

Cilento Reti Gas S.r.l.

ORGANISATION, MANAGEMENT AND CONTROL MODEL

Pursuant to Italian Legislative Decree No. 231 of 8 June 2001

GENERAL SECTION

Updated on 15 July 2023

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INTRODUCTION

Italian Legislative Decree No. 231 of 8 June 2001, concerning the *“regulation of the administrative liability of legal entities, companies and associations, including those without legal status”*, introduced, for the first time in Italian law, the administrative liability of legal entities for criminal offences committed by individuals employed by Entity’s organisation.

The central aspect of the regulatory framework referred to in the Decree is the adoption and concrete implementation, for the purposes of exempting the Company from liability, of an *“Organisation, Management and Control Model”* which provides, *“in relation to the nature and size of the organisation, as well as the type of business carried out, measures suitable for guaranteeing that the business is carried out in compliance with the law and for promptly discovering and eliminating risk situations”* (Article 7, Paragraph 3).

The Organisation, Management and Control Model of Cilento Reti Gas S.r.l. was adopted, by resolution of the Board of Directors of 23 February 2018, in order to identify sensitive or at-risk business processes and the related organisational, precautionary and control measures in place, aimed at eliminating the so-called *offence risk*, and was subsequently updated by the resolutions of 23 November 2018, 24 March 2020 and 29 March 2021, with which the Board of Directors approved the changes to the Model prepared by the Parent Company.

In March 2020, for the purpose of alignment with the Model of 2i Rete Gas S.p.A., it was updated with the inclusion of: i) new types of predicate offences, introduced with the entry into force of Law No. 157 of 19 December 2019, converting Decree-Law No. 124 of 26 October 2019, containing *“Urgent provisions on tax matters and for needs that cannot be deferred”*; and ii) the new offence and concurrent administrative liability, pursuant to Legislative Decree 231/2001, in case of violation of the obligations established by Law No. 133 of 18 November 2019 converting Decree-Law No. 105 of 21 September 2019, containing *“Urgent provisions regarding the national cyber security perimeter and the regulation of special powers in sectors of strategic importance”* (see Article 1, Paragraph 11, of the aforementioned Law No. 133), in implementation of which Prime Ministerial Decree No. 131 of 30 July 2020 was subsequently issued, which provided the criteria for the identification of entities included in the National Cyber Security Perimeter, including private entities that provide essential services in the energy sector.

In any case, it should be noted that Cilento Reti Gas S.r.l. was already recognised as an essential services operator in the energy sector (gas and gas distribution sub-sector) for the purposes of the requirements of Italian Legislative Decree No. 65 of 18 May 2018, on the *“Implementation of Directive (EU) 2016/1148 of the European Parliament and of the Council of*

6 July 2016 concerning measures for a high common level of security of network and information systems across the Union". In light of its role, Cilento Reti Gas S.r.l. has therefore already adopted a series of technical and organisational measures suitable for risk management and the prevention of IT incidents, which are analytically illustrated in the document entitled "*Risk Assessment & Treatment - NIS Directive*", drawn up on 21 November 2019.

In March 2021, the Model was updated with the inclusion, in the general list of offences contained in the General Section, of the new predicate offences introduced with the entry into force of Italian Legislative Decree No. 75 of 14 July 2020, concerning the "*Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law*". The new offences, however, were not included in the Special Sections of this Model – with the exception of fraud in public procurement, committed to the detriment of the State or other public entity, pursuant to Article 356 of the Italian Criminal Code – since the distribution of natural gas by Cilento Reti Gas S.r.l. is carried out exclusively in Italy and therefore is not transnational in nature.

In February 2021 – following the outcome of the tax assessment carried out by the Parent Company at the request of its Supervisory Body – it emerged that Group companies, despite selling to exclusively Italian counterparties, make use of foreign suppliers for the procurement of certain goods and services.

Therefore, given that the types of offences referred to in Italian Legislative Decree No. 75 of 14 July 2020 (PIF Decree) could be committed, both in terms of customer accounting (distribution of natural gas), and supplier accounting (purchase of goods and services), it is not possible to absolutely exclude the relevance of the provisions contained in the aforementioned decree.

Consequently, the Organisation, Management and Control Model was further updated – compared to the September 2020 version – with the inclusion of the transnational offences referred to in Legislative Decree No. 75/2020, also in the Special Section of the Model in force.

In compliance with the provisions of section 2.5, according to which the Company is required to implement any amendments and additions to the Model of the Parent Company, the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. was further updated and approved by resolution of the Board of Directors of 29 November 2022, implementing a series of amendments that concerned: - the introduction of the new Article 25-*octies* 1, of Legislative Decree 231/2001 concerning "*crimes relating to non-cash means of payment*" (Legislative Decree 184/2021 "*Implementation of Directive (UE) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of*

payment and replacing Council Framework Decision 2001/413/JHA”, in force since 14 December 2021); - the introduction of the new Articles 25-*septiesdecies* and 25-*duodevicies*, of Legislative Decree 231/2001, respectively, concerning “*crimes against cultural heritage*” and “*laundering of cultural assets and devastation and looting of cultural and landscape assets*” (Law No. 22 of 9 March 2022, “*Provisions regarding crimes against cultural heritage*”, in force since 23 March 2022); - amendments to the crimes of handling stolen goods, laundering, use of money, goods or benefits of unlawful origin and self-laundering, provided for by Article 25-*octies*, of Legislative Decree 231/2001 (Legislative Decree 195/2021 “*Implementation of Directive (EU) 2018/1673 on combating money laundering by criminal law*”, in force since 15 December 2021); - amendments to certain offences, provided for by Article 24-*bis* of Legislative Decree 231/2001, in relation to “*cyber crimes and illicit data processing*”, Article 25-*quinquies* of Legislative Decree 231/2001, in relation to “*crimes against the individual*”, Article 25-*sexies* of Legislative Decree 231/2001, in relation to “*market abuse offences*” (Law 238/2021 “*Provisions for the fulfilment of obligations arising from Italy’s membership of the European Union – European Law 2019-2020*”, in force since 1 February 2022); - amendments to Article 24 of Legislative Decree 231/2001 in relation to the crimes of “*embezzlement to the detriment of the State*”, of “*undue receipt of funds to the detriment of the State*” and of “*aggravated fraud to obtain public funds*” (Law No. 25 of 28 March 2022, “*Conversion into law with amendments of Decree-Law No. 4 of 27 January 2022 setting out ‘Urgent measures in support of businesses and economic, labour, health and local services operators, related to the Covid-19 emergency, as well as for containing the effects of price increases in the electricity sector’*”, in force since 29 March 2022).

As a result of the implementation of the aforementioned changes, the Organisation, Management and Control Model was supplemented, again in November 2022, with the drafting of the new Special Section O, on crimes relating non-cash means of payment, and the new Special Section P, relating to crimes against cultural heritage, laundering of cultural assets, devastation and looting of cultural and landscape assets.

Like the previous versions, this Organisation, Management and Control Model – approved by resolution of the Board of Directors of Cilento Reti Gas S.r.l. on 29 November 2022 – aims to ensure that the Company is managed in compliance with the principles of legality, fairness, transparency and traceability, according to efficient work practices that meet the regulatory requirements.

DEFINITIONS

The definitions provided below are applicable to this General Section, as well as the individual Special Sections, without prejudice to any additional definitions contained in the latter.

Authority: any governmental, jurisdictional, legislative, fiscal or administrative authority, Italian or foreign, or any unit, agency, commission, board or office reporting to the Authority, or any arbitrator.

CCNL: the National Collective Labour Agreements applied by Cilento Reti Gas S.r.l..

Code of Ethics: the code adopted by Cilento Reti Gas S.r.l., approved by the Board of Directors of the Company on 23 February 2018.

Consultants: persons who provide professional services to Cilento Reti Gas S.r.l..

Recipients: the Company Representatives, Suppliers, Partners and Consultants.

Employees: persons that have a subordinate or quasi-subordinate employment relationship with Cilento Reti Gas S.r.l., including managers.

Legislative Decree No. 231/2001 or the Decree: Italian Legislative Decree No. 231 of 8 June 2001, as subsequently amended.

Cilento Reti Gas S.r.l. or Company: Cilento Reti Gas S.r.l., with registered office in Acquaviva delle Fonti (Bari, Italy), via Sardegna Z.I..

2i Rete Gas S.p.A. or Parent Company: 2i Rete Gas S.p.A., with registered office in Milan (Italy), Via Albricci 10, and the other subsidiaries of 2i Rete Gas S.p.A., pursuant to Article 2359 of the Italian Civil Code.

Entities: entities with legal status or companies and associations, also without legal status (corporations, partnerships, consortia, etc.).

Company Representatives: the directors, attorneys, auditors, liquidators, managers and employees of Cilento Reti Gas S.r.l..

Suppliers: persons, not falling within the definition of Consultant or Partner, that supply goods and/or services to Cilento Reti Gas S.r.l., with whom Cilento Reti Gas S.r.l. has entered into a contract for the supply of goods and/or services.

Guidelines: the guidelines adopted by associations representing the entities and, in particular, by Confindustria, for the preparation of Organisation, Management and Control Models, pursuant to Article 6, Paragraph 3, of Legislative Decree 231/2001.

Model: this Organisation, Management and Control Model, as provided for by Articles 6 and 7 of Legislative Decree 231/2001.

Governing Bodies of the Company: the corporate bodies of **Cilento Reti Gas S.r.l.**

Supervisory Body or SB: the collegial body assigned autonomous powers of initiative and control, responsible for supervising the implementation of and compliance with the Organisation, Management and Control Model of **Cilento Reti Gas S.r.l.**, and any relative updates.

Corporate Bodies: the Board of Directors, the Board of Statutory Auditors and their members.

Public Administration: all Entities of the Public Administration, including any relative Public Officials and Public Service Officers (e.g. concessionaires of a public service).

Partners: the contractual counterparties with which **Cilento Reti Gas S.r.l.** enters into contractually regulated forms of collaboration (temporary business association, joint venture, consortia, license, agency) for cooperation with the Company, as part of the management of sensitive or at-risk processes.

Sensitive or at-risk processes: the processes pertaining to **Cilento Reti Gas S.r.l.**, in whose phases or sub-phases the conditions, opportunities or means for the commission of certain types of offences referred to in Legislative Decree 231/2001 could, in abstract terms, arise.

Predicate offences: the types of crime to which the provisions of Legislative Decree 231/2001 on administrative liability apply.

Head: person appointed by **Cilento Reti Gas S.r.l.** who is entrusted, through appointment by the Company, with the responsibility of ensuring compliance with the Model in the performance of the activities under the responsibility of the same.

Evidence Report: document to be filled out by the Head, with reference to the specific sensitive or at-risk processes, identified and monitored by the corporate organisation and control procedures.

Company: **Cilento Reti Gas S.r.l.**

Deputy Head: person appointed and supervised by the Head, who assumes responsibility for the at-risk processes and operations entrusted to him/her.

1. THE ADMINISTRATIVE LIABILITY SYSTEM FOR LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS

1.1 Legislative Framework

By way of derogation from the principle of criminal non-liability of the legal person, Legislative Decree No. 231 of 8 June 2001, issued in implementation of Delegated Law No. 300 of 29 September 2000, which came into force on 4 July 2001, introduced the liability of Entities for criminal acts committed, *in their interest or to their advantage*, by persons within the corporate organisation and, specifically, by:

i) Senior Management (i.e., pursuant to Article 5, Paragraph 1, “*individuals acting as representatives, executives or managers of the Entity, or of an organisational unit with financial and functional autonomy, as well as anyone who exercises, even de facto, management and control of the entity*”);

ii) Subordinates subject to the direction and supervision of senior management.

In other words, the corporate liability of the Entity in whose interest or to whose advantage the unlawful act is committed is additional to the criminal liability of the perpetrator of the offence (Article 5).

The Legislator defines corporate liability as being of an administrative nature; however, it arises from a hybridization of administrative liability with principles and concepts typical of the criminal sphere; in fact, liability is ascertained in criminal proceedings, governed by the rules of criminal procedure and involves the application of punitive sanctions.

Furthermore, administrative liability is independent from that of the individual who committed the crime; the Entity can be declared liable even if the material perpetrator of the offence is not liable or has not been identified (Article 8) and even if the offence has expired, for reasons other than amnesty.

Corporate liability is excluded when the crime is committed in the sole interest of the perpetrator.

1.2 Predicate offences subject to administrative liability

The Entity is not held liable for every offence committed by Senior Management or Subordinates, but only for those strictly envisaged by the Decree and, in particular, for the offences listed below:

i) crimes against the Public Administration and, specifically, **(1)** bribery to discharge a duty (Article 318 of the Italian Criminal Code), **(2)** bribery to commit an act contrary to official

duty (Article 319 of the Italian Criminal Code), (3) judicial corruption (Article 319-ter of the Italian Criminal Code), (4) incitement to corruption (Article 322 of the Italian Criminal Code), (5) extortion (Article 317 of the Italian Criminal Code), (6) unlawful inducement to give or promise benefits (Article 319-quater of the Italian Criminal Code); (7) influence peddling (Article 346-bis of the Italian Criminal Code); (8) embezzlement (Article 314, Paragraph 1 of the Italian Criminal Code; only when the offence harms the interests of the European Union); (9) embezzlement by profiting from third-party error (Article 316 of the Italian Criminal Code; only when the offence harms the interests of the European Union); (10) abuse of office (Article 323 of the Italian Criminal Code; only when the offence harms the interests of the European Union); (11) misappropriation of public funds (Article 316-bis of the Italian Criminal Code; only when the offence harms the interests of the European Union); (12) undue receipt of public funds (Article 316-ter of the Italian Criminal Code; only when the offence harms the interests of the European Union)¹;

ii) crimes against property through fraud, i.e., (1) fraud against the State or other public entity or the European Union (Article 640, Paragraph 2, No. 1, of the Italian Criminal Code), (2) aggravated fraud for securing public funds (Article 640-bis of the Italian Criminal Code)², (3) computer fraud against the State or other public entity (Article 640-ter of the Italian Criminal Code)³; (4) fraud in public procurement (Article 356 of the Italian Criminal Code); (5) fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 of Law 898/1986);

iii) corporate crimes, specifically (1) false corporate information (Article 2621 of the Italian Civil Code), (2) false corporate information of listed companies (Article 2622 of the Italian

¹ Law No. 25 of 28 March 2022 concerning “*Conversion into law with amendments of Decree-Law No. 4 of 27 January 2022 setting out ‘Urgent measures in support of businesses and economic, labour, health and local services operators, related to the Covid-19 emergency, as well as for containing the effects of price increases in the electricity sector’*”, in force since 29 March 2022, changed the heading of the offence “*misappropriation to the detriment of the State*” (Article 316-bis of the Italian Criminal Code) set out in Article 24 of Legislative Decree 231/2001, renaming it “*misappropriation of public funds*” and extending its applicability to grants, as well as the heading of the offence “*undue receipt of funds to the detriment of the state*”, set out in Article 24 of Legislative Decree 231/2001, renaming it “*undue receipt of public funds*” and extending its applicability to grants (Article 316-ter of the Italian Criminal Code).

² Law No. 25 of 28 March 2022 concerning “*Conversion into law with amendments of Decree-Law No. 4 of 27 January 2022 setting out ‘Urgent measures in support of businesses and economic, labour, health and local services operators, related to the Covid-19 emergency, as well as for containing the effects of price increases in the electricity sector’*”, in force since 29 March 2022, changed the offence “*aggravated fraud for securing public funds*” (Article 640-bis of the Italian Criminal Code) set out in Article 24 of Legislative Decree 231/2001, extending its applicability to grants.

³ Computer fraud is also punishable when the offence involves a transfer of money, monetary value or virtual currency, due to the entry into force of Legislative Decree No. 184 of 8 November 2021. See, in this regard, Special Section O of the Organisation, Management and Control Model.

Civil Code), **(3)** obstruction of control (Article 2625 of the Italian Civil Code), **(4)** contrived formation of capital (Article 2632 of the Italian Civil Code), **(5)** unlawful repayment of capital contributions (Article 2626 of the Italian Civil Code), **(6)** unlawful distribution of profits and reserves (Article 2627 of the Italian Civil Code), **(7)** unlawful transactions in stock or shares of a company or its parent company (Article 2628 of the Italian Civil Code), **(8)** transactions to the detriment of creditors (Article 2629 of the Italian Civil Code), **(9)** failure to disclose a conflict of interest (Article 2629-*bis* of the Italian Civil Code), unlawful distribution of corporate assets by liquidators (Article 2633 of the Italian Civil Code), **(10)** unlawful influence over the shareholders' meeting (Article 2636 of the Italian Civil Code), **(11)** market rigging (Article 2637 of the Italian Civil Code), **(12)** obstructing the exercise of duties of public supervisory authorities (Article 2638, Paragraphs 1 and 2, of the Italian Civil Code); **(13)** corruption among private individuals (Article 2635 of the Italian Civil Code); **(14)** incitement to corruption among private individuals (Article 2635-*bis* of the Italian Civil Code). (Article 34 of Law No. 262 of 28 December 2005 (containing provisions for the protection of savings and the regulation of financial markets, also known as the "*Savings Law*") included false statements among the offences envisaged by Legislative Decree 58/98 (Consolidated Law on Finance), specifically under Article 173-*bis*, repealing, at the same time, Article 2623 of the Italian Civil Code. As a result of the aforementioned repeal, the offence of false statements is seemingly eliminated from the list of predicate offences, with the consequent exoneration from administrative liability. This would appear to be the thesis accepted by the majority doctrine; however, it should be noted that a minority position still believes that, despite the transposition of the offence into the Consolidated Law on Finance, false statements continue to be relevant for the purposes of ascertaining corporate liability);

iv) tax crimes and, specifically, **(1)** fraudulent tax return using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree 74/2000); **(2)** fraudulent tax return through other means (Article 3 of Legislative Decree 74/2000); **(3)** issuing invoices for non-existent transactions (Article 8 of Legislative Decree 74/2000); **(4)** concealing or destroying accounting documents (Article 10 of Legislative Decree 74/2000); **(5)** fraudulent deduction from the payment of taxes (Article 11 of Legislative Decree 74/2000); **(6)** misleading tax return (Article 4 of Legislative Decree 74/2000; offence only relevant for companies if committed in the framework of cross-border fraudulent schemes and with the aim of evading value added tax for a total amount of no less than ten million Euro); **(7)** failure to file a tax return (Article 5 of Legislative Decree 74/2000; offence only relevant for companies if committed in the framework of cross-border fraudulent schemes and with the aim of evading value added tax for a total amount of no less than ten million Euro); **(8)** undue compensation (Article 10-*quater* of Legislative

Decree 74/2000; offence only relevant for companies if committed in the framework of cross-border fraudulent schemes and with the aim of evading value added tax for a total amount of no less than ten million Euro) (Article 25-*quinquiesdecies* of Legislative Decree 231/2001, introduced by Law No. 157 of 19 December 2019 and amended by Article 5 of Legislative Decree No. 75 of 14 July 2020;

v) crimes against public trust and, specifically, forgery of coins, public credit cards and revenue stamps;

vi) crimes for the purpose of terrorism and subversion of democratic order, envisaged by the Italian Criminal Code, special laws and the New York Convention;

vii) crimes of enslavement or holding in slavery or servitude, human trafficking, purchase or sale of slaves, inducement, aiding and abetting and exploitation of child prostitution, distribution or advertising of child pornography, including electronically, exploitation of minors for the production of pornographic material, solicitation and sexual exploitation of minors, transfer and possession or access to pornographic material⁴ produced through the sexual exploitation of minors, tourism initiatives intended to exploit child prostitution; female genital mutilation practices;

viii) crimes and administrative offences of insider dealing and market manipulation⁵;

ix) if, committed in the form of “*transnational crimes*” (category introduced by Law No. 146/2006), that is through the commission of a “*crime punishable with a prison sentence with a maximum term of no less than four years, if an organised criminal group is involved, and: a) is committed in more than one State; b) or is committed in one State, but a substantial part of its preparation, planning, direction or control occurs in another State; c) or is committed in one State, but involves an organised criminal group, engaged in criminal activities in more than one State; d) or is committed in one State, but has substantial effects in another State*”: i) criminal association (Article 416 of the Italian Criminal Code), ii) mafia-type associations including foreign (Article 416-*bis* of the Italian Criminal Code), iii) inducement not to make statements or

⁴ Law No. 238 of 23 December 2021 concerning “*Provisions for the fulfilment of obligations arising from Italy’s membership of the European Union - European Law 2019-2020*”, in force since 1 February 2022, amended the crime of possession of pornographic material (Article 600-*quater* of the Italian Criminal Code), to include the hypothesis of intentional access to child pornography and the crime of solicitation of minors (Article 609-*undecies* of the Italian Criminal Code), providing for aggravating circumstances (crimes envisaged by Article 24-*bis* of Legislative Decree 231/2001).

⁵Law No. 238 of 23 December 2021, concerning “*Provisions for the fulfilment of obligations arising from Italy’s membership of the European Union - European Law 2019-2020*”, in force since 1 February 2022, amended the crime of insider dealing (Article 184 of the Consolidated Law on Finance), to include unlawful disclosure, recommendation or inducement of others to commit insider dealing;

to make false statements to judicial authorities (Article 377-*bis* of the Italian Criminal Code), iv) aiding and abetting (Article 378 of the Italian Criminal Code), v) money laundering (Article 648-*bis* of the Italian Criminal Code), vi) use of money, goods or other assets of unlawful origin (Article 648-*ter* of the Italian Criminal Code), vii) criminal conspiracy for smuggling tobacco products processed in other countries (Article 291-*quater* of Presidential Decree 43/1973), viii) association for the purpose of unlawful trafficking in narcotics or psychotropic substances (Article 74 of Presidential Decree 309/1990), ix) measures against illegal immigration (Article 12, Paragraphs 3, 3-*bis*, 3-*ter* and 5, of Legislative Decree 286/98);

x) crimes of manslaughter, serious bodily harm and grievous bodily harm, committed in violation of accident prevention regulations and occupational health and safety protection (crimes introduced by Article 9 of Law No. 123 of 3 August 2007);

xi) crimes of handling stolen goods, laundering, use of money, goods or benefits of unlawful origin (Articles 648, 648-*bis* and 648-*ter* of the Italian Criminal Code);

xii) crime of self-laundering (Article 648-*ter*.1 of the Italian Criminal Code).

xiii) cyber crimes and, in particular, the distribution of equipment, devices or software with the intention of damaging or crashing an IT or electronic system (Article 615-*quinquies* of the Italian Criminal Code), damage to information, data and software (Article 635-*bis* of the Italian Criminal Code), damage to information, data and software used by the State or other public body or public service provider (Article 635-*ter* of the Italian Criminal Code), damage to IT or electronic systems (Article 635-*quater* of the Italian Civil Code), damage to IT or electronic systems providing a public service (Article 635-*quinquies* of the Italian Civil Code), computer fraud by a digital signature service provider (Article 640-*quinquies* of the Italian Criminal Code) (crimes introduced by Law No. 48 of 18 March 2008)⁶;

xiv) crime pursuant to Article 1, Paragraph 11, of Decree-Law No. 105 of 21 September 2019, converted by Law No. 133 of 18 November 2019, entitled “*Urgent measures regarding the national cyber security perimeter*”, in case of violation of the obligations provided therein;

xv) organised crimes and, specifically: criminal association aimed at committing multiple crimes (also in case of aggravating circumstances, pursuant to Article 452-*octies* of the Italian Criminal Code, since aimed at committing crimes against the environment); mafia-type

⁶ Law No. 238 of 23 December 2021 extended the offences referred to in Articles 615-*quater* and 617-*quinquies* of the Italian Criminal Code, set out in Article 24-*bis* of Legislative Decree 231/2001.

associations including foreign; political-mafia vote rigging; kidnapping for the purpose of extortion; association for the purpose of unlawful trafficking in narcotics or psychotropic substances; unlawful production, trafficking or possession of narcotics or psychotropic substances;

xvi) crimes against industry and trade and, in particular: disruption to the freedom of industry or trade, unlawful competition using threat or violence, fraud against national industries, fraudulent trading, sale of non-genuine food products as genuine, sale of industrial products with misleading markings, production and sale of goods made by infringing industrial property rights, counterfeiting of geographical indications or designations of origin of agricultural food products;

xvii) copyright infringement crimes and, specifically: making available to the public, on an electronic network system and using connections of any kind, all or part of intellectual property protected by copyright, the unauthorised duplication, sale, or possession for business or leasing purposes of software or databases, the unauthorised duplication, dissemination or public transmission of cinematographic works, of sequences of moving images, of works or parts of literary, dramatic, scientific or didactic, musical or dramatic-musical works, or multimedia works, even if part of collective or composite works or databases, failure to fulfil or false certification in the fulfilment of SIAE (the (Italian society of authors and publishers) obligations, as well as the fraudulent production, sale, importation, promotion, installation, alteration or application for personal and private use, of devices or parts of devices for decoding restricted-access audio-visual transmissions via air, satellite or cable, in analogue or digital format;

xviii) inducement not to make statements or to make false statements to judicial authorities;

xix) environmental crimes and, in particular: illegal discharge, emission or introduction of dangerous substances or ionizing radiation (Article 137, Paragraphs 2, 3, 5, 11 and 13 of Legislative Decree 152/2006); unauthorised waste management activities (Article 256, Paragraphs 1, Letters a) and b), 3, 5 and 6 of Legislative Decree 152/2006); failure to comply with the requirements relating to waste management authorisations, registrations and communications (Article 256, Paragraph 4, of Legislative Decree 152/2006); pollution of soil, subsoil, surface water or groundwater, exceeding the concentration risk level (Article 257, Paragraphs 1 and 2, of Legislative Decree 152/2006); waste transport in the absence of the documentation required by sector regulations (Article 258, Paragraph 4, of Legislative Decree 152/2006); shipment of waste, deemed illegal traffic pursuant to Article 26 of Regulation (EEC) No. 259 of 1 February 1993; shipments of waste listed in Annex II, in violation of Article 1, Paragraph 3, Letters a), b) and c) of the aforementioned regulation (Article 259, Paragraph 1, of

Legislative Decree 152/2006); organised illegal waste trafficking (Article 260, Paragraphs 1 and 2, of Legislative Decree 152/2006); violations concerning the “SISTRi” waste tracking system (Article 260-*bis* of Legislative Decree 152/2006); violation of air pollution limits in the operation of a plant (Article 279, Paragraph 5, of Legislative Decree 152/2006); trade, transport or possession of certain protected animal and plant species (Article 1, Paragraphs 1 and 2; Article 2, Paragraphs 1 and 2; Article 6, Paragraph 4, of Law No. 150/1992); falsification of C.I.T.E.S. certificates in relation to protected species (Article 3-*bis*, Paragraph 1, of Law No. 150/1992); use of substances harmful to the ozone layer and the environment (Article 3, Paragraph 6, of Law No. 549/1993); intentional or negligent pollution caused by vessels (Article 8, Paragraphs 1 and 2, Article 9, Paragraphs 1 and 2 of Legislative Decree 202/2007); killing or possession of protected wild animal or plant species (Article 727-*bis* of the Italian Criminal Code); damage of habitats in a protected area (Article 733-*bis* of the Italian Criminal Code); environmental pollution (Article 452-*bis* of the Italian Criminal Code); environmental disaster (Article 452-*quater* of the Italian Criminal Code); environmental offences due to negligence (Article 452-*quinquies* of the Italian Criminal Code); trafficking and dumping of highly radioactive material (Article 452-*sexies* of the Italian Criminal Code); criminal association aimed at committing crimes against the environment (Article 452-*octies* of the Italian Criminal Code);

xx) employment of foreign nationals without valid residence permits;

xxi) illegal recruitment and exploitation of labour (Article 603-*bis* of the Italian Criminal Code);

xxii) incitement to racism and xenophobia (European Law No. 167 of 20 November 2017);

xxiii) smuggling crimes, pursuant to Presidential Decree No. 43 of 23 January 1973 (Article 25-*sexiesdecies* of Legislative Decree 231/2001);

xxiv) crimes relating to non-cash means of payment, pursuant to Article 25-*octies*.1 of Legislative Decree 231/2001, introduced by Legislative Decree No. 184 of 8 November 2021, “*Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019, on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA*”, in force since 14 December 2021, and namely: unlawful use and forgery of non-cash means of payment (Article 493-*ter* of the Italian Criminal Code), possession and dissemination of equipment, devices, or computer programs aimed at committing crimes concerning non-cash means of payment (Article 493-*quater* of the Italian Criminal Code), computer fraud when it involves a transfer of money, monetary value or virtual currency (Article 640-*ter* of the Italian Criminal Code), any other crimes against public

trust, against property or otherwise offending against property, provided for in the Italian Criminal Code, when concerning non-cash means of payment;

xxv) crimes against cultural heritage, pursuant to Article 25-*septiesdecies* of Legislative Decree 231/2001 and the laundering of cultural assets, devastation and looting of cultural and landscape assets, pursuant to Article 25-*duodevicies* of Legislative Decree 231/2001, both introduced by Law No. 22 of 9 March 2022 setting out “*Provisions regarding crimes against cultural heritage*”, in force since 23 March 2022.

1.3 Offences committed abroad

In accordance with Article 4 of Legislative Decree 231/2001, entities may be held liable in Italy in relation to the offences envisaged by the same, even if committed abroad. The explanatory report to Legislative Decree 231/2001 highlights the need not to leave a frequently occurring criminal situation without sanctions, also to avoid easy circumvention of the entire regulatory system in question.

Administrative liability for offences committed abroad is based on the following conditions (provided for by the law or deduced from Legislative Decree 231/2001 as a whole):

a) the offence must be committed abroad by a person functionally linked to the entity, pursuant to Article 5, Paragraph 1, of Legislative Decree 231/2001;

b) the registered office of the entity must be located in Italy;

c) the entity may only be held liable in the cases and under the conditions provided for by Articles 7, 8, 9 and 10 of the Italian Criminal Code. This reference should be coordinated with the provisions of Articles 24 to 25-*nonies* of Legislative Decree 231/2001, so that – also in compliance with the principle of legality referred to in Article 2 of Legislative Decree 231/2001 – in relation to the series of offences listed in Articles 7-10 of the Italian Criminal Code, the company may only be held liable for offences in relation to which its liability is provided for by a specific legislative provision;

d) the entity may be held liable in cases where the State in which the offence was committed does not take action against it;

e) in cases where the law establishes that the guilty party be punished, at the request of the Minister of Justice, proceedings are taken against the entity only if the request is also formulated against such entity.

1.4. Sanctions envisaged by Legislative Decree 231/2001

The sanctions envisaged for administrative offences can be:

i) pecuniary sanctions; ii) disqualifying sanctions; iii) confiscation; iv) publication of judgment.

i) Pecuniary sanctions

Pecuniary sanctions are administrative in nature and are always applied even if the legal person remedies the consequences arising from the offence.

The sanction is quantified on the basis of dual criteria:

- a) the determination of quotas, from a minimum of 100 up to a maximum of 1,000;
- b) the attribution, to each individual quota, of a value between a minimum of € 258.00 and a maximum of € 1,549.00 (based on the economic and financial situation of the entity).

In concrete terms, pecuniary sanctions may vary from a minimum of € 25,822.84 (reduced, pursuant to Article 12 of the Decree, by up to half) and a maximum of € 1,549,370.69.

The judge determines the number of quotas, taking into account:

- a) the gravity of the offence;
- b) the extent of the entity's liability;
- c) any activities carried out to eliminate or mitigate the consequences of the offence and prevent the commission of further offences.

ii) Disqualifying sanctions

Disqualifying sanctions are applied in addition to pecuniary sanctions and have the purpose of preventing the recurrence of the offence.

These sanctions include the following measures:

- a) disqualification from carrying out the activity;
- b) prohibition of contracting with the Public Administration;
- c) suspension or revocation of authorisations, licenses or concessions functional to the commission of the offence;
- d) exclusion from benefits, financing, grants and subsidies, and/or the revocation of any already granted;
- e) prohibition of advertising goods or services.

In the event of multiple offences, the sanction for the most serious offence is applied.

Disqualification is generally temporary (from a minimum of 3 months up to a maximum of 2 years), with the exception of some mandatory cases, in which the temporary nature of the disqualification becomes definitive. By way of example:

- a) in case of recurrence of the criminal act;
- b) in case of a significant profit;
- c) in case of recurrence at least three times in the last seven years.

It should also be noted that the continuation of the entity's activity (instead of imposition of the sanction) by a commissioner appointed by the Judge, pursuant to Article 15 of Legislative Decree 231/2001, is also possible when one of the following conditions is met:

a) the entity provides a public service or service of public necessity, the interruption of which could cause serious damage to the community;

b) the interruption of the entity's activity could have significant repercussions on employment, taking into account its size and the economic conditions of the local area.

iii) **Confiscation**

This sanction is applicable at the time the judgment of conviction is issued and consists in the confiscation, by the Judicial Authority, of the price or profit generated by the offence, excluding the part that can be returned to the injured party.

If confiscation of the product or profit of the offence is not possible, sums of money, goods or other benefits of equivalent value to the price or profit of the offence are confiscated.

iv) **Publication of judgment**

Publication of the judgment of conviction is ordered when a disqualifying sanction is applied against the entity.

The judgment is only published once (at the expense of the convicted legal person), in extract or in full, in one or more newspapers indicated by the Judge in the judgment, and posted in the Municipality where the entity has its headquarters.

1.5. Attempted crimes

In case of attempted commission of the crimes indicated in Chapter I of the Decree (Articles 24 to 25-*octies*), the pecuniary and disqualifying sanctions are reduced by one third to one half; the imposition of sanctions, however, is excluded in cases where the entity voluntarily prevents the perpetration of the action or the occurrence of the event (Article 26); in this case, the non-application of the sanction is justified by virtue of the interruption of all relationships of identification between the entity and the persons acting in its name and on its behalf.

1.6. Exemption from liability

Articles 6 and 7 of Legislative Decree 231/2001 provide for the exemption from liability if the entity demonstrates that:

1) the governing body has adopted and effectively implemented, prior to the commission of the crime, **Organisation, Management and Control Models**, suitable for preventing the commission of criminal offences;

2) the task of supervising the implementation, effectiveness and compliance with the models and ensuring their updating has been entrusted to a **body with autonomous powers of initiative and control**;

3) the perpetrators committed the offence by **fraudulently** evading the organisation and management models;

4) supervision by the **Supervisory Body** was not omitted or insufficient.

In relation to the extension of delegated powers and the risk of crimes being committed, the models must:

i) identify the activities within which crimes can be committed;

ii) establish specific protocols aimed at planning the decision-making and implementation processes of the entity, in relation to the crimes to be prevented;

iii) identify the methods of managing financial resources, suitable for preventing the commission of crimes;

iv) establish reporting obligations towards the body responsible for supervising the implementation of and compliance with the models;

v) introduce a disciplinary system, suitable for sanctioning failure to comply with the measures indicated in the Model.

In any case, the following distinction should be made:

a) if the crime was committed by individuals acting as representatives, executives or managers of the entity or one of its organisational units with financial and functional autonomy, as well as by individuals who exercise, even de facto, management and control of the same, the entity is not liable if it can prove the previous points;

b) if the crime was committed by individuals subordinate to the management or supervision of one of the persons mentioned above, the entity is liable if the commission of the crime was made possible by failure to comply with management and supervisory obligations; however, such non-compliance is excluded if the entity, prior to the commission of the crime, adopted and effectively implemented an Organisation, Management and Control Model, suitable for preventing crimes of the type that occurred.

Finally, Article 6 of the Decree provides that Organisation and Management Models can be adopted, on the basis of codes of conduct, drawn up by representative trade associations, communicated to the Ministry of Justice, which, in agreement with the competent Ministries, can formulate observations on the relative suitability.

1.7. Suitability of the Organisation, Management and Control Model

The adoption and effective implementation, by the entity, of an Organisation, Management and Control Model prior to the commission of the crime may result in exemption from liability (Article 6, Paragraph 2), provided that the Model:

- i) identifies the areas in which crimes can be committed (risk mapping);
- ii) establishes specific protocols aimed at planning the decision-making and implementation processes of the entity, in relation to the crimes to be prevented;
- iii) identifies the methods of managing financial resources, suitable for preventing the commission of crimes;
- iv) establishes reporting obligations towards the body responsible for supervising the implementation of and compliance with the Model;
- v) establishes a disciplinary system to sanction failure to comply with the measures indicated in the Model.

The assessment of the suitability and the concrete implementation of the Organisation, Management and Control Model by the entity is carried out by the Criminal Judicial Authority, as part of the relevant proceedings.

In fact, Article 36 of the Decree states that: *“jurisdiction to investigate the administrative offences of the entity lies with the criminal court having jurisdiction over the crimes from which they arise. The provisions on the composition of the Court and the related procedural provisions relating to the crimes from which the administrative offence arises shall be observed in the proceedings to ascertain the administrative offence of the Entity”*.

Proceedings for the administrative offence of the entity are, as a rule, combined with the criminal proceedings brought against the perpetrator of the crime from which the offence arises.

In the context described above, the Company’s liability is ascertained through:

- i) verification of the existence of the predicate offence for which the Company is liable;
- ii) a suitability review of the Organisational Model adopted.

1.8 Confindustria guidelines

Following numerous legislative measures which have extended the scope of application of the administrative liability of companies to additional types of crime, Confindustria updated its Guidelines for the preparation of organisation models.

The latest version was approved in June 2021 and takes into account the new legislative, jurisprudential and application practices that have been introduced the meantime.

The key points identified in the Guidelines for the preparation of models can be summarised as follows:

- i) mapping or identification of areas or processes at **risk**;
- ii) creation of a **control system**, capable of preventing “crime risk” through the adoption of specific protocols.

The most relevant elements of the control system, identified by Confindustria, are the: i) code of ethics; ii) organisational system; iii) manual and IT procedures; iv) authorisation and signing powers; v) integrated control and management systems, also for tax compliance purposes to guarantee compliance with the provisions of tax legislation and to adopt an effective “tax risk detection, measurement, management and control system”; vi) existence of an organisational structure and a structure of company functions that ensures the adequate technical skills and powers necessary to evaluate, manage and control the risk to the health and safety of workers, taking into account the nature and size of the company and the characteristics of the business carried out; vii) staff communication, training, engagement and coaching; viii) planned monitoring of risk prevention and protection measures in the area of occupational health and safety management; ix) identification and effective implementation of information flows to the Supervisory Body and the possibility to exchange information flows between Control Bodies (SB, Board of Statutory Auditors, Internal Audit), on the results of audits that are relevant pursuant to Legislative Decree 231/2001, to avoid duplication of activities and the risk of an “information short circuit”; x) introduction of a reporting system compliant with the provisions of Article 6, Paragraph 2-*bis* of Legislative Decree 231/2001 (introduced by Law 179 of 30 November 2017, concerning “*provisions for the protection of persons who report offences or irregularities of which they have become aware, in a public or private work environment*”), in relation to the reporting channels, the confidentiality of the whistleblower, the prohibition of retaliatory acts and the integration of the disciplinary system (the “whistleblowing” procedure).

The elements of the control system must be inspired by the following principles: i) verifiability, possibility to provide documentary evidence, consistency and coherence of all operations; ii) application of the separation of functions (no one can manage an entire process independently); iii) documentation of audits; iv) whistleblowing; v) communication of non-financial information; vi) introduction of an adequate sanctioning system for violations of the code of ethics and the procedures envisaged by the model; vii) identification of the requirements of the Supervisory Body, which can be summarised as: autonomy and independence; professionalism; continuity of action; viii) identification of methods for managing financial resources; ix) reporting obligations to the Supervisory Body.

Failure to comply with the specific points of the aforementioned Guidelines does not affect the validity of the Model adopted, which, conversely, must necessarily take into account the concrete and specific situation of the company concerned.

The dynamic nature of the aforementioned Guidelines should also be noted, which, over time, may undergo updates and revisions to be taken into account during analysis.

2. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF CILENTO RETI GAS S.R.L.

Cilento Reti Gas S.r.l. is a project-based company incorporated following the award to its shareholders, initially grouped in a temporary business association (ATI), of the project for the construction and management of natural gas distribution plants in certain municipalities in the Cilento area, with Celle di Bulgheria as lead municipality, hereinafter the “Project”.

In October 2009, the two Shareholders 2i Rete Gas Impianti S.p.A. (formerly Gas Natural Distribuzione Italia S.p.A., then Nedgia S.p.A.) and Bonatti S.p.A., established as a temporary business association, participated in the project financing procedure for the award of the Project, providing that, according to their respective know-how and on the basis of specific agreements, Bonatti S.p.A. would be responsible for the construction of the plants subject to the award, while 2i Rete Gas Impianti would be responsible for the related management.

In July 2010, the temporary business association established by the two Shareholders was awarded the Project and subsequently, in October 2010, Cilento Reti Gas S.r.l. was incorporated, with 2i Rete Gas Impianti S.p.A. holding 60% of the share capital and Bonatti S.p.A. the remaining 40%. In November 2010, the Company signed the concession agreement with the lead municipality.

The business purpose of the Company is the planning, construction and management of the methane gas transport and distribution system in the aforementioned municipalities in the Cilento area.

On 1 February 2018, the Company joined the 2i Rete Gas S.p.A. Group and, since that date, has therefore been subject to management and coordination by the new parent company 2i Rete Gas S.p.A.. As such, pursuant to section 2.5 of the Organisation, Management and Control Model (hereinafter, the “Model”) of the Parent Company, adopted by the latter with resolution of the Board of Directors of 16 March 2011, as subsequently amended on 13 December 2013, and on 23 December 2014 (effective as of 1 January 2015), the Company is required to adopt the Model of the Parent Company with the appropriate adaptations necessary to guarantee its effectiveness,

considering the specific activity carried out by the Company. To this end, with resolution of 23 November 2018, the Board of Directors approved the amendments to the Model prepared by the Parent Company.

Furthermore, pursuant to section 2.5, the Company is required to implement any amendments and additions to the Model of the Parent Company.

On 20 September 2019, with deed of merger executed by Notary Public Ezilda Mariconda in Monza – Notary’s Record 31276, File 14390 – 2i Rete Gas S.p.A. incorporated 2i Rete Gas Impianti S.p.A. (holder of 60% of Cilento’s share capital) by merger pursuant to and in accordance with Articles 2501 et. seq. of the Italian Civil Code, effective as of 1 October 2019. Therefore, 60% of Cilento’s share capital is owned by 2i Rete Gas S.p.A.. Effective as of 1 October 2019, 2i Rete Gas S.p.A. took over by law all assets, liabilities, rights and obligations of 2i Rete Gas Impianti S.p.A., and hence also its position in the shareholding structure of the Company that is the holder of the agreement in question, in respect of which it guarantees to continue the management of the distribution service in the municipalities served, as well as the performance of the other activities carried out so far.

2.2 Purpose of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l.

In order to improve the overall organisation and management of the Company and to prevent the risk of committing offences, considered abstractly attributable to its business activity, Cilento Reti Gas S.r.l. has adopted an Organisation, Management and Control Model, which consists of:

i) an *institutional structure* and an *organisational structure*, consistent with the nature and size of the organisation, as well as with the type of business carried out (see the corporate purpose) and such as to (1) guarantee the performance of business activities in compliance with the law; (2) promptly identify and eliminate risk situations; (3) ensure clear identification and limitation of the *senior* or *top management functions*; (4) allow transparent representation of the organisation’s decision-making and implementation process;

ii) a *Code of Ethics*, aimed at establishing the ethical principles and rules of conduct which inspire or must inspire the behaviour of everyone operating on behalf and in the interest of Cilento Reti Gas S.r.l.;

iii) the *operational instructions* and *procedures* aimed at regulating the business processes identified as *sensitive*, since implying the *potential risk* of committing certain predicate offences referred to in the Decree;

iv) the *corporate governance* rules, adopted by Cilento Reti Gas S.r.l., in transposition of the relevant corporate regulations, as well as any other documentation relating to the control systems in place at the Company;

v) the *information flow system*, aimed at tracking the actions of individual company functions, to ensure the monitoring of *potentially sensitive or at-risk* processes;

vi) the *information and training system*, concerning the Organisation, Management and Control Model adopted;

vii) the *disciplinary system*, aimed at sanctioning the infringement of or failure to apply the Organisation, Management and Control Model, by the Recipients;

viii) the establishment of a *Supervisory Body*, consisting of both internal and external members, reporting to Cilento Reti Gas S.r.l., with broad decision-making and spending powers, appointed the task of supervising the implementation of and compliance with the Organisation Model adopted and ensuring its updating.

In the preparation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. the procedures and control systems already in place and operating within the Company were taken into account, suitable, as such, to also be used as prevention measures for the offences referred to in Legislative Decree 231/2001.

The rules, operational instructions and procedures listed above are not illustrated in detail in this Model, but are part of the company's broader organisation and internal control system, to which the Organisation Model refers and which all Recipients, in relation to their type of relationship with Cilento Reti Gas S.r.l. must observe.

2.3 Structure of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l.

This Model, adopted by resolution of the Board of Directors of 23 February 2018, was prepared on the basis of the Model of the Parent Company with the appropriate adaptations and consists of a General Section and several Special Sections.

The **General Section** defines the structure of the Organisation Model: i) regulating its purposes and functions; ii) establishing a Supervisory Body and describing the related functions and powers, in the specific Regulations; iii) creating an information flow system; iv) creating an information and training system; and v) establishing a disciplinary system, suitable for sanctioning failure to comply with the Model.

The **Special Sections** are identified in relation to the types of offences envisaged by the Decree, the commission of which is considered more likely in abstract terms, taking into account the core business of Cilento Reti Gas S.r.l.

Of course, this does not rule out the possibility that, in the event of regulatory changes aimed at introducing new types of offences, pursuant to the Decree Cilento Reti Gas S.r.l. might promptly renew its risk mapping activities and existing organisational and control measures, in order to establish whether there is a potential risk within the company regarding the commission of the new types of offences introduced.

In light of the above, the Board of Directors of Cilento Reti Gas S.r.l., also taking into account the suggestions and indications of the Supervisory Body appointed, will prepare new Special Section chapters where necessary, formalising the additions and/or amendments made through specific resolutions in this regard.

2.4 Recipients of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l.

The Organisation, Management, and Control Model of Cilento Reti Gas S.r.l. applies to:

- i) the senior management of the Company (individuals acting as representatives, executives or managers of the Company) and anyone exercising such powers, even *de facto*;
- ii) individuals subject to the management or supervision of others (or subordinates), employed by the Company, i.e., the individuals who implement, in the interests of the Company, the decisions taken by top management (the Cilento Reti Gas S.r.l. Staff);
- iii) attorneys who operate in the name and on behalf of Cilento Reti Gas S.r.l.;
- iv) members of the Board of Statutory Auditors of Cilento Reti Gas S.r.l.;
- v) third-party companies and/or individuals that provide services, in the interest of Cilento Reti Gas S.r.l. pursuant to duly signed contracts and within the limits of what is specifically provided for therein.

2.5 Amendments to the Organisation, Management and Control Model of Cilento Reti Gas S.r.l.

Article 6, Paragraph 1, of Legislative Decree 231/2001 establishes that the Organisation, Management and Control Model must be adopted and effectively implemented by the “*governing body*”.

Therefore, in compliance with regulatory provisions, any substantial amendments to the Organisational Model fall under the exclusive competence of the Board of Directors of Cilento Reti Gas S.r.l..

Moreover, the Chairman of the Board of Directors of Cilento Reti Gas S.r.l. shall be entitled to make any formal amendments or additions to the text.

In this case, the Chairman shall report to the Board of Directors on any amendments made.

The Supervisory Body of Cilento Reti Gas S.r.l. may propose any additions and/or amendments to this Model to the Chairman of Cilento Reti Gas S.r.l..

Depending on the type of amendment, the proposal will be communicated directly to the Chairman of the Board of Directors or submitted, by the latter, to the approval of the Board of Directors of Cilento Reti Gas S.r.l..

During the adoption by the individual subsidiaries, the 2i Rete Gas S.p.A Model may be subject to adaptations necessary to guarantee its effectiveness, considering the specific activities carried out by the companies which are required to adopt the Model.

The Governing Bodies of the subsidiaries have the task of ensuring, through specific resolutions, the adoption of this Organisation Model, in relation to the General Section as well as the Special Sections, always taking into account the specific risk profiles involved in the activities carried out by the subsidiaries.

When adopting the Organisation Model of 2i Rete Gas S.p.A., the Governing Bodies of the individual subsidiaries will simultaneously appoint a Supervisory Body, responsible for monitoring the performance of the aforementioned activities and the application of the Model within their respective companies.

Any amendments to the Organisation Model of 2i Rete Gas S.p.A. will be implemented by the subsidiaries as a result of the initial resolution, adopted by the respective Governing Bodies.

2.6 Adoption of the Model by the subsidiaries of 2i Rete Gas S.p.A.

The adoption of the Organisation, Management and Control Model of 2i Rete Gas S.p.A. by its subsidiaries is implemented according to the following criteria:

- i) preparation and updating of the Model, by 2i Rete Gas S.p.A.

2i Rete Gas S.p.A. is responsible for the preparation and effective implementation of the Organisation, Management and Control Model, which shall then be adopted also by the subsidiaries in relation to the sensitive or at-risk processes managed by the latter.

2i Rete Gas S.p.A. is also responsible for updating the Organisation Model in relation to any need for adaptation or integration, which may arise over time.

ii) implementation and adaptation of the Model, by each individual subsidiary.

The individual subsidiaries are responsible for the adoption and implementation of the Organisation Model prepared by 2i Rete Gas S.p.A., in relation to the sensitive processes under their management.

During the adoption by the individual subsidiaries, the 2i Rete Gas S.p.A Model may be subject to adaptations necessary to guarantee its effectiveness, considering the specific activities carried out by the companies which are required to adopt the Model.

The Governing Bodies of the subsidiaries have the task of ensuring, through specific resolutions, the adoption of this Organisation Model, in relation to the General Section as well as the Special Sections, always taking into account the specific risk profiles involved in the activities carried out by the subsidiaries.

When adopting the Organisation Model of 2i Rete Gas S.p.A., the Governing Bodies of the individual subsidiaries will simultaneously appoint a Supervisory Body, responsible for monitoring the performance of the aforementioned activities and the application of the Model within their respective companies.

Any amendments to the Organisation Model of 2i Rete Gas S.p.A. will be implemented by the subsidiaries as a result of the initial resolution, adopted by the respective Governing Bodies.

3. ELEMENTS OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF CILENTO RETI GAS S.R.L.

3.1 THE BUSINESS OF CILENTO RETI GAS S.R.L.

The Company's purpose is the planning, design, construction and management of the methane gas transport and distribution system in the municipality of Celle di Bulgheria (Salerno) and 30 other municipalities in the Cilento area, and is therefore the holder of a concession agreement signed on 15 November 2010, Ref. 22/2010, with the concession-granting authority and the lead municipality Celle di Bulgheria, by virtue of which it carries out design activities, construction works, as well as the consequent management activities.

The identification of the core business of Cilento Reti Gas S.r.l., carried out directly by its Shareholders or through services entrusted to third-party companies, allows the identification of potential connections with certain types of crime envisaged by the Decree (crimes against the

Public Administration, crimes against property through fraud, corporate crimes, work-related injuries, environmental crimes, cyber crimes and other types identified in the Special Parts), given that it:

- (a) involves a constant and intense relationship with public Entities;
- (b) gives rise to relevant and significant financial, administrative and tax obligations;
- (c) consists of carrying out activities, which are subject to specific occupational health and safety obligations;
- (d) consists of performing services, which are subject to specific environmental protection obligations;
- (e) involves the use of IT resources (hardware and software);
- (f) presents the normal risk profiles of any entrepreneurial activity.

With a view to compliance with the provisions of the Decree, this results in the need to evaluate the effectiveness and consistency of these risk profiles and to prepare suitable prevention tools in the context of the Organisation, Management and Control Model.

3.2 CORPORATE STRUCTURE

3.2.1 Company structure and corporate governance

In accordance with the articles of association, Cilento Reti Gas S.r.l. is currently governed by a Board of Directors, made up of 3 members from among which a Chairman is elected.

By resolution of the Board of Directors of 23 February 2018, the Chairman of the Board of Directors (nominated by the Shareholder 2i Rete Gas S.p.A.) was appointed CEO, to whom broad decision-making and operational powers were granted, and the Director nominated by the Shareholder Bonatti was granted powers connected with and related to the works for the construction of the methane gas distribution networks in the municipalities of the Cilento area. The latter may represent the company in relations with public institutions and administrations such as the municipal administration, the provincial administration, regional offices, prefectures, regional authorities for public works, the Ministry of public works, and any other office involved in the inclusion of real estate in urban planning tools, for the best building use of such properties. He may also enter into, conclude, sign and execute any and all obligations as well as any deed/contract resulting from or related to the concession for the planning, design, construction and management of the methane gas transport and distribution system in the municipality of Celle di Bulgheria and in the other municipalities of the Cilento area, including the signing of any addenda and/or additional documents, and any other deeds relevant to the concession; he may represent the company in relations with public institutions and administrations such as the

municipal administration, the provincial administration, regional offices, prefectures, regional authorities for public works, the Ministry of public works, and any other office involved in the inclusion of real estate in urban planning tools, for the best building use of such properties.

The legal representation of the Company and corporate signature are vested in both the Chairman of the Board of Directors and CEO and the Managing Director. The aforementioned legal representatives can, in turn, appoint special attorneys for certain acts and categories of acts, within the limits of the powers attributed to them.

The governing body exercises the broadest powers for the ordinary and extraordinary management of the Company, without exceptions of any kind, with the sole exception of those powers which by law or by virtue of the Company's articles of association are expressly reserved to the Shareholders' Meeting.

Management control is delegated to a Board of Statutory Auditors, made up of three standing members and two alternate members. In accordance with the articles of association, the Board of Statutory Auditors also carries out the statutory audit of the accounts, except in cases where the appointment of a statutory auditor or audit firm enrolled in the relevant register is mandatory, or cases in which the Shareholders' Meeting decides to entrust the statutory audit of the accounts to a statutory auditor or audit firm.

The statutory audit of the accounts is currently entrusted to an audit firm.

3.3 ORGANISATIONAL STRUCTURE

3.3.1 Company Departments/Functions/Units

The organisational structure of Cilento Reti Gas S.r.l. is described below.

The Company has no employees and carries out its business through specific agreements entered into with its Shareholders.

In particular, based on their respective know-how, by means of a specific Regulation between the Company and the Shareholder Bonatti, the latter is entrusted the "turnkey" execution of the works referred to in the approved and financed projects, including the related planning, construction management and technical-design activities, with the exception of overhead connections, meters and remote network control. Bonatti is also responsible for managing all activities for the acquisition of authorisations, easements, expropriations and land purchase, required for the construction of the distribution system.

2i Rete Gas S.p.A. is entrusted the technical activities to support Bonatti in the performance of the activities listed above, as well as the construction works for overhead connections, the supply and installation of meters, remote network control and the related technical costs.

Administrative, financial, insurance, tax and legal management, as well as management of general services, is carried out by the Shareholder 2i Rete Gas S.p.A. under a specific intra-group contract.

3.3.2 Services outsourced to third-party companies by Cilento Reti Gas S.r.l.

In carrying out its business, Cilento Reti Gas S.r.l. may also make use of services provided by third-party companies under individual service agreements.

In specific cases in which the individual company entrusted with the service acts in the name and on behalf of Cilento Reti Gas S.r.l., the latter will legitimately require, through an express provision in the relevant service agreement, compliance with the Code of Ethics and the Organisation, Management and Control Model in force at the company, as well as compliance with the obligation to report relevant information to the Supervisory Body, through the Head referred to in section 3.6.5 below, identified by the Company and appointed by the Board of Directors of Cilento Reti Gas S.r.l..

3.4 CODE OF ETHICS OF CILENTO RETI GAS S.R.L.

The Organisation, Management and Control Model of Cilento Reti Gas S.r.l. also includes the corporate Code of Ethics, prepared and adopted by the Company, in order to guide the conduct of all those who operate on behalf and in the interest of the Company towards respect for ethics, moral integrity and legality (see Annex 1 to the Model of **Cilento Reti Gas S.r.l.**).

This document is therefore an integral part of the Organisation Model, setting out the principles of corporate ethics and rules of conduct that the Company recognises as its own, which must be observed by all Recipients.

The Code of Ethics must be disseminated to the various Recipients, in different manners based on the type of existing relationship with the Company and, in any case, in such a way as to ensure effective knowledge of the same.

3.5 SUPERVISORY BODY

3.5.1 Criteria and functions

In accordance with Article 6, Paragraph 1, Letter b), of the Decree, in order to be exempted from liability, Entities that adopt an Organisation, Management and Control Model must be able to prove not only to have adopted and effectively implemented the safeguards provided therein, but also to have entrusted the task of supervising the implementation of and

compliance with the Organisation Model to a Body of the Entity, vested with autonomous powers of initiative and control.

In line with the provisions of the Decree, the Board of Directors of Cilento Reti Gas S.r.l. appointed, upon approval of the Company's Organisation, Management and Control Model, a Supervisory Body, consisting of both internal and external members.

In selecting its members, the Company took into account the fact that the aforementioned Supervisory Body must meet the following criteria:

- *autonomy and independence* are guaranteed by the collegial composition of the Body, which must not be directly involved in the decision-making processes delegated to the Board of Directors, so that it can operate impartially, with operational and budgetary autonomy. Autonomy must not be understood as merely formal. In order to better guarantee the autonomy and independence of the Body, members are appointed from both inside and outside the Company, for a total of no fewer than three and no more than five. In particular, at least one member (if the total members are three) or two members (if the total members are five) of the Supervisory Body must be external to the Company (understood as individuals who do not have a working, fiduciary or contractual relationship with the Company).

Decisions relating to the determination of the actual number of members on the Supervisory Body, the identification and appointment of the members and the remuneration due to the external members, as well as the budget assigned to the Supervisory Body, are delegated to the Board of Directors, following the indications provided by the Supervisory Body. The Supervisory Body is granted free access to all Cilento Reti Gas S.r.l. premises, without the need for prior consent, in order to obtain any information and/or documents and/or data deemed necessary to carry out its functions, and directly reports to the Board of Directors. Its work cannot be questioned by any corporate function;

- *professionalism* is ensured by the specific professional skills of the members of the Supervisory Body, who must have adequate expertise in legal matters, control and management of corporate risks; in any case, the Supervisory Body is guaranteed the possibility to consult, in the performance of its functions, external consultants on legal matters, business organisation, auditing, accounting, finance and occupational safety;

- *continuity of action* is ensured by two requirements: 1) the Supervisory Body must carry out its duties at the Company; 2) it is entitled to rely on any support from the corporate functions of Cilento Reti Gas S.r.l. which, from time to time, may be necessary for the performance of its functions.

The members of the Supervisory Body must also meet the requirements of good repute and not have any conflicts of interest.

Adequate information on the fulfilment of the above requirements will be provided to the Board of Directors of Cilento Reti Gas S.r.l., at the time of the appointment of the members of the Supervisory Body, whose CV will be briefly described during the meeting.

The Supervisory Body appointed must perform the following **functions**:

i) *supervision* of the implementation of and compliance with the Organisation, Management and Control Model adopted by the Company;

ii) verification of the actual *suitability* and *adequacy* of the Organisation, Management and Control Model adopted, i.e. its effective ability to prevent the predicate offences referred to in the Decree;

iii) monitoring of the *effective implementation* of the Organisation, Management and Control model and the need to supplement and/or amend the same, in order to guarantee its ongoing compliance with the organisation and/or business activity;

iv) *consultancy*, aimed at updating and/or supplementing or amending the Organisation, Management and Control Model adopted and the Code of Ethics, due to subsequent regulatory changes or changes in the company's organisational structure;

v) collection, examination and storage of all reports and information received.

More specifically, from an operational point of view, the Supervisory Body is responsible for multiple **tasks and responsibilities**, all described in detail the **Regulations of the Supervisory Body**, to which reference should be made.

The Regulations specifically govern the functioning of the aforementioned Body, identifying, in particular: 1) appointment criteria, composition, reasons for revocation or replacement, term of office; 2) powers and responsibilities; 3) confidentiality obligations; 4) mandatory information flows from the Supervisory Body to the Board of Directors of Cilento Reti Gas S.r.l..

Said Regulations may be amended by the Supervisory Body.

3.5.2 Reporting by the Supervisory Body to the corporate bodies

As part of the performance of the duties conferred, the Supervisory Body of Cilento Reti Gas S.r.l. is assigned two reporting lines:

(1) the first, on an ongoing basis, directly to the Chairman of the Board of Directors of Cilento Reti Gas S.r.l.;

(2) the second, on a regular basis, to the Board of Directors of Cilento Reti Gas S.r.l. and the Board of Statutory Auditors of Cilento Reti Gas S.r.l..

The Supervisory Body of Cilento Reti Gas S.r.l. may be convened, at any time, by the aforementioned bodies or may in turn submit a request to this effect, to report on the functioning of the Model or specific situations.

The Supervisory Body of Cilento Reti Gas S.r.l. shall send to the Board of Directors, on an annual basis:

1) a written report, summarising: i) the activities carried out during the year; ii) any proposed updates and/or additions and/or amendments to risk mapping activities, referred to in the Organisational Model in force, as well as to company procedures in force and any additional controls or related requirements;

2) a plan of activities to be carried out the following year;

The Supervisory Body must also promptly inform the Board of Directors of:

1) any violations of the Organisation Model, whether discovered on their own initiative or following a report, with a proposal for the relevant disciplinary sanctions to be applied;

2) any criminal proceedings pending, against the SB or other corporate functions, registered on the basis of an allegation of one of the offences referred to in Legislative Decree 231/2001, implying possible consequent proceedings to ascertain the administrative liability of Cilento Reti Gas S.r.l..

The aforementioned reporting lines, from the Supervisory Body to the Board of Directors of Cilento Reti Gas S.r.l., have the purpose of facilitating the completion of the following verifications:

- verification of the *adequacy* of the Organisation Model, understood as its correspondence to the concrete situation of the company and the evolution of legislation and jurisprudence on the subject;

- verification of the *specific preventative suitability* of the Organisation Model, understood as its ability to prevent the commission of the predicate offences underlying the administrative liability of the company, referred to in Legislative Decree 231/2001.

3.6 INFORMATION FLOWS TO THE SUPERVISORY BODY

3.6.1 Purpose

Article 6, Paragraph 2, Letter d), of the Decree states that the Organisation, Management and Control Model adopted by the Company must “*provide for reporting obligations vis-à-vis the body responsible for supervising the implementation of and compliance with the Models*”.

Article 6, Paragraph 2-bis, of the Decree, introduced by Law No. 179 of 30 November 2017, concerning “*provisions for the protection of persons who report offences or irregularities of which they have become aware, in a public or private work environment*” as amended by Article 24, Paragraph 5, of Legislative Decree No. 24 of 10 March 2023, furthermore prescribes that “*the models referred to in Paragraph 1, Letter a)*” must guarantee “*pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, the internal reporting channels, the prohibition of retaliation and the disciplinary system, adopted pursuant to Paragraph 2, Letter e)*”.

Finally, as regards the internal reporting channels, Article 4, Paragraph 1, of Legislative Decree No. 24 of 10 March 2023 requires “*public sector entities and private sector entities, after consulting the representatives or trade union organisations referred to in Article 51 of Legislative Decree 81/2015, to activate, pursuant to this article, their own reporting channels, which guarantee, also through the use of encryption tools, the confidentiality of the identity of the person making the report, the person involved and the person mentioned in the report, as well as the content of the report and the related documentation. The organisation and management models, referred to in Article 6, Paragraph 1, Letter a), of Legislative Decree 231/2001 provide for the internal reporting channels referred to in this decree*”.

The reporting obligations vis-à-vis the Supervisory Body therefore serve the purpose of:

i) verifying the concrete *suitability* and *adequacy* of the Organisation Model adopted, its effective (and not merely formal) ability to prevent, in general, unwanted and punishable behaviour, pursuant to the Decree;

ii) verifying the *effective implementation* of the Organisation Model, pursuant to Article 7, Paragraph 4, Letter a), of the Decree, i.e., its constant correspondence with the institutional and organisational structures of the company and/or with the company’s business, so as to modify the contents of the management and control system established or introduce additional procedures or controls or eliminate control measures that have become impracticable or redundant, in the event of strategic and/or organisational changes;

iii) reporting, to the Supervisory Body, the possible existence of corporate processes found and/or perceived to lack, in whole or in part, adequate safeguards, as well as the possible malfunction of operating instructions and/or existing procedures;

iv) proposing any additions and/or amendments to the Organisation Model in force;

v) facilitating the performance of the function of updating the Organisation Model delegated to the Supervisory Body;

vi) facilitating the performance of supervisory activities regarding the compliance of all Recipients with the Organisation Model, so as to i) verify its *effectiveness*, understood as checking the consistency between concrete conduct and the Organisation Model adopted and ii) ascertain any violations, in view of the application of the disciplinary sanctions introduced for this purpose;

vii) facilitating the performance of supervisory activities, to protect the integrity of the entity, also through the detailed reporting of unlawful conduct, relevant pursuant to Legislative Decree 231/2001, based on precise and consistent facts.

The purposes highlighted above may be pursued by Cilento Reti Gas S.r.l. through reporting to the Supervisory Body, to be carried out through distinct channels, in written form (email, communications and/or written reports), according to the macro methods indicated below.

The reports referred to this Model must be sent to the Supervisory Body, at the dedicated email address CilentoRetiGas.Odv231@2iretegas.it, so as to guarantee the confidentiality of the identity of the person making the report, without prejudice to legal obligations.

In accordance with the corporate Code of Ethics, an additional IT reporting channel is also in force – namely the dedicated email address CilentoRetiGas.CodiceEtico@2iretegas.it – to which, without prejudice to the reporting obligations for the Recipients of the Model referred to above, all stakeholders of 2iRete Gas S.p.A. may report any violations or suspected violations of the Code of Ethics.

Finally, in compliance with the provisions of Legislative Decree No. 24 of 23 March 2023, with the aim of allowing all stakeholders to report any violations of national or EU regulatory provisions that harm the public interest or the integrity of the public administration or private entity, of which they have become aware in a public or private work environment, to the Supervisory Body, various whistleblowing channels are also available, as described in detail in section 8.5 of the Code of Ethics, which forms an integral part of this Model.

In accordance with the provisions of Legislative Decree No. 24 of 23 March 2023, it is prohibited to:

i) violate the measures protecting the whistleblower;

ii) make unfounded allegations with intent or gross negligence.

In case of violation of the prohibitions under points i) and ii) above, the person responsible may incur disciplinary sanctions as laid down by the disciplinary system adopted in this Organisation, Management and Control Model (see Article 6, Paragraph 2-*bis*, Letter e) of Legislative Decree 231/2001).

It is also prohibited to carry out direct or indirect acts of retaliation or discrimination against whistleblowers for reasons connected, directly or indirectly, to the report. The adoption of discriminatory measures against persons who submit reports pursuant to Article 6, Paragraph 2-*bis*, of Legislative Decree 231/2001 may be reported to the national anti-corruption authority (ANAC), for measures falling within its competence (see Article 19 of Legislative Decree 24/2023).

3.6.2 Mandatory information flows from the Recipients of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. to the Supervisory Body

The Recipients of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. have the **obligation to communicate**, promptly and in writing, to the established Supervisory Body at the dedicated email address :

- i)** any violations of the Organisation Model found, or of which they have become aware, as a result of the functions performed;
- ii)** any unlawful conduct, relevant pursuant to the Decree and based on precise and consistent facts, of which they have become aware as a result of the functions performed;
- iii)** any serious irregularities regarding the implementation of the Organisation Model, or
- iv)** the possible engagement in unusual conduct that, although not constituting violations, significantly deviates from ordinary business practice;
- v)** any criminal proceedings pending against them, due to the notification of one of the offences referred to in the Decree, implying possible consequent proceedings to ascertain the administrative liability of Cilento Reti Gas S.r.l., or any orders and/or notifications from judicial police bodies, or from any other authority, from which it can be inferred that investigations are being carried out against other Corporate Representatives, for the offences referred to in the Decree, again implying possible consequent proceedings to ascertain the administrative liability of Cilento Reti Gas S.r.l..

3.6.3 Optional (event-based) information flows from the Recipients of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. to the Supervisory Body

Without prejudice to the reporting obligations set out above, the Recipients of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. shall have the **right to send** a written (event-based) report to the Supervisory Body of Cilento Reti Gas S.r.l. in order to report: **i)** any critical issues that emerge during the performance of their activity; **ii)** any requests for clarification on the conduct to be followed in specific cases, in order to comply with the provisions of the Organisation Model and/or the Code of Ethics; **iii)** any information regarding application issues encountered; **iv)** any further written communications, which are considered relevant, for the purposes of correct application of the Organisation Model.

The Supervisory Body will carefully and impartially evaluate all information and reports received, ascertaining the truthfulness and validity of the same and guaranteeing the anonymity of the name of the person submitting the report, under penalty of the application of sanctions pursuant to the disciplinary system in force; to this end, it will adopt measures to guarantee the confidentiality of the identity of the person submitting the report and, consequently, to avoid any form of retaliation or discrimination.

3.6.4 Information flows from the Board of Directors of Cilento Reti Gas S.r.l. to the Supervisory Body

The Board of Directors of **Cilento Reti Gas S.r.l.** shall communicate to the Supervisory Body:

- i)** any changes to the institutional and/or organisational structure;
- ii)** any changes to the ownership of equity investments, resulting from transformations, mergers or demergers;
- iii)** any assessments carried out regarding the choice of the audit firm responsible for certifying the company's financial statements.

3.6.5 Appointment of the Head at Cilento Reti Gas S.r.l.

Without prejudice to the information flows detailed above, from the Recipients of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. to the appointed Supervisory Body, the figure of "*Head according to the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001*" of Cilento Reti Gas S.r.l. is also established.

This figure, who is also the Chairman of Board of Directors, is required to ensure the following **mandatory information flows** vis-à-vis the Supervisory Body:

i) *timely and urgent* information flows pursuant to section 3.6.2, like any other Recipient of the Organisation Model;

ii) an additional *periodic* report, aimed at communicating relevant information (detailed in the organisational procedure establishing the figure of Head): i) relating to the concrete implementation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l..

For the sake of completeness, it should be noted that Cilento Reti Gas S.r.l. has also envisaged the possibility of extending the procedure appointing the *Head* to third-party companies that, by virtue of service agreements, are required to carry out services in the interest of Cilento Reti Gas S.r.l. (see, in this regard, section 3.3.2).

The *Head* may in turn appoint, by written document, a *Deputy Head*, who, under the supervision of the former, assumes responsibility for the individual at-risk operations entrusted to him/her.

In light of the appointment of the above figures, at Cilento Reti Gas S.r.l., control activities are organised on three distinct levels:

i) the *Deputy Head* (if appointed);

ii) the *Head*;

iii) the Supervisory Body.

On 9 September 2019, the Chairman of the Board of Directors, acting as *Head according to the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001* of the Company, appointed the Director nominated by the Shareholder Bonati S.p.A. (who accepted), as *Deputy Head according to Legislative Decree 231/2001* for the relevant activities carried out by the Company for the purposes of the Organisational Model.

3.6.6 System of powers

It is mandatory to communicate the system of powers adopted by the Company and any modifications or changes thereto to the Supervisory Body of Cilento Reti Gas S.r.l. in a periodic report by the appointed Heads, according to the methods described in the relevant corporate organisational procedure.

3.7 SELECTION, TRAINING AND INFORMATION

3.7.1 Staff selection

The Supervisory Body of Cilento Reti Gas S.r.l. evaluates, in coordination with the Company, the opportunity to establish a specific system for verifying staff requirements during the selection phase.

3.7.2 Staff training

Staff training relating to the implementation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. is managed in close collaboration with the Supervisory Body.

Periodically, also in relation to any regulatory and/or organisational changes that may occur, the Company submits a training plan to the Supervisory Body, which is responsible for verifying the adequacy of its contents regarding the aspects relevant to the Decree, proposing any appropriate additions, if necessary.

This training plan must include detailed actions that differ depending on: i) the company position (senior manager or subordinate) of the training recipients; ii) the type of sensitive or at-risk processes managed within the company.

For example: a) classroom training; b) specific training for new managers; c) training for new hires on Corporate Social Responsibility, including the analysis of issues concerning the Decree.

The training courses are mandatory.

The Company is responsible for informing the Supervisory Body on the results, in terms of participation and satisfaction, of these courses.

Failure to participate in the aforementioned training programs, without justification, will result in a disciplinary sanction which will be imposed according to the rules indicated in section 3.8.2 below.

3.7.3 Selection of consultants, partners and suppliers

Upon proposal of the Supervisory Body, specific evaluation systems for the selection of consultants, partners and suppliers may be established at Cilento Reti Gas S.r.l..

3.7.4 Information to consultants, partners and suppliers

Appropriate information on the policies and procedures adopted by the Company, on the basis of this Organisation, Management and Control Model, as well as the texts of the contractual

clauses generally used in this regard, may also be provided to parties external to Cilento Reti Gas S.r.l. (consultants, partners and suppliers).

3.8 DISCIPLINARY SYSTEM

3.8.1 General principles

In accordance with Article 6 of the Decree, the definition of a sanctioning system is an essential requirement of the Organisation Model.

The effective implementation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. must, therefore, envisage the adoption of a disciplinary system, aimed at sanctioning non-compliance with the organisational and preventive measures contained in the Model itself (Article 7, Paragraph 4, Letter b) of the Decree).

Disciplinary sanctions are a tool for dissuading and punishing the conduct of individuals who, by infringing the rules dictated by the Company, expose the latter to the risk of administrative liability, pursuant to the Decree.

Therefore, the application of these disciplinary sanctions implies the simple violation of the provisions, instructions and procedures and, more generally, of the contents of the Organisation, Management and Control Model adopted by Cilento Reti Gas S.r.l., independently of the existence and outcome of criminal proceedings taken against the perpetrator by the Judicial Authority.

3.8.2 Sanctions for employees

Employee conduct in violation of the Organisation, Management and Control Model is considered a disciplinary offence. For Managers see, in this regard, section 3.8.3 below.

The sanctions that can be imposed on Employees are included among those provided for by the corporate disciplinary code, in compliance with the procedures referred to in Article 7 of Law No. 300 of 30 May 1970 (Workers' Statute) and any special regulations applicable.

In relation to the above, the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. refers to the categories of punishable offences provided for by the existing sanctioning system, i.e. the contractual provisions referred to in the National Collective Labour Agreement (see Article 21 "*Disciplinary measures*").

These categories describe the conduct sanctioned, depending on the importance of the individual cases considered and the sanctions specifically envisaged for the commission of the offences based on their severity.

In particular, in application of the “*correlation criteria for employee misconduct and disciplinary measures*”, in force at the Company and referred to in the National Collective Labour Agreement:

1) **Verbal or written reprimands** are imposed on employees who:

i) violate the internal procedures established by the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. (for example, employees who do not observe the prescribed procedures, fail to communicate the prescribed reports to the Supervisory Body, make unfounded allegations with intent or gross negligence, fail to carry out checks, etc.) or engage, in the management of sensitive or at-risk processes, in conduct that does not comply with the provisions of the Model, recognising in such conduct, “*in any way*”, “*minor transgressions of the provisions of the National Collective Labour Agreement or company regulations*”, pursuant to the provisions of Article 21, Points 1-2, of the National Collective Labour Agreement.

2) **Fines** are incurred by employees who:

i) repeatedly violate the internal procedures established by the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. or repeatedly engage, in the management of sensitive or at-risk processes, in conduct that does not comply with the provisions of the Model, even before said misconduct has been individually ascertained and contested, such conduct being recognised as repeated “*non-compliance with the rules or non-application of measures on safety and hygiene at work, of which they were duly made aware*” or the “*recurrence of violations sanctioned with a written reprimand*”, pursuant to the provisions of Article 21, Point 3, of the National Collective Labour Agreement.

3) **Suspension from service and pay**, for 1 to 5 days, is imposed on employees who:

i) violate the internal procedures established by the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. or engage, in the management of sensitive or at-risk processes, in conduct that does not comply with the provisions of the Model, carrying out acts contrary to the interests of Cilento Reti Gas S.r.l., that cause damage to the Company or expose it to an objective situation of danger to the integrity of the company’s assets, when such conduct is recognised as “*constituting a damage or a dangerous situation for the integrity of the Group’s assets or the commission of acts contrary to its interests also resulting from the infringement of the provisions of the National Collective Labour Agreement or company regulations*”, pursuant to the provisions of Article 21, Point 34, of the National Collective Labour Agreement.

4) **Suspension from service and pay**, for 6 to 10 days, is imposed on employees who:

i) violate the internal procedures established by the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. or engage, in the management of sensitive or at-risk

processes, in conduct that does not comply with the provisions of the Model, carrying out acts contrary to the interests of Cilento Reti Gas S.r.l., that cause damage to the Group or expose it to an objective situation of danger to the integrity of the company's assets, when such conduct is recognised as *“constituting a damage or a dangerous situation for the integrity of the Group's assets or the commission of acts contrary to its interests also resulting from the infringement of the provisions of the National Collective Labour Agreement or company regulations”*, pursuant to the provisions of Article 21, Point 5, of the National Collective Labour Agreement.

5) **Termination with notice** is imposed on employees who:

i) engage, in the management of sensitive or at-risk processes, in conduct that does not comply with the provisions of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. and is aimed, unequivocally, at the commission of an offence, when such conduct is recognised as resulting in considerable damage or a situation of material injury, pursuant to the provisions of Article 21, Point 6, of the National Collective Labour Agreement.

6) **Termination without notice** is imposed on employees who:

i) engage, in the management of sensitive or at-risk processes, in conduct that is in clear violation of the provisions of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. and such as to determine the concrete application, against the Company, of measures provided for by the Decree, when such conduct is recognised as constituting *“acts that radically undermine the Entity's trust in the same”*, or the misconduct referred to in the previous points, resulting in serious damage to the Company, pursuant to the provisions of Article 21, Point 7 of the National Collective Labour Agreement.

The type and severity of each of the sanctions mentioned above shall be applied, in accordance with the provisions of the corporate disciplinary code in place at Cilento Reti Gas S.r.l., taking into account:

i) the intentionality of the conduct or degree of negligence, imprudence or incompetence also with regard to the predictability of the event;

ii) the overall conduct of the employee, with particular regard to the existence of any disciplinary precedents, within the limits permitted by law;

iii) the employee's duties;

iv) the functional position of the people involved in the events constituting the misconduct;

v) any other particular circumstances that accompany the disciplinary infringement.

As regards the verification of the aforementioned infringements, the disciplinary proceedings and the imposition of sanctions, the powers already conferred remain unchanged, within the limits of their respective responsibilities.

The disciplinary system is constantly monitored by the Supervisory Body of the Company.

3.8.3 Measures against Managers

In case of violation of the internal procedures established by the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. by managers, or conduct, in the management of sensitive or at-risk processes, that does not comply with the provisions of the Model and, in particular, the direct or indirect adoption of retaliatory or discriminatory acts against whistleblowers pursuant to Article 6, Paragraph *2-bis* of Legislative Decree 231/2001 for reasons linked directly or indirectly to the report, the most suitable measures will be imposed on those responsible, in compliance with the provisions of the National Collective Labour Agreement for Industrial Managers, including termination of the employment relationship.

3.9 OTHER PROTECTION MEASURES IN CASE OF NON-COMPLIANCE WITH THE REQUIREMENTS OF THE MODEL

3.9.1 Measures against Directors

In case of violation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. by directors, the Supervisory Body shall inform the entire Board of Directors and the Board of Statutory Auditors, which will adopt the appropriate measures, provided for by current legislation.

In the event the aforementioned violations are committed by directors of the Subsidiaries, it is necessary to promptly inform the Supervisory Body of Cilento Reti Gas S.r.l., which will report to the competent corporate bodies for the adoption of the relevant measures; if the aforementioned directors are also managers of the Company, the sanctions referred to in section 3.8.3 above may, in any case, be applied.

3.9.2 Measures against Consultants, Partners and Suppliers

Any conduct by Consultants, Partners or Suppliers that does not comply with the lines of conduct indicated in the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. and that entails the risk of committing an offence may result, according to the provisions of the specific contractual clauses included in the letters of appointment or partnership agreements, in termination of the contractual relationship or any other sanctions specifically provided for,

without prejudice to requests for compensation if such conduct causes concrete damage to the Company, as in the case of application, by the Judge, of the measures envisaged by the Decree.

3.9.3 Measures against members of the Supervisory Body

In case of violation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. by one or more members of the Supervisory Body, the other members of the aforementioned body or any of the statutory auditors or directors shall immediately inform the Board of Statutory Auditors and the Board of Directors of Cilento Reti Gas S.r.l. (or of the Subsidiary concerned, in case of violation by the members of the Supervisory Body of a Subsidiary).

These bodies, after notifying the violation and granting adequate defence mechanisms, shall take appropriate measures including, by way of example, revocation of the mandate of the entire body and consequent appointment of a new Supervisory Body.

3.9.4 Measures against members of the Board of Statutory Auditors

Upon being informed of a violation of the Organisation, Management and Control Model of Cilento Reti Gas S.r.l. by one or more statutory auditors, the Supervisory Body shall promptly inform the entire Board of Statutory Auditors and the Board of Directors of the incident. The recipients notified by the Supervisory Body may adopt, in accordance with the Articles of Association and the law, appropriate measures such as convening the Shareholders' Meeting, in order to apply the most suitable measures provided for by law.