretation of this exemption, it seems appropriate to mention the content of the judgment of the Court of Justice on 22 November 2005, case C- 384/02: while confirming that the identification of cases falling under “the normal course of the exercise of employment, profession or duties” – pursuant to Article 3, point a) of Directive no. 89/592/EEC (fully transposed by Directive 2003/6/EC currently in force) - largely depends on the national regulations governing the matter, the Court limits the scope of the exemption to the occurrence of two conditions: 1) there is a close link between the information disclosed and the exercise of employment, profession or duties, and b) that, such disclosure is strictly necessary for exercising duties → so-called criteria of **direct relation** and **necessity**.

Should this be considered insider information? Does it also include the crime of insider trading?

Answer

Yes: this is Insider Information in that it had not yet been made public, is of a precise nature and will affect the price of Company financial instruments⁸.

CASE No. 8

The Finance Director of the Company tells a friend of the existence of an acquisition offer for the Company which will be announced the next day.

A few days later the same Finance Director tells the friend that he/she has received a definite offer from the company interested in the acquisition.

Between the time of being told this information and the public announcement of the offer having been accepted, said friend buys a large amount of shares, which he/she resells for a considerably higher price after the public announcement.

Is the information used by the friend to be considered insider information? And if so, could this behavior be considered a crime under Articles 184 and 187-*bis* of TUF?

Answer

Yes, as the information features all the requirements provided for by Article 181, TUF, as the content is well-defined and credible - given the closeness of the informer to the source - and relevant, as a common investor would consider such information as crucial when determining the terms of a transaction on a listed market.

Therefore, his/her disclosure to a person outside of the Company who was not obliged, in relation to his/her duties, to be aware of such information constitutes insider trading⁹.

CASE No. 9

The head of the Company's External Relations and Communications Department, tasked with managing relationships with the media, is made aware by the CEO - on several occasions - of the content of several forthcoming press releases, related to half-yearly revenue forecasts, to the interim financial statements and the appointment of a new CEO.

⁸ Case taken from the *Memorandum decision and order*, dated 01 September 2005, issued by the SEC (Securities and Exchange Commission), the US market supervisory authority, concerning Kenneth Goldman, CFO of Sibiel Systems Inc., who was accused of revealing corporate information that had not yet been made public.

⁹ Case taken from *Final Notice*, dated 03 November 2004 with which the FSA, the London market supervisory authority (LSA), imposed on Mr. Smith, the Finance Director of I Feel Good (Holdings) PLC, the fine of £15,000 for the crime of "improper disclosure", corresponding to the instance referred to in paragraph 1, point b) of Articles 184 and 187-*bis* of the TUF.

Before the official announcements, the External Relations and Communications manager purchases and then sells the financial instruments, resulting in a substantial profit.

Should the disclosed information be considered insider information? *And if so, can the CEO's behavior be considered as conduct typical of insider trading?* And what about the conduct of the External Relations and Communications manager?

Answer

It is unquestionable that this information meets all the requirements provided for by Article 181, TUF: in terms of whether it constitutes insider trading, this is envisaged only in the conduct of the External Relations and Communications manager, but not in the conduct of the CEO. Indeed, the latter reveals the information when exercising his/her specific duties in order to guarantee the adequate and timely preparation of relationships with the media¹⁰.

CASE No. 10

In the case of negotiations relative to a corporate takeover by the Group, is it possible that the conclusion of a preliminary agreement on the subject could in itself constitute Insider Information?

Answer

Yes, MAR expressly states that a particular circumstance or event in a prolonged process can in itself constitute Insider Information.

¹⁰ Case taken from *Final Notice*, dated 07 July 2004, with which the FSA imposed on Peter Bracken, head of the communications department for Whitehead Mann LLP, the fine of £15,000 for the crime of “*misuse of information*”, which corresponds to the instance referred to in paragraph 1, point a) of Articles 184 and 187-*bis* of the TUF.

MONEY LAUNDERING AND SELF-LAUNDERING CRIMES

SPECIAL SECTION "F"

DEFINITIONS

With the exception of the new definitions included in this Special Section “F”, the definitions of the General Section remain valid.

F.1 TYPES OF MONEY LAUNDERING/SELF-LAUNDERING CRIMES (Article 25-*octies* of the Decree)

This Special Section “F” refers to money laundering/self-laundering crimes (hereinafter “Money Laundering Crimes”) introduced into Italian Legislative Decree 231 of 2001, in art. 25-*octies*, by means of Italian Legislative Decree 231 of 21 November 2007 as amended ¹¹ (hereinafter the “Anti-Money Laundering Decree”).

Furthermore, TAMINI 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.

Money Laundering Crimes, considered to be such even if the activities that have generated the assets to be laundered were performed in the area of another Member State or a non-European Union State, are listed below:

- ***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 or for others, acquires, receives or conceals money or things resulting from any crime, or if he is in any case involved in arranging for such money or things to be acquired, received or concealed. The crime is punishable with two to eight years’ imprisonment and a fine from €516 to €10,329. The penalty is increased in the case offenses relating to money or other things resulting from acts of aggravated robbery, aggravated extortion or aggravated theft, and is reduced in the case of minor crimes.

- ***Money Laundering (art. 648-bis of the Italian Criminal Code)***

This crime is committed, with the exception of cases of participating in or facilitating a crime, when a person substitutes or transfers money, goods or other benefits resulting from an unpremeditated crime, or carries out other transactions in relation to these assets, in such a way as to hinder their identification as the proceeds of a crime. The crime is punishable with four to twelve years’ imprisonment and a fine from €5,000 to €25,000. The penalty is

¹¹ The 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”).

increased if the crime is committed during the performance of a professional activity and reduced if the money, goods or other profit resulting from an unpremeditated crime punishable by imprisonment of up to five years.

- ***Use of money, goods or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code)***

This crime is committed in the case that (asides from cases of complicity in the crime and in the cases prescribed by the aforementioned articles) a person uses money, goods or other profit resulting from the crime in financial activities or transactions. The crime is punishable by four to twelve years' imprisonment and a fine from €5,000 to €25,000. 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 imputable or not punishable or when there is a lack of procedural conditions referring to such a crime.

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 above constituted of 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 art. 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, come 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 Parties 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);
 - 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) Other 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) Gambling service providers.

As shown by the above list, TAMINI does not feature among the recipients of the Anti-Money Laundering Decree; however, Company Representatives may, in the abstract, commit one of the Money Laundering Crimes 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 checks¹².

Article 25-*octies* of Decree 231 ("Handling of stolen goods, money laundering and use of money, goods or properties of unlawful origin, as well as self-laundering") may therefore theoretically apply to TAMINI.

- ***Money 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, 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 crime is punishable with two to eight years' imprisonment and a fine from €5,000 to €25,000.

¹² This 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.

The punishment of one to four years' imprisonment and a fine from €2,500 to €12,500 is applied if the money, goods or other benefits result from an intentional 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.

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. The types of offenses specifically provided for in the Decree have been analyzed and detailed in the relevant Special Sections (to which reference should be made), irrespective of whether or not such offenses are crimes of self-laundering. Conversely, TAMINI has decided to give relevance and importance to the following type of corporate crimes not provided for directly by the Decree but which, by virtue of the acts that are punished by law, is potentially applicable in relation to self-laundering conduct.

- ***Fiscal crimes***

Fiscal crimes provided for by Legislative Decree no.74/2000 containing the "new rules on crimes relating to income tax and value added tax, pursuant to Article 9 of Law no. 205 of 25 June 1999", are the following:

- a) Fraudulent statement put in place by the use of invoices or other documents for non-existent operations;
- b) Fraudulent misrepresentation by other devices;
- c) Misrepresentation;
- d) Non declaration;
- e) Issuance of invoices or other documents for non-existent operations;
- f) Concealment or destruction of accounting records;
- g) Non-payment of outstanding or certified withholding taxes;
- h) Non-payment of VAT;
- i) Unlawful compensation;
- j) Fraudulent avoidance of tax payment.

Although such crimes are not included in the list of Predicate Crimes, TAMINI, in the belief that a policy of zero tolerance towards self-laundering is an essential prerequisite for the proper conduct of its business, has decided to include this crime in this Special Section.

Considering the above, a corporation is punished for a Money Laundering Crime by a fine of two hundred to eight hundred shares. If the money, goods or benefits resulting from a crime for which the penalty established is

imprisonment for at most five years, a fine from 400 to 1,000 shares is imposed: considering that the amount of a share may vary from nearly €258 to nearly €1,549.00, the fine may reach the amount of nearly €1.5 million. If such a crime is committed, the corporation is also punished with disqualification measures established in Article 9, paragraph 2, of the Decree for a period of not over two years.

F.2 AT-RISK AREAS

According to the terms of this Special Section “D” of the Model and in relation to the above-mentioned crimes and criminal conduct, the areas that are more specifically considered to be at-risk are the following:

1. relations with Suppliers and Partners at domestic and transnational level;
2. relations with counterparties, other than Partners and Suppliers, with whom the company has agreements for the development, including abroad, of electricity transmission and dispatching activities and the identification of business development opportunities, including in other countries, and the management of subsequent contractual and commercial relations related to the same, including by other Group companies;
3. management of cash flows;
4. compiling and keeping tax records; preparation of tax returns and payment of taxes;
5. management of corporate giving schemes, donations and sponsorships;
6. management of industrial, civil, instrumental and other real-estate assets, including the acquisition, divestment or transformation of the same through operations to modify works;
7. management of intra-group relations, with specific reference to intra-group contracts;
8. management of extraordinary transactions.

All At-Risk Areas as indicated above take on importance also if the activities that form their objective are carried out by the Companies – fully or partly – in the name of and/or on behalf of the Parent Company, by virtue of the agreements signed or of specific proxies granted.

For the activities carried out in the name of and/or on behalf of the Parent Company, the Companies shall implement the reporting activity according to the terms INDICATED in the General Section and in the individual Special Sections.

The Companies shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the model adopted.

TAMINI’s CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate action.

F.3 RECIPIENTS OF THIS SPECIAL SECTION - GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of Company Representatives and of External Contractors as already defined in the General Section.

The purpose of this Special Section is to ensure that these Recipients, to the extent in which they may be involved in activities in At-Risk Areas, follow rules of conduct consistent with the provisions set out herein in order to prevent the occurrence of Money-Laundering Crimes, while considering the different positions held by them with regard to the Group and, therefore, the different obligations they may have as specified in the Model.

In particular, the function of this Special Section is to:

- a. set out a list of the general rules and specific procedural rules that Company Representatives and External Contractors, according to the different type of relationship they have with the Company, shall comply with for the purposes of a correct application of the Model;
- b. to provide the VB and the managers of the other company sectors required to co-operate with the latter, with the operational tools to allow them to carry out the required controls, monitoring and checks.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with respect to their activity - will generally be expected to be familiar with, and comply with, all the rules, procedures and principles – that must be considered as implementing and integrating the Model – contained, by way of company procedures adopted on the subject.

Specifically, in carrying out activities that are deemed to be at risk, Company Representatives and External Contractors, by means of special contractual clauses according to the type of relationship they have with the Group, must comply with the following general conduct rules:

10. they must refrain from conduct that represents the commission of a Money Laundering Crime;
11. avoiding conduct that is not in itself such as to represent the commission of one of the above Crimes, but has the potential to become so;
12. they must 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;

13. they may not have business dealings with persons (both natural and legal) who are known or suspected to belong to criminal organizations or organizations in any way operating illegally, such as, not limited to, persons connected with money laundering, drug trafficking and usury;
14. perform the correct acquisition and archiving of data relating to Suppliers and Partners (including Corporate Structure statements);
15. not receive or make payments through the use of anonymous tools for the execution of transactions involving the transfer of significant amounts;
16. constantly monitor corporate cash flows (including in relation to intra-group payments);
17. ensure the correct preparation, upkeep and conservation of accounting records relevant to tax purposes and the correct transposition of the relative data in the annual statements and departmental reports regarding the payment of taxes, ensuring the correct payment of the same.

F.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

F.4.1 Procedural rules to be complied with in individual At-Risk Operations

The following are the procedural rules that may be implemented, as regards each of the At-Risk Area nos. 1-2-3-5-6-7-8 (as defined in paragraph F.2), also with specific corporate procedures that Company Representatives must comply with:

- a) verify - before the relative relationship is established - the commercial, reputational and professional trustworthiness of the Suppliers and Partners (both commercial/financial), after the definition (i) of the criteria for the preliminary verification/accreditation or qualification; (ii) the procedures and rules for the assignment, modification, suspension and revocation of accreditation/qualification, also in the light of any critical situations during the contractual relationship; and (iii) methods for updating accreditation/qualification in order to verify the maintenance of the required requisites over time;
- b) verify that commercial and financial Suppliers and Partners do not have registered offices or residences in or connections to countries considered as non-cooperative by the Anti-Money Laundering Financial Action Group (GAFI) or "Tax Havens" as defined by recognized national and/or international bodies (e.g. Italian Agency for Tax Revenue, OSCE) or that such counterparties are not included on the lists published by recognized national and/or bodies (e.g. United Nations, European Union, OFAC) in the context of systems to prevent and combat the financing of terrorism. Should any Suppliers or Partners be connected in any way with one of these countries or included on any such list, any relative decision should be expressly authorized by the CEO; the VB should be given prior notification of the decisions taken;
- c) assure the openness and traceability of agreements/joint ventures with other companies for making investments awaiting approval from the appropriate authorization levels;
- d) verify the economic suitability of investments made as part of joint ventures (e.g. respect of average market prices); the relevant branch of the business is obliged to produce an evaluation aimed at assessing said suitability and its reference parameters; verify that individuals and legal entities with whom the Company concludes purchasing contracts necessary for the development of the electricity grid, including in other countries, do not have their headquarters or residence in, or other connections to, countries considered as non-cooperative by the Anti-Money Laundering Financial Action Task Force (FATF) or considered as "Tax Havens" as defined by recognized national and/or international bodies (e.g. the Italian Tax Revenue Agency, OECD) or that such counterparties are not included on the lists published by recognized national and/or international bodies (e.g. UN, EU and OFAC) in the context of systems aimed at preventing and combating the financing of terrorism; where such counterparties are in some way connected to one

of these countries, the related decisions must require express authorization from the CEO and the OC must be notified in advance of any decisions taken;

- e) keep evidence, in the format of computer records to be retained for a period of ten years, of the checks performed in relation to the previous points and any transactions with parties that have registered offices or residences in, or connections to, countries considered as non-cooperative by the Anti-Money Laundering Financial Action Task Force (FATF) or "Tax Havens" as defined by recognized national and/or international bodies (e.g. Italian Agency for Tax Revenue, OECD), or included on the lists published by recognized national and/or bodies (e.g. United Nations, European Union, OFAC) in the context of systems to prevent and combat the financing of terrorism;
- f) carry out formal and significant controls on corporate financial inflows; these controls must take into account the country from which the payment is received (for example tax havens, countries at risk from terrorism, etc.) and any front companies or trust structures used for extraordinary transactions;
- g) not accept cash or bearer instruments (checks, postal orders, deposit certificates, etc.) for amounts totaling over €3,000 for collection operations, payments, transfers, except for the ones transferred by approved intermediaries such as banks, electronic money institutions and Poste Italiane S.p.A.; (except as provided for the management of petty cash) and not use current accounts or savings accounts anonymously or registered to a fictitious name;
- h) in terms of the management of financial transactions, only use operators who certify that they are equipped with manual, computerized and/or telematic control measures suitable for preventing money laundering;
- i) not make payments (i) in favor of parties that are not correctly identifiable; (ii) to current accounts not indicated in the contract, in the purchase order or in other documents signed with the counterparty;
- j) carry out formal and significant controls on corporate financial outflows; these controls must take into account any front companies or trust structures that are also used for extraordinary transactions. These checks must also include consistency and concordance checks between the holder of the contractual relationship (i.e. the creditor of the payment) and the name of the account to which the transaction is to be made;
- k) obtain and retain, for a period of no less than five years, appropriate, accurate and up-to-date information of the beneficial ownership of the Company;
- l) where the Company receives a request to do so from Responsible Parties, provide them in writing with all the necessary and updated information to enable them to fulfill their due diligence obligations;
- m) perform preventive checks on the integrity of the beneficiaries of donations and recipients of sponsorships;

- n) maintain traceability of authorization processes for aid grants, guaranteeing the collegiality of the decisions in this regard;
- o) where possible, check that the funds paid as a charitable contribution were used for the intended purposes;
- p) annually report corporate giving schemes, donations and sponsorships carried out in the given period to the VB;
- q) conduct relations with companies of the Group with the utmost integrity, fairness and transparency;
- r) ensure that the services rendered by/for companies of the Group are made under market conditions and regulated in writing by specific contracts;
- s) ensure the constant and prompt updating of the related-parties transaction register;
- t) ensure that the management of M&A transactions and those relating to the management/acquisition of real-estate assets are made in compliance with the relevant proxies and powers of attorney;
- u) ensure the correct filing of the documentation relating to ordinary, extraordinary, real-state and investment solicitation transactions, as well as to ensure the traceability of the same.

As regards the crime of self-laundering, taking into account that the types of offenses specifically provided for in the Decree have been analyzed and detailed in the relevant Special Sections (to which reference should be made) and in light of the relevance and importance given by TAMINI to fiscal crimes, the following are the procedural rules that may be implemented, as regards each of the At-Risk Area nos. 5-6 (as defined in paragraph F.2), including in the context of specific corporate procedures that Company Representatives must comply with:

- a) In the preparation and subsequent keeping of the accounting books that are relevant for tax purposes, TAMINI shall adopt a series of measures to ensure that Company Representatives – within their own field of competence:
 - do not issue invoices or release other documents for non-existent transactions in order to enable others to commit tax evasion;
 - keep accounting books and any other record that must be kept for tax purposes in a fair and orderly manner, while setting up physical and/or computer systems to prevent the possible destruction or concealment of such documents;
- b) in the preparation of annual statements relating to income taxes and value added tax, TAMINI shall ensure that Company Representatives - within their own field of competence:
 - do not indicate fictitious liabilities items using invoices or other legally relevant documents for non-existent transactions;

- do not indicate assets items for a total amount that is lower than the real one or fictitious liabilities items (e.g. fictitious costs incurred and/or revenues that are lower than the real ones) by means of misrepresentation in the required accounting books and using appropriate means to hinder any inspection;
 - do not a taxable income lower than the actual one by recording assets items for an amount that is lower than the real one or fictitious liabilities items;
 - do not let the time period expire that is established by the applicable regulations before submitting these documents or paying the taxes resulting therefrom.
- c) TAMINI, also through the provision of specific procedures, shall ensure the implementation of the principle of segregation of duties in relation to the management of company bookkeeping and the subsequent data transposition in the tax returns with reference, by way of example, to the following activities:
- verifying that services and issued invoices match;
 - verifying the accuracy of statements compared to the information contained in the accounting books;
 - verifying that the certificates issued as withholding agents and the actual withholding tax payments match, or, in any case, ensuring correspondence between withholdings due and actual payments made.

Reference should also be made to the procedural rules included in the Special Section "B" of this Model.

F.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The VB's duties in relation to compliance with the Model regarding Money Laundering Crimes are as follows:

- a) carrying out periodic controls on compliance with this Special Section, and periodically verify the effectiveness of such controls in preventing the commission of the crimes provided for herein.
- b) assisting, if requested, to propose/update standardized instructions regarding the rules of conduct to observe within the At-Risk Areas as defined in this Special Section. These instructions should be in writing and saved on hard copy and on computer file;
- c) assisting, if requested, to propose/update the specific procedure for the monitoring of contract counterparties other than Partners and Suppliers;
- d) constantly monitor the effectiveness of the internal procedures that the Company has already adopted and supervise the effectiveness of those introduced in future.

TAMINI guarantees the establishment of proceduralized information flows between the VB and the directors of the competent structures, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information shall be given without delay to the VB should violations to specific procedural rules be detected as indicated in Chapter F.4 of this Special Section, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

**CRIMES INVOLVING MANSLAUGHTER AND SERIOUS OR VERY SERIOUS
INJURIES, COMMITTED BY INFRINGING THE ACCIDENT PREVENTION
REGULATIONS AND THE STANDARDS FOR THE PREVENTION OF
OCCUPATIONAL SAFETY**

SPECIAL SECTION "G"

G. OCCUPATIONAL HEALTH AND SAFETY CRIMES

DEFINITIONS

With the exception of the new definitions included herein, the definitions of the General Section remain valid.

- **Members of the Safety, Prevention and Protection Group (ASPP):** persons possessing the capabilities and satisfying the professional requirements established in Article 32 of the Health and Safety Decree and belonging to the Safety, Prevention and Protection Service.
- **Temporary or Mobile Site or Site:** any place in which building or civil engineering works are carried out as described in Appendix X to the Health and Safety Decree, such as works of construction, maintenance, repair, demolition, conservation, reclamation, reconstruction, fitting, transformation, renewal or removal of fixed, permanent or temporary works, including electricity lines and the structural parts of electricity plants and systems. Also classified as building or civil engineering works are excavations and the assembly or disassembly of prefabricated elements used for building or civil engineering works.
- **Procurement Code:** Italian Legislative Decree 163/2006 – Italian law governing public works, supply and services contracts implementation Directives 2004/17/EC and 2004/18/EC and subsequent changes and integrations thereto.
- **Client:** the person on whose behalf the entire building or civil engineering work is implemented, regardless of any division of the work involved, in compliance with the provisions of Articles 88 et seq. of the Health and Safety Decree.
- **Works Coordinator:** the person other than the contractor's Employer or one of his employees or the Safety, Prevention and Protection Manager (except for the cases in which the client and the contractor overlap), assigned by the Client or by the Works Manager to verify, that contractors and Freelancers comply with the provisions included in the Safety and Coordination Plan and to also verify the suitability of the Operating Safety Plan.
- **Project Coordinator:** the person appointed by the Client or the Works Manager, *inter alia*, to draw up the Safety and Coordination Plan and the Works Folder.
- **Employer:** the person that is the principal party to the work contract with the Employees or, in any event, the person that, according to the type and structure of the organization for which Employees perform their activities, is responsible, by virtue of appropriate assignment, for said

organization or for the Production Unit thereof, inasmuch as he exercises decision-making and spending powers.

- **Client's Employer:** the person who entrusts works, services or supplies to contracting companies or freelancers according to article 26 of the Health and Safety Decree.
- **Health and Safety Decree:** Legislative Decree no. 81, dated 09 April 2008 - *"Implementation of Article 1 of Law no. 123, issued 03 August 2007, concerning occupational health and safety"* and subsequent amendments and integrations.
- **Manager:** the person who, according to his/her professional expertise and hierarchical and functional powers that are adequate to his/her assignment, implements, on the basis of the Health and Safety Decree, through a proxy or sub-proxy, the Employer's directives by organizing the working activity and supervising it.
- **DUVRI or Interference Risk Assessment Document:** the document drawn up by the contracting Employer that has commissioned all construction, services and supply works to a contractor or to Freelancers within its company, or to an individual Production Unit within it, that includes a risk assessment specifying the measures for the elimination of the risk of interference in works, services and supply contracts or, if this is not possible, its reduction to the minimum.
- **Risk Assessment Document ("DVR"):** the document prepared by the Employer that includes an assessment report on all the risks to occupational health and safety and the criteria for the said assessment; that sets out the prevention and protection measures implemented as a result of the assessment as well as the personal protective equipment, the program of measures that are deemed advisable to improve safety levels over time; that sets out the procedures to follow in order to implement the measures to be undertaken and the persons holding positions in the company that are in charge of these matters; that names the Prevention and Protection Service Manager, the Employees' Health and Safety Representative and the Appointed Doctor who took part in the risk assessment; and that specifies any duties which expose Employees to specific risks and require recognized professional ability, specific expertise and appropriate training and instruction.
- **Works Folder:** the document prepared by the Project Coordinator containing useful information for risk prevention and protection for Employees' exposure.
- **Employees:** persons that, regardless of the type of contract, perform a working activity within TAMINI.

- **Appointed Doctor:** the doctor that holds one of the formal or professional qualifications laid down in the Health and Safety Decree, that collaborates with the Employer to contribute to the risk assessment and is appointed by the same to carry out Health Surveillance.
- **Operating Safety Plan (POS):** the document drafted by the contractor's Employer, consistent with the Safety and Coordination Plan (PSC) for the Site concerned.
- **Officer in Charge:** the person that, by reason of his/her professional skills and the hierarchical and functional powers appropriate to the position that he/she holds, supervises the work activity and guarantees the implementation of directives, checking the proper execution on the part of Employees and working also based on personal initiative.
- **Designers, Manufacturers, Suppliers and Installers:** the natural or legal persons that are entrusted with designing the premises, workplaces and plants, or that produce, supply, hire out, grant the use of or install plants, machinery or other technical equipment for TAMINI.
- **Safety and Coordination Plan (PSC):** the document prepared by the Project Coordinator including risk organization and assessment in the Sites.
- **Management Systems Representative:** the person that is entrusted with the responsibility and the authority necessary for: (a) ensuring that management system processes are implemented and kept operational; (b) reporting to the top management on management systems performance, including the need for improvements; (c) conducting relations with external parties on matters involving management systems (such as the certification body and customers).
- **Crimes Committed in Violation of the Law on the Protection of Occupational Health and Safety:** crimes under Article 25-*septies* of Italian Legislative Decree No. 231/2001, namely involuntary manslaughter (Article 589 of the Italian Criminal Code) and serious or very serious injuries (Article 590, paragraph 3, of the Italian Criminal Code) committed in violation of the law on the protection of occupational health and safety.
- **Works Manager:** the person who can receive the assignment from the Client/Employer to carry out the duties he/she was assigned on the basis of Italian Legislative Decree no. 81/2008 and subsequent changes and integrations thereto. Within TAMINI, the responsibilities entrusted to the Works Manager are divided among being the Manager of works in the designing phase, Manager of works in the awarding phase and Manager of works in the execution phase.

- **Employees' Health and Safety Representative ("RLS"):** the person appointed or entrusted to represent the Employees with regard to aspects concerning occupational health and safety.
- **Members of the Safety, Prevention and Protection Group (RSPP):** persons possessing the capabilities and satisfying the professional requirements established in the Health and Safety Decree, chosen by the Employer, and belonging to the Safety, Prevention and Protection Service.
- **Health Surveillance:** the complex of medical activity undertaken to safeguard Employees' health and safety in relation to the work environment, occupational risk factors and methods of work.
- **Safety, Prevention and Protection (SPP):** the combination of persons, systems and means, both within and outside TAMINI, whose purpose is to take action to prevent occupational risks for Employees.
- **Employees' H&S:** Employees' Health and Safety.
- **Issuing Office:** the Procurement Department and other offices that, by virtue of TAMINI's internal organizational regulations, carry out procurement processes and enter into the contracts concerned abiding by the procurement system in force.
- **Production Unit:** TAMINI's plants or structures that produce goods or deliver services and are financially and technically/functionally independent.

G.1 CRIMES INVOLVING MANSLAUGHTER AND SERIOUS OR VERY SERIOUS INJURIES, COMMITTED BY INFRINGING THE ACCIDENT PREVENTION REGULATIONS AND STANDARDS FOR OCCUPATIONAL SAFETY (Article 25-septies of the Decree)

The following is a brief description of the Crimes committed in violation of the law on occupational health and safety as specified in Article 25-septies of the Decree.

This Article establishes the application of fines and disqualification measures to Corporations whose representatives commit the crimes specified in Articles 589 (involuntary manslaughter) and 590, paragraph 3 (serious or very serious injuries) of the Italian Criminal Code, infringing the law on 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.

• Involuntary Manslaughter (Article 589 of the Italian Criminal Code)

This crime is committed whenever a person causes the death of another person because of negligence, infringing the rules for the prevention of occupational accidents.

• Serious or very serious injuries (Article 590, paragraph 3 of the Italian Criminal Code)

This crime is committed whenever a person, infringing the law on the prevention of occupational accidents, causes to another person serious or very serious injuries.

Under paragraph 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 paragraph 2, Article 583 of the Italian Criminal Code, an injury is considered to be very serious if the accident gives rise to:

1. *"an illness that is certainly or probably incurable;*
2. *the loss of a sense;*

3. *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;*

4. *the disfigurement of, or a permanent scar, on the face”.*

In both the cases of crimes stated above - namely involuntary manslaughter and serious or very serious injuries – Corporations are liable to a pecuniary penalty between 250 and 1,000 shares (it should be considered, in this connection, that the value of a share may be determined, on the basis of the corporation's economic and financial assets, between €258.00 and €1,549.00).

For TAMINI to be considered as administratively responsible in compliance with the Decree, however, under Article 5 of the Decree, the crimes would have to be committed in its interest or to its advantage (by way of example, if they aimed at reducing the costs of occupational health and safety).

In the event of a sentence for one of the above crimes, TAMINI might also be subjected to one of the following disqualifying measures for a duration of not less than three months and not over one year:

- disqualification from conducting business activities;
- the suspension or revocation of the authorizations, licenses or concessions related to the commission of the crime;
- a prohibition on negotiations with public authorities except for obtaining the handover of a public service;
- the exclusion from facilitations, loans, grants or subsidies and possibly the revocation of those already awarded;
- a prohibition on advertising goods or services.

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 pecuniary penalty of a maximum of 500 shares is applied to the organization.

In order to guarantee the adoption of an effective defense against the potential commission of Crimes under Article 25-*septies* and implementing the Safety Decree, TAMINI has decided to adopt this Special Section G.

G.2 AT-RISK AREAS

In relation to the crimes referred to above, risk analysis activity has been conducted on the basis of the consideration that, unlike the other types of crimes specified in the Decree, the main factor here is only the failure to respect laws issued in order to protect Employees' health and safety that gives rise to the harmful event (death or injury) and not the psychological element in the negligent act (the agent's awareness of causing the event and his/her intention of doing so).

Therefore, the areas considered most specifically at risk as far as TAMINI is concerned are all related to any such non-compliance and involve the following:

- 1. the construction, installation and transportation of transformers and related equipment;**
- 2. monitoring, making safe and maintaining production plants;**
- 3. International Travel Security: management of "Country Risk" relating to the safety of TAMINI and/or external personnel who operate abroad on behalf of the Company itself both stably and occasionally. These are persons in relation to whom TAMINI has an obligation to adopt adequate safety measures in keeping with the critical issues of the country involved.**

Specific attention should be devoted to activities assigned to contractors for the above-mentioned activities.

Furthermore, office work is also important, particularly with respect to the use of video terminals and work-related stress.

The following activities are considered to be particularly important in order to reduce the risk of non-compliance with the laws issued to protect Employees' health and safety, and prevent a harmful event from occurring in one of the At-Risk Areas described above:

- a) determining the occupational health and safety policies, in which the general commitments undertaken by TAMINI for health hazards prevention and the progressive improvement of health and safety conditions are set forth;
- b) identifying and correctly applying the provisions of the applicable occupational health and safety laws and regulations;
- c) identifying and assessing risks for all categories of Employees, with particular reference to:

- the preparation of the Risk Assessment Document;
- tender contracts;
- interference risk assessment;
- Safety and Coordination Plans, Works Folders and Operational Safety Plans;

d) assigning responsibilities and also allocating the necessary resources with regard to occupational health and safety, with particular reference to:

- the distribution of tasks and duties;
- the work of the Safety, Prevention and Protection Service, and the Appointed Doctor;
- the work of all the persons involved with responsibility for implementing Employees' health and safety measures.

e) raising awareness at all levels of the corporate structure concerning the relevance of the correct management of occupational health and safety issues, also by planning training programs, with particular reference to:

- monitoring, frequency, utilization and learning;
- special training for persons exposed to specific risks;

f) implementing appropriate monitoring, verification and inspection activities in order to ensure:

- the timely adoption of any maintenance and improvement measures;
- the management, correction and prohibition of conduct carried out in violation of the law;
- coherence between the activities performed and one's own skills.

All At-Risk Areas and sensitive activities as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group – fully or partly – in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

TAMINI's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate actions.

G.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of TAMINI's Company Representatives, Suppliers and Partners and, if they do not fall under any of these categories, also the relevant persons as specified in paragraph G.4.3.1 of this Special Section ("Recipients"); the aim is for them not to carry out, promote, collaborate or maintain conduct that may cause the commission of the crimes infringing the rules for the protection of employees' health and safety.

The objective of this Special Section is to ensure that all Recipients, if they are involved in performing the activities falling within At-Risk Areas of the sensitive activities and considering their different positions and different obligations with respect to TAMINI, should respect the rules of conduct set out in this Special Section, in order to prevent and hinder the occurrence of Crimes committed infringing the law on occupational health and safety.

In particular, the function of this Special Section is to:

- provide a list of the general rules as well as the specific procedural rules which the Recipients must comply with for the correct application of the Model;
- provide the Vigilance Body, as well as the directors of company departments called to cooperate with the Body, the operational principles and tools for carrying out the necessary checks, monitoring and verifications entrusted to them.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with respect to their activity - will generally be expected to be familiar with, and comply with, the Code of Ethics and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

G.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

In order to allow occupational health and safety rules to be implemented and to guarantee the appropriate controls within each At-Risk Area, TAMINI, in

addition to that provided for under G.3, has seen fit to implement the following specific procedural rules.

G.4.1 Corporate policies on the subject of occupational health and safety

The occupational health and safety policy adopted by TAMINI must be considered as a fundamental reference document for all Company Representatives and all those outside TAMINI that have dealings with the company.

This policy must be applied to all the activities performed by TAMINI and its objective must be that of listing the principles by which all corporate actions are inspired; everyone, according to their role and the responsibilities they take on at TAMINI, shall respect this policy with a view to protect the health and safety of all Employees.

On the basis of this policy, TAMINI must therefore conduct its activities respecting the following specific procedural rules:

- a) responsibility for managing the occupational health and safety system on the entire company structure from the Employer down to each Employee, each according to his/her own functions and skills, in order to avoid prevention activities being considered the sole responsibility of certain persons and a consequent lack of active participation by some Company Representatives;
- b) commitment to considering the health and safety system as an integral part of corporate management and one that all Company Representatives should be familiar with;
- c) commitment toward continuous improvement and prevention;
- d) commitment toward providing the necessary human and instrumental resources, evaluating the advisability of investments in new plants and considering aspects of the protection of Employees' health and safety in addition to the economic and financial issues in such evaluations;
- e) commitment toward ensuring that all Company Representatives, within the limits of their functions, are made aware of their duties and are trained to carry them out in compliance with the laws on the protection of occupational health and safety;
- f) commitment toward involving and consulting Employees, also through the Employees' Health and Safety Representatives; TAMINI lays down appropriate procedures to gain the involvement of Employees, also through the Employees' Health and Safety Representatives, by engaging in prior consultation in the identification and assessment of risks and the definition of the preventive measures to take and by taking part in periodic meetings with the Employees;

- g) commitment to fostering collaboration with the competent authorities (such as INAIL, local health authorities, etc.) in order to create an effective communication channel for the continuous improvement of the safety performance and the protection of Employees' health;
- h) commitment toward the constant monitoring of work-related accidents in order to ensure control, identify criticalities and the corrective action or training activities to be implemented;
- i) commitment toward defining health and safety objectives and the relative implementation activities and making them known within TAMINI.

The health and safety policy is defined, approved and issued by the TAMINI management body.

G.4.2 Identification of statutory occupational health and safety requirements

TAMINI is called upon to correctly identify the requirements laid down in Community, national, regional and local laws and regulations, also in order to ensure that the employees' health and safety management system is prepared and implemented correctly.

Therefore, the Prevention and Protection Service Managers:

- a) analyze all the aspects of health and safety that are regulated by law, using any existing database, employers' association and trade union documents, etc.;
- b) identify law provisions that concern TAMINI on the basis of the activity performed by each Production Unit;
- c) establish the requirements and obligations arising from compliance with these provisions that are applicable to TAMINI's activities.

G.4.3 Organization of the system

G.4.2.1 Duties and responsibilities

The definition of the organizational and operational duties of the company department, the Managers, the Officers in Charge and the Employees must also explicitly state and inform about the duties involved in safety activities for which they are responsible, in addition to the responsibilities linked to these activities and their duties as regards occupational health and safety inspections, verification and supervision.

Furthermore, the names of the Safety, Prevention and Protection Managers (RSPP) and Members (ASPP) should be recorded and made known at all corporate levels, as well as the names of those in charge of emergency management, the duties and the responsibilities of the Appointed Doctor.

The relevant persons are responsible for carrying out the duties set out below, in the implementation of the principles that have been mentioned above and of existing regulations.

- **Employer**

The Employer of each TAMINI Production Unit is responsible for all occupational health and safety obligations, among which the following, which may not be assigned to others:

1) to assess, also in the choice of the work equipment and substances or chemicals used, and in the arrangement of the workplaces - all the risks for health and safety of the Workers, including those regarding groups of Workers exposed to particular risks, among them those associated with work-related stress, and those regarding groups of Workers exposed to particular risks (e.g. risks connected with gender differences, age, origin in other countries); for this purpose, in the decisions made, the Employer must guarantee observance of the technical and structural standards provided for by law;

2) after the assessment, draw up a Risk Assessment Document (DVR). Such document must indicate the date or, as an alternative, must indicate a date as certified by its signing by the persons specified in the Health and Safety Decree (namely the Employer and the Safety, Prevention and Protection Manager – RSPP –, the Employees’ Health and Safety Representative – RLS – and the Appointed Doctor, if any). The document must be kept at the Production Unit for which the risk assessment was made or must be stored in a computer file according to the terms established by the Health and Safety Decree. The DVR document must include:

- a) a report on the assessment of all risks to occupational health and safety, specifying the criteria adopted for the assessment; these criteria must be characterized by simplicity, brevity and comprehensibility, so as to guarantee its completeness and suitability as an operating instrument for planning corporate and prevention initiatives;
- b) an indication of the prevention and protection measures that have been implemented and the personal protection equipment adopted on the basis of the risk assessment mentioned above;
- c) the program for the measures that are deemed appropriate to ensure an improvement in safety levels over time;
- d) the definition of the procedures for implementing the measures that need to be undertaken and the persons/positions in the company that must see to the matter;
- e) the names of the Safety, Prevention and Protection Manager – RSPP –, the Employees’ Health and Safety Representative – RLS – and the Appointed Doctor that took part in the risk assessment process;

- f) the details of the duties that expose Employees to specific risks requiring recognized professional skills, specific experience and adequate training and instructions.

The assessment activity and the preparation of the document must take place in collaboration with the Safety, Prevention and Protection Manager - RSPP - and the Appointed Doctor. The Employees' Health and Safety Representative shall be consulted before risks are assessed and the assessment shall be repeated –according to the terms established in the Health and Safety Decree- when significant changes take place in the production process or in work organization that have significant implications for Employees' health and safety or relating to important technological developments, the prevention and protection methods, following serious accidents or when the outcome of the Health Surveillance shows the need.

3) appoint the Safety, Prevention and Protection Manager.

The Employer is assigned a number of other duties that he may transfer 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 the measures of fire prevention and fire-fighting, evacuation of the workplaces in the event of serious and immediate danger, rescue, first aid and, in any case, emergency management; c) provide to the Workers 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 zones that expose them to a serious and specific risk; e) fulfill the obligations of information, training and coaching pursuant to paragraph G.4.3.2 below; 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 that of the event and, for insurance purposes, the information related to injuries in the workplace that entail an absence from work of more than three days; g) call the periodic meeting pursuant to art. 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 his or her Production Unit specific figures responsible for this;

(l) adopting disciplinary measures in compliance with contract and law provisions towards those Employees who do not respect prevention measures and safety procedures thus causing a real or potential hazard to themselves or others.

The Employer may assign these duties and all others entrusted to him under the Health and Safety Decree provided that the proxy is made public promptly and in the appropriate manner, within the following terms and conditions:

- a) the proxy must be recorded in writing and clearly dated;
- b) the proxy holder must satisfy all the requirements of professionalism and experience needed in view of the specific nature of the transferred functions;
- c) the proxy holder is assigned all the powers of organization, management and control required by the specific nature of the transferred functions;
- d) the proxy holder is granted autonomous spending power necessary for the performance of the transferred functions;
- e) the proxy must be accepted by the proxy holder in writing.

Following an agreement with the Employer, each Manager may in turn assign specific duties regarding occupational health and safety issues based on the same conditions as stated above. Such transfer of duties does not exclude the supervision obligation for the person giving the proxy regarding the correct implementation of the duties transferred. The proxy holder cannot, in turn, transfer the duties assigned to him.

For a more detailed indication regarding the officialization of such proxies, the persons that can be assigned the proxies and the powers normally assigned, reference should be made to the organizational procedures adopted by the Company.

In order to ensure that the corporate safety model to be implemented is synergic and participative, the Employer gives the Safety, Prevention and Protection Service and the Appointed 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 the plants and production processes;
- d. the accident and occupational illness data.
- e. the measures undertaken by Vigilance Bodies.

The Employer or – in case of assigned duties - the proxy holder, must supervise, based on the provisions of the Health and Safety Decree, the fulfillment of obligations on the part of i) all Managers, ii) Employees, iii) Designers, iv) Manufacturers, v) Suppliers, vi) Installers, vii) Appointed Doctor.

- **Safety, Prevention and Protection (SPP)**

In fulfilling his obligations with regard to occupational health and safety, the Employer shall organize the Prevention and Protection Service within the company or shall entrust persons or external services making sure that the appointed members of the Prevention and Protection Service –ASPP- and the

Prevention and Protection Service Managers –RSPP- possess the professional skills and requirements stated in Article 32 of the Health and Safety Decree.

The Prevention and Protection Service Manager –RSPP- will be committed to:

- a) identifying risk factors, assessing risks and determining measures for safety and healthiness of the workplace in compliance with the legislation in force and on the basis of his or her specific knowledge of the company's organization;
- b) as far as he or she is responsible for doing so, preparing preventive and protective measures pursuant to art. 28 of the Health and Safety Decree and control systems for these measures;
- c) drawing up safety procedures for the various activities performed in the company;
- d) proposing programs for employee information and training;
- e) taking part in consultations regarding occupational health and safety and organizing "periodical meetings for risk prevention and protection" as specified in Article 35 of the Health and Safety Decree;
- f) providing Employees with all the information regarding occupational health and safety that is necessary.

Should the RSPP Manager or the Members of the Safety, Prevention and Protection Service – ASPP – in every Production Unit find that there are criticalities in the implementation of the recovery actions established by the Employer, the Safety, Prevention and Protection Manager concerned –RSPP – must immediately inform the Vigilance Body.

The Vigilance Body should also be informed if an RSPP Manager is replaced, and the reasons for this decision should be indicated.

- **Appointed Doctor**

The Appointed Doctor, among other duties:

- g) must collaborate with the Employer and the Safety, Prevention and Protection Service in risk assessment, also with a view to the planning, if necessary, of Health Surveillance, in preparing the ground for the implementation of measures to protect the Employees' health and their psycho-physical integrity, in training and informing Employees within the area of their competence and in organizing the first-aid service, considering the particular types of production and exposure and the particular ways in which work is organized;
- h) plans and carries out Health Surveillance;
- i) opens a health record and updates and keeps it, based on his/her own responsibility for each Employee subject to Health Surveillance;
- j) provides Employees with information regarding the importance of the health checks that they undergo and informs them of the outcome;
- k) at the meetings held under Article 35 of the Health and Safety Decree, provides written reports regarding the anonymous collective results of the health surveillance that has been carried out and explains the

meaning of these results in the light of the implementation of measures to protect the Employees' health and psycho-physical integrity;

- l) visits workplaces at least once a year or with other time intervals determined on the basis of the risk assessment;
- m) takes part in scheduling the checking of Employees' exposure, the results of which are given to him promptly for the purposes of risk assessment and Health Surveillance.

- **Employees' Health and Safety Representative (RLS)**

This is the person appointed or designated, in compliance with the provisions of labor agreements regarding the matter, to represent the Employees as far as aspects of occupational health and safety are concerned.

The Employer or a delegate of the Employer gives him the established special training in health and safety.

Among other duties, the Employees' Health and Safety Representative (RLS):

- a) enters and visits the workplaces;
- b) is consulted beforehand and promptly with regard to risk assessment and the identification, planning, execution and check of preventive measures;
- c) is consulted on the appointment of the Manager (RSPP) and Members of the Safety, Prevention and Protection (ASPP), of the persons in charge of the implementation of emergency and first aid measures and of the Appointed Doctor;
- d) is consulted on the organization of training activities;
- e) fosters the identification, preparation and implementation of prevention measures helpful in protecting the Employees' health and psycho-physical integrity;
- f) attends the periodical health and safety meeting and risk prevention and protection meeting as established in Article 35 of the Health and Safety Decree;
- g) receives company information and documentation on the assessment of risks and the consequent prevention measures and, if he so requests and to assist him in fulfilling his functions, copies of the Risk Assessment Document and the Interference Risk Assessment Documents (DUVRIs).

The Health and Safety Representative - RSL - must be provided with the time required to undertake the role, without loss of earnings, as well as the means necessary to carry out the tasks and powers conferred. He/she may not be discriminated as a result of the performance of his/her activities and will benefit from the same safeguards as those legally applicable to trade union representatives.

- **Client**

The Client (and therefore, for example, TAMINI's Production Unit Manager), amongst other things:

- a) during the design phase of the work and in particular when technical, architectural and organizational decisions are made and the time schedule of works is drawn up, he shall fulfill the general protection principles referred to in Article 15 of the Health and Safety Decree (general measures for the protection of employees' health and safety);
- b) during the design phase, he/she evaluates the Safety and Coordination Plan and the Works Folder;
- c) before assigning the works and when necessary, he/she appoints a Design coordinator after having verified possession of the requirements indicated in article. 98 of the Health and Safety Decree. Such appointment will be made official through a written notice;
- d) verifies that the Project Coordinator has fulfilled all obligations;
- e) before assigning the works and when necessary, appoints a Works Coordinator. Such appointment will be made official through a written notice;
- f) informs contractors, executing companies and freelancers about the name of the Project Coordinator and of the Works Coordinator;
- g) he/she must verify that the executing firms, contractors and freelancers are technically and professionally suitable for the work to be awarded, also by means of their chamber of commerce registration and of their tax compliance certificate in addition to a self-certification stating possession of the requirements indicated in attachment XVII of the Health and Safety Decree.

The Client is relieved from the responsibilities linked to the fulfillment of his/her obligations insofar as these are covered by the appointment of the Works Manager (provided that a capable and competent person is appointed).

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 fulfillment of obligations under Article 91, paragraph 1, 92, paragraph 1 point a), b), c), d) and e) of the Health and Safety Decree.

- **Works Manager**

The person who can receive the assignment - in relation to the organization - from the Client/Employer to carry out the duties he was assigned on the basis of Italian Legislative Decree no. 81/2008 and subsequent changes and integrations thereto.

Within TAMINI; duties entrusted to the Works Manager should be divided in: duties for works in the planning phase; duties for works in the assignment phase; duties for works in the execution phase. In particular, said Works Manager, if appointed, assumes the obligations imposed on the Client by Title IV of the Health and Safety Decree for the delegated part.

- **Project Coordinator**

The Project Coordinator must possess the professional requirements established by the Health and Safety Decree and must carry out the following, among other things:

- a) during the designing phase of the works and in any event before the call to submit bids, draw up the Safety and Coordination Plan;
- b) drafts the Works Folder including useful information for risk prevention and protection for Employees' exposure.

- **Works Coordinator**

Among other things, the Works Coordinator:

- a) by means of appropriate coordination and control action, verifies the executing firms and freelancers' application of the procedures that concern them included in the Safety and Coordination Plan and the correct application of the relative work procedures;
- b) verifies that the Operational Safety Plan is appropriate, ensuring that it is consistent and additional to the Safety Coordination Plan; modifies the Safety and Coordination Plan and the Works Folder according to the progress of the works any variations that have taken place, considering the suggestions that the executing firms make to improve safety on Site; and verifies that the executing firms adjust their own Operational Safety Plans accordingly, if necessary;
- c) through the Employers, including freelancers, shall organize cooperation and coordination of the activities and the exchange of information among these parties;
- d) verifies the implementation of the provisions of the agreements between employers and labor in order to achieve coordination among Safety, Prevention and Protection Managers (RLS) that is necessary in order to improve safety on Site;
- e) reports to the Client and to the Works Manager, if appointed, following written notice to the companies and freelancers involved, any non-fulfillment of the obligations for freelancers, employers of executing companies and relative Managers as per articles 94, 95, 96 and 97, paragraph 1, of the Health and Safety Decree and as per the provisions of the Safety and Coordination Plan, if any; he also proposes the suspension of building activity, removing from building sites the executing companies or freelancers and terminating contracts and informing the OC. In the event the Client or the Works Manager do not undertake measures, the Works Coordinator informs about such non-compliance the Local Health Unit and the competent Labor office;
- f) in the event of serious and immediate danger that he ascertains directly, suspends individual work processes until he has verified that the necessary action has been taken by the companies involved;
- g) reports to the Safety, Prevention and Protection Manager (RSPP) responsible for the area if there are any criticalities in the implementation of the recovery actions established by the Client.

- **Employees**

All employees must take care of their own health and safety and that of the other persons in the workplace that may be affected by their actions or omissions, according to the training, instruction and equipment provided.

Specifically, Employees must:

- a) comply with the arrangements and the instructions given by the Employer, Managers and Officers in charge with regard to collective and individual protection;
- b) make correct use of machinery, equipment, machine tools, hazardous substances and preparations, means of transport and other work equipment and safety equipment;
- c) make proper use of the protection equipment provided for them;
- d) immediately report to their Employer, Manager or Officer in charge regarding malfunctions in the means and equipment specified in previous sections and regarding any other dangerous situation that may come to their notice, taking steps directly, in urgent cases and within the context of their responsibilities and capabilities, to eliminate or mitigate these malfunctions, also informing the Employees' Health and Safety Representative (RLS);
- e) not remove or make changes to safety, warning or control equipment without authority to do so;
- f) not carry out operations or action on their own initiative for which they are not competent, or that may jeopardize their own safety or that of other employees;
- g) attend training or instruction courses arranged by their Employer;
- h) undergo the established medical examinations;
- i) together with the Employer, Managers and Officers in Charge, contribute to the fulfillment of all the obligations issued by the competent authorities or in any way necessary to protect Employees' health and safety while work is carried out.

Employees in companies that perform activities for TAMINI as contractors or subcontractors must be provided with and show a specific identification badge.

- **Designers, Manufacturers, Suppliers and Installers**

Designers of premises, workplaces and plants shall comply with the general prevention principles with regard to occupational health and safety when they make their design and technical decisions and must also use machinery and

protection equipment that meet the essential safety requirements provided by current laws and regulations.

Manufacturers and Suppliers must sell, hire out and allow the use of equipment, plants and personal protective equipment that meet current occupational health and safety laws and regulations and product approval regulations.

Installers and those assembling plants, work equipment or other technical means shall, within the context of their responsibilities, be in compliance with occupational health and safety laws and with the instructions given by the manufacturers involved.

G.4.3.2 Information, training, education

- **Information**

The information that TAMINI, also through each Production Unit, addresses to Company Representatives must be easily understandable and must allow these persons to acquire the necessary knowledge of:

- a) the consequences of not carrying out their activities in compliance with the health and safety system adopted by TAMINI;
- b) the role of each of these persons, and their responsibility for acting in compliance with the corporate policy, the procedures set out in paragraphs G.4.1 and G.3 and all other requirements linked to the health and safety system adopted by TAMINI and the principles set out in this Special Section as applicable to them.

Furthermore, TAMINI, considering the different roles, responsibilities and capabilities of each Company Representative, and the risks to which each is exposed, provides appropriate information to the Employees regarding the following issues:

- a) specific corporate risks, their consequences and the prevention and protection measures adopted, in addition to the consequences that failure to comply with these measures may cause, also in compliance with Italian Legislative Decree no. 231/2001;
- b) first aid, fire-fighting and workplace evacuation procedures;
- c) Safety, Prevention and Protection Service: the names of the Safety, Prevention and Protection Manager (RSPP), the Members (ASPP) and the Appointed Doctor.

In addition, the Company organizes periodic meetings between the Production Units/corporate departments responsible for occupational safety sending notice to the OC.

Employees' Safety Representatives (RLS) are consulted promptly and timely regarding safety activity which requires the update of the Risk Assessment Document (DVR).

All the information activities described above are recorded in documents, including special reports.

- **Education and training**

The Company provides appropriate occupational safety training to all Employees according to the provisions of the Health and Safety Decree that are easily understandable and allow Employees to acquire the necessary knowledge and skills.

To this purpose, it should be pointed out that:

- a) the Prevention and Protection Service Manager (RSPP) draws up the training plan with the Appointed Doctor and the Employees' Health and Safety Representative (RLS);
- b) additional activities in the plan must be carried out when technological innovations, new equipment or the necessity of introducing new work procedure arise;
- c) training given must provide for questionnaires to assess the learning outcome;
- d) training must be appropriate to the risks linked to the duties actually assigned to each Employee;
- e) each Employee must undergo all the training activities that are legally mandatory, such as:
 - the use of work equipment;
 - the use of personal protective equipment;
 - the manual handling of loads;
 - the use of computer terminals;
 - visual signals, gestures, verbal warnings, lights and sounds and all other subjects that are considered necessary at any time for the company to attain its occupational health and safety;
- f) Employees that change duties and those transferred must be given special prior and/or additional training if necessary for their new position;
- g) those in charge of specific duties in emergencies (e.g. fire prevention, evacuation and first aid) must be provided with specific training;
- h) 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:

- main persons involved and relative obligations;
 - the definition and identification of risk factors;
 - risk assessment;
 - the identification of technical, organizational and procedural measures for prevention and protection.
- i) periodical emergency drills must be carried out and these must be recorded (e.g. through a report of the drill after it has taken place stating the method with which it was carried out and the outcome);
- j) newly hired staff that have no previous professional/occupational experience or are not sufficiently qualified, may not be asked to carry out activities autonomously, if these activities are considered as involving a greater risk of accident, but only after they have acquired a level of professionalism that enables them to do so after appropriate training given for not less than three months after their engagement; longer periods may be necessary for the acquisition of special qualifications.

All the above training activities must be recorded in documents, also including reports, and they must be repeated periodically when necessary.

G.4.3.3 Communication, information flow and collaboration

TAMINI makes arrangements to ensure that information is appropriately circulated and shared among all Employees in order to enhance the effectiveness of the organizational system adopted to manage safety, and therefore also of the system for the prevention of occupational accidents.

TAMINI adopts an internal communication system that includes two different types of information flow:

a) bottom-up

TAMINI ensures a bottom-up information flow by providing a special reporting form that can be compiled by all Employees, giving them the possibility to submit observations, suggestions and improvement needs to their line managers in connection with the management of safety in the workplace;

b) top-down

The purpose of top-down information flow is to spread knowledge of the system TAMINI adopts for the management of occupational safety among all its Employees.

For this purpose, TAMINI guarantees Company Representatives with appropriate and regular information through notices that are distributed internally and the organization of periodical meetings which concern:

- a) new risks to Employees' health and safety;
- b) changes to the organizational structure adopted by TAMINI to manage its Employees' health and safety;
- c) the contents of the corporate procedures adopted for the management of Employees' health and safety;
- d) all other aspects connected with Employees' health and safety.

G.4.3.4 Documentation

In order to contribute to the implementation and constant monitoring of the system adopted to protect occupational health and safety, TAMINI ensures that the following documents are properly kept, in both electronic form and hard copy, and updated:

- a) the health record, which is opened, kept up to date and stored by the Appointed Doctor;
- b) the accident register, one for each Province;
- c) the register of exposed Employees, to be kept in the event of exposure to carcinogenic agents or mutagenic substances;
- d) the Risk Assessment Document (DVR), specifying the methodology adopted in assessing risks and the contents of the plan for maintaining and improving measures;
- e) contract documentation: the Safety and Coordination Plan; the Works Folder; coordination reports concerning the verification of the executing companies' application of the provisions of the Safety and Coordination Plans; Operational Safety Plans.

TAMINI is also called upon to ensure:

- a) that the Manager and Members of the Prevention and Protection Service (RSPP and ASPP), the Appointed Doctor, those in charge of implementing emergency and first aid measures, as well as any Senior managers are formally appointed;
- b) that visits to the workplaces made by the Appointed Doctor and possibly by the Safety, Prevention and Protection Manager (RSPP) are recorded in documents;
- c) that documents regarding laws, regulations and accident prevention rules pertinent to the company's activities are kept;
- d) that documents regarding corporate regulations and agreements are kept;
- e) that handbooks and instructions for the use of machinery, equipment and personal protective equipment supplied by the manufacturers are kept;
- f) that all procedures adopted by TAMINI for the management of occupational health and safety are kept;

- g) that all the documents concerning the activities referred to in paragraph G.4.3.2 (Information, training and education) are kept by the Safety, Prevention and Protection Manager (RSPP) and made available to the Vigilance Body.

TAMINI carries out constant monitoring of the corporate procedures, ensuring that they are modified and reviewed, particularly when an accident or an emergency has taken place, taking into account, among other points, reports from Employees when the information flow described in paragraph G.4.3.3 is activated.

G.4.3.5 Monitoring

TAMINI has a monitoring plan for the system adopted for the management of occupational health and safety in order to ensure its efficiency.

To this end, TAMINI:

- a) ensures that the preventive and protective measures adopted for the occupational health and safety management system are constantly monitored;
- b) ensures that there is constant monitoring of the adequacy and functionality of the occupational health and safety management system in attaining the objectives set and its correct application;
- c) carries out a detailed analysis of every work accident that takes place in order to find whether there are any shortcomings in the occupational health and safety management system and establish any corrective action that needs to be taken.

If monitoring regards aspects that require specific expertise, TAMINI arranges for it to be carried out by competent external resources.

TAMINI ensures that any corrective action is promptly implemented in compliance with the specific procedure that TAMINI adopted.

G.4.4 Tender contracts

The following principles must be applied to works, services and supply contracts.

The Employer, in the event works, services and supplies are granted to a contracting company or to freelancers within its organization or Production Unit, pursuant to company procedures, and if he possesses the legal availability of the places in which the contract is executed or the freelance job, must:

- a) with the support of the Issuing Offices concerned, verify that contracting firms or freelancers are technically and professionally appropriate for the works to be contracted out to them;
- b) provide contractors with detailed information regarding the specific risks existing in the environment in which they are to work and regarding the prevention and emergency measures adopted with regard to their particular activities;
- c) cooperate in the implementation of the measures to prevent and protect from work-related risks that affect the work to be done under the contract;
- d) coordinate the action taken to prevent the risks to which Employees are exposed and to protect them from these risks by means of a constant exchange of information with the Employers of the contracting firms, also in order to eliminate the risks arising from interference between the work done by individual firms involved in completing the work as a whole.

The Employer/Client promotes the cooperation and coordination mentioned above by preparing an Interference Risk Assessment Document (DUVRI) that sets out the measures adopted to remove interference, or, if this is not possible, to reduce it to a minimum. This document must be annexed to the works or services contract during the award process. It may, if necessary, be updated with the progress of works, services and supplies. The obligation of drafting said document does not apply in the event of intellectual services, simple supplies of materials or equipment or for works or services whose duration does not exceed two days, if they do not involve risks linked to the presence of carcinogenic elements, or biological elements, explosives or particular risks as listed in attachment XI of the Health and Safety Decree.

In supply contracts (Article 1559 of the Civil Code), work contracts (Article 1655 of the Civil Code) and sub-contracts (Article 1656 of the Civil Code) costs must be indicated of the measures adopted to eliminate or, if this is not possible, reduce to the minimum the risks for occupational health and safety linked to interference in work processes. These costs cannot be reduced. At their request, the Employees' Health and Safety Representative (RLS) and the trade unions may consult these data if they ask to do so.

G.5 INSTRUCTIONS AND INSPECTIONS OF THE VB

The VB's duties in relation to compliance with the Model regarding Crimes under Article 25 - *septies* of the Decree are the following:

- carry out periodical checks on compliance with this Special Section and regularly monitoring their effectiveness in preventing the commissioning of Crimes under Article 25 - *septies* of the Decree. In this regard, the Vigilance Body, which may also be aided by the collaboration of technical consultants competent in such matters, will periodically analyze the operation of the prevention system adopted in this Special Section, and should significant violations of provisions on

occupational health and safety be discovered, or changes in the organization and activities following scientific and technological advances, will propose improvements or changes to the competent TAMINI' officers;

- examining any reports of alleged violations of the Model and carrying out any investigation deemed necessary or appropriate on the basis of the information received.

TAMINI guarantees the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural rules be detected as indicated in Chapter G.4 of this Special Section, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas and activities.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

COMPUTER CRIMES AND ILLEGAL DATA PROCESSING
CRIMES RELATED TO COPYRIGHT INFRINGEMENT:

SPECIAL SECTION "H"

H. CYBER CRIMES AND CRIMES RELATED TO COPYRIGHT INFRINGEMENT

DEFINITIONS

With the exception of the new definitions included in this Special Section "H", the definitions of the General Section remain valid.

Machine Administrator (MA): Person assigned the IT Workstation (ITW) with privileges of local Administrator.

Administrators of databases, Administrators of networks and security apparatus and Administrators of applications: these are not system administrators, but have high privileges in relation to the activity performed. They can, therefore, be considered equivalent to SAs from the point of view of the risks related to data protection.

Application Owner: corporate figure with ample decision-making responsibilities on an application, identified normally with the Process Owner or his/her delegate.

System Administrator (SA): professional figure devoted to technical management and maintenance of a processing system or its components. As he/she is a Machine Administrator on all Workstations he/she may come into contact with personal and/or confidential data. The System Administrator has a high level of privileged access to the IT resources because he/she must guarantee the service continuity and must be able to carry out activities as system administrator and/or operator (e.g. administrator of networks, of the operating system, of databases, of applications, of access control, etc.) necessary to manage the infrastructure underlying an application/service (systemic profile) or to manage the application (application profile). The professional figures to whom such administrative rights are granted are formally appointed by the company by means of a written communication and are also reported to the internal corporate Information Security team.

Credentials: the identifying data of a user or an account (generally the UserID and Password).

Computer Data: any representation of facts, information or concepts in a form suitable for processing in a computer system, including a program suitable for causing a computer system to perform a function.

Crimes related to Copyright infringement: The crimes included in Article 25-*nonies* of the Decree.

Computer Crimes: the crimes pursuant to Article 24-*bis* of the Decree.

Electronic Document(s): any computer representation of acts, facts or legally relevant data.

Electronic Signature: the whole of the electronic data attached or connected by logical association to other electronic data, utilized as a method for digital authentication.

Copyright Law: Law No. 633 dated April 22, 1941 on Copyright.

Password: a sequence of alphanumeric or special characters necessary to authenticate to a computer system or application.

Peer to Peer: a mechanism for sharing digital content over a network of personal computers, normally used to share files containing audio, video, data and software.

Security Plan: a document which defines a set of coordinated activities to be undertaken to implement the security policy of the system.

Workstation: a computer terminal that can be fixed or mobile and that is capable of handling business information.

Information Security: the set of organizational, operational and technological measures aimed at protecting the information processing carried out through electronic means.

Information Systems: the network and the set of corporate systems, databases and applications.

Spamming: the act of sending numerous unsolicited messages, usually implemented using electronic mail.

Virus: a program created for the purpose of sabotage or vandalism, which may degrade the performance of computer resources, destroy stored data as well as spread via removable media or communication networks.

H.1 COMPUTER CRIMES AND ILLEGAL DATA PROCESSING (Article 24-*bis* of the Decree) AND INFRINGEMENT OF COPYRIGHT (Article 25-*nonies* of the Decree)

Below is a brief description of the crimes that are contained in this Special Section “H”, pursuant to Article 24-*bis* and Article 25-*nonies* of the Decree. In this regard, it should be noted that although the two types of crimes protect different legal interests, it was decided to prepare a single Special Section for the following reasons:

- both cases require the proper use of computer resources;
- because of this, at-risk areas partly overlap;
- in both cases, the procedural rules are intended to raise the awareness of the Recipients about the multiple consequences of improper use of computer resources.

H.1.1 COMPUTER CRIMES AND ILLEGAL DATA PROCESSING (Article 24-*bis* of the Decree)

- ***Electronic Document Forgery (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 or private 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 telecommunication 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.

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 and distribution of computer or telecommunication systems' access codes (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 or to cause damage to others, a person illegally gets hold of, reproduces, propagates, transmits or delivers codes, passwords or other means for the access to an information or

telecommunication system 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 illegal access in so far as they are aimed at getting hold for himself/herself or for another person of 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 a 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.

- ***Distribution of information equipment, devices or computer programs aimed at damaging or interrupting a computer or telecommunication system's operation (Article 615-quinquies of the Italian Criminal Code)***

The crime is committed when a person, in order to illegally damage an information or telecommunication system and the information, data or programs contained therein, and cause the partial or total interruption or alteration of the system's operation, gets hold of, transmits, produces, reproduces, imports, disseminates, communicates, delivers 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, gets hold of a Virus suitable

for damaging or interrupting the operation of that company's computer system.

- ***Wiretapping, blocking or illegally interrupting computer or information technology 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 a 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.

- ***Installation of devices aimed at wiretapping, blocking or interrupting computer or information technologies communications (Article 617-quinquies of the Italian Criminal Code)***

This type of crime is committed when a person, except for the cases permitted by law, installs devices suitable for wiretapping, preventing or interrupting the transmissions of an information or telecommunication system, or between multiple systems.

The conduct prohibited by Article 617-quinquies of the Italian Criminal Code is therefore the mere act of installing this type 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 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 organization 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.

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.

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.

- ***Computer crime by the certifier of a digital signature (Article 640-*quiquies* 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.

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 TAMINI.

Therefore, in the description of the single crimes, as well as in the following description of the Crimes relating to the Infringement of Copyright, such relevant aspect was taken into account for the preparation of the proposed case studies.

With reference to the commission of Computer Crimes, a pecuniary sanction ranging between 100 and 500 shares (considering that the value of each share is determined on the basis of the financial and property situation of the Corporation, between a minimum of € 258 and a maximum of € 1549 and that they can range between a minimum of approximately € 26,000 and a maximum of € 800,000) and a disqualifying measure may be imposed on the Corporation depending on the type of crime committed.

H.1.2COPYRIGHT INFRINGEMENT CRIMES (Article 25-*nonies* of the Decree)

Article 25-*nonies* 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 TAMINI 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-*nonies* of the Decree that are considered *prima facie* relevant to the Company, provided for by Articles 171, paragraph 1, point a-*bis* and paragraph 3, and Article 171 *bis* of the Copyright Law.

- ***Crimes connected to copyright protection and other rights connected to its exercise (Article 171, paragraph 1, point a-bis and paragraph 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.

- ***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 paragraph 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 reference to the commission of the Crime of Copyright Infringement, a pecuniary sanction of up to 500 shares (therefore up to approximately €800,000.00) and a disqualifying penalty may be imposed on the Corporation, such as the prohibition of exercising activities or the suspension or revocation of authorizations, licenses or permits that may be used to commit the offense, for a period not to exceed one year.

H.2 AT-RISK AREAS

The At-Risk Areas identified, in reference to Computer Crimes and Crimes related to Copyright Infringement concern:

1. the **management and monitoring of access to computer and telecommunications systems**, which include the following activities:
 - a) managing the user profile and the authentication process;
 - b) managing and protecting workstations;
 - c) managing outwards access;
 - d) managing and protecting networks;
 - e) managing system outputs and storage devices;
 - f) physical security (cabling safety, network devices, etc.);
2. **management of electronic information flow with the public administration;**
3. the **use of software and databases;**
4. **management of the content of the TAMINI website** and the social media, as well as management and organization of events.

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group - fully or partly - in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

TAMINI's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate actions.

H.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of Company Representatives and of External Contractors as already defined in the General Section.

The Objective of this Special Section is that the Recipients - to the extent to which they may be involved in operating in At-Risk Areas and considering that each of these persons has a different position and various obligations towards TAMINI and the other Group Companies - should comply with the rules of conduct established in this Special Section, in order to prevent and avoid the occurrence of Computer Crimes and those of Copyright Infringement.

In particular, the function of this Special Section is to:

- a) provide a list of the general rules as well as the specific procedural rules which the Recipients must comply with for the correct application of the Model;
- b) provide the Vigilance Body, as well as the directors of company departments called to cooperate with the Body, the operational principles and tools for carrying out the necessary checks, monitoring and verifications entrusted to them.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives - with respect to their activity - will generally be expected to be familiar with, and comply with, the Code of Ethics and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

Based on international benchmark standards, a company computer security system is intended as the technical and organizational measures that aim to ensure that the integrity, availability and confidentiality of the computerized information and the resources used to acquire, save, process and communicate said information are protected.

According to this approach, the fundamental objectives concerning computer security for TAMINI are the following:

- **Confidentiality:**

the guarantee that a certain piece of data is safeguarded from illegal access and is used exclusively by authorized persons. Confidential information must be protected both when it is being sent and when it is being saved/stored, so that the information can be accessed only by persons authorized to view it.

- **Integrity:**

the guarantee that all company data is truly the original information that was entered into the computer system and that it has only been changed in a legitimate manner. It must be ensured that the information is processed in such a way as to prevent non-authorized individuals from altering or modifying the same.

- **Availability:**

the guarantee concerning the availability of company data according to the requirements of continuity of processes and in compliance with the laws that require their historic storing.

Based on these general principles, the company expressly prohibits TAMINI Company Bodies, freelancers and consultants (within the respective limits of obligations covered by the specific procedures and obligations covered by specific contractual clauses) from:

- engaging in, collaborating or causing conduct that, if taken individually or collectively, integrate directly or indirectly the types of crimes that fall under those considered above (Article 24-*bis* of Italian Legislative Decree 231/2001);
- violating the company rules and procedures provided for in this Special Section.

Under these aforementioned rules, it is prohibited, in particular, to:

- 1) connect to the Group's information systems, personal computers, peripherals and other equipment or install any software without prior permission of the designated company subject in charge;
- 2) install any software product in violation of the license agreements and, in general, in violation of all copyright laws and regulations;
- 3) change the software and/or hardware configuration of fixed or mobile workstations with the exception of cases provided for by a corporate rule or upon proper authorization;
- 4) purchase, hold or use software and/or hardware tools - except for duly authorized cases where such software and/or hardware is

used to monitor the company's information systems for security purposes - which could be used improperly to evaluate or compromise the security of computer or telecommunication systems (systems to detect Credentials, identify vulnerabilities, decrypt encrypted files, wiretap traffic, etc.);

- 5) obtain Credentials to access company information and telecommunication systems, as well as those of clients or any third party, using methods or procedures other than those authorized for such purposes by TAMINI;
- 6) disclose, sell or share with TAMINI employees or external staff and with the employees of other Group Companies one's own Credentials to access the company network and systems or those of clients or any third party;
- 7) illegally access the information system of others - that is used by other Employees or any third party - or access it to tamper with or alter any data contained therein;
- 8) tamper with, remove or destroy company information or that of customers or any third party, including archives, data and programs;
- 9) exploit any vulnerabilities or inadequacies in the security measures of company computer or telecommunication systems or those of any third party, to gain access to information and resources other than the ones which one is authorized to access, even if such intrusions do not cause damage to data, programs or systems;
- 10) acquire and/or use products that are protected by copyright in violation of contract guarantees provided for the intellectual property rights of others;
- 11) illegally access the Company's website in order to illegally tamper with or alter any data contained therein or enter multimedia data or content (images, infographics, videos, etc.) in violation of copyright laws and applicable company procedures;
- 12) share with unauthorized TAMINI employees or external staff, information regarding the controls implemented on the company computer systems and how they are used;
- 13) hide, render anonymous, or substitute one's own identity and send e-mails reporting false information or intentionally send e-mails containing Viruses or other programs that can damage or wiretap data;
- 14) Spamming as well as any action in response to it;

- 15) send through a company computer system any altered or forged information or data.

Therefore, the persons indicated above must:

- 1) use information, applications and equipment exclusively for work;
- 2) not lend or give any computer equipment to third parties without prior authorization from the Manager of the Administration and Personnel Department;
- 3) in the case of loss or theft, inform the Manager of the Administration and Personnel Department in a timely manner and file a report with the competent Judicial Authority;
- 4) prevent the entering and/or keeping at the company (in paper form, on the computer or through the use of company tools) - for any purpose and any reason - of electronic material and/or documents that are confidential in nature and belong to third parties, except where acquired with their express consent, as well as applications/software that have not been previously approved by the Department Head or whose origin is dubious;
- 5) avoid transferring and/or sending files, documents or any other confidential document belonging to TAMINI or another Group company outside of TAMINI, except for purposes strictly related to the exercising of one's duties and, in any case, subject to prior authorization from the Manager of the Administration and Personnel Department;
- 6) avoid leaving one's PC unattended and/or accessible to others;
- 7) avoid using the password of other company users, not even for access to protected areas in the name and on the behalf of the same, except with the express authorization of the Manager of the Administration and Personnel Department;
- 8) avoid using software tools and/or hardware designed to intercept, falsify, alter or delete the content of electronic communications and/or documents;
- 9) use the Internet connection for the purposes and times strictly necessary to carry out the activity that make the connection necessary;
- 10) comply with procedures and standards by reporting - without delay - any anomalous utilizations and/or malfunctions of electronic resources to the competent department;
- 11) only use products officially purchased by TAMINI on TAMINI equipment;

- 12) refrain from making copies of data and software that are not specifically authorized;
- 13) refrain from using the electronic tools available outside of the provided authorizations;
- 14) observe all other specific rules regarding systems access and the protection of TAMINI's data assets and applications;
- 15) strictly observe the corporate security policies for protecting and controlling computer systems.

H.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

In relation to the At-Risk Areas (as identified under H.2), TAMINI undertakes to, in turn, put the following obligations in place:

- 1) adequately inform Employees and interns and other individuals – such as Contractors – who may be authorized to use the Computer Systems of the importance of the following:
 - keeping their Credentials confidential and not revealing the same to third parties;
 - properly using software and databases;
 - refraining from entering data, images or other material protected by copyright without the prior permission of one's line managers according to the instructions contained in the company policy;
- 2) provide recurrent training for Employees, diversified by their duties and, to a lesser extent, for interns and other individuals - such as Contractors – who may be authorized to use the Computer Systems, in order to raise their awareness of the risks posed by the improper use of corporate computer resources;

- 3) define what is considered acceptable conduct for the proper use of software and databases in the Code of Ethics and Information Security policy;
- 4) have Employees as well as interns and other individuals – such as Contractors – who may be authorized to use the Computer Systems, sign a specific document in which they commit to the proper use and protection of corporate computer resources;
- 5) inform Employees as well as interns and other individuals – such as Contractors – who may be authorized to use the Computer Systems, of the need to never leave their systems unattended and to lock them using their access codes, should they leave their Workstation;
- 6) set up their Workstations in a way that after a given period of time of inactivity, the computers will automatically lock;
- 7) protect, as far as possible, every corporate computer system to prevent the illegal installation of hardware that can wiretap, prevent or halt communications relating to an information or telecommunication system, or between multiple systems;
- 8) provide information systems with the appropriate anti-virus and firewall software to ensure that, where possible, they cannot be disabled;
- 9) prevent the installation and use of software that is not approved by the group and that is unrelated to the professional activities carried out for the company;
- 10) inform users of computer systems that the software they use to carry out their activities is protected by copyright and as such it is forbidden to duplicate, distribute, sell or hold it for commercial and/or business purposes;
- 11) limit access to particularly sensitive Internet sites and areas as they can distribute and disseminate Viruses that can damage or destroy information systems or data contained therein and, in any case, implement - in the presence of union agreements – devices that are responsible for detecting possible abnormal Internet access sessions, by identifying the “index anomaly” and exchanging information with the appropriate departments in the event that such anomalies are detected;
- 12) prevent the installation and use on TAMINI information systems of Peer to Peer software through which it is possible to share any type of file (such as videos, documents, songs, Viruses, etc.) on the Internet network, without any control by TAMINI;

- 13) if wireless connections are used for the connection to the Internet, protect them by establishing an access key to prevent any third party outside of TAMINI from illegally logging onto the Internet through its routers and carrying out any illegal activities for which the Employees may be blamed;
- 14) provide an authentication procedure through the use of Credentials matching a limited profile of the system resource management, specific for each Employee, intern and other persons – such as Contractors – who may be authorized to use the Information Systems;
- 15) limit access to the company computer system from the outside, by adopting and maintaining different authentication systems or others in addition to the ones that are in place for the internal access of Employees, interns and other persons – such as Contractors – who may be authorized to use Computer Systems;
- 16) immediately cancel the accounts of system administrators at the end of their contract relationship;
- 17) provide, in the contract relationship with Suppliers of software services and databases developed in connection with specific business needs, indemnity clauses designed to hold TAMINI free and unharmed against any liabilities in case of acts that are committed by the Suppliers themselves and that may violate any intellectual property right of a third party. Include in these contracts, the signing of specific documents that bind them to the correct use and protection of corporate information resources which they may use.

H.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The VB's duties in relation to compliance with the Model regarding Crimes under Article 24 *-bis* and 25-*nonies* of the Decree are the following:

- carry out periodical checks on compliance with this Special Section and regularly monitoring their effectiveness in preventing the commissioning of Crimes under Article 24-*bis* and 25-*nonies* of the Decree. In order to fulfill these obligations, the Vigilance Body, making use, if necessary, of the collaboration of expert advisors competent in these matters, will conduct periodic analyses of the system of prevention adopted in this Special Section and will suggest any action necessary to make improvements or changes to the competent offices of TAMINI if significant violations of rules related to Cyber Crimes and/or Crimes of Infringement of Copyright come to light, or when there are transformations in corporate organization and activities as a result of scientific and technological advances;
- examining any reports of alleged violations of the Model and carrying out any investigation deemed necessary or appropriate on the basis of the information received.

TAMINI evaluates the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural rules be detected as indicated in Chapter H.4 of this Special Section, or procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

ORGANIZED CRIME OFFENSES

SPECIAL SECTION "I"

DEFINITIONS

With the exception of the new definitions included in this Special Section, the definitions of the General Section remain valid.

I. ORGANIZED CRIME OFFENSES

I.1 ORGANIZED CRIME OFFENSES (Article 24-*ter* of the Decree)

Law No. 94, dated 15 July 2009, containing provisions on public security, introduced Article 24-*ter* into the Legislative Decree (hereinafter "Organized Crime Offenses").

The above-mentioned Article expanded the list of the predicate crimes, adding the following:

- Article 416 of the Italian Criminal Code ("criminal conspiracy");
- Article 416-*bis* of the Italian Criminal Code ("Mafia conspiracy");
- Article 416-*ter* of the Italian Criminal Code ("Mafia-related political election exchange");
- Article 630 of the Italian Criminal Code ("kidnapping for purposes of robbery or extortion");
- Article 74 of Presidential Decree no. 309/1990 ("criminal conspiracy for illegal trafficking of narcotics and psychotropic substances");
- Article 407, paragraph 2, point a, no. 5 of the Italian Criminal Code (crimes of illegal manufacture, introduction into the Country, sale, transfer, illegal possession and shelter in a public place or open to the public of war weapons or warlike arms, explosives and clandestine arms).

A preliminary analysis showed the immediate inapplicability to TERNA of the cases under articles 416 *ter* of the Criminal Code, art. 74 of Presidential Decree No. 309/90 and 407, paragraph 2, subparagraph a) No. 5 of the Criminal Code.

It is, however, appropriate to consider the crime of kidnapping for purposes of extortion pursuant to Article 630 of the Italian Criminal Code, which could theoretically be brought against TAMINI, e.g. for being culpable of complicity in the intentional crime.

The following, therefore, is a brief description of the two types of crimes under Article 24-ter of the Decree that are considered *prima facie* relevant to the Company, provided for by Articles 416 and 416-bis of the Italian Criminal Code.

- Criminal Conspiracy (Article 416 of the Italian Criminal Code)

The crime punished under Article 416 of the Italian Criminal Code occurs when three or more persons form a continuing criminal conspiracy for the purpose of committing an indefinite number of offenses, provide the necessary means to implement their criminal scheme, are fully aware of being part of an unlawful association, and are ready to carry out their criminal plan.

In brief, the crime of Conspiracy is characterized by the following three basic elements:

- 1) an association that tends to be permanent and is bound to last even beyond the commission of specifically planned crimes;
- 2) the indefiniteness of the criminal plans;
- 3) the existence of a structural organization, even if it is minimal but suitable for achieving the criminal objectives pursued.

In particular, those who promote, establish and manage the association shall be liable, for that only, in addition to those who coordinate the association's collective activity due to their higher position or hierarchical level, and are defined "bosses" in the legislative text.

The sole participation in the association is punished with a lesser penalty.

Finally, the rule is intended to suppress the conspiracy aimed at committing any of the crimes referred to in Articles 600 (Reducing to slavery or enslaving), 601 (Trafficking in human beings) and 602 (Purchase and disposal of slaves) of the Italian Criminal Code, as well as in Article 12, paragraph 3-bis, of the combined text of measures governing immigration and norms on the condition of foreign citizens pursuant to Legislative Decree no. 286 dated 25 July 1998 (Provisions against illegal immigration).

- Mafia Conspiracy, including foreign Mafia conspiracy (Article 416-bis of the Italian Criminal Code)

This Article punishes anyone who is part of a Mafia conspiracy consisting of three or more people.

Conspiracy is of a Mafia type when its members use the power of intimidation which arises from the bonds of membership, and use the system of subordination and the code of silence that arises from this in order to commit crimes or to obtain, directly or indirectly, 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.

Penalties are more severe:

- for those who promote, manage and organize such a conspiracy;
- if the conspiracy is armed. The conspiracy is considered armed when its members have access to arms or explosive materials, even if concealed or stored, for the purposes of furthering the aims of the conspiracy;
- when the economic activities which the conspirators intend to take up or maintain control of are financed, totally or partially, with the price, the product or the profit of the crimes.

The provisions set forth in this Article are also applicable to the Camorra and any other conspiracy, whatever their names, including foreign associations, that make use of the power of intimidation deriving from the bonds of membership to pursue goals typical of a Mafia-type conspiracy.

For the purposes of this Section, it should be noted that with regard to the crime pursuant to Article 416-*bis* of the Italian Criminal Code, the crime of "external" conspiracy is committed when a person who, even if not a member of the unlawful association, provides a concrete, specific, conscious and voluntary, continuing or occasional contribution, provided that it has a significant relevance for the maintenance or strengthening of the association and is aware that his/her contribution is useful for carrying out, even if partially, the conspiracy's criminal plan.

Both crimes described above occur 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 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.

Lastly, in regard to “transnational” crimes pursuant to Law no. 146 of 2006, the aiding and abetting of another person referred to under Article 378 of the Italian Criminal Code is particularly relevant.

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.

A pecuniary penalty of a maximum of 500 shares is applied to the organization.

In particular, the company could be held liable, not only for omissions (such as, mere reticence or mendacity over the identity of the guilty party), but also for active behavior that is consistent with creating obstacles to the completion of the investigations (for example, by paying a ransom to a criminal organization that has kidnapped the employee).

As is apparent from the description of the above-mentioned crimes, other crimes can occur in connection with conspiracy upstream which – although they may not be, expressly provided for by the Decree – could cause the Corporation to be held administratively liable. The types of offenses specifically provided for in the Decree have been analyzed and detailed in the relevant Special Sections (to which reference should be made), irrespective of whether or not such offenses are crimes of conspiracy. Conversely, the Company has decided to give relevance and importance to two corporate crimes not provided for directly by the Decree but which, by virtue of the acts that are punished by law, are potentially applicable in relation to conspiracy conduct.

- **Fiscal crimes**

Fiscal crimes provided for by Legislative Decree no.74/2000 containing the “new rules on crimes relating to income tax and value added tax, pursuant to Article 9 of Law no. 205 of 25 June 1999”, are specified in Special Section “F” in relation to Money Laundering and Self-Laundering Crimes, which should be consulted in its entirety. Moreover, the execution of these fiscal crimes may be precursory in nature:

- first and foremost, to the organized crime offenses included in this Special Section;
- secondly, to the self-laundering provided for in Special Section “F”, when the money or other benefits resulting from the fiscal crimes is subsequently used, substituted and/or transferred in economic, financial, entrepreneurial or speculative activities.

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

The crime of trading in illicit influence was established with the intention of punishing all conduct leading to the committing of the actual crime of corruption that consists of the conduct of anyone who:

1. by exploiting existing relationships with a public official or person in charge of a public service, to unduly secure the obtainment or promise for them or for others of money or other financial benefit as the price of their illegal mediation with the public official or person in charge of a public service; or
2. by exploiting the above-mentioned relations, unduly secures the obtainment or promise for them or for others of money or other financial benefit to remunerate the public official or person in charge of a public service.

The legislation also attaches significance to conduct by those who unduly give or promise money or other financial benefits.

In both cases intermediation must be carried out in relation to the performance of an act contrary to the official duties or the failure to perform or delay in performing an official act by the public official or the person in charge of a public service.

Also in consideration of the precursory nature of this offense with respect to the Crimes of corruption established in Article 25 of the Decree, even though this crime is not included in the list of Predicate Crimes, TAMINI, in the belief that a policy of zero tolerance towards

corruption is an essential prerequisite for the proper conduct of its business, has decided to include this crime in this Model.

Penalties that can be applied to the Corporation should an Organized Crime be committed, can be of a pecuniary nature, from 400 to 1000 shares (therefore, considering that the value of each share can be determined on the basis of the Corporation's economic and financial position, they may range between €258.00 and €1,549.00 – between nearly €103,000.00 to nearly €1,550,000.00) or they can be disqualifying measures for at least one year.

I.2 AT-RISK AREAS

With regard to the crimes and criminal conduct set out above, the areas deemed more specifically at risk are:

- 1. relations with Suppliers and Partners, both within Italy and transnationally, concerning the construction, management and maintenance of electricity transformers;**
- 2. personnel selection;**
- 3. in relation to fiscal crimes referred to in Special Section "F", the drafting and keeping of tax records;**
- 4. in relation to the fiscal crimes referred to in Special Section "F", the preparation of tax returns and related activities;**
- 5. investment activity and joint venture agreements or other types of partnerships with counterparts inside and outside Italy;**
- 6. At-Risk Areas identified in Special Section "A" concerning corruptive crimes;**
- 7. intermediation engaged in by third parties (such as, for example, Consultants and Partners) with respect to representatives of the Public Administration;**
- 8. managing accounting and tax compliance within the Group.**

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group - fully or partly - in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

TAMINI's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate actions.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

I.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of the Recipients of the Model.

The objective of this Special Section is that Recipients comply – insofar as they are involved in the activities falling into At-Risk Areas and in consideration of different positions and different obligations that each of them has vis-à-vis TAMINI – with the rules of conduct set out therein in order to prevent and avoid Organized Crime Offenses from occurring.

In particular, the function of this Special Section is to provide:

- a) a list of the general rules and specific procedural rules which the Recipients must comply with for the correct application of the Model;
- b) the Vigilance Body, as well as the directors of company departments called to cooperate with the Body, the operational principles and tools for carrying out the necessary checks, monitoring and verifications entrusted to them.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with respect to their activity - will be expected to be familiar with, and comply with, the Code of Ethics, the 262¹³ Control Model and related operating instructions for its implementation and the Regulations of the Manager in Charge and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

¹³ The company, in compliance with that which was established by Law no.262 on 28 December 2005, entitled "Provisions for the protection of savings and the regulation of financial markets", has adopted its own Model 262, in order to ensure that financial reporting provides a truthful and accurate representation of the company's property and financial and economic situation, in accordance with generally accepted accounting principles, namely that the financial statement corresponds to the accounting books and records (Article 154-*bis*, paragraph 5, TUF).

I.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

In order to ensure adequate controls in relation to each At-Risk Area, the following rules must be complied with by TAMINI, the Company Representatives and by any other subject who may be authorized to operate in these areas, in addition to the procedures set out in the policies, corporate procedures and organizational documents that are mentioned, by way of example, in paragraph I.3 above.

The Company undertakes to:

A) constantly use criteria in the selection of personnel ensuring that the selection is carried out in a transparent manner, according to the following criteria:

- professional skills that are adequate for the positions or duties to be assigned;
- equal treatment;
- reliability versus the risk of criminal infiltration.

In this regard, the Company ensures that the following documents are produced by each Employee before being hired:

- criminal record;
- a certificate of pending proceedings, no more than three months old.

B) provide full cooperation in implementing agreements for preventing criminal infiltration, as established by specific laws or imposed by the competent Authorities.

C) ensure that company personnel are informed about the specific risks of criminal infiltration through the dissemination of information on the forms of crimes in the area collected using:

- periodic reports, where available, published by the competent public authorities;
- surveys by labor institutes;
- ISTAT statistics;
- criminology studies by qualified experts;
- documents from the Chambers of Commerce, business associations and trade unions, anti-racket associations and any other public entity that performs similar functions in the different territorial areas;

- information received and/or obtained from public authorities and/or qualified persons.
- D) with respect to the activities to be carried out for Company Representatives, the Company undertakes to ensure the organization of training courses on the risk of criminal infiltration in the different territorial areas and the importance of acting within the law as a fundamental principle of professional ethics and a prerequisite for the Group's sound economic growth.
- E) in the selection and subsequent management of the contract relationship with Suppliers, the Company undertakes to effectively implement corporate procedures to ensure that:
- the selection process complies with the criteria of transparency, equal access, professionalism, reliability and cost effectiveness, being understood that the requirements of complying with law provisions will prevail versus any other;
 - the Vendor lists drafted on the basis of qualification procedures for Suppliers who operate within qualified sectors are subject to constant monitoring and control activities, in order to verify that they still meet the admission requirements;
 - the procurement process is constantly regulated by the principle of segregation of duties even where recourse is made to a simplified award procedure.
- F) the Company undertakes to regularly evaluate, by means of the competent Departments, the adequacy of the existing qualification divisions, to determine any additions with respect to activities which, because of the geographical area in which they must be carried out, or other circumstances reflecting a higher risk of criminal infiltration, require a more thorough monitoring of the Suppliers that are to be selected;
- G) With respect to the conduct to be held towards Partners, including foreign ones, reference should be made to the procedural rules included in the Special Section "F" of this Model.
- H) in order to prevent criminal infiltration in the conduct of business, the Company will:
- guarantee the implementation of adequate supervision within its facilities, such as to allow access to company areas only to authorized persons or vehicles;
 - evaluate the opportunity to activate appropriate computer and CCTV systems suitable for ensuring the recording of all access to company areas, while always respecting privacy protection legislation;

- Company Representatives - each for his/her own activities - are expected to meet the following requirements:
- Company Representatives must not yield to any unlawful demands of which they must notify their direct supervisor. The latter, in turn, must report the case to Police Authorities and file legal proceedings, if necessary;
- Company Representatives must immediately notify Police Authorities in case of attacks against corporate assets or suffered threats, providing all necessary information on each single prejudicial act as well as any information on relevant, also previous, circumstances and, file legal proceedings, if necessary;

Company Representatives must report to the Vigilance Body, even through their chain of command, any information that may indicate the potential for criminal infiltration in the activities of the company and, in this regard, the Company undertakes to ensure confidentiality to those who comply with these reporting requirements or who file legal proceedings and to fully support them also by providing legal assistance, if necessary.

- I) For the prevention of fiscal crimes see the rules set out in Special Section "F" and, in particular:
- ✓ the specific procedural rules, points j) – k) – l) referred to in point F.4.1 of Special Section "F";
 - ✓ the procedural rules included in the Special Section "B" of this Model.

- L) For the prevention of the crime of trading in illicit influence, see the principles set out in Special Section "A" and, in particular:
- the prohibition against paying fees, or providing services, to Consultants and Partners that are not justified with reference to the duty they have to perform and to common local practices;
 - the associated obligations of specifying the duties in writing, indicating the compensation agreed;
 - and Special Section "B", in relation to the crime of corruption between individuals and regarding the giving of gifts and donations to third parties.

I.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The VB's duties in relation to compliance with the Model regarding the crimes included in this Special Section are as follows:

- carrying out periodic controls on compliance with this Special Section, and periodically verify the effectiveness of such controls in preventing the commission of the crimes provided for herein. In order to fulfill these obligations, the VB – with the cooperation of competent technical experts in the field, if necessary - will conduct periodic analyses of the functionality of the system of prevention adopted in this Special Section and will suggest any action necessary to make improvements or changes to TAMINI's competent offices if any significant violations of the rules on Organized Crime Offenses and any further offenses covered in this Special Section come to light;
- assisting, if requested, to propose standardized instructions regarding the rules of conduct to observe within the At-Risk Areas defined in this Special Section. These instructions should be in writing and saved on hard copy and on computer file;
- examining any reports of alleged violations of the Model and carrying out any investigation deemed necessary or appropriate on the basis of the information received.

TAMINI guarantees the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural rules be detected as indicated in paragraph I.4 of this Special Section, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.

ENVIRONMENTAL CRIMES

SPECIAL SECTION "L"

L. ENVIRONMENTAL CRIMES

DEFINITIONS

With the exception of the new definitions included herein, the general definitions remain valid.

- **Industrial waste water:** any kind of water drained from buildings or facilities in which commercial activities or the manufacturing of goods takes place, which differs from domestic waste water or storm water run-off.
- **Reclamation:** the set of measures to eliminate sources of pollution and pollutants or reduce concentrations of the same present in the ground, subsoil and groundwater to a level less than the values of risk threshold concentrations (RTC).
- **Environmental Code:** Legislative Decree no. 152 dated April 3, 2006 entitled "Environmental Legislation", and subsequent modifications and integrations.
- **Waste trader:** any company which acts as a commissioning entity for the purpose of purchasing and subsequently selling Waste, including traders who do not take physical possession of the Waste.
- **EWIC:** Waste identification code according to the European Waste Catalogue pursuant to the Directive of the Ministry of the Environment of 09 April 2002, as amended and supplemented.
- **CTC:** contamination threshold concentration.
- **RTC:** risk threshold concentration.
- **Temporary Storage:** the accumulation of Waste, pending collection, on the site where it is produced, respecting the quantity or time limits provided for by applicable legislation, also due to the type of Waste being stored.
- **Waste Holder:** the Waste Producer or the natural or legal person in possession of the same.
- **Landfill site:** a Waste disposal site for the deposit of the waste onto or into the land, including the area within the Waste production site used for waste disposal by the producer of Waste, as well as any area where waste is stored as a temporary deposit for more than one year. Excluded from this definition are 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 recovery

or treatment 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 (definition referred to in Article 2, paragraph 1, point g) of Legislative Decree no. 36 of 13 January 2003 concerning "Implementation of Directive 1999/31/EC on landfill waste" recalled by Article 182 of the Environmental Code).

- **Waste Management:** collection, transport, recovery and disposal of Waste, including monitoring of such operations and interventions subsequent to closure of disposal sites, as well as operations carried out as a Trader or Broker.
- **Broker:** any company carrying out recovery or disposal of Waste on behalf of third parties, including brokers who do not acquire physical possession of the Waste.
- **Waste Mixing:** combination of Waste such as to make subsequent separation or differentiation extremely difficult, if not impossible.
- **Waste Producer:** anyone whose activities produce Waste (original waste producer) or anyone who carries out pre-processing, mixing or other operations resulting in a change in the nature or composition of said Waste (new producer).
- **Environmental Crimes:** the environmental crimes pursuant to Article 25-*undecies* of the Decree.
- **Waste:** any substance or object which the holder discards or intends or is required to discard.
- **Hazardous Waste:** waste that has one or more characteristics referred to in Annex I of Section IV of the Environmental Code.
- **Dumping:** any intake conducted through a permanent draining system that - uninterruptedly - connects the waste water production cycle with surface water, the soil, subsoil and sewerage systems, regardless if pollutant in nature, also that which has been purified beforehand.
- **SISTRI:** the waste tracking and traceability system, pursuant to Article 188 *bis* paragraph 2, point a) of the Environmental Code, established in compliance with Article 14 *bis* of the decree law no. 78 of 2009 (converted, with amendments, by Law no. 102 of 2009) and the Decree from the Ministry of the Environment and the Protection of Land and Sea dated December 17, 2009.
- **Limit value of emissions:** the emission factor, the concentration, the percentage or the mass flow of polluting substances in emissions that must not be exceeded.

L.1 TYPES OF ENVIRONMENTAL CRIMES (Article 25-*undecies* of the Decree)

Legislative Decree no. 121 dated 07 July 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 crimes, 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. destruction or deterioration of a habitat within a protected site (Article 733-*bis* of the Italian Criminal Code);
3. the unlawful dumping of industrial waste water containing substances that are hazardous and/or exceed value limits established by law and/or competent authorities (Article 137, paragraphs 2, 3, and 5 of the Environmental Code), violation of the ban on dumping on the land, in the land and in groundwater (Article 137, paragraph 11 of the Environmental Code) and the unlawful dumping by ships or aircrafts of substances or materials for which an absolute ban on dumping has been imposed (Article 137, paragraph 13 of the Environmental Code);
4. the unauthorized management of waste (Article 256, paragraph 1 point a] of the Environmental Code), the unauthorized creation and management of a landfill site (Article 256, paragraph 3, of the Environmental Code), the mixing of hazardous waste (Article 256, paragraph 5 of the Environmental Code) and the temporary storage of hazardous healthcare waste (Article 256, paragraph 6, first sentence of the Environmental Code);
5. the reclamation of sites (Article 257, paragraphs 1 and 2 of the Environmental Code);
6. falsification of waste analysis certificates (Article 258, paragraph 4 of the Environmental Code);
7. illegal waste trading (Article 259, paragraph 1 of the Environmental Code);

8. organized activities for illegal waste trading (Article 260, paragraph 1 and paragraph 2 of the Environmental Code);
9. false information in the waste traceability system (Article 260-*bis*, paragraph 6 of the Environmental Code) and waste transportation without appropriate SISTRI documentation or with false or amended SISTRI documentation (Article 260-*bis*, paragraph 7, second and third sentence and paragraph 8 Environmental Code);
10. the violation of the emission values limits and of the regulations established by legislative provisions or by competent authorities (Article 279, paragraph 5 of the 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, paragraph 1 and 2; Article 2, paragraph 1 and 2; Article 6, paragraph 4 and Article 3-*bis*, paragraph 1 of Law 150/1992);
12. violation of regulations concerning the production, consumption, import, export, possession and trade of harmful substances (Article 3, paragraph 6 of Law no. 549 dated 28 December 1993 entitled "Stratospheric Ozone and Environmental Protection Measures");
13. reckless or negligent polluting by ships (Article 8, paragraphs 1 and 2; Article 9, paragraphs 1 and 2 of Legislative Decree no. 202/2007).

Subsequently, with Article 8 of law no. 68, dated 22/05/2015, the predicated crimes for which Corporations are administratively liable were included in Article 25-undicies of Decree 231, as well as under Articles 452-*bis*, 452-*quater*, 452-*quinquies*, 452-*sexies* and 452-*octies* of the Italian Criminal Code.

A preliminary analysis showed the immediate inapplicability to the Company of the cases under points 1, 2, 11, 12 and 13.

Therefore, a description of the Crime that was considered when drafting this Special Section dedicated to Environmental Crimes is given below.

A. ITALIAN CRIMINAL CODE

A.1) Environmental Pollution¹⁴ (Article 452-*bis* of the Italian Criminal Code)

¹⁴ 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.

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 the pollution is created within a protected natural area or one with landscape, environmental, historical, artistic, architectural or archaeological restrictions, or which harms protected animal and plant species.

A.2) Environmental Disaster¹⁵ (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;
- 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 which harms protected animal and plant species.

A.3) Culpable crimes against the environment (Article 452-*quinquies* of the Italian Criminal Code)

¹⁵ 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.

Article 452-*quinquies* provides for mitigation in sanctions for cases in which:

- any of the acts referred to in Articles 452-*bis* and 452-*quater* 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 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) The killing, destruction, capture, taking, or possession 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 (paragraph 1);
- b) except for cases where it is allowed, the destruction, taking, or possession of specimens belonging to a protected wild flora species (paragraph 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 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, paragraph 2, Legislative Decree no. 121/2011).

The reference regards, on the one hand, Directive 92/43/EEC of the Council, dated 21 May 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 30 November 2009, concerning the conservation of wild birds (the “Birds” Directive).

A.7) Destruction or deterioration of habitats¹⁶ within a protected site (Article 733-*bis* of the Italian Criminal Code)

Article 733-*bis* of the 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.

¹⁶ In general, the word 'habitat' today is understood as “the ideal environmental conditions for the life of a particular plant or animal”.

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, paragraph 4 of Directive 92/437/EEC.

The delimitation of the objective scope of application of the criminal matters at hand based on governing Italian legislation 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 03 September 2002 “Guidelines for the management of Natura 2000 sites” (Official Gazette no. 224, 24 September 2002); b) Presidential Decree no. 357 dated 08 September 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 Presidential Decree no. 120, dated 12 March 2003 (Official Gazette no.124 dated 30 May 2003); c) Ministerial Decree, Ministry of the Environment and Protection of Land and Sea dated 14 March 2011 (Official Gazette no. 77, dated 04 April 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 14 March 2011 (Official Gazette no. 77 of 04 April 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 14 March 2011 (Official Gazette no. 77 dated 04 April 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 17 October 2007 (Official Gazette no. 258 dated 06 November 2007) regarding “Minimum uniform criteria for defining conservation measures related to Special Areas of Conservation (ZSC) and Special Protection Areas (ZPS)”, as per the latest amended version of Ministerial Decree from the Ministry of the Environment and Protection of Land and Sea of 22 January 2009 (Official Gazette no. 33 dated 10 February 2009); g) Ministerial Decree from the Ministry of the Environment and Protection of Land and Sea of 19 June 2009 (Official Gazette no. 157 dated 09 July 2009) containing the “List

of Special Protection Areas (ZPS) classified pursuant to Directive 79/409/EEC”

B. LEGISLATIVE DECREE 152/2006 (ENVIRONMENTAL CODE)

B.1) Crimes pursuant to Article 137 of the Environmental Code

For purposes of the Decree, the following conduct is considered significant:

a) dumping of industrial waste water without authorization or with suspended or revoked authorization

As per Article 137, paragraphs 2 and 3 of the Environmental Code, 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, paragraph 1, and 108, paragraph 4 of the Environmental Code, will be punished.

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 Environmental Code, to which the reader is referred.

b) dumping of industrial waste water in excess of table limits

Article 25-undecies, paragraph 2, first line of the Decree and 137, paragraph 5 of the Environmental Code provide that penalties be levied against anyone who dumps industrial waste water in excess of limits set by law or by competent authorities, pursuant to Article 107 of the 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 Environmental Code, and that the limit values referenced by said regulation are indicated in Tables 3 and 4 of Annex 5.

The criminalization of said conduct is also punished with higher pecuniary penalties if particularly established values for the substances as listed in Table 3/A of Annex 5 to the Environmental Code are exceeded.

c) violation of the ban on dumping on and in the land and in groundwater

Article 137, paragraph 11, first sentence, punishes the conduct of anyone who dumps on the land, pursuant to Table 4 of Annex 5, Part Three of the Environmental Code, and does not respect the prohibitions

on dumping provided for in Article 103 and 104 of the Environmental Code.

d) violation of the ban on the dumping of ship and aircraft-source prohibited substances

Pursuant to Article 137, paragraph 13 of the Environmental Code, the dumping by ships or aircrafts 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 under Article 256 of the Environmental Code

Article 256 of the Environmental Code criminally punishes a plurality of conducts, considered primarily as violations of legislative regulations concerning waste management and which are potentially harmful to the environment.

The unlawful activities under Article 256 of the Environmental Code can fall into the category of “crimes of abstract danger”, for which the legislator presumes 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, paragraph 1 of the Environmental Code

The first paragraph of Article 256 of the Environmental Code punishes a plurality of conducts connected to the unauthorized Management of Waste, or the recycling, transport, recovery, disposal, trade and intermediation of 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 Environmental Code.

Pursuant to Article 193, paragraph 9 of the Environmental Code, "transport" does not include the movement of Waste within a private area.

A Producer could, however, be considered liable, when he/she acts as an accomplice in the crime. This may occur not only in the case he/she knows about the unlawful nature of the waste management being contracted out, but also in the case of violation of specific supervisory obligations 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 legislative regulations concerning their own field of activity, but must also check and ensure that the activities prior to or subsequent to 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 said activities in a lawful manner. Otherwise, failure to comply with precautionary obligations could be considered as "contributory negligence in an intentional crime".

b) Management of unauthorized landfill sites under Article 256, third paragraph of the Environmental Code

Paragraph three of the same regulation punishes anyone who creates or manages an unauthorized landfill site, with specific aggravated penalties in the case that 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:

- a) repeated conduct of accumulation of waste in an area, or simply fitting an area by leveling or fencing off the land;
- b) the degrading of the area itself, consisting in the permanent alteration of the state of the locations, as well as
- c) 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 of Hazardous Waste pursuant to Article 256, paragraph five of the Environmental Code

Article 256, paragraph five of the Environmental Code punishes unauthorized Mixing of Waste that has different hazardous characteristics, i.e. Hazardous Waste with Non-hazardous Waste.

It must be remembered that Mixing Hazardous Waste - not having the same characteristics 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 Environmental Code. Said conduct is criminal only if carried out in violation of said regulatory measures.

The crime under consideration can be committed by anyone who has access to hazardous and non-hazardous waste.

d) The temporary storage of hazardous healthcare waste pursuant to Article 256, paragraph 6, first sentence, of the Environmental Code

Pursuant to paragraph six of Article 256 of the Environmental Code, infringement of the prohibition of temporary storage of hazardous sanitary waste at the place of production provided for by Article 227 of the Environmental Code can be considered included.

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 sanitary nature with infection risk included in the list of examples in Annex 1 to Italian Presidential Decree no. 254 of 15 July 2003, entitled "Regulation concerning discipline in the management of sanitary waste in accordance with Article 24 of Law no. 179 of 31 July 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. Said term can be extended to thirty days for quantities of waste less than 200 liters.

B.3) Crimes under Article 257 of the Environmental Code

Article 257 of the 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 Environmental Code.

a) Failure to provide for reclamation

In particular, Article 257 of the 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 Environmental Code.

Requirements for determining the existence of the above-mentioned crime are:

- exceeding the risk threshold concentration (RTC);
- 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 threshold concentration ("RTC"), which is a level of risk higher than the attention levels identified by the contamination threshold concentration ("CTC"), and therefore at levels of acceptability already established by 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.

Law no. 68, dated 22 May 2015, amended by Article 257 of Legislative Decree 152/2006, replacing paragraph 4 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 paragraph 1.

The crime is aggravated if pollution is a result of hazardous substances, as provided for in Article 257, paragraph 2 of the 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, paragraph 2 of the Environmental Code.

B.4) Crime under Article 258, paragraph 4, second line of the Environmental Code - Falsification of waste analysis certificates

Article 258 paragraph 4, second sentence, of the Environmental Code punishes anyone who when preparing a waste analysis certificate, provides false information concerning the nature, composition and chemical-physical characteristics of the waste, as well as anyone who uses a falsified certificate during transport.

Said crime is included into the framework of obligations provided for by Article 188-*bis* of the Environmental Code concerning the traceability of waste from the time of production to its final destination. In this regard, the legislator has provided that the traceability of waste can take place: (a) joining on a voluntary or mandatory basis - pursuant to Article 188-*ter* of the Environmental Code - the SISTRI system, or (b) fulfilling the obligations to keep registers concerning waste loading and unloading, as well as the identification form pursuant to Articles 190 and 193 of the Environmental Code

It should be specified that the crime under examination refers to all companies and bodies that produce waste which, not having joined the SISTRI system, must maintain the above-mentioned registers and forms.

B.5) Crimes under Article 259 of the Environmental Code - illegal trafficking of waste

Article 259, paragraph 1 of the Environmental Code, punishes two crimes connected to the trading and the cross-border shipment of waste. Illegal trading of waste is engagement in the conduct expressly provided for in Article 2 of EEC Regulation no. 259 dated 01 February 1993, i.e. 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 provided for in Article 1, paragraph 3 of the Regulation have been violated (waste must always be directed to authorized facilities, must be able to be checked by competent authorities, etc.).

B.6) Crime under Article 260, first and second paragraph of the Environmental Code – activities organized for the illegal trafficking of waste

Article 260, paragraph 1 of the Environmental Code punishes anyone who, in an attempt to obtain unjust profit through additional 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. The crime is aggravated if the waste is highly radioactive, as provided for by Article 260, paragraph 2 of the Environmental Code

B.7) Crimes under Article 260-*bis* of the Environmental Code – Waste tracking computer system

Article 260-*bis*, paragraph 6 of the Environmental Code punishes anyone who, preparing a waste analysis certificate used within the waste tracking control system, provides false information on the nature, composition and chemical-physical characteristics of waste or anyone who includes a falsified certificate into the data to be provided for purposes of tracking waste.

Also punished, pursuant to Article 260-*bis* paragraph 7, second and third sentence and paragraph 8, first and second sentence - are transporters that: (a) fail to accompany the transport of hazardous waste with the hard copy of the SISTRI handling sheet and with the copy of the analytical certificate that identifies the characteristics of the waste; (b)

use a waste analysis certificate containing false information concerning the nature, composition and chemical-physical characteristics of the waste transported, and (c) accompany the transport of waste - hazardous and non-hazardous - with a fraudulently altered hard copy of the SISTRI - AREA handling sheet.

These crimes refer to all waste producers and transporters that belong to SISTRI.

B.8) Crimes under Article 279 of the Environmental Code - Emission of polluting gases above allowed limits

Pursuant to Article 279, paragraph 5 of the Environmental Code, anyone who, in the operation of a factory, violates the emission limit values or the requirements established by the authorization, the Annexes I, II, III or V to section five of the Environmental Code, plans and programs or the regulations referred to in Article 271 of the Environmental Code or provisions otherwise imposed by the competent authority, also causing the air quality limit values required by current legislation to be exceeded, is punished.

C. Crimes under 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.

D. Crimes pursuant to 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 Annex 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 other than as indicated in regulations contained in the authorization or certificate provisions issued together with the import license or subsequent certificates;
- 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.

E. Crime pursuant to 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 Legislative Decree 152/2006**

By introducing the new Article 256-*bis* of Legislative Decree 152/2006 "*Illegal burning of waste*", while not expanding the catalog of predicate crimes, the Legislator has, however, made an explicit reference to the sanction system referred to in Legislative Decree 231/01. 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 former Legislative Decree 231/01 is made explicit in the second paragraph of Article 256-*bis* of 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, paragraph 2 of

Legislative Decree no. 231 dated 08 June 2001 also apply to the aforementioned enterprise owners or business heads.

In relation to Environmental Crimes under Article 25-*undecies* of Legislative Decree no. 231/2001, pecuniary penalties are provided for, ranging from a minimum 150 shares to a maximum of 1,000 shares.

Disqualification sanctions are envisaged, pursuant to Article 25-*undecies* of Legislative Decree 231/2001, for crimes provided for in Articles 452-*bis*, 452-*quater*, 452-*quinquies*, 452-*sexies*, 452-*octies* and only for certain types of crime (e.g. discharge of industrial waste water, landfill sites for disposal of hazardous waste, illegal waste trading) and in any case for a period not exceeding one year.

An indefinite disqualification is provided for if the Corporation has the sole or primary aim of allowing or facilitating the illegal trafficking of waste (Article 260 of the Environmental Code) and for the crime of negligent ship-source polluting (Article 9 of Legislative Decree no. 202/2007).

L.2 AT-RISK AREAS

The At-Risk Areas related to Environmental Crimes are as follows:

- 1. the management of activities related to the construction and installation of transformers that could have a potential impact on biodiversity, air quality, water quality, the soil, subsoil, ecosystem and on flora and fauna, (such as, but not limited to, storing oil and managing the relative tanks);**
- 2. the management of administrative authorizations issued for Dumping and the monitoring of the latter to ensure compliance with legal limits;**
- 3. the management of administrative authorizations issued for atmospheric emissions and the monitoring of the latter to ensure compliance with legal limits;**
- 4. the management of emergencies and accidents that could potentially contaminate the soil, subsoil, surface waters or groundwater;**
- 5. Waste Management;**
- 6. the selection of Suppliers concerning the awarding of Waste Management and the management of the related relationships.**

All At-Risk Areas as indicated above take on importance - as a precaution - also if the said At-Risk Areas are carried out by the Parent Company or by another Company of the Group - fully or partly - in the name of and/or on behalf of the Company, by virtue of service agreements signed or of specific proxies granted. Indeed, even in this instance the obligation lies with Company Representatives to ensure that everyone involved, to different degrees, complies with the procedural rules indicated in the Model, in carrying out the activities in each At-Risk Area.

TAMINI's CEO may add other At-Risk Areas to the ones described above, identifying the relevant profiles and defining the most appropriate action.

The Company shall inform the Parent Company of any criticalities deriving from the application of the strategic guidelines that contrast with the Model adopted.

L.3 RECIPIENTS OF THIS SPECIAL SECTION: GENERAL CONDUCT AND IMPLEMENTATION RULES

This Special Section refers to the conduct of the Recipients of the Model.

TAMINI recognizes that environmental protection is of fundamental and essential importance within the company.

Consequently, in the course of its business the Company adopts measures which, depending on the features of the activity carried out, the experience and the technique, are required to protect the integrity of the surrounding environment.

This objective is achieved through the involvement of all the people that work within the Company, who must - in their daily activities - behave in such a way that complies with the law and company procedures.

The pursuit of benefit for the Company, where this may lead to or could entail the violation, either intentional or through negligence, of regulations concerning environmental protection, is never justified. In compliance with current environmental regulations, the Company adopts an organization structure based on the following principles and conduct rules:

- a) develops tools suitable for identifying investments with reference to disbursements related to environmental matters;
- b) adopts controls that are appropriate for the complexity and diversity of the operative structures, on the basis of the environmental risk assessments of each facility;
- c) assigns powers for environmental matters in order to guarantee:
 - (i) decision-making powers that are consistent with the powers assigned;
 - (ii) adequate spending power for the effective fulfillment of the assigned tasks;
 - (iii) the reporting obligation formalized on the assigned powers;
- d) provides for the signing by Suppliers of contractual conditions that include clauses related to environmental protection, with an appropriate fine system in place in the case of violations.

In carrying out all activities regarding the management of the company, in addition to the rules in this Model, Company Representatives – with

respect to their activity - will generally be expected to be familiar with, and comply with, the Code of Ethics and all the procedural rules adopted by TAMINI, as well as those adopted at any time by other Group companies and transposed by TAMINI.

L.4 SPECIFIC CONTROL STANDARDS FOR EACH AT-RISK AREA

The conduct, actions and company procedures referred to in this paragraph must always be implemented in compliance - within the limits of compatibility and applicability - with the certified environmental management system adopted by TERNA.

This standard, whose adoption does not in any case exempt TAMINI and all Company Representatives from complying with the requirements and fulfilling the obligations provided for by law, identifies the essential requirements for implementing an adequate corporate policy, planning specific objectives for the pursuit of such policy and taking actions – improvement and corrective - to ensure continued compliance with the environmental management system adopted.

Without prejudice to the above-mentioned environmental management system, indicated hereinafter are the specific procedural rules to be applied to TAMINI, for the activity it carries out, aimed at preventing the commissioning of Environmental Crimes.

In relation to the **“management of activities related to the construction and installation of transformers in relation to the potential impacts on biodiversity, air quality, water quality, the soil, subsoil, ecosystem and on flora and fauna”** the Company:

1. adopts all obligatory measures provided for by the law concerning environmental protection and minimizing the environmental impact of its activities;
2. prepares a periodical assessment of the environmental impact its activities have and related risks;
3. researches and, where appropriate, implements solutions to minimize any negative effects on the environment caused by its activities, also in ways that are stricter than that provided for by the law;
4. pays full attention to reports of the negative impact on the environment of its activities, makes itself available for investigations and evaluations and, if necessary, for the experimentation and adoption of mitigation measures;

In relation to the **“management of administrative authorizations issued for Dumping and the monitoring of the latter to ensure compliance with legal limits”**, the Company:

1. adopts dumping management procedures that comply with legislative requirements;
2. checks their availability and regularly updates maps of dumping sites and ensures that regular controls on the possession of authorizations are in place, as well as in terms of their validity;
3. adopts procedures that - considering legal provisions - define the roles, responsibilities and control activities concerning limits and the other authorization requirements, as well as the actions to undertake in the instance of criticalities (e.g. the malfunctioning of control systems or exceeding permitted limits, etc.);
4. conducts (or supervises the work done by third parties) the recording and subsequent storage of the aforementioned control activities.

In relation to the “**management of administrative authorizations issued for atmospheric emissions and the monitoring of the latter to ensure compliance with legal limits**”, the Company:

1. adopts emission management procedures that comply with legislative requirements;
2. checks their availability and regularly updates maps of emission points and ensures that - in relation to the latter - regular controls on the possession of authorizations are in place, as well as in terms of their validity;
3. adopts procedures that - considering legal provisions - define the roles, responsibilities and control activities concerning emission limits and the other authorization requirements, as well as the actions to undertake in the instance of criticalities (e.g. the malfunctioning of control systems or exceeding permitted limits, etc.);
4. conducts (or supervises the work done by third parties) the recording and subsequent storage of the aforementioned control activities.

In relation to the “**management of emergencies and accidents that could potentially contaminate the soil, subsoil, surface waters or groundwater**”, the Company:

envisages specific procedures for handling events potentially able to contaminate sites or for managing the Reclamation of contaminated sites, which in particular regulate:

- the mapping of all processes potentially capable of contaminating the soil, subsoil, surface waters or groundwater, prepared in order to assess whether to launch safety interventions or Reclamation;
- defining roles and responsibilities concerning the management of emergencies and accidents, also in order to communicate said events to the competent authorities;
- verification of the proper performance of the activities envisaged in the Reclamation plan;
- the roles and responsibilities concerning the application for, acquisition and preservation of the certificate of successful Reclamation (or of the self-certification for sites of less than 1000 m²);
- periodic review and possible revision of the procedures following the occurrence of accidents or emergency situations.

With regard to “**Waste Management**”, the Company:

1. works towards disposing of waste so as to recover, re-use and recycle the materials and guarantee a higher level of protection for human health and the environment. In this regard, within its own activities the Company:
 - manages waste in compliance with principles of sustainability, proportionality, accountability and cooperation for everyone involved in the production, distribution, utilization and consumption of the goods that produced the waste;
 - manages waste in compliance with criteria of efficacy, efficiency, inexpensiveness, transparency, technical and financial feasibility, and in respect of environmental requirements;
2. defines the main undertakings to be adopted within the company concerning the Management of different types of waste – hazardous and non-hazardous – so as to operate uniformly throughout various facilities;
3. classifies waste produced by company activities in compliance with governing legislative provisions and competent authorities, and in this regard provides adequate training to the personnel of the units producing the waste, in compliance with their respective duties;

4. guarantees that every production unit registered with the SISTRI waste tracking system manages Waste in full compliance with the regulation concerning the traceability control system and enters accurate and truthful information into the system. In this regard, it adopts specific procedures which govern:
 - the use of SISTRI access credentials, appointing one or more individuals and giving them a password, who are responsible for entering Waste data into the system;
 - the criteria and input modes for data concerning the qualitative and quantitative characteristics of the Waste, as well as in relation to the certificates to be registered within the Waste traceability system;
 - sending produced Waste data to the persons responsible for entering said data into SISTRI;
 - controls concerning the correct compilation of historical logs and SISTRI handling sheet, as well as regular checks on the sheets issued by the same to transporters;
5. in compliance with the provisions concerning environmental regulations, carefully fills out the Environmental Declaration Form;
6. puts into place appropriate supervision to ensure that the current governing legislative provisions concerning the Temporary Storage of waste, and in particular the methods used and the time and quantity limits, be respected. To this end, it is necessary to guarantee that:
 - Temporary Storage is used for homogeneous categories of waste and in respect of the relative technical provisions, as well as, for Hazardous Waste, in respect of the provisions regulating the storage of the hazardous substances contained in said waste;
 - safeguards are adopted – including through the use of *ad hoc* operating systems - such as to ensure constant monitoring of waste stored and its periodical transfer – to the extent prescribed - to disposal centers;

7. guarantees that company procedures for Waste Management undergo constant monitoring by the competent company Departments in order to periodically evaluate the opportunity to make updates resulting from legislative regulatory measures on environmental matters;
8. constantly oversees proper Waste Management and makes reporting any irregularities to the competent Departments obligatory, (for example, the falsification of classification documents, the suspect dumping of waste by transporters in unlawful landfills, etc.) so that appropriate administrative and contractual action can be taken, in addition to potential legal action before competent authorities.

In relation to the “**Selection of Suppliers concerning the awarding of Waste Management and the management of the related relationships**”, the Company:

1. entrusts the collection, transport, recovery, and disposal of waste only to authorized companies and in respect of company procedures concerning the qualification of Suppliers. In this regard, in particular, the company ensures that:
 - the commercial Waste Management businesses listed in the registry of qualified professionals be constantly monitored and updated, also through consultation with the National Association of Environmental Professionals at the Ministry of the Environment and Protection of Land and Sea;
 - in assigning disposal or recovery of waste to authorized companies verifies: (a) the validity of the authorization; (b) the type and quantity of waste for which the authorization has been issued for its disposal or recovery; (c) the location of the disposal plant and (d) the treatment or recovery method;
 - when transporting the waste to the authorized companies, the following is verified: (a) the validity of the authorization; (b) the type of vehicle and its registration; (c) the CER codes authorized.

L.5 INSTRUCTIONS AND INSPECTIONS OF THE VIGILANCE BODY

The VB's duties in relation to compliance with the Model regarding Environmental Crimes are as follows:

- carry out periodical checks on compliance with this paragraph and regularly monitoring their effectiveness in preventing the Crimes provided herein from being committed. In order to fulfill these obligations, the VB – with the cooperation of competent technical experts in the field, if necessary - will conduct periodic analyses of the functionality of the system of prevention adopted in this paragraph and will suggest any action necessary to make improvements or changes to TAMINI's competent offices in the event of any significant violations of the rules on Environmental Crimes;
- propose that standardized instructions relating to conduct to be followed in the At-Risk Areas, as identified in this Special Section, are issued and updated. These instructions should be in writing and saved on hard copy and on computer file;
- examine any reports of alleged violations of this paragraph and carry out any investigation deemed necessary or appropriate on the basis of the information received.

TAMINI guarantees the establishment of proceduralized information flows between the VB and the directors of the competent Departments, the 231 Representatives or other Company Representatives as necessary, each time the VB deems it appropriate.

The information to the VB shall be given timely should violations to specific procedural principles be detected as indicated in paragraph L.4, or significant violations to procedures, policies and company regulations regarding the above-mentioned At-Risk Areas.

The VB is also assigned the power to access, or request its delegates to access, all the documentation and all company's relevant sites for carrying out its duties.