ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEG. DECREE 231/2001

of

OLT OFFSHORE LNG TOSCANA

GENERAL SECTION

APPROVALS	Date
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1. THE LEGISLATION

1.1 LEGISLATIVE DECREE NO. 231 dated 08 JUNE 2001

Legislative Decree No. 231 dated 8 June 2001 (hereinafter also "Decree 231" or "Decree"), pursuant to Article 11 of Law No. 300 dated 29 September 2000, concerns the administrative liability of legal entities, companies and associations, including those without legal personality, outlining the general principles and criteria for attribution.
This decree intends to adapt the internal legislation on the liability of legal entities to certain international conventions:

- Brussels Convention of 26/07/95 on the protection of the financial interests of the European Community.
- Convention of 26/05/97 on the fight against corruption of officials of the European Community or of the Member States.
- OECD Convention of 17/12/97 on the fight against corruption of foreign public officials in economic and international transactions.

The Decree introduced, into the Italian legal system, a regime of administrative liability (substantially similar to criminal liability) against entities (to be understood as companies, associations, consortia, etc.) for the crimes listed in the Decree and committed in their interest or advantage. The liability of the entity is added to that of the individual who actually committed the crime.
Article 5 of the aforementioned decree holds the entity responsible for crimes committed in its interest or to its advantage:

- By individuals who hold representative, administrative or management functions of the Company or one of its organisational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control thereof[1].
- By individuals subject to the management or supervision of one of the aforementioned subjects[2].

The constituent elements of the entity's interest and advantage, contemplated in Article 5 as criteria for the attribution of administrative offences, have alternative values and different meanings. The interest expresses the finalistic direction of the criminal conduct of the individual, verifiable from an ex ante perspective ("upstream" of the event): the interest pertains to the type of activity that is carried out and must, therefore, find a perfect impact in the suitability of the conduct to cause a benefit for the entity, without requiring that the utility be actually achieved. The advantage is the material result of the criminal action and therefore assumes objective connotations being able to be achieved by the entity, even when the individual has not acted in his interest and is therefore verifiable only ex post.

The inclusion of occupational health and safety offences in the list of offences (Article 25-septies of Legislative Decree 231/01) and environmental offences (Art. 25-undecies of Legislative Decree 231/01), has posed a problem of logical compatibility between the non-intentionality of the event, typical of culpable offences, and the purpose underlying the concept of the entity's "interest".
On this point, the United Sections of the Cassation in sentence No. 38343 dated 24/04/2014 issued "in the context of the trial for the tragic events of Thyssen" clarified that "in culpable offences of event the concepts of interest and advantage must necessarily refer to the conduct and not to the unlawful outcome". It is clarified that this solution "does not cause any difficulties of a logical nature: it is quite possible that conduct characterised by the breach of the precautionary discipline and therefore negligent is put in place in the interest of the entity or in any case leads to the achievement of an advantage. This interpretative solution [...] is limited to adapting the original criterion of imputation to the changed reference

[1] By way of example, subjects in senior positions are considered to fall into this category, i.e. the Chairman, the Directors, the General Managers, the Director of a branch or division, as well as the de facto director or sole shareholder who takes care of the management.
[2] All subjects having a functional relationship with the entity must be considered "subordinates" to the senior management. Therefore, in addition to subordinate workers, this category also includes subjects who have an agency or commercial representation relationship with the Company, or other relationships of coordinated and continuous collaboration, mainly personal and without the constraint of subordination (project work, administered, insertion, summer orientation internship), or any other relationship contemplated by Article 409 of the Italian Code of Civil Procedure, as well as occasional workers.

framework, without the criteria for assignment being altered. The adjustment concerns only the object of the assessment which no longer captures the event but only the conduct, in accordance with the different conformation of the offence. [...] It is quite possible that the agent knowingly breaches the caution, or even foresees the event that may arise, even without wanting to, to correspond to instances functional to the strategies of the entity".

The entity is not liable if the persons indicated have acted in the exclusive interest of themselves or of third parties.

The provision of administrative liability materially involves the assets of the entities and therefore the economic interests of the shareholders in the punishment of offences. Amongst the sanctions, those certainly more onerous for the entity are represented by the disqualification measures, such as the suspension or revocation of licences and concessions, the prohibition of contracting with the public administration, the interdiction from exercising the activity, the exclusion or revocation of loans and contributions, the ban on advertising goods and services.

1.2 OFFENCES UNDER LEGISLATIVE DECREE 231/2001

Legislative Decree 231/01 refers to the following types of offence (hereinafter, for the sake of brevity, the "**231 Offences**"):

(i) **crimes against the Public Administration** referred to in **Articles 24 and 25** of Legislative Decree 231/01. Article 24 was subsequently amended by Law No. 161 of 2017 and Legislative Decree 75 of 2020. Article 25 was subsequently supplemented and amended by Law No. 190 of 6 November 2012, Law No. 69 of 27 May 2015 and Law No. 3 of 9 January 2019, Legislative Decree 75 of 2020 and Legislative Decree 156 of 2022;

(ii) **computer crimes and unlawful data processing,** introduced by Article 7 of Law No. 48, which has included in the Legislative Decree 231/01 **Article 24-bis,** subsequently amended by Legislative Decrees 7 and 8 of 2016 and Legislative Decree 105 of 2019;

(iii) **organised crime offences**, introduced by Article 2, paragraph 29, of Law No. 94, which has included in Legislative Decree 231/01 **Article 24-ter**, subsequently supplemented by Law No. 172 dated 1 October 2012 and amended by Law No. 69 and most recently by Law No. 236 dated 11 December 2016;

(iv) **offences relating to forgery of money**, public credit cards, revenue stamps and identification instruments or signs, introduced by Article 6 of Law No. 406 of 23 November 2001, which inserted into Legislative Decree 231/01 **Article 25-bis**, subsequently supplemented by Article 15(7)(a) of Law No. 99 of 23 July 2009 and by Legislative Decree 125 of 2016;

(v) **crimes against industry and trade**, introduced by Article 15(7)(b) of Law No. 99 of 23 July 2009, which inserted into the Legislative Decree 231/01 **Article 25-bis.1**;

(vi) **corporate offences**, introduced by Article 3 of Legislative Decree 61/2002, which inserted **Article 25-ter** into Legislative Decree 231/01, as amended by Law No. 190 of 2012, Law 69/2015, by Legislative Decree 38 of 15 March 2017and by Legislative Decree 19 of 2023;

(vii) **crimes for the purpose of terrorism or subversion of the democratic order**, introduced by Law No. 7 of 14 January 2003, which inserted into Legislative Decree 231/01 **Article 25-quater**;

(viii) **practices of female genital mutilation**, introduced by Law No. 7 of 9 January 2006, which inserted into Legislative Decree 231/01 **Article 25-quater.1**, subsequently supplemented by Law No. 172 of 1 October 2012;

(ix) **crimes against the individual**, introduced by Law No 228 of 11 August 2003, which inserted into Legislative Decree 231/01, Article 25-quinquies, supplemented by Law No. 172 dated 1 October 2012 and, lastly, by Law No. 199 dated 29 October 2016;

(x) **offences of market abuse**, provided for in Law No. 62 of 18 April 2005, which inserted in Legislative Decree 231/01 **Article 25-sexies** and, within the TUF, Article 187-quinquies "Liability of the entity" the latter subsequently amended by Legislative Decree 107 of 2018;

(xi) **crimes of manslaughter or serious or very serious injury**, committed in breach of the rules on the protection of health and safety in the workplace, introduced by Law No. 123, which has included, in Legislative Decree 231/01 **Article 25-septies,** subsequently amended by Law No. 3 of 2018;

(xii) **crimes of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering**, introduced by Legislative Decree 231 of 21 November 2007, which inserted into Legislative Decree 231/01 **Article 25-octies**, subsequently supplemented by Law No. 186 of 15 December 2014;

(xiii) **offences relating to non-cash means of payment**, introduced by Legislative Decree 184 of 2021, which inserted into Legislative Decree 231/01 **Article 25-octies.1,** first and second paragraphs;

(xiv) **copyright infringement offences**, introduced by Article 15(7)(c) of Law No. 99 of 23 July 2009, which inserted into Legislative Decree 231/01 **Article 25-novies**;

(xv) **offence of inducement not to make declarations or to make false declarations to the judicial authorities**, introduced by Article 4 of Law No. 116 of 3 August 2009, which inserted into Legislative Decree 231/01 **Article 25-decies**;

(xvi) **environmental offences**, introduced by Legislative Decree121 of 7 July 2011, which inserted into Legislative Decree 231/01 **Article 25-undecies**, subsequently amended by Law No. 68 of 22 May 2015 and Legislative Decree 21 of 2018;

(xvii) **transnational crimes**, introduced by Law No. 146, dated 16 March 2006, "Law of ratification and execution of the United Nations Convention and Protocols against transnational organised crime";

(xviii) **crimes of employment of third-country nationals whose stay is irregular**, introduced by Article 2 of Legislative Decree 109 of 16 July 2012 (implementation of Directive 2009/52/EC on minimum standards on sanctions and measures against employers who employ third-country nationals whose stay is irregular), which inserted into Legislative Decree231/01 **Article 25-duodecies**, subsequently amended by Law No. 161 of 17 October 2017 with the introduction of the additional 3 paragraphs on Provisions against illegal immigration;

(xix) **crimes of racism and xenophobia**, introduced by Law No. 167 dated 20 November 2017, "Provisions for the fulfilment of obligations resulting from Italy's membership of the European Union - European Law 2017, which inserted into in Legislative Decree231/01 **Article 25-terdecies,** subsequently amended by Legislative Decree 21 of 2018;

(xx) **fraud in sports competitions, illegal gambling or betting and gambling carried out by means of prohibited devices**, introduced by Law No. 39 dated 3 May 2019, which inserted into Legislative Decree231/01 **Article 25-quaterdecies**.

(xxi) **tax crimes** introduced by Law No. 157 of 19 December 2019 and Legislative Decree 75/2020, which inserted into Legislative Decree231/01 **Article 25-quinquesdecies,** subsequently amended by Legislative Decree 156 of 2022;

(xxii) **Smuggling offences** introduced by Legislative Decree75/2020, which inserted into Legislative Decree231/01 **Article 25-sexiesdecies**;

(xxiii) **Crimes against cultural heritage,** introduced by Law No. 22 of 2022, which inserted into Legislative Decree 231/01 **Article 25-septiesdecies**;

(xxiv) **Laundering of cultural assets and devastation and looting of cultural and landscape assets,** introduced by Law No. 22 of 2022, which inserted into Legislative Decree231/01 **Article 25-duodevicies**.

From the examination of the activity carried out by OLT and from the assessment of the risk of commission of a crime, not all of the aforementioned types of offence were considered applicable in the abstract.

The company has been identified as an Operator of essential services in the energy sector, and included in the list of entities that must comply with the obligations and measures set out in Legislative Decree 105 of 21 September 2019 regulating the so-called" National cyber security perimeter".

Therefore, the offence resulting from the violation of the rules on the perimeter of national cybersecurity (Article 1, Section 11, Legislative Decree115 of 21/9/2019).

1.3 OFFENCES COMMITTED ABROAD

According to Art. 4 of Legislative Decree231/01, the entity may be held liable in Italy in relation to offences - covered by the same Legislative Decree 231/01 - committed abroad. The Explanatory Report to Legislative Decree 231/01 emphasises the

need not to leave a frequently occurring criminological situation without sanctions, also in order to avoid easy evasion of the entire regulatory system in question.
The prerequisites (provided for in the regulation or inferable from the whole of Legislative Decree231/01) on which the liability of the entity for offences committed abroad is based are the following:

- the offence must be committed abroad by a person functionally linked to the entity, pursuant to Article 5, paragraph 1, of Legislative Decree231/01;
- the entity must have its main office in the territory of the Italian State;
- the entity can respond only in the cases and under the conditions provided for by Articles 7, 8, 9, 10 of the Italian Criminal Code. This referral is to be coordinated with the provisions of Articles 24 to 25-duodecies of Legislative Decree231/01, so that - also in compliance with the principle of legality under Article 2 of Legislative Decree231/01 - against the series of offences mentioned in Articles 7-10 of the Italian Criminal Code, the company may only be liable for those for which its liability is provided for by an ad hoc legislative provision;
- the entity may be liable in cases in which the State in which the offence was committed does not proceed against it;
- in cases in which the law provides that the guilty party is punished at the request of the Minister of Justice, proceedings are taken against the entity only if the request is also made against the entity itself.

1.4 THE SANCTIONS PROVIDED FOR

The sanctions envisaged for administrative offences depending on a crime are:

- financial penalties;
- disqualification sanctions;
- confiscation;
- publication of the judgement.

1) Financial penalties

Financial penalties have an administrative nature and are always applied, even if the legal entity remedies the consequences deriving from the crime.
The proportion of the penalty depends on a twofold criterion:

- determination of shares in a number of no less than 100 and no more than 1,000;
- attribution to each individual share of a value ranging from a minimum of €258.00 to a maximum of €1,549.00 (based on the economic and financial conditions of the entity).
- In concrete terms, the pecuniary sanctions may range from a minimum of EUR 25,822.84 (reducible, pursuant to Article 12 of Legislative Decree231/01, up to half) and a maximum of EUR 1,549,370.69. The judge determines the number of shares by taking into account:
- the severity of the offence;
- the degree of responsibility of the entity;
- the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences.

2) Disqualification sanctions

These are sanctions that are added to the financial penalties and have the function of preventing the repetition of the crime. When applying these sanctions, the judge analyses the specific activity carried out by the entity, in order to determine the level of invasiveness on the exercise of the activity itself.
This category of sanctions includes the following measures:

- disqualification from exercising the business;
- the ban on contracting with the Public Administration;
- the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- the exclusion from concessions, loans, contributions and subsidies and/or the revocation of those already granted;
- a ban on advertising goods or services.

In the event of multiple crimes, the sanction envisaged for the most serious crime applies.
The duration of the ban is generally temporary (from a minimum of 3 months to a maximum of 2 years), with the exception of some mandatory cases, in which the temporariness of the ban is replaced by the finality thereof. By way of example:

- in case of repeat of the criminal offence;
- in the event of a significant profit;
- in case of repeat at least three times in the last seven years.

Also worth noting is the possible continuation of the activity of the entity (instead of the imposition of the sanction) by a commissioner appointed by the judge pursuant to Article 15 of Legislative Decree231/01, when one of the following conditions occurs:

- the entity carries out a public service or a service of public necessity the interruption of which can cause serious harm to the community;
- the interruption of the activity of the entity may cause, taking into account its size and the economic conditions of the territory in which it is located, significant repercussions on employment.

Furthermore, Article 23 of Legislative Decree231/01 provides, in the event of non-compliance with the disqualification sanctions, for an autonomous type of crime as well as the corresponding administrative offence of the entity with consequent application of financial penalties and, if the breach has resulted in a significant profit for the entity, also of disqualification sanctions possibly different from those already adopted.

3) Confiscation

It is a mandatory, principal and general sanction to be ordered with the conviction (Art. 19 of Legislative Decree231/01) and consists in the confiscation, by the Judicial Authority, of the price or profit generated by the offence, excluding the part of it that can be returned to the injured party.
If the confiscation of the product or the profit of the crime is not possible, sums of money, goods or other benefits of equivalent value to the price or profit of the crime are confiscated.
Indeed, Legislative Decree 231/01 also provides for other forms of asset abduction, even in the absence of a conviction. The first hypothesis is contemplated by Article 6 paragraph 5 which provides for the mandatory confiscation of the profit that the entity has drawn from the crime even if the entity is not held responsible, by virtue of the release proof provided, for the administrative offence dependent on the crime committed by subjects in position apical; in this case, the confiscation has a compensatory function, necessary to restore the economic equilibrium altered by the predicate offence and preventive in nature, that is, it neutralises any objective risk related to the fallout of the profit in the sphere of the entity.
Article 15, paragraph 4 also provides for the confiscation of the profit deriving from the continuation of the business activity when this is ordered by the judicial commissioner and in place of the application of the disqualification sanction which determines the interruption of the activity of the entity when recurring the foreseen requirements (the body carries out a public service or a service of public necessity the interruption of which can cause serious damage to the community or the interruption of the activity of the body can cause serious repercussions on employment).
Lastly, Article 23 provides for the confiscation of the profit derived from the entity from the continuation of the activity as the main sanction in breach of the obligations and prohibitions imposed on it through a sanction or a precautionary prohibition measure.

4) Publication of the judgement.

The publication of the sentence is ordered when a disqualification sanction is applied to the entity.
The sentence is published (at the expense of the convicted legal person) only once, in extract or in full, in one or more newspapers indicated by the judge in the sentence, as well as by posting in the municipality where the entity has its head office.

1.5 ATTEMPTED CRIMES

In the event of the commission, in the form of attempt, of the offences set out in Chapter I of Legislative Decree231/01, pecuniary sanctions (in terms of amount) and disqualification sanctions (in terms of time) are reduced by between one third

and one half, while the imposition of sanctions is excluded in cases where the entity voluntarily prevents the performance of the action or the realisation of the event.

1.6 THE CULPABILITY OF THE ENTITY

Articles 6 and 7 of Legislative Decree 231/01 provide for the criteria of subjective imputation of the offence to the entity. These criteria differ according to the function performed by the offender.
In the case of persons who perform functions of representation, administration or management of the Entity or one of its organisational units with financial and functional autonomy as well as persons who exercise, even de facto, the management and control of the same, assumes the responsibility of the entity, unless it can demonstrate that:

- the management body has adopted and effectively implemented, before the offence was committed, organisational, management and control models suitable for preventing the commission of crimes of the type that occurred;
- the task of overseeing the functioning, effectiveness and observance of the models, of ensuring their updating has been entrusted to a body with autonomous powers of initiative and control;
- persons have committed the crime by fraudulently evading the organisation and management models;
- there was no omission or insufficient supervision by the control body.

If the offence was committed by persons subject to the management or supervision of one of the aforementioned persons, the entity is liable if the prosecution succeeds in demonstrating that the commission of the offence was made possible by the failure to comply with the obligations of management or vigilance. These obligations are presumed to be observed if the entity, prior to the commission of the offence, has adopted and effectively implemented an organisational, management and control model pursuant to Legislative Decree231/01 suitable for preventing offences of the kind that have occurred.
More specifically, the liability of the entity is presumed if the offence is committed by a natural person who holds top positions or responsibilities; consequently, the burden of proving its extraneousness to the facts falls on the entity. Conversely, the liability of the entity is to be demonstrated in the event that the person who committed the offence does not hold top positions within the corporate organisational system; in this case the burden of proof falls on the accusatory body.
In relation to the extension of delegated powers and the risk of committing crimes, the models must meet the following requirements:

- identifying the activities in which the offences may be committed;
- providing for specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- identifying methods of management of financial resources suitable for preventing alleged offences;
- providing for obligations to inform the body responsible for overseeing the functioning of and compliance with the Models;
- introduces a private disciplinary system suitable for punishing failure to comply with the measures indicated in the Model.

Article 6 of Legislative Decree 231/01 states, lastly, that the 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, may make observations on the suitability of the models to prevent crimes.

1.7 GUIDELINES OF CONFINDUSTRIA

Following the numerous legislative interventions that have extended the scope of administrative liability to further offences, Confindustria has updated the Guidelines for the construction of organisational models. In June2021, was issued the updated version of the Guidelines (which replaces the previous versions, approved in 2004,2008 and 2014).
The dynamic nature of the Guidelines issued by Confindustria is also underlined, which, over time, may undergo updates and revisions which must be taken into account when analysing any need to update the Model.
In updating this Model, account was also taken of the drafting principles of the Organisation, Management and Control Models pursuant to Legislative Decree231/01 issued in June 2016 by the National Council of Chartered Accountants.

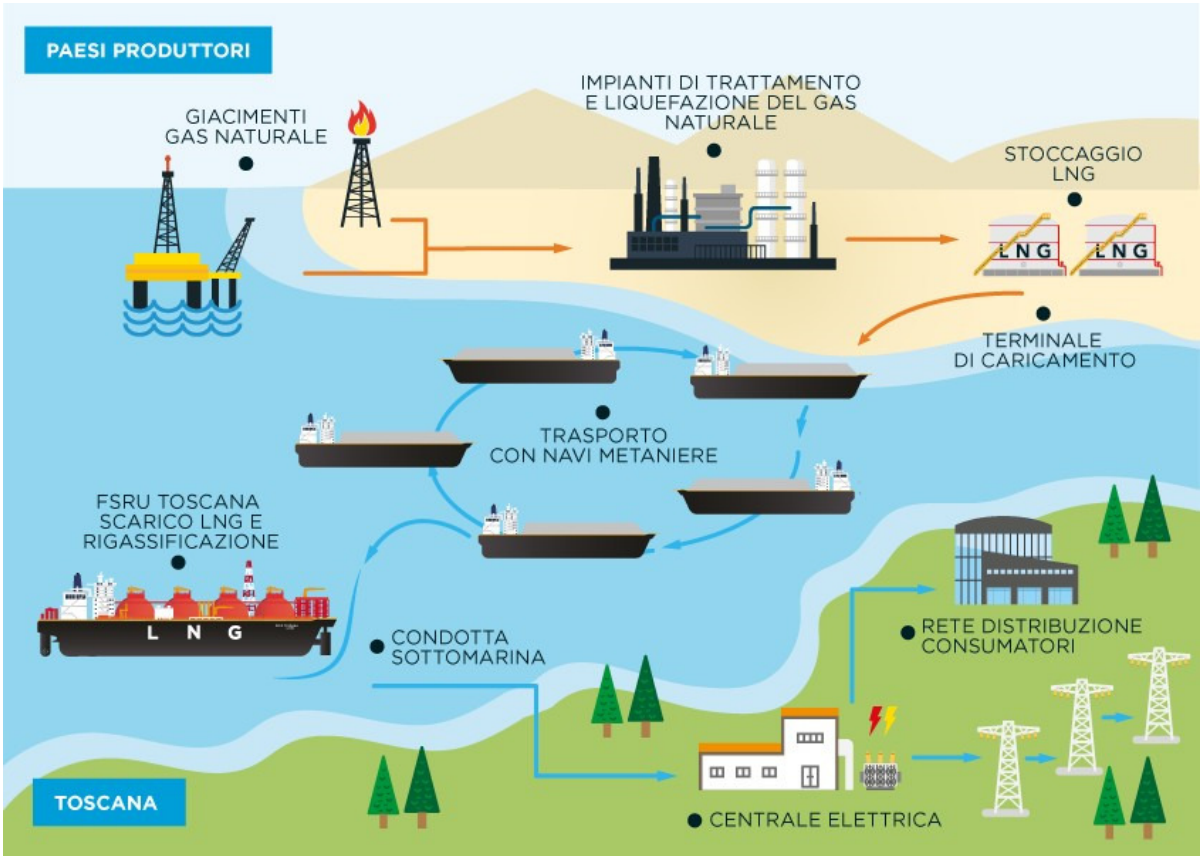
2. THE ACTIVITY OF OLT

OLT Offshore LNG Toscana S.p.A. (hereinafter also "**OLT**" or "**the Company**"), was established by deed dated 11 September 2002 and is currently owned by 3 shareholders (Snam Spa, FS SP S.à.r.l., and Golar Offshore Toscana Limited).

The corporate purpose, since the date of incorporation, is *"the development of infrastructure activities, the reception and transport of all types of energy, with particular reference to gas, as well as the management and construction of regasification plants, including floating ones (offshore) of liquid methane gas (…)"*.
On 23 February 2006, the Company obtained the authorisation from the Ministry of Production Activities, in agreement with the Minister of the Environment and Protection of the Territory, to build and operate the regasification plant and, in March 2008, it signed, with Saipem S.p.A. a turnkey tender contract for the conversion of an LNG carrier into a floating regasification terminal.
The company's core business is the operation of an infrastructure for the import and regasification of liquefied natural gas (LNG), which, once it has undergone the regasification process, is fed into the Italian National Gas Pipeline Network for transportation. Starting in 2022, in addition to the regulated LNG regasification service, the Company also intends to offer the unregulated LNG loading service on small LNG carriers (so-called Small Scale LNG service).
The company is currently subject to the *Functional Unbundling* regime provided for by ARERA Resolution 296/2015 (TIUF) and has appointed a Managing Director who has also been granted the powers and status of Independent Manager, a function explicitly provided for by the TIUF in accordance with the so-called'exemption model' provided for in the TIUF itself.

With reference to the Terminal's operation, OLT has chosen to make use of the company ECOS S.r.l., which is responsible for the operational management and fitting out of the regasifier, while the vessels serving the Terminal are supplied and managed by the company Fratelli Neri S.p.A., a leading Livorno-based company.

The company is subject to the regulations set out in Legislative Decree 105/15 (Seveso III)
The following is an illustrative diagram of the regasification cycle:



The Company, by a communication dated 21.1.2019, was identified by MISE, pursuant to Article 1, paragraph 2 bis of Legislative Decree 105/2019, as an Operator of essential services in the energy sector.
On 21 December 2020, the Company received a communication from the DIS (Dipartimento Informazioni per la Sicurezza della Presidenza del Consiglio dei Ministri - Security Information Department of the Presidency of the Council of Ministers) regarding its inclusion in the list of entities that will have to comply with the obligations and measures set forth in Legislative Decree 105 of 21 September 2019 governing the so-called "Security Information Department". "National cyber security perimeter".

3. OLT MODEL

3.1 PURPOSE OF THE MODEL

The purpose of the Organisation, Management and Control Model of Olt Offshore LNG Toscana (hereinafter also referred to as the "**Model**") is the construction of a structured and organic system of procedures and control activities aimed at preventing the crimes referred to in Legislative Decree231 of 2001, through the identification of activities exposed to the risk of crime and their consequent proceduralisation.
Through the adoption of the Model, OLT aims to pursue the following main purposes:

- to set the values of ethics and respect for legality.
- to determine, in the recipients of the Model, the awareness of being able to incur, in the event of breach of the provisions contained therein, in the commission of offences subject to criminal sanctions that can be imposed against them and administrative sanctions that can be imposed upon the Company;
- to reiterate that these forms of unlawful conduct are strongly condemned by OLT, as they (even if the Company were apparently in a position to take advantage of them) are in any case contrary not only to the provisions of the law, but also to the ethical principles to which intends to comply with the exercise of the company activity;

- to obtain the active collaboration of all staff, according to the level of responsibility and the tasks assigned, in observing the company procedures and the operational indications provided by the Model (protocols);
- to prevent, to the extent of their knowledge and responsibility, conduct that is not in line with what is indicated in the Model itself, including through the use of dedicated communication lines;
- allow the Company, thanks to a monitoring action on the areas of activity at risk, to intervene promptly to prevent or combat the commission of the crimes themselves.

3.2 RISK RECOGNITION AND ASSESSMENT - ACCEPTABLE RISK

Critical concepts in the construction of the organisation and management model are that of "risk assessment" and "acceptable risk".
In fact, for the purposes of applying the provisions of Decree 231, it is crucial to periodically carry out a recognition and assessment of the risks of committing crimes and to define the risk levels of the areas at risk and related sensitive activities of the various company processes and as well as those above the which is appropriate and necessary to introduce particularly effective control tools.
In relation to the risk of commission of the offences referred to in Decree 231, the acceptability threshold depends on the configuration and distribution of the risks of commission of offences within the company and on the scale of values used. In general, all areas at risk must be supervised by a preventive system of procedures and controls that cannot be circumvented unless intentionally, or, for the purposes of excluding the administrative liability of the entity, the persons who have committed the offence must have acted by fraudulently evading the Model and the controls adopted.

3.3 THE CONSTRUCTION, ADOPTION AND UPDATING OF THE MODEL

OLT has carried out a survey of its activities and an in-depth analysis thereof, in order to identify the "risk areas" and related "sensitive activities" within the Company.
The process of defining and updating the Model is divided into the phases described below:

(i) identification of the sensitive areas and activities "at risk of crime", or those the carrying out of which is connected to the risk of committing the offences envisaged by Decree 231, as well as the Departments/Services involved;

(ii) definition, by way of hypothesis, of the main possible ways to describe the commission of the Prerequisite Crimes for each Area at risk of crime;

(iii) carrying out interviews with the key organisational roles of OLT (hereinafter also "Process Owners") aimed at identifying and identifying the Company's control system aimed at preventing the Predicate Offences from being committed.

The outcome of this activity was collected and formalised in a summary document, entitled "**Map of areas at risk of crime pursuant to Legislative Decree 231/01**"which is an integral part of the Model (**Appendix 2**). Based on this activity, possible areas for improvement were identified (so-called"*Gap Analysis*") and the consequent definition of the plan to strengthen the Internal Control System (the so-called "*Action Plan*") relevant to Decree 231.
This approach is specifically based on:

- indications provided by Confindustria as part of the Guidelines for the construction of the 231 Models;
- reference best practices.

The adoption of the Model is delegated by the Decree itself to the competence of the management body (and, specifically, to the Board of Directors), which is also assigned the task of integrating and updating the Model.
In fact, the Model is not conceived as a static document, but on the contrary it is designed with a view to continuous updating in relation to the adaptation needs that are determined for it over time. In fact, it is constantly updated and improved.
The Company, after the first adoption and also as a result of the introduction of additional offences within the scope ofLegislative Decree231/01, has updated and supplemented its Model, taking into account:

- the organisational changes of the Company;
- the evolution of jurisprudence and doctrine;
- the practice of Italian companies in relation to the models;

- the results of the supervisory activities;
- the evolution of the regulatory framework.

Subsequent changes or additions of a substantial nature, also proposed by the Supervisory Body (meaning by such changes to the rules and general principles contained in this Model), are the responsibility of the Company's Administrative Body.

3.4 STRUCTURE OF THE MODEL

This Model, as anticipated in the previous paragraph, was constructed through a risk assessment in order to prevent the risks pursuant to Decree 231:
The Model consists of:

- this "**General Part**" which describes: the relevant legislation; the essential components of the Model; the requirements and the role of the Supervisory Body (hereinafter also "SB"); staff training; the dissemination of the Model in the context of the Entity and extra-Entity and the disciplinary system including the measures to be taken in the event of non-compliance with the provisions thereof;
- the "**Code of Ethics and Conduct**" which defines the reference values to which the Company is inspired in the performance of its activities. These ethical and behavioural principles are the basis of the corporate culture and represent the standard of conduct required for those collaborating with the Company;
- "**Special Part 1 - Areas at risk pursuant to Legislative Decree 231/01**" identifying:
- At-Risk Areas;
- sensitive activities;
- the Predicate Offences potentially applicable to the at-risk area;
- the preventive controls implemented by the Company (general and specific) to prevent Predicate Offences;
- "**Special Part 2 - Crimes of manslaughter or serious or very serious injury, committed in breach of the rules on the protection of health and safety in the workplace**" identifying the prevention system as per Legislative Decree81/08;
- "**Special Part 3 – Environmental crimes**" which describes the environmental management system;
- "**Special Part 4 –Principles of conduct**" which describes the rules of conduct to be followed by the Recipients of the Model, to prevent the commission of predicate offences considered potentially applicable;
- "**Annex 1 - Identification matrix of the types of crime pursuant to Legislative Decree 231/01**" which identifies the relevant offences with respect to the relevant regulations;
- "**Annex 2 - Map of areas at risk of crime pursuant to Legislative Decree 231/01**" which summarises the areas at risk of crime, sensitive activities, Predicate Offences, the main possible ways of committing the predicate offences, the company functions involved/outsourcers and the reference procedures.

The Company undertakes to effectively implement the Model, to constantly adapt it to changes in the internal and external context and to guarantee its observance and its functioning by applying specific methodologies, adopting the operating methods deemed most appropriate each time and complying with mandatory control principles.

3.4.1 RELEVANT PREDICATE OFFENCES

In view of the activity carried out by OLT and in relation to the number of offences that currently constitute grounds for the administrative liability of entities under Decree 231, the Model has been drafted having regard to the Crimes pursuant to Legislative Decree 231. 231/01 deemed abstractly applicable according to a "***risk based***" approach.

The offences pursuant to Legislative Decree 231/01 considered abstractly applicable are:

(i) **crimes against the Public Administration referred to in Articles 24 and 25** of Legislative Decree231/01. Article 25 was subsequently integrated and amended by Law No. 190 dated 6 November 2012, by Law No. 69 and the Law No. 3 dated 9 January 2019;

(ii) **organized crime offences**, introduced by Article 2, paragraph 29, of Law No. 94, which has inserted inLegislative Decree231/01 **Article 24-ter**, subsequently supplemented by Law No. 172 of 1 October 2012 and amended by Law No. 69 of 27 May 2015 and most recently by Law No. 236 of 11 December 2016, and **transnational offences**,

introduced by Law No. 146 of 16 March 2006, "Law ratifying and executing the United Nations Convention and Protocols against transnational organised crime";

(iii) **corporate offences**, introduced by Article 3 of Legislative Decree61/2002, which inserted **Article25-ter** into Legislative Decree 231/01, as amended by Law 69/2015 and Legislative Decree38 of 15 March 2017;

(iv) **crimes for the purpose of terrorism or subversion of the democratic order**, introduced by Law No. 7 of 14 January 2003, which inserted into Legislative Decree 231/01 **Article25-quater***;*

(v) **crimes against the individual**, introduced by Law No 228 of 11 August 2003, which inserted into Legislative Decree231/01, **Article 25-quinquies**, supplemented by Law No. 172 of 1 October 2012 and, lastly, by Law No. 199 of 29 October 2016;

(vi) **crimes of manslaughter or serious or very serious injury**, committed in breach of the rules on the protection of health and safety in the workplace, introduced by Law no. 123, which has included, in Legislative Decree231/01 **Article*25*-septies**;

(vii) **offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering** introduced by Legislative Decree 231 of 21 November 2007, which inserted into Legislative Decree 231/01 **Article*25-octies***, subsequently supplemented by Law No. 186 of 15 December 2014;

(viii) **crimes relating to payment instruments other than cash**, introduced by Legislative Decree 184/2021, which included in the Legislative Decree 231/01 article 25-octies.1, first and second paragraph;

(ix) **theoffence of inducement not to make declarations or to make false declarations to the judicial authorities,** introduced by Article 4 of Law No. 116 of 3 August 2009, which inserted into Legislative Decree 231/01**Article*25-decies;***

(x) **environmental offences**, introduced by Legislative Decree121 of 7 July 2011, which inserted into Legislative Decree231/01 **Article*25-undecies,*** subsequently amended by Law No. 68 of 22 May 2015;

(xi) **crimes of employment of third-country nationals whose stay is irregular,** introduced by Article 2 of Legislative Decree 109 of 16 July 2012 (implementation of Directive 2009/52/EC on minimum standards on sanctions and measures against employers who employ third-country nationals whose stay is irregular), which inserted into Legislative Decree231/01 **Article 25-*duodecies***, subsequently amended by Law No. 161 of 17 October 2017 with the introduction of the additional 3 paragraphs on Provisions against illegal immigration**;**

(xii) **tax crimes** introduced by Law No. 157 of 19 December 2019 and Legislative Decree 75/2020, which inserted into Legislative Decree231/01 **Article*25-quinquesdecies***.

(xiii) Offence arising from violation of the rules on the perimeter of national cybersecurity (Article 1(11), Legislative Decree115 of 21/9/2019).

The offences under Legislative Decree231/01 considered to be of minor importance and for which the principles of conduct of Special Section 4 apply, are:

(xiv) **computer crimes and unlawful data processing,** introduced by Article 7 of Law No. 48, which inserted into Legislative Decree231/01 **Article 24-*bis***;

(xv) **copyright infringement offences,** introduced by Article 15(7)(c) of Law No. 99 of 23 July 2009, which inserted into Legislative Decree231/01 **Article*25-novies***.

Finally, the examination of the context and the activities of the Company led to consider **reasonably remote or not applicable** the possibility of commission of:

- market abuse crimes (Article 25-sexies of the Decree);
- offences concerning counterfeiting related to money and public credit cards and stamps, and crimes related to distinctive signs (Article 25-*bis* of the Decree);
- industrial and trade offences (Article 25-*bis*.1 of the Decree);
- crimes of false or omitted declarations for the issue of the preliminary certificate envisaged by the legislation implementing Directive (EU) 2019/2021 (art. 25-ter of the Decree).
-

- mutilation practices of female genital organs (Article 25-*quater* of the Decree);
- crimes of racism and xenophobia (Article 25-*sexies* of the Decree);
- fraud in sports competitions (Article 25-*quaterdecies* of the Decree);
- smuggling (Article 25-sexiesdecies of the Decree).

The Company undertakes to carry out continuous monitoring aimed at allowing the adequacy of the Model over time and ensuring the relevance of the Special Sections envisaged with respect to any significant changes in the business sectors, organisational structure and processes of the Company.

In consideration of the number of offences that currently constitute a prerequisite for the administrative liability of the Entities pursuant to the Decree, the Model was drawn up with regard to the cases considered of greater importance, the commission of which was concretely and not theoretically conceivable.

In any case, the ethical principles on which the OLT Model and its governance structure are based are aimed at preventing, in general, even those types of offences which, due to their insignificance or relevance to the Company's activity, are not specifically governed in the Special Part of the Model.

3.5 THE COMPONENTS OF THE MODEL

3.5.1 CODE OF ETHICS AND CONDUCT

OLT intends to base the conduct of the business, the pursuit of the corporate purpose and the growth of the Company on compliance, not only with the laws and regulations in force, but also with shared ethical principles. To this end, OLT has adopted a Code of Ethics and Conduct (hereinafter also "Code of Ethics"), aimed at defining a series of values and principles of "corporate ethics" that the Company recognises as its own and which it requires compliance by the corporate bodies, its employees and of all those who cooperate in any capacity to pursue corporate purposes.

The Code of Ethics has a general scope and represents an instrument characterised by its own autonomy of content, whilst recalling principles of conduct that are also relevant for the purposes of the Model.

3.5.2 THE ORGANISATIONAL STRUCTURE OF OLT

The corporate governance mechanisms adopted by the Company are aimed at making its organisational structure compliant with the provisions contained in Decree 231 and suitable for overseeing the various areas at risk as well as preventing unlawful conduct.

The organisational structure and the corporate governance mechanisms have been defined according to logics aimed at managing some key factors in the best possible way:

- achievement of business objectives;
- compliance with legal regulations;
- supervision and management of the various at-risk areas.

In order to make the role and responsibility in the corporate decision-making process immediately clear, the Company has defined the entire organisational structure, also defining:

- the Organisational Chart;
- the responsibilities of each Function;
- the heads of the identified Functions.

These documents describe the organisational structure and are subject to constant and timely updating according to the changes actually occurring in the organisational structure. The latter are the subject of official communication to all staff concerned.

The organisational structure is defined in such a way as to be consistent with company activities, suitable for ensuring the correctness of conduct, as well as guaranteeing a clear and organic assignment of tasks and an appropriate segregation of functions.

3.5.3 OLT GOVERNANCE MODEL

The Company is an unlisted joint stock company subject to the provisions of the Italian Civil Code, Book V, Title V, Chapter V, referred to in Articles 2325 et seq.

The OLT Governance system responds to the traditional organisational model, which involves the presence of:

i) Shareholders' Meeting
ii) Board of Directors
iii) Chairman of the Board of Directors
iv) Managing Director - Independent Manager
v) Board of Statutory Auditors
vi) Auditing firm

Shareholders' Meeting

The Shareholders' Meeting resolves on matters reserved to its competence by law or by the articles of association. The Company's articles of association provide for the only method of decision-making by the shareholders' meeting (there are no procedures such as express consent in writing or written consultation).

The following matters are reserved by law for the Ordinary Shareholders' Meeting:

1) approving the financial statements;
2) appointing and dismissing directors; appointing the statutory auditors and the chairman of the board of statutory auditors and, when required, the person in charge of carrying out the statutory audit of the accounts;
3) determining the remuneration of directors and auditors, if not established by the articles of association;
4) resolving upon the responsibility of directors and auditors;
5) resolving upon the other objects attributed by law to the competence of the shareholders' meeting, as well as upon any authorisations required by the articles of association for the performance of acts of the directors, notwithstanding, in any case, the liability of the latter for the acts performed;
6) approving the possible rules of the shareholders' meeting activities.

According to the Articles of Association, the Ordinary Shareholders' Meeting also decides on the remuneration of the directors appointed by it and can also appoint the Chairman of the Board of Directors.As per the Articles of Association, the following matters are reserved for the Extraordinary Shareholders' Meeting, which resolves by a qualified majority.

a) The extension of the Company's term beyond 31 December 2050
b) The issuance of bonds
c) The transformation of the Company
d) The transfer of the registered office abroad
e) The amendment of the criteria for determining the value of the share in the event of the exercise of the right of withdrawal by a shareholder

Board of Directors

The board of directors manages the Company and carries out all the operations necessary to implement the corporate purpose, being endowed with all powers for the administration of the Company and the faculty to carry out all acts deemed necessary or appropriate for the achievement of the corporate purposes.

After individual consultation of the individual shareholders to verify if any of them does not still intend to make a resolution of the shareholders' meeting (in which case the resolutions referred to above must be adopted by the shareholders' meeting), it is up to the board of directors to adopt the following resolutions:

- merger in the cases provided for by Articles 2505 and 2505-bis of the Italian Civil Code;
- the indication of which of the directors have the representation of the Company;
- the reduction of the share capital in the event of withdrawal by the shareholder;
- the adaptations of the Articles of Association to regulatory provisions.

The power to represent the Company vis-à-vis third parties and in legal proceedings rests with the Managing Director, who is designated for this purpose by the resolution of appointment by the Board of Directors.

The board of directors shall meet, even outside of the registered office provided that it is within the territory of the European Union, whenever the Chairman or a Director (in accordance with the procedure laid down in the Statute) deems it appropriate.

The notice of call must be sent at least 3 days before the date of the meeting. However, in the event of real urgency, the call can be received only 1 day off before the meeting. In the event of failure or late notice, the board meetings will still be valid if all the directors and statutory auditors in office participate.

The effective presence of the majority of the directors and the favourable vote of the majority of those present are required for the validity of the resolutions of the board, respecting the voting rights assigned by the Statute, notwithstanding the possibility for the directors to participate and vote by audio or video conference.
The minutes of the resolutions of the meeting are drawn up, signed by the Chairman and the Secretary, also external to the Board, who sign it once it has been transcribed in the relative book of resolutions of the Board of Directors.

Chairman of the Board of Directors

The Chairman calls the Board of Directors and, in the event of failure to appoint Managing Director, represents the Company legally and in court. The representation of the Company is also the responsibility of the general manager, directors, managers and attorneys, if appointed, within the limits of the powers conferred upon them in the appointment.
In exercising his power to convene the board of directors, the Chairman:

- sets the agenda;
- coordinates the works;
- ensures that all Directors are provided with adequate information about the items on the agenda.

Managing Director

OLT's Board of Directors resolved to appoint a Managing Director who also jointly assumes the position of "Independent Manager" pursuant to the functional separation regulations, as the Company is subject to the functional separation obligations set forth in ARERA Resolution No. 296/2015 (i.e. TIUF).
The Managing Director was granted powers up to an amount of EUR 1,000,000, subject to the following specific points, as set out in Appendix B of the Board of Directors' resolution of 1 July 2022:
1. supervise the technical, administrative and economic management of the Company in accordance with the guidelines and decisions of the board of directors; conclude guarantee contracts in connection with the Company's financing, expressly including pledge contracts on bank accounts;
2. enter into, in Italy and abroad, contracts and deeds containing all clauses deemed appropriate, including arbitration clauses, including the power to enter into bank account agreements with credit institutions in any way connected and necessary to the Company's business; sign bids for public and private tenders, for the supply of goods and services, as well as make the prescribed guarantee deposits and withdraw them in the event of non-award of the contract; sign, in the event of awarding, contracts, supplementary expert reports and submission deeds, reports regarding delivery, suspension, resumption and completion of works, and reserves; withdraw guarantees and deposits and, in general, perform all acts necessary for the management of contracts, including recourse to arbitration and judicial authorities, with the right to appoint special attorneys for individual acts;
3. enter into contracts for the provision of services, supplies, transfer or exchange of materials, means of work and means of transport, patent rights, know-how, subcontracting, transport, hire and insurance, (in any case, to the extent provided for in the annual budget approved by the Board of Directors and within the limits thereof), with all the clauses deemed appropriate, including arbitration clauses, and with the power to enter into any ancillary deeds or contracts, including the power to request the issue of guarantees to take delivery of supplies, to issue and accept receipts for collection, to attend the relevant tests and sign the relevant minutes (including progress reports), with the power to appoint special attorneys or experts for individual acts;
4. issue and accept bills of exchange in relation to agreements and supply orders;
5. issue receipts, endorse bills of exchange for discount, assignment and collection, accept contributions and their terms and conditions; sign any documents deemed necessary and issue the relevant receipts;
6. collect and assign credits;

7. request the issuance of and subsequently accept, transfer and endorse certificates representative of goods as guarantees;
8. collect amounts, mandates, treasury bills, promissory notes, cheques or any kind of credit, and security deposits from any public entity or private individual; and to exempt paying parties from any liability by issuing receipt of payment;
9. enter into, amend or prepay any loan agreement or borrow money or obtain credit (other than normal trade credit) or enter into any other agreement having a similar effect (including, without limitation, debt factoring, invoice discounting, hire purchase, equipment leasing, conditional or credit sales, or any off-balance sheet loan):
-having the effect of increasing the total indebtedness of the Company up to the total amount of EUR 500,000; or
-up to EUR 500,000 per individual agreement;
10. carry out credit and debit transactions (including payments for invoices issued by O&M service providers) on the Company's current accounts with credit institutions and Poste Italiane S.p.A. with the following limitations (i) up to EUR 500,000 per individual transaction for the use of the funds in these accounts and the credit lines granted to the Company; (ii) without limitation in the case of operations expressly included in the Budget or in the Business Plan approved by the Board of Directors; (iii) no limitation on the use of the funds held in these accounts and/or the credit lines granted to the Company for the payment - by signing the forms prepared by the competent Administrations - of taxes, social security and insurance contributions and dues of any nature owed by the Company; and the transfer of funds between bank and postal accounts in the Company's name and (iv) without limitation, in the case of operations necessary to implement all measures for the safety of workers, for the protection of health and the environment, for the prevention of serious accidents or for the preservation of the terminal and/or to prevent the interruption of the terminal's operations, provided that the Managing Director informs the Board of Directors of the operations referred to in this point (iv) in a timely manner;
11. deposit public or private securities – and securities in general – with credit institutions for custody and management, to withdraw them, and to issue a receipt upon withdrawal;
12. make security deposits in cash or by depositing securities; up to a maximum amount of EUR 100,000;
13. settle, also through settlement agreements, damages and claims up to a maximum amount of EUR 100,000;
14. issue testing and compliance certificates related to works performed by third parties after inspecting and testing them; to assess the progress of works in order to pay for the relevant costs; and challenge possible breaches and negotiate the relevant settlements;
15. without any limit on the amount, and on condition that the Board of Directors is adequately informed in advance:institute legal proceedings before any judicial and administrative authority and in general any legal proceedings; to resist such proceedings; to appoint arbitrators, lawyers and attorneys; with a limit of EUR 1,000,000.00 settle any judicial or extrajudicial dispute, to compromise disputes before arbitrators, including amicable compositors;
16. appoint special attorneys to represent the company before the courts in all disputes related to labour law and social security matters, and to grant these attorneys the power to provide answers on facts related to the disputes during informal questioning, and settle individual disputes;
17. appoint attorneys and authorise representatives in general to perform certain operations, categories of operations or single charges, on condition that any attorney or authorised representative exercises these powers within their limits and in accordance with the responsibilities of the Independent Manager;
18. revoke powers of attorney and propose to the board of directors the revocation of the powers conferred on the technical director;
19. take all action necessary – and as required by applicable laws in all relevant jurisdictions – to apply for, obtain, manage, protect and abandon patents and trademarks in Italy and abroad; and to appoint patent agents in Italy and abroad;
20. Carry out all personnel administration procedures with insurance, social security and welfare bodies;
21. serve notice to vacate on, and evict, lessees for rent arrears or expiry of lease agreements, and to represent the company in the relevant validation proceedings; to issue injunctions, to initiate enforcement proceedings of any kind and manage their termination; and to oppose claims brought by third parties;
22. take part in bankruptcy proceedings or pre-bankruptcy arrangements with creditors, and to lodge claims in bankruptcy proceedings;
23. provide declarations as garnishee and appoint special attorneys for that purpose;
24. without any limit on the amount: enter into any contract for the provision of LNG regasification services to third parties through the "FSRU Toscana" terminal, including as part of regasification services that are integrated with other services or as part of the provision of the "peak shaving" service, within the value limits resulting from the regasification capacity of the Terminal itself and the regasification tariff provided for by applicable regulations (i.e. at the price resulting from a regulated auction mechanism) enter into gas transportation contracts with the operator of the relevant gas pipeline network for the

provision of the gas transportation service required for the provision of the regasification service, including the power to arrange any payment in execution of such transportation contracts, as well as, without value limits, the power to return the cash deposit and guarantees provided on behalf of the Company, by the parties who have entered into a contract for the LNG regasification service and the power to make the cash deposit and other security on behalf of the gas network operator in the performance of the transportation contract entered into by the Company in connection with the regasification service;
25. without limitation of amount: enter into contracts of sale or, in any event, to transfer in exchange - pursuant to Legislative Decree164/2000, Article 21(5) - of an economic consideration to third parties of the gas resulting from the regasification of the LNG owned by the Company that can be stored at the terminal and that exceeds the operational requirements of the plant;
26. represent the Company in its capacity as operator - pursuant to Legislative Decree 152/2006 and Legislative Decree 105/2015 - of the facility consisting of the LNG regasification terminal "FSRU Toscana", also conferring any relevant powers.
The managing director is also vested with the title of employer pursuant to Legislative Decree 81/2008, with the power, exercised with single signature, to appoint proxies for specific assignments to third parties pursuant to Art. 16 of the same Legislative Decree, as well as any other power relevant to the appointment, even if not expressly provided for.

Managing Director- Independent Manager

OLT's Board of Directors also resolved that the Managing Director shall assume the status and powers of an Independent Manager, pursuant to and for the purposes of the relevant provisions on Functional Separation and, in particular, pursuant to Article 9.2 of the TIUF, assigning the MD, in addition to the duty to ensure compliance with the provisions of the TIUF,the powers and attributions set forth in Annex B of the Board of Directors' resolution of 1 July 2022:

- ensure that the regulations set out in the Integrated Text on Functional Unbundling (TIUF) are respected;
- prepare the proposal for the annual and multi-year development plan of the regasification terminal operated by the Company and submit the same to the Board of Directors;
- draft the proposal of organization plan for the personnel assigned to the regasification terminal;
- define and formulate the budget proposal for unplanned extraordinary investments, to be included in the annual budget, necessary to cope with urgent and critical situations, so as to ensure sufficient flexibility in the management of the regasification terminal;
- define and implement procedures for the processing of and access to commercially sensitive data belonging to the company and relating to regasification;
- ensure that the procurement of goods and services necessary to carry out its activities is carried out in accordance with the principles of economy and efficiency;
- draft a Plan pursuant to article 14.5 of the TIUF, to update it every year, and to submit it to the Italian regulatory authority for energy, networks and the environment (ARERA);
- draft pursuant to article 16.4 of the TIUF an annual report of the measures implemented in accordance with the Plan above and submit it to ARERA;
- enter into, amend and terminate individual employment contracts - with an annual aggregate amount to the extent and within the limits set out in the annual budget approved by the board of directors - for managerial and executive staff operating both in Italy and abroad, enter into trade union agreements with trade union representatives and workers' associations, and settle labour disputes;
- appoint executives and directors to the extent and within the limits provided for in the annual budget approved by the board of directors; assign functions to employees of the Company; grant them the powers and proxies to perform the functions entrusted to them; grant them, within the limits of the aforementioned functions, the power to represent the Company; revoke the powers delegated to the Technical Director;
- notify ARERA of any differences in the event that the approved annual and multi-annual development plan differs from the one proposed by the Independent Manager, providing the appropriate reasons for such differences;
- represent the Company in dealings with any office and administrative authority, with the right to sign and file any necessary statements or documents, and to present requests, objections, appeals, complaints before such authorities;
- any other power that the TIUF grants the Independent Manager.
- express a binding opinion on all decisions of the Board of Directors or of the Managing Directors concerning management and organisational aspects related to the regasification activity carried out by the Company, as well as for the approval of the development plan of the regasification terminal operated by the Company. In particular, the Independent Manager will be called upon to express a binding opinion on the following:
    - approval of the annual and multi-year development plan for the regasification terminal operated by the Company;
    - decisions on the management and operational structure of the Company’s regasification business; and

  - procedures for the purchase, by the Company, of goods or services necessary for the regasification activity carried out within the vertically integrated company, as defined in Article 1.1. of the TIUF;
- requiring the providers of operation and maintenance services to make changes or alterations, to install additional equipment in or on the terminal, or to terminate the relevant contracts:
  - in the case of ordinary activities, in accordance with the annual budget approved by the board of directors and,
  - in the event of extraordinary and urgent activities that cannot be promptly discussed at a meeting of the board of directors, within the limit of EUR 1,000,000, and in any case to the extent provided for in the annual budget approved by the board of directors;
  - represent the Company in all relations relating to operation and maintenance services;
- in the event of loss or suspension of any permit, licence or authorisation causing the suspension of the operational or production function of the terminal, enforce contractual remedies under the operation and maintenance agreements;
- arrange, to the extent and within the limits set out in the annual budget approved by the board of directors, all necessary insurance coverage, taking out all relevant insurance policies, pursuant to the operation and maintenance contracts;
- make proposals to the board of directors regarding the amendment or termination of operation and maintenance contracts;
- amend, to the extent and within the limits set out in the annual budget approved by the board of directors, interconnection agreements or operational balancing rules.

Furthermore, the Independent Manager is granted the power to issue a binding opinion on any decision taken by the board of directors or by executive directors relating to the management or organisation of regasification activities, and the approval of the regasification terminal's development plan.

Board of statutory auditors

The Board of Statutory Auditors has the duties and powers referred to in Articles 2403 and 2403 bis of the Italian Civil Code. Within the company, the management of the company is controlled by a board of statutory auditors made up of three regular auditors and two alternate auditors.
The meetings of the board of statutory auditors can also be held with those present in several places, contiguous or distant, connected audio or video, provided that the collegial method and the principles of good faith and equal treatment of the members of the board are complied with. The meeting is considered to be held in the place where the chairman and the secretary are present.
The Board is required to monitor compliance with the law and the Articles of Association, compliance with the principles of proper administration and, specifically, the adequacy of the organisational, administrative and accounting structure of the Company and its concrete functioning.
Each statutory auditor can carry out inspections and audits, whilst the Board can ask the directors, also with reference to subsidiaries, for information on the progress of corporate operations or on certain business and can also exchange information with the corresponding bodies of the subsidiaries regarding the administration and control systems and the general performance of the company. regarding the administration and control systems and the general performance of the company.

Auditing firm

The accounting control over the Company is exercised by an auditing firm registered in the register established at the Ministry of Justice and appointed by the Shareholders' Meeting, after consulting the Board of Statutory Auditors, which determines the fee for the entire term of the assignment, which cannot be entrusted. for a period exceeding three financial years.

The company in charge of the auditing of the accounts, also through exchanges of information with the board of statutory auditors:

(i) verifies, during the financial year, the regular keeping of the company accounts and the correct recognition in the accounting records of the management facts;

(ii) checks whether the financial statements for the year and, where established, the consolidated financial statements correspond to the results of the accounting records and checks carried out, and whether they comply with the relevant governing rules;
(iii) expresses its opinion in a report on the financial statements and the consolidated financial statements, where prepared.

The auditor or the company in charge of the accounting control can ask the directors for documents and information useful for the control and can carry out inspections.

3.5.4 THE GOVERNANCE TOOLS

The Company is equipped with a set of organisational governance tools designed to ensure its proper functioning and which can be summarised as follows:

- Articles of Association: in accordance with the provisions of the law in force, it contemplates various provisions relating to corporate governance aimed at ensuring the proper conduct of management activities;
- System of powers of attorney and delegation: defines the attribution of the representative powers of the Company;
- Organisational Communications: define the areas of responsibility and the organisation of the organisational structure and specify the guidelines, authorisation levels, OLT guidelines;
- Company procedures;
- Procedural Regulatory System (Protocols 231): includes the set of rules that regulate the responsibilities and methods of execution of the activities and phases that constitute the company's processes. The codes, policies, manuals, procedures, vademecums and work instructions codified by OLT aim to define precise guidelines and operational indications for the management of sensitive activities and processes. It is clear that this procedural system is dynamic by nature, as it is subject to the changing operational and management needs of the company including, by way of example, organisational changes, changed business needs, changes in the reference regulatory systems, etc. The procedural system is adequately disseminated and made available to all recipients of the Model in the forms deemed most suitable.

3.5.5 THE ORGANISATIONAL SYSTEM AND GENERAL CONTROL PRINCIPLES

This Model, notwithstanding its specific purposes, is part of the broader management and control system already in place in OLT and adopted in order to provide a reasonable guarantee regarding the achievement of corporate objectives in compliance with laws and regulations, the reliability of financial information and the safeguarding of assets, including against possible fraud.
In particular, as specific tools aimed at planning the formation and implementation of the Company's decisions and ensuring appropriate control over them, also in relation to the crimes to be prevented, OLT has identified the following general control principles.

Organisational system, identification and segregation of duties

The organisational system complies with the requirements of: (i) clarity, formalisation and communication, with particular reference to the attribution of responsibility, the definition of hierarchical lines and the assignment of operational activities; (ii) segregation of duties, articulating the organisational structures in such a way as to avoid functional overlaps and the concentration on a single person of activities that present a high degree of criticality or risk.
In order to guarantee these requirements, the Company equips itself with organisational tools (organisational charts, organisational communications, encoded procedures, etc.) based on general principles of: (i) knowability within the Company; (ii) clear description of the reporting lines; (iii) clear and formal delimitation of roles, with a description of the tasks and responsibilities assigned to each function.
It should be emphasized that the company organisation is explained in a special **Matrix of Skills** known by all collaborators.
This is a regularly updated matrix, which highlights functions and related responsibilities.

This matrix is joined by service orders that indicate the names of those who can manage certain functions or relational aspects. An example of this is the service order that indicates the names of all those who can relate to the Public Administration depending on the entities that represent it.
These are service orders that make explicit reference to Legislative Decree231/2001 in its organisational and management scope.
It should be noted that the competence matrix, an integral part of the integrated corporate system (so-called "IMS"), that the service orders can be consulted in their updated version on the company intranet.

Delegation of powers

The delegation system concerns both the internal authorisation powers, on which the decision-making processes of the Company depend on the operations to be carried out, and the powers of representation for the signing of deeds or documents intended for externally and suitable to bind the Companies (so-called special or general "powers of attorney"). In general terms, the delegation system must comply with the following conditions: a) the delegation must result from a written document bearing a certain date; b) the delegate must possess all the requisites of professionalism and experience required by the specific nature of the delegated functions; c) the delegation must assign to the delegate all the powers of organisation, management and control required by the specific nature of the delegated functions; d) the delegation must give the delegate the autonomy of expenditure necessary for the performance of the delegated functions; e) the delegation must be accepted by the delegation holder in writing.
To this end, the Company, whenever it intends to resort to the assignment of delegations or powers, undertakes to ensure the timely updating of the delegations of powers, establishing the cases in which the delegations must be assigned, modified and revoked (assumption of new responsibilities, transfer to different tasks incompatible with those for which it was conferred the proxy, resignation, dismissal, etc.).

Operating procedures

The processes and operational activities are supported by formalised internal procedures, with the following characteristics: (i) adequate dissemination within the corporate structures involved in the activities; (ii) regulation of the methods and timing for carrying out the activities; (iii) clear definition of the responsibilities of the activities, in compliance with the principle of separation between the person who initiates the decision-making process, the person who carries out and concludes it, and the person who controls it; (iv) traceability of deeds, operations and transactions through adequate documentary supports that certify the characteristics and reasons for the operation and identify the persons involved in various capacities in the operation (authorisation, execution, registration, verification of the operation); (v) objectification of decision-making processes, through the provision, where possible, of defined reference criteria and methodologies for making company choices; (vi) provision of specific control mechanisms.
The procedures concern the following:

- Monitoring and measurement of parameters identified as critical and therefore subject to periodic control from an operational, safety and environmental standpoint;
- Management of outsourced processes and operational controls;
- Purchasing management and supplier chain evaluation;
- Operations and maintenance management;
- Management of possible plant modifications;
- Management of non-conformities and corrective actions;
- Identification of hazards and assessment of relevant risks;
- Institutional relations;
- Sponsorships, donations and entertainment expenses;
- Regulation of Administration, Accounting and Budgeting activities;
- Regulation of tax aspects;
- Inspections by Public Authorities;
- Corporate Compliance;

- Management of litigation and appointment of external lawyers;

The company has also adopted an "Integrated Management System" Manual

Certifications

The aforementioned Integrated Management System Manual reads as follows:
OLT's activities are carried out in compliance with the laws and regulations applicable to its products, services and activities.

The Integrated Management System for Quality, Environment, Health, Safety and Social Responsibility, refers to the following standards:

- UNI EN ISO 9001:2015 "Quality Management Systems-Requirements";
- UNI EN ISO 9000:2015 "Quality Management Systems-Fundamentals and Vocabulary";
- UNI EN ISO 9004:2018 "The Quality Management Approach. Managing an organisation for sustained success";
- UNI EN ISO 14001:2015 "Environmental management systems - Requirements and guidance for use";
- UNI EN ISO 19011:2018 "Guidelines for management system audits";
- Regulation (EU) No 1221/2009 as amended by Regulation (EU) 2017/1505of the European Commission of 28 August 2017 and Regulation 2018/2026 of 19 December 2018 (EMAS);
- SA 8000:2014 "Corporate Accountability";
- ISO 45001:2018 "Occupational health and safety management systems";
- UNI 10617 "Major Accident Hazard Systems, Safety Management Systems".

Ex post traceability and verifiability of transactions through adequate documentary/IT support

Each transaction must be duly recorded. The process of decision, authorisation and performance of the activity must be verifiable ex post, also through appropriate documentary supports, even of IT nature.
In compliance with the general principle of traceability of each transaction, for the prevention of certain types of crime, including money laundering and self-laundering, particular emphasis is placed on the need for all the Company's financial flows to be adequately traced (both incoming and outgoing), not only those referring to normal business operations (collections and payments), but also those relating to financial needs (loans, risk coverage, etc.), extraordinary operations or capital operations (mergers, acquisitions, sales, capital increases, liquidations, exchange of shareholdings, etc.).
The safeguarding of data and procedures in the IT field can be ensured by adopting the security measures already provided for by Legislative Decree 196/2003 and subsequent amendments (Personal Data Protection Code) and Regulation (EU) 2016/679 (General Data Protection Regulation) for all data processing carried out using electronic tools.
The principles described above appear to be consistent with the indications provided by the Guidelines issued by Confindustria and are considered by the Company to be reasonably suitable also for preventing the offences referred to in Decree 231.
For this reason, the Company deems it essential to ensure the correct and specific application of the aforementioned control principles in all areas of business activities/processes identified as potentially at risk of crime during the mapping phase.
The task of verifying the constant application of these principles, as well as the adequacy and updating thereof, is delegated by the Company, in addition to the Supervisory Body, where applicable, to the heads of the Functions and, through them, to the direct collaborators. To this end, said managers must interface continuously with the Supervisory Body, which must be kept constantly informed and from which opinions and indications of principle and guidance may be requested.

Control and monitoring activities

They involve, with different roles: the Administrative Body, the Board of Statutory Auditors, the Independent Auditors, the Supervisory Body, the Head of Safety (RSPP) and, more generally, all company staff and they represent an essential attribute of the daily activity carried out by OLT.

The control tasks of these bodies are defined in compliance with the following types: (i) supervisory activity on the correct administration of the Company, on the adequacy of organisational structures and on compliance with the law and the articles of association; (ii) line controls, aimed at ensuring the correct performance of operations and carried out by the production structures themselves or incorporated into the procedures; (iii) internal audit, aimed at detecting anomalies and breaches of company procedures and assessing the functionality of the overall system of internal controls and exercised by structures independent from those operating; (iv) external audit, aimed at verifying the regular keeping of the company accounts and the preparation of the financial statements in compliance with the applicable accounting principles; (v) control and management, in relation to the timeliness of reporting critical situations and the definition of appropriate risk indicators.

As regards the organisational structure regarding health and safety in the workplace and the environment, please refer, respectively, to Special Section 2 and Special Section 3.

3.5.6 THE FINANCIAL FLOW MANAGEMENT SYSTEM

Article 6, paragraph 2, section c) of Decree 231 provides that the Organisational, Management and Control Models, in order to be effective as exempt, must, amongst other things, provide for "methods of managing financial resources suitable for preventing the commission of crimes".
The provision finds its rationale in the finding that many of the crimes referred to in Decree 231 can be committed through the financial flows of the companies (e.g.: establishment of non-accounting funds for the carrying out of corruption).
The Confindustria Guidelines recommend the adoption of decision procedures which, by making the various stages of the decision-making process documented and verifiable, prevent improper management of them.
The control system relating to administrative processes, especially to the management of financial flows, is based, within OLT, on the separation of duties in its key phases, a separation that is adequately formalised and for which the traceability of deeds and documents and authorisation levels to be associated with individual transactions are appropriately provided for.
The management process of OLT's financial resources is based on the following control principles:

- the separation of roles in the key stages of the process;
- the traceability of deeds and authorisation levels to be associated with individual transactions;
- the monitoring of the correct execution of the different phases of the process:
- request for a specifically formalised payment order;
- authorisation of the competent body;
- checking of the correspondence between the service received and the service ordered;
- payment verification;
- invoice check;
- accounting entry;
- the documentation of the checks carried out.

With reference to regulated regasification activities, OLT is subject to the obligations of administrative and accounting separation (unbundling) for companies operating in the electricity and gas sectors. For these reasons, it is useful to point out right now that the Unbundling regime, by virtue of the provisions of TIUF (articles 6, 14, 18 and 20) or the principles of economy, profitability and confidentiality of company data, requires OLT, in pursuit of the corporate purpose, to promote competition, efficiency and adequate levels of quality in the provision of the service relating to the regasification terminal. In this sense, it is necessary to guarantee the maintenance of neutral management of the regasification terminal and to exclude any discrimination in access to commercially sensitive information that OLT comes into possession of in carrying out its business and it is necessary to prevent cross transfers of economic resources between the various activities carried out within the groups of companies to which OLT belongs as a "vertically integrated company" within the meaning of the TIUF. For these reasons, by resolution of the extraordinary shareholders' meeting, it was decided to integrate the Article 3 of the Articles of Association providing that "*In compliance with the applicable laws and regulations, the Company also has the purpose, in compliance of the principles of cost-effectiveness and profitability and the confidentiality of company data, to promote competition, efficiency and adequate levels of quality in the provision of services, guaranteeing the neutrality of the management of the infrastructures essential for the development of a free energy market and preventing discrimination in*

access to commercially sensitive information, as well as cross transfers of resources between segments of the supply chains".

3.6 ADOPTION OF THE MODEL AND RECIPIENTS

The Company is sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and company activities, to protect its position and image, the expectations of its shareholders and the work of its employees and is aware of the importance of adopting an internal control system suitable for preventing the commission of unlawful conduct by its directors, employees, collaborators, representatives and partners.
This initiative was taken in the belief that the adoption of the Model can constitute a valid tool for raising awareness and ethical training for all those who work for and on behalf of the Company, so that they behave correctly and consistently in the performance of their activities, such as to prevent the risk of committing the offences envisaged by said Decree 231.
Although the adoption of the Model is required by law as optional and not mandatory, OLT, in accordance with Article 6, paragraph 1, section a) of Decree 231 which requires the Model to be an "act of issuance of the executive body", originally adopted its own Model with the resolution of the Board of Directors of 28 October 2011.
OLT has established the Supervisory Body with the task of overseeing the functioning, effectiveness and observance of the Model itself, as well as updating it.
With the formal adoption of the Model, this becomes an imperative rule for the Company, for the members of the corporate bodies (meaning the Administrative Body and the Board of Statutory Auditors of the Company and the relative members), for the Executives and all the Employees and for anyone working in any title on behalf or in the interest of the Company itself (collaborators, consultants, suppliers, partners).
The adoption and effective implementation of this system allow the Company to benefit from the exemption from liability provided for by Decree 231 and to reduce the risk of adverse events within acceptable levels by directly intervening on the probability that the event will occur and on the impact thereof.

4. SUPERVISORY BODY

4.1 FEATURES OF THE SUPERVISORY BODY

As a further provision for the purpose of exemption from liability, Article 6(1)(b) of Legislative Decree231/01, OLT has established a body with autonomous powers of initiative and control, which is responsible for supervising the operation and compliance with the Model (hereinafter, for brevity, "**SB**" or "**Supervisory Board**").

Once appointed, the SB draws up its own internal "Regulations", an expression of its operational and organisational autonomy, which governs the main aspects and methods of exercising its action.

Specifically, at least the following profiles are governed within the scope of this internal regulation:

- the type of audit and supervisory activities carried out by the SB;
- the type of activities relating to the updating of the Model;
- the activity associated with the fulfilment of the information and training tasks of the recipients of the Model;
- the management of information flows to and from the SB;
- the functioning and internal organisation of the SB.

Finally, according to the provisions of Legislative Decree231/01 (Articles 6 and 7), as well as the indications contained in the Confindustria Guidelines, the characteristics of the Supervisory Board, such as to ensure the effective and efficient implementation of the Model, must be the following:

a) autonomy and independence;

b) professionalism;

c) continuity of action.

Autonomy and independence

The autonomy and independence requirements are essential so that the Supervisory Body is not directly involved in the management activities that are the object of its control activity and, therefore, is not subjected to conditioning or interference by the management body. For that reason, the Company judged preferable that the SB be composed of members exclusively external to the corporate structure.

Professionalism

The Supervisory Body must have adequate technical and professional skills for the functions it is called upon to perform. These features, combined with independence, guarantee objectivity of judgement.

To this end, the members of the Supervisory Body must have the knowledge and experience necessary to collectively ensure operational control and supervision, within the limits established by the Model, which are safe and effective in relation to all the corporate procedures subject to supervision, being able, if necessary, make use of the collaboration of experts for particular problems, to whom a specific consultancy appointment will be conferred by the Company.

Continuity of action

The SB must:

- carry out, on a continuous basis, the activities necessary for the supervision of the Model with adequate commitment and with the necessary investigative powers;
- be a department referable to the Company, in order to ensure due continuity in the supervisory activity.

To ensure the effective existence of the requirements described above, these subjects must possess, in addition to the professional skills described, the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g., integrity, absence of conflicts of interest and of kinship relations with the corporate bodies and with the top management, etc.). OLT ensures the effective implementation of the Model also through the appointment of members of the SB who respect these characteristics.

4.2 APPOINTMENT AND MEMBERS OF THE SUPERVISORY BODY

The Supervisory Body is appointed by the Board of Directors through a specific board resolution, which also establishes the duration and remuneration for the assignment conferred.

The appointment can be renewed by resolution of the Board of Directors.

Any revocation of the Supervisory Body may only take place for just cause, following a resolution of the Board of Directors, by notifying the Board of Statutory Auditors.

In consideration of the characteristics highlighted above, the specificity of the tasks assigned to the Supervisory Body, as well as the current organisational structure adopted by OLT, it was considered appropriate to adhere to a profile of the Body:

- with a collective structure;
- composed of three members, preferably all external, who meet the characteristics indicated above;
- with a term of office of three years, with the possibility of renewal;
- with Chairman of the Supervisory Board, necessarily external.

The Board of Directors, in order to ensure the continuation of the aforementioned requirements, periodically assesses the adequacy of the Supervisory Body in terms of structure and powers conferred, making any changes and/or additions deemed necessary.

The functioning of the Body is governed by a specific Regulation, prepared and approved by the Body itself, as a tool for self-organisation. It defines, amongst other things:

a) the methods of convocation, meeting and the majorities necessary for the resolutions;

b) the methods of recording and keeping the minutes of the meetings;
c) the methods of relationship/coordination with corporate bodies and representatives;
d) functions, powers, inspection activities.

Every activity of the Supervisory Body must be documented in writing and the minutes of the decisions and resolutions must be drawn up.
On an annual basis, coinciding with the approval of the financial statements, the Supervisory Body draws up a report illustrating the activities carried out, the effectiveness and adequacy of the current Model and planning the main actions to be carried out in the following year.
The Report also reports on the possible use of the annual endowment budget, with a request to the Administrative Body for the consequent reconstitution/integration.
The Report is formally sent to the Board of Directors.

4.3 TERM OF OFFICE AND CAUSES OF TERMINATION

In order to ensure the effective and constant implementation of the Model, as well as the continuity of action, the term of office of the Supervisory Body is set at 3 (three) years, possibly renewable by resolution of the Company's Board of Directors.
The termination of the SB can occur for one of the following reasons:

- expiry of the mandate;
- revocation for just cause of the Supervisory Body by the Board of Directors;
- renunciation of two-thirds of the members of the SB.

The revocation of the SB can only be ordered for just cause and such must be understood, by way of example, the following hypotheses:

- gross negligence in carrying out the tasks relating to the mandate;
- failure to comply with the provisions of the so-called Whistleblowing concerning confidentiality and protection for the whistleblower;

Apart from the assumptions concerning the entire SB, the termination of the office of a single member can occur:

- following the renunciation of the appointment, formalised by means of a specific written communication sent to the Board of Directors with a notice of at least 3 (three) months;
- if one of the causes of forfeiture referred to in the following paragraph occurs;
- following the revocation of the appointment by the Board of Directors.

The revocation of the single member of the SB can be ordered only for just cause and such must be understood, in addition to the hypotheses provided above for the entire Body, by way of example, also the following hypotheses:

- the case in which the member is definitively convicted for a crime;
- the case in which the breach of the confidentiality obligations provided for by the SB is found;
- the case in which a serious breach of the fidelity and diligence obligations towards the Company is found.

The revocation of the SB and of each member is arranged by resolution of the Board of Directors, approved by unanimous vote, by notifying the Board of Statutory Auditors.
In the event of revocation or waiver, the Board of Directors shall appoint the new member of the SB without delay. Until the date of acceptance of the mandate by the new member, the functions of the SB are carried out by the members in office.
In the event of expiry, it being understood that the Board of Directors shall promptly appoint the new SB, the outgoing Body is required to exercise all the functions provided for by the Model and the Regulations until the resolution to appoint the new members.

4.4 CASES OF INELIGIBILITY AND FORFEITURE

Grounds for ineligibility and/or lapse of rights of a member of the SB are as follows:

- disqualification, incapacitation, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offences set out in the Decree or, in any case, to one of the penalties set out in Article2 of Ministerial Decree162 of 30 March 2000, or imposing the disqualification, even temporary, from public office or the inability to hold executive office;

- a sentence condemning the Company pursuant to the Decree or a plea bargaining sentence, which has become res judicata, where the "omitted or insufficient oversight" on the part of the Supervisory Body, in accordance with the provisions of Article6(1)(d) of the Decree;
- failure to attend more than three consecutive meetings without justified reason;
- gross negligence in the performance of one's duties;
- conflicts of interest, including potential ones, with the Company that compromise its independence;
- the existence of relations of kinship, marriage or affinity up to the fourth degree with the members of the Board of Directors or the Board of Statutory Auditors of the Company, as well as with the same members of the controlling and/or possibly subsidiaries or with external parties appointed to audit;
- notwithstanding any subordinate employment contract, the existence of relationships of a financial nature between the members and the Company or the companies that control it or the companies controlled by it, such as to compromise the independence of the members themselves;
- the existence of ongoing work performance relationships that could reasonably compromise its independence.

If, during the course of the appointment, a cause for forfeiture should arise, the member of the Supervisory Body is required to immediately inform the Board of Directors.

4.5 FUNCTIONS, DUTIES AND POWERS OF THE SUPERVISORY BODY

The function of the Supervisory Body generally involves:

- monitoring the effective application of the Model in relation to the different types of offences taken into consideration by it;
- verifying the effectiveness of the Model and its adequacy, i.e., its suitability to prevent the commission of the crimes in question and highlight their possible implementation;
- identifying and proposing, to the Board of Directors, updates and modifications of the Model itself in relation to the changed legislation or to the changed needs or company conditions. Specifically, pointing out the need to draw up new Special Sections in order to better prevent the commission of Predicate Offences that have in the meantime become relevant for OLT;
- ensuring that the updating and modification proposals formulated by the Board of Directors have actually been incorporated into the Model;
- promoting and monitoring all the information activities of the Recipients that it may deem necessary or appropriate, as well as to promote and monitor the implementation of training initiatives aimed at promoting adequate knowledge and awareness of the Model and the procedures associated therewith, in order to increase the culture of control and ethical values within the Company;
- promptly finding, also through the preparation of specific opinions, requests for clarification and/or advice from company functions or resources or from administrative and control bodies, if associated with and/or connected to the Model.

As part of the function described above, the SB is responsible for the following tasks:

- periodically carrying out, on the basis of the SB activity plan previously established, targeted checks and inspections on certain operations or specific acts, carried out within the Areas at Risk of Crime;
- gathering, processing and storing relevant information regarding compliance with the Model, as well as update the list of information that must be sent to the SB itself;
- conducting internal investigations to ascertain alleged breaches of the provisions of this Model brought to the attention of the SB by specific reports or emerged in the course of its supervisory activity;
- verifying that the elements provided for in the Model for the different types of offences (standard clauses, procedures and related controls, system of proxies, etc.) are actually adopted and implemented and meet the requirements of compliance with the Legislative Decree231/01, failing which it will propose corrective actions and updates.

For the performance of the functions and tasks indicated above, the following powers are attributed to the SB:

- accessing, broadly and widely, company information and documents, without the need for prior consent and/or authorisation;

- carrying out checks and inspections, even without notice;
- making use of the support and cooperation of the various corporate structures and corporate bodies that may be interested, or in any case involved, in the control activities;
- conferring specific consultancy and assistance mandates to professionals, including those outside of the Company, even availing of the resources allocated to it.

4.6 RESOURCES OF THE SUPERVISORY BODY

The Board of Directors assigns, to the SB, the financial and human resources deemed appropriate for the purpose of carrying out the assigned task.

As regards human resources are, the administrative body assigns to the Supervisory Board company resources of which are eventually reasoned requested.

In order to further strengthen the autonomy and independence requirements, the Supervisory Body is equipped, for every need necessary for the proper performance of its tasks, with an annual budget of €25.000 that the Board of Directors assigns it annually and of which it can dispose without need of prior authorization by the corporate bodies.

If it deems it appropriate, during the course of its mandate, the SB may request the Managing Director, by means of a motivated written communication, for the assignment of additional human and/or financial resources.

In addition to the resources specified above, the SB may make use, under its own direct supervision and responsibility, of the assistance of all the Company's structures, as well as of external consultants. Specifically, the Supervisory Body is given autonomous spending powers, as well as the right to enter into, modify and/or terminate professional assignments to third parties in possession of the specific skills necessary for the best execution of the assignment; for the latter, the remuneration is paid through the use of the financial resources assigned to the SB.

The Supervisory Body will be able to dispose of these economic resources in full autonomy, without prejudice to the need to report the use of the budget itself at least on an annual basis.

4.7 OPERATION OF THE SUPERVISORY BODY

Meetings

The SB meets at least six times a year or upon written request, also by email, of one of its members and it is summoned by its Chairman.
The Supervisory Board may also be convened by the Chairman of the Board of Directors and/or the Managing Director.

Validity of resolutions

The meetings of the SB are valid with the presence of the majority of the members and are chaired by the Chairman.
The meetings of the Supervisory Body can be held by means of telecommunication, with participants located in several places, at the same place or remotely, by audio/video/tele link, provided that the collegial method and the principles of good faith and equal treatment of the members of the SB are complied with.
Each member of the Body is required to declare to the same Body any situation of conflict of interest with the object of the resolution or discussion, with the obligation to refrain from voting. The declaration is acknowledged in the minutes of the meeting.

Minutes and Documentation

The contents of the meetings and the decisions taken are reported in the minutes drawn up in writing, this must be shared and signed by the members of the SB.
The minutes must contain the names of the participants in the meeting and the President, the agenda and any additions, decisions and explanations of vote.

The minutes of the meetings and all the documentation produced and received must be kept in a special archive.

5. INFORMATION FLOWS

5.1 REPORTING OBLIGATIONS TO THE SUPERVISORY BODY

Article 6, 2nd paragraph, section d) of the Legislative Decree 231/01, imposes the provision in the Model of disclosure obligations towards the Body appointed to oversee the functioning of and compliance with said Model.
The obligation of a structured information flow is conceived as a tool to ensure the supervisory activity on the efficacy and effectiveness of the Model and for any subsequent verification of the causes that made possible the occurrence of the offences provided for by Decree 231.

The Supervisory Body is the recipient of reports of any breaches of the Code of Ethics and the Organisational Model to be made on "dedicated" information channels, or to the email address reserved for it.
Every person, of any hierarchical level and function, who works with/for the Company is required to promptly inform the Supervisory Body, by means of a specific report, of any breach or suspected breach of the Model, of its general principles and of the Code of Ethics, as well as to promptly report facts or omissions that could give rise to a crime amongst those provided for by Legislative Decree231/01.
This obligation concerns each company representative or collaborator of the company, who are required to promptly report the fact of which they are aware to the respective hierarchical and functional superior, who must promptly inform the Supervisory Body.
The "Flow diagram" formally adopted by the Company defines the information contents, the subjects required, as well as the frequency of the communication due (periodic or by event).
Furthermore, the information to be sent to the Supervisory Body concerns:

- measures and/or news from judicial police bodies, or from any other authority, which indicate the carrying out of investigation activities for the crimes referred to in the Decree, also initiated against unknown persons;
- requests for legal assistance submitted by managers and/or employees in the event of the initiation of legal proceedings against them for the crimes provided for by Legislative Decree231/01;
- reports prepared by the heads of corporate functions as part of the control activities carried out, from which facts, acts, events or omissions with critical profiles with respect to the provisions of the Decree may emerge;
- news relating to the effective implementation, at all company levels, of the Model, highlighting the disciplinary procedures activated and any sanctions imposed (including the measures taken against employees), or the motivated measures for archiving disciplinary proceedings;
- anomalies or atypical aspects found with respect to the rules of conduct set out in the Model and company procedures with regard to the offences set out in the Decree;
- innovations of an organisational, operational nature, management decisions of extraordinary administration, or anomalies and unusual events occurring in the company context.

The reporting obligation is required by the Supervisory Body and is addressed to all Functions, but first of all to the Functions deemed at risk of crime as reported in the Company's risk mapping document (Appendix 2). The reporting obligation is also addressed to the Company's senior management.

Lastly, in order to allow for effective action, any breach of this Model must be reported to the Supervisory Body and, specifically, by way of example and not limited to, the following relevant information must be promptly submitted thereto:

- <u>which may relate to breaches of the Model, including but not limited to:</u>
  - measures and/or news from judicial police bodies, or any other authority, relating to the conduct of investigations involving the Company, its employees or members of the corporate bodies regarding any crimes pursuant to Decree 231;
  - any reports prepared by the heads of corporate functions as part of the control activities carried out, from which

facts, acts, events or omissions with critical profiles with respect to the provisions of Decree 231;

- requests for legal assistance submitted by employees in the event of the initiation of judicial proceedings against them and in relation to the offences referred to in Decree 231, unless expressly prohibited by the judicial authority;
- news relating to disciplinary proceedings, as well as to any sanctions imposed or the archiving measures of such proceedings with the relative reasons, if they are linked to the commission of crimes or breach of the rules of conduct or procedures of the Model;
- the possible existence of situations of conflict of interest between one of the Recipients of the Model and the Company;
- any omissions or falsifications in the keeping of the accounts or in the conservation of the documentation on which the accounting records are based;
- expenditure anomalies that emerged in the final accounting phase;
- the committees of inquiry or internal reports/communications from which the responsibility for the offences referred to in Decree 231 emerges;
- any accidents in the workplace, or measures taken by the Judicial Authority or other Authorities on the subject of safety and health at work, also in the form of measures adopted pursuant to Legislative Decree 758 of 1994, which reveal breaches of the rules on health and safety in the workplace;
- any measures taken by the Judicial Authority or other Authorities in the field of the environment, which show a current or potential breach of environmental regulations and/or authorisations governing the Company's activities.

- relating to the activities of the Company, which may assume relevance as regards the performance by the SB of the tasks assigned to it, such as, by way of example and not limited to:
  - organisational and procedural changes;
  - any changes, or deficiencies found, in the organisational structure;
  - updates to the system of delegations and powers;
  - periodic information on the progress of training activities under Decree 231;
  - decisions relating to the request, disbursement and use of public funding;
  - changes in the Areas at Risk of Crime;
  - copy of the minutes of the meetings of the Board of Directors potentially relevant to supervisory activity;
  - copy of the periodic reports on health and safety at work;
  - the results of the auditing and monitoring activities of the environmental obligations carried out by the Company;
  - any inspection reports on safety and environmental matters by public bodies and/or supervisory authorities and any other relevant document on safety and the environment;
  - the procedures put in place to monitor health and safety in the workplace, any changes that occur on the organisational structure and on the protocols of the Company regarding the matter, as well as the documents relevant for the purposes of the workplace health and safety management system.

This information may also be gathered directly by the SB during its periodic control activities, through the methods that the SB deems most appropriate (such as, by way of example, the preparation and use of specific checklists).
The SB periodically prepares and sends, to the Administrative Body, the updated list of information flows it deems necessary to fulfil its functions, with the indication of the respective managers and the frequency of submission to the SB.
Failure to comply with the obligation to communicate the aforementioned information constitutes sanctionable conduct under the disciplinary system.

5.2 REPORTING (SO-CALLED WHISTLEBLOWING)

As provided for in Law No. 179 of 30 November 2017, which introduced into Legislative Decree231/01 the institution of the so-called "whistleblowing", the Company adopts all the necessary measures to ensure that, with regard to reports of

possible wrongdoing, the reporting persons, i.e., as indicated in Article 6(2-bis)(a) of Legislative Decree 231/01, managers and those subject to their direction or supervision, are assured:

a) one or more channels enabling the submission, for the protection of the entity's integrity, of detailed reports of illegal conduct, relevant pursuant to Legislative Decree231/01 and based on precise and consistent factual elements, or breaches of the Model, of which they have become aware due to the functions performed; these channels guarantee the confidentiality of the identity of the whistleblower in the management of the report;

b) at least one alternative reporting channel suitable for guaranteeing, with IT methods, the confidentiality of the identity of the whistleblower;

c) the prohibition of retaliation or discriminatory acts, be they direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report;

d) that, in the disciplinary system, sanctions are provided for those who breach the whistleblower's protection measures, as well as those who make reports that turn out to be unfounded with wilful misconduct or gross negligence.

It is also specified that the adoption of discriminatory measures against the subjects who make the reports can be reported to the National Labour Inspectorate, for the measures within its competence, as well as by the whistleblower, also by the trade union organisation indicated thereby.

Furthermore, any retaliatory or discriminatory dismissal of the whistleblower is null and void. The change of duties pursuant to Article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measures adopted against the whistleblower are also null and void. It is the responsibility of the employer, in the event of disputes relating to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or subjecting the whistleblower to other organisational measures having negative, direct or indirect effects, on the working conditions, subsequent to the presentation. of the report, demonstrate that such measures are based on reasons unrelated to the report itself.

Lastly, it should be noted that, in the event of reporting or denunciation carried out in the forms and within the limits of the law, the pursuit of the interest in the integrity of the entity, as well as in the prevention and repression of embezzlement, constitutes just cause for disclosure of information covered by the obligation of secrecy referred to in Articles 326, 622 and 623 of the Italian Criminal Code and Article 2105 of the Italian Civil Code (except in the case in which the obligation of professional secrecy applies to whoever has become aware of the information of a professional consultancy or assistance relationship with the body, company or individual concerned). When news and documents that are disclosed to the body appointed to receive them are the subject of business, professional or official secrecy, disclosure in ways that exceed the aims of eliminating the offence and, specifically, disclosure outside the communication channel specifically set up for this purpose.

Furthermore, it should be noted that Law No. 179/2017 has made significant changes regarding the protection of employees who report offences of which they have become aware in the context of the employment contract. The provision amended Article 54 bis of Legislative Decree165/2001 by introducing greater protection for the employee who reports possible corrupt actions and conduct.

5.3 REPORTING CHANNELS

The Supervisory Body requires the entire corporate structure to be informed, confidentially, of any conduct in potential breach of the provisions of the Model pursuant to Decree 231; the reports must be made in writing by e-mail sent to the following email address:

- Electronically, by writing to oltodv@gmail.com;
- in paper form by writing to the Supervisory Board of OLT Spa c/o the office of the Supervisory Board member Mr Giovanni Catellani, Via Guido da Castello 33, 42121 Reggio Emilia.

If the recipient above mentioned ceases to be a member of the Supervisory Body, it is up to the Company to promptly provide the new contact details to which these confidential communications should be sent.

Both of the aforementioned channels are able to guarantee the confidentiality of the identity of the whistleblower in the management of the report and in both cases anonymous reports can also be sent.

In addition to employees, also consultants, collaborators and business partners, as regards their activities carried out towards the Company, report directly to the Supervisory Body through the channels described above.

The Supervisory Body assess the reports received and the activities to be carried out, making sure that those who made the reports are not subject to retaliation, discrimination or, in any case, penalties, direct or indirect, for related reasons, directly or indirectly, to report, thus ensuring the adequate confidentiality of these subjects.

Any consequent measures are defined and applied in compliance with the provisions of the disciplinary system.

The SB may be the recipient of reports concerning the functioning and updating of the Model, or the adequacy of the principles of the Code of Ethics and company procedures, as well as any conduct in breach of the same.

5.4 COLLECTION, MANAGEMENT AND STORAGE OF INFORMATION

All information, signalling, reports provided for in the Model are stored by the Supervisory Body in a specific computer and/or paper database.
In order to ensure the confidentiality of the data contained in the minutes, including the identity of any reporting subjects, all paper documentation is kept at the office of the internal member of the SB, in a locked cabinet, not accessible to third parties.
In the event that third parties request a copy of the minutes and/or reports of the SB, the latter must be contacted and in turn will involve the Board of Directors which is the only person who has the power to authorize or not the dissemination. of the aforementioned documents of the SB to the outside world.

The SB is obliged not to disclose the news and information acquired in the exercise of its functions, ensuring its confidentiality and refraining from seeking and using the same, for purposes other than those specified in Article 6 of Legislative Decree 231/01. In any case, any information in the Body's possession is treated in accordance with current legislation on the subject and, specifically, in accordance with Legislative Decree196 of 30 June 2003, as amended, and EU Regulation 679/2016 (GDPR).

5.5 INFORMATION OBLIGATIONS OF THE SUPERVISORY BODY

The SB reports on the implementation of the Model and the occurrence of any critical issues.
Specifically, the Supervisory Body has the responsibility towards the Administrative Body for:

- disclosing, at the beginning of each financial year and without delay within the first half of the current year, the plan of activities that it intends to carry out in order to fulfil the assigned tasks;
- disclosing the progress of the plan together with any changes made to it;
- promptly disclosing any problems relating to the activities, where relevant;
- reporting, at least annually, on the implementation of the Model and the audit and control activities carried out and the outcome thereof;
- fully informing about the possible usage of the annually conferred budget.

The Supervisory Body may meet with the corporate bodies to report on the functioning of the Model or on specific situations. The meetings with the corporate bodies to which the SB reports must be recorded. Copies of these minutes shall be kept, respectively, by the SB and by the corporate bodies involved from time to time.

Notwithstanding the foregoing, the Supervisory Body may also disclose, assessing the individual circumstances:

(i) the results of its assessments to the managers of the Company Departments/Services/Areas and/or of the processes if aspects that are susceptible to improvement arise from the activities. In this case, it will be necessary for the SB to obtain from the process managers an action plan, with relative timing, for the implementation of the activities subject to improvement as well as the result of such implementation;

(ii) reporting conduct/actions that are not in line with the Model to the Administrative Body in order to:

a) obtain, from the Administrative Body, all the elements to make any disclosure to the structures responsible for the assessment and application of disciplinary sanctions;
b) giving directions for the removal of deficiencies in order to avoid a recurrence of the event.

6. DISCIPLINARY SYSTEM

6.1 GENERAL PRINCIPLES

Article 6 of Legislative Decree231/2001 explicitly sets out that the entity must put in place an adequate disciplinary system in order to sanction conduct that does not comply with the indications of the Code of Ethics, the Model and the related procedures.
The Disciplinary System therefore constitutes an essential requirement for the purposes of applying the exemption with respect to the administrative liability of the Company, and is therefore addressed to all Recipients of the Model and the Code of Ethics (and that is, specifically, with the appropriate variations of the nature of the relationship, to the Members of the Board of Directors and to all Employees - including Executives).
The establishment of a sanctioning system proportionate to possible breaches has a dual purpose:

(i) increasing the likelihood of effectiveness of the Model itself, acting as a deterrent for breaches;
(ii) strengthening the effectiveness of the control action carried out by the SB.

To this end, OLT provides for a graduation of the applicable sanctions, in relation to the various degrees of hazard that the conduct may present with respect to the commission of the crimes.
To ensure the effectiveness of the sanctioning system, any breach of the Code of Ethics, the Model and the procedures established for its implementation, by anyone committed, must be immediately communicated to the SB. The duty to report applies to all Recipients of the Model.
The application of the sanctions described in the sanctioning system is independent of the outcome of any criminal proceedings, as the rules of conduct imposed by the Model, the Code of Ethics and the related procedures are adopted by OLT in full autonomy and regardless of the type of offences. 231/01.

6.2 SANCTIONABLE CONDUCT

Actions and/or conduct carried out in breach of the Code of Ethics, the Model, the internal operating procedures and the failure to comply with any indications and requirements from the Supervisory Body can be sanctioned according to the Supervisory Body, in compliance with the rules set out by the national collective bargaining agreement, as well as the laws or regulations in force.

The breaches that can be sanctioned can be divided into the categories listed below, according to an order of increasing severity:

- infringements of the Code of Ethics, of the Model, of the operating procedures constituting mere non-compliance with operational requirements (for example, non-compliance with procedures, failure to communicate to the Supervisory Body regarding prescribed information, omission of controls, etc.) of a lesser importance;
- infringements of the Code of Ethics, of the Model, of the operating procedures constituting mere failure to comply with operational requirements of greater importance, due to the importance of the object and the potential consequences;
- infringements of the Code of Ethics, of the Model, of operating procedures not univocally aimed at the commission of one or more crimes, but in any case objectively such as to involve the specific risk;
- infringements of the Code of Ethics, of the Model, of the operational procedures uniquely directed at the commission of one or more crimes, regardless of the actual achievement of the criminal purpose;
- infringements of the Code of Ethics, the Model, operating procedures - or, in any case, the adoption of conduct - such as to determine the actual application by the Company of any of the sanctions provided for by the Decree.

By way of example and not limited to, the following are sanctionable conducts:

- failure to comply with the procedures prescribed in the Model and/or referred to therein;
- non-compliance with the information requirements prescribed in the control system;
- omitted or untruthful documentation of transactions in accordance with the principle of transparency;
- the omission of checks by the responsible parties;
- unjustified non-compliance with training obligations;
- failure to control the dissemination of the Code of Ethics by the responsible parties;
- the adoption of any evasive act of the control systems;
- the obstacle to the control activity of the Supervisory Body;
- the breach, including through omissive conduct and in possible concurrence with others, of the provisions of the Code of Ethics, as well as of the principles and procedures provided for by the Model or established for its implementation;
- failure to draft the documentation required by the Model or by the procedures established for its implementation;
- the preparation of documentation or the provision of information governed by the Model, possibly in conjunction with others, which is not truthful;
- the removal, destruction or alteration of the documentation concerning the implementation of the Model;
- the impediment to access the information and documentation required by the persons in charge of implementing the Model;
- the implementation of any other conduct suitable for circumventing the control system envisaged by the Model;
- the adoption of behaviours that expose the Company to the imposition of the sanctions provided for by Legislative Decree231/01.

The disciplinary measures and related sanctions, where applicable in relation to the recipients of the same, are identified by the Company on the basis of the principles of proportionality and effectiveness, in relation to the suitability to perform a deterrent and, subsequently, sanctioning function, as well as taking into account the various qualifications of the subjects to which they apply.

Given the seriousness of the consequences for the Company in the event of unlawful conduct by employees, any non-compliance with the Code of Ethics, the Model and the procedures constitutes a breach of the duties of diligence and loyalty of the worker and, in the most serious cases, is to be considered detrimental to the relationship of trust established with the employee. The aforementioned breaches must therefore be subjected to the disciplinary sanctions provided for in the disciplinary system, regardless of any judicial ascertainment of criminal responsibility, as the breach of the rules of conduct adopted by the Company with the Model, is relevant regardless of whether said breach constitutes a criminal offence.

As regards the ascertainment of breaches, it is necessary to maintain a distinction between the subjects linked to the Company by an employment relationship and the other categories of subjects. For the former, the disciplinary procedure can only be that already governed by the "Workers' Statute" (Law No. 300/1970) and by the National Collective Bargaining Agreement (Industry Agreement for the executives and Water and Gas Sector Agreement for any other employee) applied and by the Company Disciplinary Code adopted by OLT.
For the other categories of subjects (administrators, auditors, collaborators, partners) the appropriate measures to be taken will be determined within the scope and according to the rules that oversee the exercise of the related functions.

6.3 CRITERIA FOR THE IMPOSITION OF SANCTIONS

The sanctions imposed for infringements must, in any case, respect the principle of graduality and proportionality with respect to the seriousness of the breaches committed.

The determination of the type, as well as the extent of the sanction to be imposed following the commission of relevant infringements, including relevant offences pursuant to Legislative Decree231/01, must always be based on verification and evaluation of the following:

- the intentionality of the behaviour that gave rise to the breach;
- the negligence and/or imprudence and/or inexperience demonstrated by the author in the commission of the breach, especially with reference to the actual possibility of predicting the event;
- the relevance and any consequences of the breach or offence;

- the position held by the agent within the company organisation, especially in consideration of the responsibilities related to his duties;
- the existence of any aggravating and/or mitigating circumstances that may be detected in relation to the behaviour of the recipient including, by way of example, the existence of previous disciplinary sanctions;
- the participation of several recipients, in agreement with each other, in the commission of the breach or offence.

For the application procedure of these sanctions, reference is made to Article7 of Law No. 300 of 20 May 1970 (Workers' Charter), the disciplinary rules of the National Collective Bargaining Agreement applied and the Corporate Disciplinary Code adopted by OLT.

6.4 DISCIPLINARY MEASURES FOR EMPLOYEES

The disciplinary system is applied to employees with the qualification of clerk, manager or manager with reference to the provisions of Article 7 of Law No. 300 dated 20 May 1970 (Workers' Statute), by the National Collective Bargaining Agreement applied, as well as by the Corporate Disciplinary Code adopted by OLT and an integral part of this Model.

Conduct by employees in breach of the rules contained in the Model, in the Code of Ethics and in the procedures are defined as disciplinary offences.

The Company informs its Employees that the Model and the Code of Ethics are an expression of the employer's power to issue provisions for the execution and for the regulation of work (Article 2104 of the Italian Civil Code).

The Code of Ethics and the Model constitute a set of principles and rules that the Company's employees must comply with, also pursuant to the provisions of the respective national collective bargaining agreements on behavioural rules and disciplinary sanctions.

The breach of the provisions of the Code of Ethics, the Model and the implementation procedures involves the application of the disciplinary procedure and related sanctions, in accordance with the law and the aforementioned National Collective Bargaining Agreement, in addition to compensation for any damage caused.

The breach by employees of the Model, the Code of Ethics and the procedures may give rise, according to the seriousness of the breach itself, to the measures specified in the following paragraphs, in compliance with the principles of proportionality, gradualness and correlation between the infringement and the sanction mentioned above, and, in any case, in compliance with the form and methods provided for by current legislation.

6.4.1 NON-EXECUTIVE EMPLOYEES

OLT applies, as already highlighted above, to its employees in a non-managerial position, the disciplinary measures provided for by the Water and Gas National Collective Bargaining Agreement applied to individual employment contracts and by the Corporate Disciplinary Code adopted by OLT.
Sanctions will be imposed by the Managing Director and communicated to the Supervisory Board.

6.4.2 EXECUTIVES

As regards executives, the Company deems it appropriate to extend the disciplinary system envisaged by the National Collective Bargaining Agreement applied to non-executive employees and by the Corporate Disciplinary Code adopted by OLT, with the necessary adaptations determined by the particularity of the managerial relationship, considering that the managerial relationship is characterised by its fiduciary nature. In fact, the manager's behaviour is reflected not only within the Company, but also externally; for example, in terms of image with respect to the market and in general with respect to the various stakeholders.

Therefore, compliance by the managers of the Company with the provisions of the Model and the obligation to enforce it is considered an essential element of the managerial employment relationship, as it constitutes a stimulus and an example for all those who hierarchically depend on them.

In the event of breach, by managers, of the principles, rules and internal procedures provided for by the Code of Ethics or the Model or of the adoption, in carrying out activities included in sensitive processes, of a behaviour that does not comply with the provisions of the Code of Ethics o of the Model, disciplinary measures related to the seriousness of the breaches

committed will be applied to those responsible.

Disciplinary measures will be adopted both in cases in which a manager expressly allows or through omitted supervision to employees hierarchically subordinate to him to behave in a manner that does not comply with the Code of Ethics or the Model and/or in breach thereof and in cases in which the infringement is committed by themselves.

Also in consideration of the specific fiduciary bond that characterises the relationship between the Company and the executive, always in compliance with the provisions of the current legal provisions and the Executive National Collective Bargaining Agreements applied to individual relationships, we will proceed, in relation to the seriousness of the breach committed, with dismissal with notice or without notice.

For less serious offences, sanctions ranging from written warning to suspension from service and salary up to a maximum of 10 days may be applied, depending on the case and in proportion to the seriousness of the conduct.

6.5 DISCIPLINARY MEASURES AGAINST DIRECTORS, STATUTORY AUDITORS AND AUDITORS

In cases of breach of the Model by a Director, a Statutory Auditor or an Auditor, the Supervisory Body will promptly inform the Board of Directors and the Board of Statutory Auditors for the appropriate assessments and measures.

6.5.1 DIRECTORS

As regards Directors who have committed a breach of the Code of Ethics, of the Model or of the procedures established in its implementation, the Board of Directors, after consultation with the Board of Statutory Auditors, shall apply all appropriate measures envisaged or permitted by law.

If the breach is contested by a Director linked to the Company by a subordinate employment relationship, the penalties envisaged for Executives or employees in the previous paragraphs concerning them will be applied. In this case, if the sanction of dismissal is imposed, with or without notice, the removal of the Director from office must also be arranged.
The measures to be taken culminate, in the event of maximum gravity, with the exercise of the liability action.

6.5.2 STATUTORY AUDITORSAND AUDITORS

As regard to the Statutory Auditors or Auditors who have committed a breach of the Model or of the procedures established in its implementation, the Board of Directors will take the appropriate measures, taking into account the role covered by the person responsible for the breach.

6.6 MEASURES AGAINST THIRD PARTIES (EXTERNAL COLLABORATORS)

In the event of facts that may constitute a breach of the Model by collaborators or contractual counterparties, the Supervisory Board shall inform the Managing Director and the Head of the Function to which the contract or relationship relates.

The contracts stipulated with these subjects must contain specific express termination clauses that can be applied by the Company in the case of conduct in contrast with the guidelines specified in the Model and such as to involve the risk of committing a crime sanctioned by the 231 Decree.

The Company undertakes to adopt all measures so that external collaborators are informed and aware of the lines of conduct provided for in the Organisational Model and in the Code of Ethics.

Non-compliance with the requirements and procedures established or referred to in the Model and the Code of Ethics by Third Parties may result in the following sanctions against them and in accordance with the provisions of the specific contractual relationship:

- the warning to timely compliance with the provisions and principles established in the Code of Ethics or in the Model if the breach of one or more rules of conduct envisaged therein constitutes a slight irregularity;

- the immediate termination of the relevant contract, without prejudice to the right to claim compensation for the damages incurred as a result of such conduct, including damages caused by the application by the court of the measures provided for by Legislative Decree231/01, if the violation of one or more behavioural rules provided for in the Code of Ethics or in the Model causes financial damage to the Company or exposes it to an objective situation of danger to the integrity of corporate assets.

In the event that the breaches referred to above are committed by temporary workers or in the context of contracts for works or services, the sanctions will be applied, upon the outcome of the positive ascertainment of the breaches by the worker, against of the administrator or contractor.

Therefore, for external collaborators, infringements may lead to the contractual termination, even without notice, of the relationship and, in any case, the right of the Company remains valid for any damage and/or liability that may derive from conduct of external collaborators in breach of the Organisational Model or the Code of Ethics.

In the context of relations with Third-Party Recipients, the Company inserts, in the letters of appointment and in all its contractual agreements, specific clauses aimed at providing, in case of breach of the Code of Ethics and the Model, the application of the measures specified above.

6.7 MEASURES FOR THE MEMBERS OF THE SUPERVISORY BODY

The measures to be adopted towards the members of the Supervisory Body, in the event of conduct in breach of the rules of the Model, of the Code of Ethics, as well as of negligent conduct that has given rise to failure to check the implementation, on compliance with and updating of the Model itself, are the responsibility of the Board of Directors.

6.8 MEASURES AGAINST THOSE WHO BREACH THE REPORTANT PROTECTION SYSTEM

In the event that retaliatory or discriminatory conduct should be found against the subject who made a report pursuant to the procedure provided by OLT, or in the event of a breach of the confidentiality obligations of the whistleblower provided for by the reporting management procedure, the subject who has put in place will be subject to the disciplinary measures referred to in the preceding paragraphs in relation to the corporate position held. The same sanctions are subject to the whistleblower who has made unfounded reports with wilful misconduct or gross negligence.

6.9 THE PROCEDURE OF IMPOSITION OF SANCTIONS UPON EMPLOYEES, EXECUTIVES AND NON-EXECUTIVES

The sanctions described in the previous paragraphs will be applied according to the procedure described below and articulated, in relation to each category of recipients, in the two phases of *(i)* disputing the breach to the interested party and *(ii)* determination and subsequent imposition of the sanction.
This procedure originates following the receipt, by the corporate bodies involved from time to time and indicated below, of the communication with which the SB reports the breach of the Model, the Code of Ethics and the procedures.
Specifically, in all cases in which the SB receives a report or acquires, in the course of its supervisory and control activity, the elements suitable to constitute the hazard of a breach of the Model, the Code of Ethics and the procedures, it has the obligation to carry out the investigations and verifications falling within the scope of their activity and deemed necessary.
Once the audit and control activity has been completed, the SB assesses, on the basis of the elements collected, whether a punishable breach of the Model, the Code of Ethics and the procedures has actually occurred. If so, it shall report the breach to the Managing Director and the Human Resources Department; if not, it sends the report to the same subjects, so that they can assess the possible illicit relevance of the conduct.

6.9.1 AGAINST NON-EXECUTIVE EMPLOYEES

If a breach of the Model, the Code of Ethics and related procedures is detected by a person qualifying as an Employee, the procedure for ascertaining the Breach is carried out in compliance with the provisions of Article 7 of the Workers' Statute, as well as the applicable National Collective Bargaining Agreement.
In particular, the Supervisory Board transmits the Managing Director and the Human Resources Department a report containing:

1) the details of the person responsible for the breach;
2) the description of the conduct (active or omissive) put in place and detected;
3) the indication of the provisions of the Model breached by such conduct;
4) any documents and/or other elements proving the breach.

Within ten days of the acquisition of the SB report, the Company, through the Human Resources Department, supported by the Legal Function, complains to the interested party of the breach reported by the SB, by means of written communication. The latter must indicate, in a timely manner, which is the contested conduct and the related provisions of the Model breached, the notice of the faculty to formulate any deductions and/or written justifications within five days of receipt of the communication.
Following any counter arguments by the interested party, the Human Resources Department decides on the determination and application of the sanction.
Disciplinary measures cannot be imposed before five days have elapsed from the receipt of the dispute by the interested party, and must be notified to the latter by the Human Resources Department in compliance with the terms provided for by each National Collective Bargaining Agreement applied.
The Human Resources Department also takes care of the effective application of the sanction imposed.
The SB, for its part, verifies the application of the provision for the imposition of the sanction, which is communicated to it from time to time by the Company.

6.9.2 AGAINST EXECUTIVES

If a Manager is found to have breached the Model, the Code of Ethics and related procedures, the SB sends a report to the Managing Director and the Human Resources Department containing:

1) the details of the person responsible for the breach;
2) the description of the conduct (active or omissive) put in place and detected;
3) the indication of the provisions of the Model breached by such conduct;
4) any documents and/or other elements proving the breach.

Within ten days of acquiring the report from the Supervisory Body, the Managing Director, through the Human Resources Department, notifies to the interested party the breach reported by the Supervisory Body, by means of a written notice. The latter must indicate, in a timely manner, which is the contested conduct and the related provisions of the Model breached, the notice of the faculty to formulate any deductions and/or written justifications.

Subsequently, the Managing Director will assess, in agreement with the Human Resources Department, the position of the person concerned, as well as the implementation of the related sanctioning procedure.

If the person for whom the dispute procedure has been activated holds a senior position with the attribution of proxies by the Board of Directors and in the event that the investigation activity proves their involvement pursuant to the 231 Decree, it is envisaged that:

Disciplinary measures may not be imposed by the Managing Director before five days have elapsed since receipt of the challenge by the person concerned, and must be notified to the latter by the Human Resources Department.

As part of the process described above, it is expected that the OLT Board of Directors shall be informed in all the aforementioned cases about the results of internal audits and the sanction profile applied.

The Human Resources Department ensures the effective application of the sanction and informs the Managing Director.

The SB, for its part, verifies the application of the provision for the imposition of the sanction, which is communicated to it from time to time by the Company.

6.9.3 AGAINST DIRECTORS

If a Director is found to have breached the Model, the Code of Ethics and related procedures, the SB sends a report to the Board of Directors and the Board of Statutory Auditors containing:

1) the details of the person responsible for the breach;
2) the description of the conduct (active or omissive) put in place and detected;

3) the indication of the provisions of the Model breached by such conduct;
4) any documents and/or other elements proving the breach.

Following the acquisition of the report from the Supervisory Body, the Chairman of the Board of Directors convenes a meeting of the Board to hear the Director concerned within and no later than thirty days from the receipt of the report itself.

This call is made in writing and must *(i)* specify the contested conduct and the provisions of the Model breached and *(ii)* indicate the date of the meeting, with the notice to the interested party of the right to formulate any observations and/or deductions, both written and verbal.

The call must be signed by the President or by at least one other member of the Board of Directors, according to the provisions of the Statute.

On the occasion of the meeting of the Board of Directors, in which the SB is also invited to participate, the hearing of the interested party is arranged, the acquisition of any deductions made by the latter and the completion of any further assessments deemed appropriate.

The Board of Directors, taking into account the elements acquired, determines the sanction deemed applicable, motivating any disagreement with the proposal made by the SB.

If the sanction deemed applicable consists in the revocation of the appointment, the Board of Directors shall immediately convene the Shareholders' Meeting for the related resolutions.

The resolution of the Board of Directors and/or that of the Shareholders' Meeting is communicated in writing, by the Board of Directors, to the interested party as well as to the Supervisory Body, in order to carry out the appropriate checks.

6.9.4 AGAINST STATUTORY AUDITORS

In the event of breach of the Model and the Code of Ethics by one or more members of the Board of Statutory Auditors, the Supervisory Body informs the Board of Directors and the Board of Statutory Auditors and the Shareholders' Meeting will be convened at the request of the Chairman of the Board of Directors of the Shareholders for the appropriate and consequent resolutions.

6.9.5 AGAINST THIRD PARTIES: COLLABORATORS, AGENTS AND EXTERNAL CONSULTANTS

If there is a breach of the Model and the Code of Ethics and related procedures by collaborators, agents or external consultants or, more generally, by third parties, the SB shall send the Managing Director and the person delegated within the Company to manage the contractual relationship in question, a report containing:

1) the details of the person responsible for the breach;
2) the description of the conduct (active or omissive) put in place and detected;
3) the indication of the provisions of the Model breached by such conduct;
4) any documents and/or other elements proving the breach.

Within ten days of the acquisition of the report from the Supervisory Body, the Company, through the company function concerned and in agreement with the Legal Function, decides on the determination and specific application of the measure.

The Company shall therefore send a written notice to the interested party, containing an indication of the disputed conduct and the provisions of the Model subject to breach, activating the contractually envisaged remedy applicable to the case in question.

The SB, to which the notice is sent for information, verifies the application of the contractual remedy.

6.10 DISCLOSURE OF THE DISCIPLINARY AND PENALTY SYSTEM

OLT guarantees the advertising of the Disciplinary and Sanctioning system by posting it in places accessible to all and through other systems (publication on the company Intranet, dissemination with a specific circular or press release, presentation in information courses, etc.).

7. TRAINING AND INFORMATION

7.1 INFORMATION AND TRAINING

For the purposes of the effectiveness of this Model, it is the objective of OLT to ensure correct disclosure and knowledge of the rules of conduct contained therein with regard to the resources already present in the company and those to be included, with different degrees of detail in relation to the different level of involvement of the resources themselves in the activities at risk.
The information and continuous training system is overseen and supplemented by the activity carried out in this field by the Supervisory Body that oversees the activities.
For the purposes of the effectiveness of the Model, the Company promotes the correct knowledge and disclosure amongst all the resources present in the company and among those in the process of being introduced, the knowledge of the procedures and rules of conduct adopted in implementation of the reference principles contained in the Model.
The Model and the Code of Ethics are brought to the attention of the recipients, through suitable dissemination tools, such as company Intranets, email notifications, delivery of documentation and information notes, etc.; or by making this documentation available at the secretariat of the manager of the reference Function who ensures its disclosure.
All Employees and temporary workers read the Model and the Code of Ethics and adapt to compliance with the aforementioned procedures and rules.
Internal training is an essential tool for an effective implementation of the Model and for a widespread dissemination of the principles of conduct and control adopted by the Company, in order to reasonably prevent crimes, from which the Decree gives rise to the administrative responsibility of the Company.
To this end, the Company, in compliance with the provisions of the Confindustria Guidelines, develops an adequate periodic training programme that is diversified depending on whether it is aimed at senior or non-senior managers (further distinguishing between the generality of the individuals and those who operate in specific risk areas).
This training plan is aimed at ensuring an adequate level of knowledge and understanding:

- the precepts contained in Decree 231 regarding the administrative liability of entities, the crimes and sanctions provided for therein;
- the principles of conduct envisaged by the Code of Ethics;
- of the Organisation, control and management model pursuant to Legislative Decree 231/2001;
- of the disciplinary system.

Specifically, the training plan includes:

- compulsory participation in training programmes;
- frequency checks;
- quality controls on the content of training programmes.

Targeted tests are also provided for each training session to verify the effectiveness of the training action.
In the event of significant changes and/or updates to the Model, in-depth modules aimed at acquiring knowledge of the changes that have occurred must be organised.
Lastly, specific modules are organised for new hires destined to work in areas at risk.
The SB must therefore inform the Human Resources Department and the Legal Function about:

- amendments to the reference legislation in order to provide for additional training sessions;
- need for additional training actions resulting from the detection of errors and/or deviations from the correct execution of operating procedures applied to the so-called sensitive activities.

The control over the quality of the contents of the training programmes and their compulsory attendance is the responsibility of the HSEQ Function. The control activity envisaged by the Work Plan of the control activity of the Supervisory Body provides for the adoption of training actions to detect errors and/or deviations from the correct execution of sensitive procedures with respect to the offences referred to in Legislative Decree231/2001.
In this case, the Supervisory Body will activate the relevant corporate functions for the organisation and execution of the training action provided.