



**Organizational, management and control  
model pursuant to Legislative Decree No.  
231/01**

**PRYSMIAN S.P.A.**

**Draft for discussion – Courtesy translation**

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# INTRODUCTION

Legislative Decree no. 231 of June 8<sup>th</sup>, 2001 (hereinafter also Legislative Decree no. 231/2001 or “Decree” or “Decree 231”)<sup>1</sup> provides for the “Discipline of administrative responsibility of legal entities, companies and associations, including those without legal personality”<sup>2</sup>.

Prysmian S.p.A. (hereinafter also the “Company” or “PSPA”) taken note of the legislation and its valence, in line with the need manifested by the Legislator to implement crime prevention systems, has intended to draw up and adopt an Organization, Management and Control Model (hereinafter also the “Model” or “Model 231” or “Organizational Model”) in line with the best practices in the field, aware that ethics represents an indispensable element for any company that intends to operate correctly.

## 1. PRYSMIAN S.P.A. - ACTIVITIES AND ORGANIZATION

PSPA heads a Group founded in 2005 following the acquisition of the investments and business of the Cables and Systems Division of Pirelli & C. S.p.A.

On 3 May 2007 the Company's securities were admitted to listing on the Online Stock Market run by Borsa Italiana (Italian Stock Exchange).

### 1.1. Group activities

Prysmian Group (hereinafter also “Prysmian” or the “Group”) is one of the major global operators in the cable industry and is active in the development, design, production, supply and installation of a wide range of cables for different applications in the energy and telecommunications sectors.

The integration of General Cable into Prysmian, completed in June 2018, is a milestone in the Group's history and a unique strategic opportunity to create value for its shareholders.

The Group is structured with four business segments (Transmission, Power Grids, Electrification and Digital Solutions).

In particular:

- The Transmission segment is dedicated to the realization of renewable energy transmission products in order to improve also the cost-effectiveness and sustainability with new cabling solutions;

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<sup>1</sup> Implementing the delegation under Article 11 of Law no. 300 of September 29<sup>th</sup>, 2000.

<sup>2</sup> For further details regarding the Decree and the predicate offences, please refer to First Section.

- The Power Grids segment is dedicated to making products to support transmission system operators, offshore wind farm builders, and utilities in the development of power transmission and distribution networks (onshore and submarine);
- The Electrification segment is dedicated to decarbonization and, in particular, the development and implementation of innovative solutions that meet electrification needs in order to drive the power cable market toward the energy transition;
- The Digital Solution segment is dedicated to the realization of cable systems and connectivity products used for telecommunication networks. The product portfolio includes optical fibre, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables.

## **1.2. Structure of the Group**

PRYSMIAN S.p.A. is tasked with the coordination and leadership of the Group, as well as the delivery of common services in support of the business.

As the Parent Company, it directly controls the following Italian companies:

- Prysmian Treasury S.r.l., with responsibility for investment in public and private equity and securities as well as management of financial services related to the activities of the Group;
- Prysmian Cavi e Sistemi Italia S.r.l., operating in Power Grids, Electrification and Digital Solutions businesses;
- Prysmian Cavi e Sistemi S.r.l., operating holding of cables and systems Power Grids, Electrification and Digital Solutions;
- Prysmian Powerlink S.r.l., a company active in the design, manufacture, construction, trade, installation and supply of services related to cables and wires, electrical and electronic equipment, underground and submarine energy transmission systems, and machinery and plant for the production, transport and distribution of energy and data (telecommunications);
- Fibre Ottiche Sud Srl, active in the design, manufacture, construction and marketing of optical fibres for telecommunications.

Prysmian S.p.A., through Prysmian Cavi e Sistemi Srl, indirectly controls, Electronic and Optical Sensing Solutions S.r.l., an Italian company that engineers

and installs Prycam Grids partial discharge detection instruments, and provides advanced diagnostic services, and services for the pressure measurement of oil cables. Electronic and Optical Sensing Solutions S.r.l., is also responsible for the technical training of selected staff from Prysmian and third-party customers.

### **1.3. Organizational structure of the Company**

The Company has the following organizational structure:

- Governance Departments:
  - Risk Management and Compliance;
  - Corporate Affairs;
  - Strategic Advisors;
  
- Group Departments;
  - Finance, Administrations, Control & IT;
  - Corporate Strategy and Development;
  - Sustainability, Investor relations and Communication
  
- Business Departments:
  - Business Operations;
  - R&D and Innovation.

Furthermore, there is the Internal Audit Department reporting to the Company's Board of Directors.

Prysmian S.p.A. is not subject to direction and coordination activities by any companies or entities and has fully independent control over its general strategic and operating guidelines. Under art. 2497-bis of the Italian Civil Code, its Italian direct and indirect subsidiaries identify Prysmian S.p.A. as the entity that exercises direction and coordination tasks. This activity involves the setting out of the general and operational strategic directions of the Group and is reflected in the definition and adjustment of internal control system and the model of governance and company structures.

### **1.4. Corporate Governance system in force**

The governance structure adopted by the Company is based on the recommendations of the "Corporate Governance Code" drafted by the Corporate Governance Committee, with which the Company complies. The Corporate Governance rules adopted by the company serve as the set of principles and procedures that govern and regulate the activities of all Prysmian organizational and operational structures and aim to ensure the transparency and correctness of each company operation.

The system of Corporate Governance is based on the core role of the Board of Directors (as the most senior Body appointed to manage the Company in the interests of shareholders), the transparency of processes governing decision-making, the effectiveness of the internal control and risk management system, the rules governing potential conflicts of interest and on appropriate standards of conduct for related-party transactions.

In particular:

- the Board of Directors exercises the widest powers of ordinary and extraordinary administration, except for those that by law are reserved solely for the Shareholders' Meeting;
- the Board of Statutory Auditors monitors compliance with the law, the articles of association and the principles of proper administration in the conduct of corporate activities. It also checks the adequacy of the Company's organizational structure, internal control and risk management system and administrative and accounting system;
- the independent audit of the financial statements is entrusted to a Consob-registered firm, which is appointed at the Shareholders' Meeting.

For the purposes of optimal performance of its duties, the Board of Directors has established the following internal committees:

- Control and Risks Committee, vested with the functions of offering advice and recommendations to the Board of Directors regarding, inter alia, assistance in the execution of tasks relating to the management of the internal control and risk management system;
- The Remuneration and Appointments Committee, vested with the functions of offering advice and recommendations to the Board of Directors regarding, inter alia, the identification of candidates for appointment as Independent Directors, as well as the determination of the remuneration of company Directors and senior management;
- Sustainability Committee, which has been assigned, in general, the task of overseeing sustainability issues related to the company's business operations and its dynamics of interactions with all Stakeholders.

The strategies approved by the Board of Directors are implemented by the CEO, who uses the powers conferred on him by the By-laws and the Board of Directors.

## **1.5. The Internal Control and Risk Management System**

As part of its broader system of corporate governance, the Company has defined and implemented an integrated and widespread internal control and risk management system (hereinafter also referred to as "IC&RMS") at various levels of the organizational and corporate structure, consisting of various bodies and functions, as well as rules and procedures, which enable the Companies to identify, analyze and assess risks related to activities and the achievement of corporate objectives, to prepare appropriate countermeasures for the management of such risks, and to constantly monitor ongoing activities.

In particular, the Board of Directors of Prysmian S.p.A. has defined, through special guidelines approved as of February 2013 and subsequently updated, the founding principles of the IC&RMS, in order to direct the identification, measurement, management and monitoring of the main risks pertaining to the Group, consistent with the defined strategic objectives.

The IC&RMS applies to the Company and all Group subsidiaries. It is integrated into the Company's business processes and is intended to provide a suitable structure for pursuing the Group's medium- to long-term objectives by promptly addressing internal and external dynamics that could jeopardize their achievement. To this end, the Board of Directors makes use, in implementation of the provisions of the Corporate Governance Code, of the Control and Risk Committee, the Internal Audit Department, headed by the Chief Internal Audit Officer, as well as the Risk Management and Compliance Department, headed by the Chief Risk and Compliance Officer, the Supervisory Boards of the Group's Italian companies established pursuant to Legislative Decree 231/2001, and the "Executives in charge" of preparing corporate accounting documents.

The IC&RMS is implemented through the complex set of rules of conduct (including Prysmian's Code of Ethics and the Guidelines of Conduct adopted by the Company), procedures and organizational provisions produced and disseminated by the Group, as well as through the processes of periodic internal and external verification.

In addition, a risk management model (Enterprise Risk Management) aimed at providing an organic and integrated view and response to the risks to which the Company is exposed has been adopted and implemented. This model provides for the identification, assessment, management and monitoring of potential risks that may jeopardize the achievement of corporate objectives (including compliance risks). The Board of Directors, after the favorable opinion of the Control and Risk Committee and upon the proposal of the Risk Management Function, approved Prysmian's "Risk Appetite Framework," aimed at defining a formalized and structured process for defining the levels of risk that the Group is willing to assume in pursuit of its strategic and business objectives.

In addition to the aforementioned ERM model, additional specific risk management and monitoring systems have been adopted and implemented that fit within the scope of the IC&RMS and are capable of strengthening its effectiveness, including with reference to the objectives of presiding over Decree 231, including:

- information security management system, certified according to ISO 27001;
- prevention of corruption management system, certified according to the international standard ISO 37001;
- Whistleblowing management system, certified according to the international standard ISO 37002;
- occupational health and safety management system, certified according to the ISO 45001 standard;
- environmental management system, certified according to ISO 14001.

## **1.6. Intra-group relationships**

Prysmian's business model involves the business processes/activities, or part of them, by some of the Group's companies for the benefit of others, also including Prysmian S.p.A.

Relations between Group Companies are governed through guidelines issued by the Parent company and formalised in regular intercompany service contracts signed in compliance with the current system of proxies and delegations.

Intra-group contracts governing the provision of services that may affect areas of risk reported in the Model are communicated to the Supervisory Board upon their signing or any subsequent amendment.

In particular, the service contract provides for the coordination of the Supervisory Board of the company providing the service with the counterpart of the company receiving the service in order to properly perform its supervisory duties.

Service contracts provide for, among others:

- a detailed description of the services rendered (and related manner of performance);
- the manner of determination of the related expected fees;
- special business ethics clauses committing to compliance with the provisions of Legislative Decree 231/2001, as well as with Prysmian's Code of Ethics and Anti-Corruption Policy;
- the obligation on the part of the company providing the service to provide it in accordance with the best professional diligence, in accordance with current regulatory provisions;

- the obligation on the part of the Group company from which the service is requested to equip itself with appropriate procedures to prevent the commission of the crimes provided for in the Decree;
- the right on the part of the company receiving the service to: (i) request at any time from the company providing the service information and updates, as well as the results of the activities carried out; (ii) verify the procedures adopted by the same for the execution of this assignment; (iii) access, during normal working hours, to all data and documents held by the company providing the service in relation to the performance of the same;
- the power of the Supervisory Board of the recipient company to request information from the Supervisory Board of the company (if any) providing the services;
- the duty of the Supervisory Board of the company (if any) providing the services to prepare, at least once a year, a report concerning the performance of its functions in relation to the performance of the services requested by the Group company and to communicate this report to the Board of Directors and the Supervisory Board of the recipient company;
- the obligation on the part of the beneficiary company to forward without delay to the company providing the service news of facts or acts relevant to the same, as well as to ensure the truthfulness and completeness of the documentation or information provided for the purpose of carrying out the services requested;
- the obligation on the part of the beneficiary company to grant the company providing the service, at the latter's request, access to all data and information that the latter may deem necessary or useful for the performance of the services;
- the obligation on the part of the grantee company to provide all necessary cooperation for the purpose of timely fulfillment of any legal obligations.

Transactions between Prysmian S.p.A. and subsidiaries mainly concern:

- commercial transactions such as the sale, to Group operating companies, of strategic materials (copper, aluminium and lead);
- technical, organizational and general services provided by Corporate and Group Functions to subsidiaries;
- charges for authorization to use licenses for patents and know-how
- financial relations, mainly relating to funding and active current account management within the treasury management by Prysmian Treasury S.r.l.;
- dividends paid by subsidiaries.

The company receiving the service monitors the adequacy of the service provided by another Group company, as well as compliance with the contractually established clauses.

If the Group company providing the service were to carry out, on behalf of another Group company, services in the context of activities that could configure

risks of commission of not covered by its own Model, it must equip itself with adequate and suitable rules and procedures to prevent the commission of the same.

## **2. ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF PRYSMIAN S.P.A. - PURPOSES AND RECIPIENTS**

This document, together with all its annexes, constitutes the new edition of the organizational, management and control Model (hereinafter also the "Model" or "Organizational Model") adopted by Prysmian by resolution of the Board of Directors on 1<sup>st</sup> March 2022 in accordance with Legislative Decree No. 231 of 8 June 2001, (hereinafter also the "Decree"); this version replaces the previous versions adopted on 10 August 2021 and previously on 1<sup>st</sup> August 2019, as well as 1<sup>st</sup> March 2017 and 25 February 2014, also incorporating the necessary updates relating to organizational and operational changes at Group and Company level and to legislative changes resulting from the widening of the category of supposed crimes.

The constant updates made to the Model ensure that it is always current and effective at any point in time.

The Company is and has always been determined to comply with the related legislative requirements, to implement the principles of proper management laid down in the Decree and to systematically improve the system of corporate governance, in order to combine the achievement of excellent results with full compliance with the regulations and the highest ethical standards.

The current version of the Model also takes into account the relevant jurisprudential and doctrinal interpretations as well as the "Guidelines for the construction of Organization, Management and Control models" developed by Confindustria, issued on 7 March 2002 and updated on 31 March 2008, 23 July 2014, and, lastly, 25 June 2021 ("The Guidelines").

The Model, which is an integral part of Prysmian's broader system of governance, is designed to cover, with increasing levels of detail, the rules of conduct deemed appropriate for preventing significant unlawful conduct pursuant to the meaning of the Decree. It consists primarily of:

- the Code of Ethics, which sets out the key principles of ethical behaviour that must be observed by all those who work on behalf of Prysmian or its affiliates
- the Guidelines for Conduct that, by analysing the key principles expressed in the Code of Ethics, identify required behaviours in the areas of "what to do" and "what not to do"
- the governance rules for the Model, which specify the organizational rules for the implementation and continuous functioning of the Model

- the Protocols, which translate the ethical principles contained in the Code of Ethics and Guidelines for Conduct into principles of prevention and control.

This document comprises two sections:

- First Section: "Legislative Decree No. 231 of 8 June 2001": a general overview of the content of the Decree and the function and general principles of the Model
- Second Section: "The adoption of the model by Prysmian", detailing the specific content of the model adopted by Prysmian.

The following Annexed documents form an integral part of the model:

- Code of Ethics
- Guidelines for Conduct
- List and description of crimes and administrative offenses currently specified by the Decree
- Contractual clauses
- List of protocols relevant to the purposes of Legislative Decree No. 231/01
- Procedure for managing signatory powers
- Procedure for managing information flows towards the Supervisory Body.

## **2.1. Purposes of the Model**

Prysmian will use this Model, which constitutes a review and an update of previous versions, to achieve the following aims:

- maintain constant compliance with legislation on the administrative liability of bodies, verifying and valuing safeguards already in place, so as to prevent the perpetration of unlawful conduct pursuant to Legislative Decree No. 231/2001
- advise all Recipients of the importance of the Decree and the sanctions that may befall the Company and perpetrators of unlawful acts in the event of crimes and administrative offenses punishable under Legislative Decree No. 231/2001
- make all Recipients aware of the object and scope of application of this legislation
- make all Recipients aware that Prysmian does not tolerate conduct which, even if arising from a misunderstanding of the interests of the Company, is contrary to laws, regulations, supervisory rules, internal company rules and the principles of sound and correct management of company activities to which Prysmian aspires
- inform all Recipients of the need for strict compliance with the provisions of the Model, the breach of which is punishable by disciplinary and/or contractual sanctions

- in general, intervene in whatever way necessary to prevent unlawful conduct in the performance of Company activities.

## **2.2. Recipients of the Model**

As required by the Decree, the rules provided in the Model apply to senior company managers and to persons under their supervision and direction, referred to collectively as the Recipients. These persons include:

- Company Directors
- employees, including managers and employees of other companies in the Prysmian Group on secondment to the Company
- persons with coordinated and continuous employment contracts
- interns with work experience and orientation arrangements
- exclusive agents or representatives.

Parties other than the aforementioned Recipients, which in any case operate on behalf of or in the interest of the Company, are in any case required to observe the provisions of Legislative Decree No. 231/2001 and the ethical principles adopted by Prysmian in the framework of the Code of Ethics and Guidelines for Conduct.

# **FIRST SECTION**

## **FIRST SECTION**

### **LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001**

#### **3. THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS AND SANCTIONS**

Legislative Decree 231/2001, setting out the "Regulation of administrative liability of legal persons, companies and associations without legal personality" has introduced into our system the liability of the Entity for the perpetration of crimes and administrative offenses, as a result of unlawful conduct expressly stated by legislation and carried out by parties that are functionally related to it and which involve an advantage or a benefit for the Entity itself.

It is a liability that despite being defined as "administrative" by legislation and despite being subject to administrative sanctions, has the typical features of criminal liability, since it usually derives from the commission of crimes<sup>3</sup> and is ascertained through criminal proceedings<sup>4</sup>.

Entities can be held liable every time a crime or administrative offence is committed in their interest or to their advantage. An "interest" exists when the unlawful conduct is committed with the sole intention to bring benefit to the Entity, irrespective of whether this objective is achieved; an "advantage", on the other hand, is when the offender, despite not having acted with the intention of favouring the Entity, still succeeds in creating an economic or other benefit for it. However, the Entity is not liable for any "exclusive advantage" gained by the offender.

The administrative liability of the Entity also applies in cases where the crime is merely attempted.

A further condition for the applicability of the legislation is that the crime or administrative offence must be committed by qualified persons, namely:

- a) persons with representative, administration or management functions in the Entity or one of its organizational units with financial and functional autonomy, as well as persons who exercise, including de facto, management and control of the same (senior managers)
- b) persons subject to the management or supervision of one of the senior managers (Subordinates or Assistants)

The framework of Legislative Decree No. 231/2001 implies that the administrative liability of Entities is a standalone title of responsibility and, therefore, does not exclude, but instead adds to that of the natural person who committed the unlawful act and exists even when the offender has not been identified or cannot be held responsible, i.e. the offence lapses for a reason other than amnesty (i.e. statute of limitations; remission of lawsuit; death of the offender).

According to that expressly established by Legislative Decree No. 231/2001, the Entity may be held liable in Italian state territory for unlawful acts committed both in Italy and – under certain conditions – abroad.

A crime shall be deemed committed in Italy, in accordance with art. 6 of the Criminal Code, where an action or an omission that constitutes the crime – in its entirety or just part of it – or again the event which is a result of the action or omission, have occurred on Italian state territory.

With regard, however, to crimes committed abroad, the liability of the Entity in accordance with Legislative Decree No. 231/01 is based on the following assumptions:

- a) the crime must be committed abroad by an individual with a functional connection to the Entity
- b) the Entity must have its registered office on the territory of the Italian state
- c) the Entity is liable only in the cases and under the conditions laid down in articles 7, 8, 9, 10 of the Penal Code (Penal Code regulations governing the conditions of prosecutability and punishability, under Italian law, of crimes committed abroad)
- d) the Entity is held liable, provided that the State where the crime was committed does not proceed against it.

The sanctions system applicable to the Entity provides for particularly stringent measures such as:

- a) financial sanctions. These are applied upon the recognition of the Entity's guilt following any unlawful act, from among those provided by the Decree and are determined by the Criminal Court through a system based on “quotas”
- b) disqualification sanctions. These are applied, also as a precautionary measure, only for certain types of crime and in cases of greater severity. They may take the form of: prohibition of company activities; suspension and revocation of authorisations, licences or concessions necessary to the perpetration of the crime; the prohibition of dealing with the public administration (except for obtaining the performance of a public service); exclusion from incentives, loans, grants or subsidies and the possible revocation of those already granted; the prohibition of advertising goods or services.

In any case, disqualification sanctions do not apply (or shall be revoked, if already in place as a precautionary measure) if the Entity, before the opening statement of the proceedings of the first instance:

- has compensated or made good the damages
- has eliminated any harmful or dangerous consequences of the crime (or at least worked towards this)
- has made the proceeds of the crime available to the judicial authorities for confiscation
- has eliminated the organizational deficiencies that led to the crime, by adopting organizational models suitable for preventing the perpetration of further crimes.

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<sup>3</sup> In addition to administrative offenses, in accordance with law No. 62 of 18 April 2005.

<sup>4</sup> Exception made for the above-mentioned administrative offenses of market abuse, established by Consob.

In the case of the occurrence of these behaviours – considered to be voluntary correction – financial sanctions will be applied instead of the disqualification sanction.

- c) confiscation. This consists of the acquisition of the price or profit of the crime by the State or the acquisition of sums of money, goods or other benefits of value equivalent to the price or profit of the crime: it does not affect, however, that part of the price or profit of the crime that can be returned to the damaged party. Confiscation is always applied with a conviction.
- d) publication of the conviction. This may be imposed when an Entity is subject to a disqualification sanction; it is done at the expense of the Entity, in one or more newspapers specified by the judge in sentencing, as well as by billposting in the municipality where the Entity has its headquarters.

#### **4. CRIMES AND ADMINISTRATIVE OFFENSES THAT DETERMINE ADMINISTRATIVE LIABILITY**

Below is a list of Crimes and Administrative Offenses currently pursuant to Legislative Decree No. 231/2001; refer to Annex III of this document for a more detailed explanation:

- undue appropriation of disbursements, fraud to the detriment of the state, a public agency or the European Union or for the purpose of obtaining public disbursements, computer fraud to the detriment of the state or a public agency, and fraud in public supplies (Article 24);
- IT crimes and unlawful data processing (art. 24-bis);
- organized crime offenses (art. 24-ter);
- embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office (Art. 25);
- forgery of money, public credit cards, stamp duties and identification instruments or signs (art. 25-bis);
- crimes against industry and commerce (art. 25-bis.1);
- corporate offenses, including the crime of corruption in the private sector (art. 25-ter);
- crimes linked to terrorism or the subversion of democracy, (art. 25-quater);
- the practice of female genital mutilation (art.25-quater.1);
- crimes against the rights of individuals, including the crime of unlawful intermediation and exploitation of labour (art. 25-quinquies);
- market abuse (art. 25-sexies);
- crimes of involuntary manslaughter and serious or very serious injuries, committed in breach of the rules on health and safety at work (art. 25-septies);
- receiving, laundering and using of money, goods or benefits of illicit origin, as well as self-laundering (art. 25-octies);
- crimes relating to payments instruments other than cash and fraudulent transfer of values (art. 25-octies.1);
- crimes involving breach of copyright (art. 25-novies);
- incitement to not make statements or to make false statements to the judicial authorities (art. 25-decies);
- environmental crimes (art. 25-undecies);
- racism and xenophobia (art. 25-terdecies);
- fraud in sporting competitions, illegal gambling or betting and gambling using banned platforms (art. 25-quaterdecies);
- tax crimes (art. 25-quinquiesdecies);
- smuggling (art. 25-sexiesdecies);
- crimes against cultural heritage (Art. 25-septiesdecies);
- laundering of cultural property and devastation and looting of cultural and scenic property (Art. 25-duodecimes);

- transnational crimes (art. 10 of Law No. 146 of 16 March 2006).

See Annex III for a detailed breakdown and description of each type of crime.

## **5. THE ADOPTION OF THE MODEL AS A POSSIBLE EXEMPTION FROM ADMINISTRATIVE LIABILITY**

Legislative Decree No. 231/2001 provides for a specific form of exoneration from administrative liability arising from crimes if the Entity is able to prove that:

- the governing body has adopted and effectively implemented, prior to the commission of the unlawful act, an organizational and management model suitable for preventing the kind of crime that has occurred
- the task of verifying the functioning and observance of the model and its updating has been entrusted to a body of the Entity, equipped with autonomous powers of initiative and control
- the persons who committed the crime acted by fraudulently evading the organization and management models
- there has been no omitted or insufficient supervision by the body mentioned in point 2).

The liability of the Entity is therefore reduced to what is known as "organizational liability", i.e. the non-adoption or failure to comply with required standards relevant to the organization and activities of the Entity.

The exemption from liability for the Entity is not yet determined by the mere adoption of the Model, since the latter must demonstrate the features of concrete, specific efficacy and also effectiveness. With specific reference to the first of these requirements, Legislative Decree No. 231/2001 provides – in art. 6, paragraph 2 – the following preparatory stages leading to the successful implementation of the Model:

- identification of the activities in which there is a possibility of commission of the crimes envisaged by Legislative Decree No. 231/2001
- provision for specific protocols to help plan the formation and implementation of the Entity's decisions in relation to the crimes to be prevented
- identification of methods for managing financial resources suitable for preventing the commission of crimes
- provision for obligations to inform to the body responsible for supervising the functioning and observance of the Model
- introduction of an internal disciplinary system suitable for sanctioning the non-observance of the measures stated in the Model.

The effective implementation of the Model requires the periodic verification both of the Model itself and any changes thereto whenever changes in organization or Company activity take place, under the assumption of regulatory amendments to the Decree and also when significant breaches of the Model requirements are discovered.

Legislative Decree No. 231/2001 also provides that the Model can be adopted "on the basis" of codes of conduct drawn up by associations representing the Entities.

In the preparation of this document, Prysmian thus made use of guidelines issued by Confindustria on 07 March 2002 and subsequent updates. Court orders concerning administrative liability of Entities have also been taken into account.

# **SECOND SECTION**

## **SECOND SECTION**

### **THE ADOPTION OF THE MODEL BY PRYSMIAN**

#### **6. THE PRYSMIAN S.p.A. MODEL**

The Prysmian S.p.A. Model has been prepared taking into account the operational and organizational characteristics of the Company and, in particular, the existing internal control system implemented by the organizational structures in the manner envisaged by the set of policies, procedures and instructions/operating rules, aimed at the implementation of corporate strategies and the achievement of process effectiveness and efficiency within the area of compliance with law supervisory legislation, and the By-laws.

##### **6.1. The method of “construction” of the Model**

The company carried out the following activities at the time of the first adoption of the Model and at each update thereafter:

1. mapping of activities “at risk”
2. analysis of corporate risk profiles
3. surveying of control and gap analysis measures
4. analysis of the existence and adequacy of internal control principles relevant to the purposes of Legislative Decree No. 231/2001 and their reinforcement, when deemed necessary, particularly with regard to:
  - verifiability and traceability of any relevance to Legislative Decree No. 231/2001
  - adherence to the principle of separation of functions
  - existence of adequate authorization and signature powers
  - existence of communication of relevant information to the Supervisory Body.

The update of the Model has become necessary as a result of substantial changes in organizational structure and company operations and following the widening of the category of Crimes and Administrative Offences relevant to the purposes of Legislative Decree No. 231/2001.

As far as they specifically pertain to the "construction" of the Model, the activities are broken down as follows.

##### **6.2. Mapping of activities, risk profile analysis, surveying control and gap analysis measures**

Interviews were carried out with Prysmian Function/Department Heads in order to map the activities at risk.

The results of this operation were formalized in analysis documents that illustrate the activities relevant to the Decree and to the competence of each Prysmian Function/Department. They also indicate, for each of these activities, the potential risk profile and the reason for existence of this risk profile.

The documents also summarize risk/crime potential vis-a-vis the activities of the individual Function/Direction and the potential opportunities for the commission of these crimes, highlighting, with reference to the individual chief methods of their realisation:

- the control mechanisms found within the Function/Direction concerned
- the adequacy thereof or their ability to prevent or identify unlawful conduct
- suggestions to remedy any misalignments with the Model.

The aforementioned documents, shared with company contacts involved in the mapping, are available to the Supervisory Body for the purposes of carrying out the institutional activities entrusted to it by the Decree.

## **6.3. Development of the Model**

### **Guidelines for Conduct**

During the process of adoption of the Model, Prysmian undertook to define the Guidelines for Conduct (Annex II) that specify in more detail the principles for conduct contained in the Group Code of Ethics (Annex I), in order to implement and formalize the values that define the ethical principles followed by the Company.

The rules for conduct provided by the Model and the Guidelines for Conduct are adopted and integrate with those of the Code of Ethics with complementary purposes: the latter expresses the principles of business ethics, whereas the Model and the Guidelines for Conduct satisfy specific legal requirements aimed at preventing the commission of crimes referred to in the Decree.

### **Identification of protocols**

An evaluation of the internal control system enabled the identification of the protocols of decision, management and control with respect to each of the mapped areas at risk (listed in Chapter 7 below), with the verification of their presence in company procedures, so as to be able to integrate them where deemed necessary.

The procedures governing these protocols are an integral part of the Model pursuant to the effects of the Decree. They provide:

- rules of conduct, which set out in operational terms, in areas at risk, the principles set out in the Code of Ethics as well as the Guidelines for Conduct
- the roles and responsibilities of the various parties involved in activities at risk
- the operating and control methods that must be observed in fulfilment of the activities at risk
- information obligations towards the Supervisory Body.

In addition, the procedures relevant to the purposes of the Decree are aligned with the following control principles:

- functional segregation of operational and control activities
- traceability of operations at risk and controls put in place to prevent the commission of crimes
- distribution and allocation of powers of authorization and decision making and responsibilities of each structure involved in activities at risk.

## **The system of delegated powers and proxies**

The Prysmian internal system of delegation of powers and proxies must be based on the fundamental criteria of clarity and transparency within the Company, the segregation of duties and attribution of accountability and representation, through the establishment of hierarchical structures and operations.

The system of delegated powers and proxies is also aimed at crime prevention and to ensure the effective management of activities performed by the company. To this end, proxies and delegated powers must be based on the criteria of consistency with the position held by the proxy within Prysmian, avoiding misalignments between the office held within the Company and the powers delegated. The latter define the powers of the proxy and the hierarchical relationships that these are bound to respect; finally, the managerial powers granted must be consistent with company objectives.

In view of the above, the Company's system of delegated powers and proxies must adopt the following rules:

- duties and responsibilities clearly allocated
- grid and limits of any documented “cascade” powers
- proxies endowed with spending powers appropriate to their assigned functions
- continuous checking of the exercise of delegated powers.

There are two types of assignable signatory powers:

- **The power of attorney:** assigned in order to allow natural persons, Company's employees or not, to put in place binding acts for the Company itself and represent the same before third parties and in court. The need for proceeding to the notary shall be assessed by the Manager of the requesting Function, in consideration on the purpose of the power of attorney. The types of powers of attorney are:
  - General: related to certain acts, contracts or series of them, the completion of which is delegated continuously to the prosecutor;
  - Special: assigned for the completion of a certain act or the conclusion of a specific contract, which are terminated with such an individual act or contract. In this case, the allocation process is the same without prejudice to the document "Protocol for the management of litigation and settlement agreements".
- **Authorizations for the signature of internal documents:** consisting in giving employees the power to sign internal documents relating to the management of company assets (money, goods, etc.). For each type of authorized transaction, it is required to define the limits of the amount, which vary depending on the area of activity and the task carried out by the authorized person.

The roles, oversight and principles of conduct to be ensured in the activities of issuing, modifying and revoking powers of attorney - which define signatory powers externally - are regulated in the "Procedure for the management of signing powers" which constitutes Annex VI to this Model.

With reference, instead, to authorizations to sign internal documents, please refer to the "*Global Delegation of Authority Matrix*" (hereafter "DOA Matrix").

### **Contractual clauses**

It has been deemed necessary to provide for specific contractual provisions (Annex IV) to regulate relations with some Recipients regarding liability profiles pursuant to Legislative Decree No. 231/2001.

### **The establishment of a Supervisory Body**

For the purposes of exemption from administrative liability, Legislative Decree No. 231/2001 obliges the Entity to establish an internal body, endowed with autonomous powers of initiative and control, to supervise the functioning and compliance of the Model as well as to ensure its periodic updates.

For further details, see Chapter 8 of this document.

### **The sanctions system**

Legislative Decree No. 231/2001, art. 6, paragraph 2, letter c) expressly provides for the Entity's responsibility to "introduce a suitable disciplinary system to punish non-compliance with the measures stated by the Model".

For further details, see Chapter 9 of this document.

## **7. PRYSMIAN S.P.A. ACTIVITIES "AT RISK"**

As a result of the mapping of Company activities – performed at the first adoption of the Model and subsequently updated on the occasion of regulatory, operational and organizational changes – there is evidence of potentially significant processes for the commission of crimes and administrative offenses.

It was decided to focus attention on the risks of committing the crimes listed in the rules invoked by the following articles:

- art. 24 (undue appropriation of disbursements, fraud to the detriment of the state, a public agency or the European Union or for the purpose of obtaining public disbursements, computer fraud to the detriment of the state or a public agency, and fraud in public supplies);
- art. 24-bis (IT crimes and unlawful data processing);
- art. 24-ter (organized crime);
- art. 25 (embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office);
- art. 25-ter (corporate crimes, including bribery between individuals);
- art. 25 quinquies (crimes against the rights of individuals, with specific reference to unlawful intermediation and exploitation of labour);
- art. 25-sexies (market abuse);
- art. 25-septies (crimes relating to health and safety at work);
- art. 25-octies (crimes of receiving, laundering and using of money, goods or benefits of illicit origin, as well as self-laundering);
- art. 25-octies.1 (crimes relating to payments instruments other than cash and fraudulent transfer of values);
- art. 25-novies (crimes involving breach of copyright);
- art. 25-decies (inducement to not make statements or to make false statements to the judicial authorities);
- art. 25-undecies (environmental crimes, including eco-crimes);
- art. 25-duodecies (use of foreign citizens without proper residence papers);
- art. 25-quinquiesdecies (tax crimes);
- art. 25-sexiesdecies (contraband);
- art. 10, Law 146/2006 (transnational offenses).

Consequently, it was decided to strengthen the internal control system with specific reference to these crimes.

In particular, given the scope of Prysmian S.p.A. activities, the belief is that there is a reasonably remote possibility of commission of criminal conduct relating to terrorism and subversion of the democratic order (art. 25-quater of the Decree). It is believed that general measures encoded in Prysmian's Code of Ethics and Prysmian S.p.A.'s Guidelines for Conduct, as well as in controls designed by the Protocols of the Company's Model, aiming at preventing the cited offenses, are suitable also for preventing the Crimes referred to here.

Based on the above analysis, the activities “at risk” were as follows:

- management of accounting and preparation of financial statements and periodic reporting
- management of monetary and financial flows
- management of advance payments and reimbursements of expenses
- management of gifts and entertainment expenses
- sponsorship management
- donation management
- management of inside information
- management of extraordinary transactions
- management of intercompany transactions and those with other Related Parties
- management of litigation and settlement agreements
- management of public/subsidized loans
- management of relationships and compliance with public administration and supervisory bodies
- human resources management
- management of relationships with certification bodies
- management of relationships with partners, statutory auditors and independent auditors
- management of supply of goods, services (including insurance services), consulting and professional services;
- management of information systems
- management of product and process inventions/innovations and use of trademarks and trade names
- management of the health and safety system
- management of temporary and mobile construction site
- environmental compliance management
- management of real estate and related services
- management of capital transactions
- management of tax and customs compliance (including management of tax compliance related to scrapping of goods and management of tax and customs compliance related to the movement of goods in and/or out the Italian territory
- management of activities connected with scrapping assets
- management of importing, exporting and transactions within the EU;
- external relations;
- management of relations with insurance institutions.

## **8. SUPERVISORY BODY**

### **8.1. Role of the Supervisory Body**

In accordance with the provisions of Legislative Decree No. 231/2001, the Supervisory Body is responsible for supervising the functioning and compliance of the Organizational Model and updating it.

The Supervisory Board is established upon the following requirements:

- Autonomy and independence;
- Professionalism;
- Continuity of action;
- Honourability.

These requirements are reflected in the autonomy of the control initiative of the Supervisory Body regarding any form of interference or conditioning by any representative of the legal person and, in particular, of the governing body.

To guarantee these requirements, the Supervisory Body reports exclusively to the Board of Directors as a whole. The Supervisory Body must also enjoy guarantees that will prevent it or its members from being removed or penalised as a result of the accomplishment of its tasks.

The requirement of professionalism is reflected in the capacity of the Supervisory Body to fulfil its inspection functions regarding the effective implementation of the Model, as well as in its members' capacity to exercise the necessary qualities and skills to ensure continuous updating and proper adaptation to changes in the company business environment and legislative developments, through the formulation of appropriate proposals to the Company's Board of Directors.

With regard to continuity of action, the Supervisory Body must constantly oversee compliance with the Model, assiduously check the effectiveness and efficacy of the Model itself, ensure continuous updating and act as a constant point of reference for each person that carries out work for the company. In order to adhere to this criterion, such an Office may be assisted by internal Company resources or by outside consultants.

The members of the Supervisory Body must also have specific capacities in terms of inspection and consulting activities.

In the end, with regard to the requirement of honourability it is ensured by the provision of specific grounds for ineligibility as described in the below paragraph.

### **8.2. Composition and appointment of the Supervisory Body**

The Company, in line with the guidelines provided by Confindustria and in order to promote an internal debate and best ensure the principle of impartiality, moved towards the choice of a multi-member body, composed of three members appointed by the Board of Directors, with a maximum of two members chosen from outside the company; the latter would be people endowed with the professional expertise referred to in paragraph below, subject to appropriate and documented verification by the Board of Directors of the Company.

The members of the Supervisory Body shall hold office until the expiry of the Board of Directors that granted their appointment.

### **Grounds for ineligibility**

Appointment to membership of the Supervisory Body is excluded to:

- Directors, as well as the spouse, cohabiting partner, relatives and relatives-in-law within the fourth degree of the Directors and one of the Company's Statutory Auditors, where identified as a member of the Company's Supervisory Board;
- those who find themselves in a situation of conflict of interest, direct or even only potential, that could compromise their independence and autonomy of judgment, or those who:
  - o entertain, directly or indirectly - with the exclusion of the employment relationship existing on the part of the internal member of the Supervisory Board - economic relations and/or contractual relations, whether for a compensation or free of charge, with the Company, with the companies controlled by the latter and/or with the respective Directors and/or with one of the Statutory Auditors (where identified as a member of the Company's Supervisory Board), as well as with the spouse, cohabiting partner, relatives and relatives-in-law within the fourth degree of the same, of such significance as to be able to condition their autonomy of judgment. However, this is without prejudice to any positions in corporate control bodies (including Supervisory Bodies) of the Company or its subsidiaries;
  - o hold, directly or indirectly, shareholdings in the Company or its subsidiaries or related companies such as to enable them to exercise control or significant influence over the Company, or in any case to compromise their independence;
- those in the conditions referred to in Article 2382 of the Civil Code, namely, the disqualified, the incapacitated, the bankrupt, or those who have been sentenced by a judgment, even if not final, to a punishment involving disqualification, even temporary, from public office or the inability to exercise executive offices of legal persons and enterprises;
- those who are subject to support administration;
- those against whom a sentence of conviction (even if not final) or a sentence of application of the penalty on request (so-called "plea bargaining") has been pronounced, or against whom a criminal decree of conviction has been issued, pronounced or issued by the Italian or foreign Judicial Authority, for having committed one or more of the crimes provided for in the Decree or other malicious offenses that may affect the professional honourability required for the position,

- those who have served as members of the Supervisory Board in companies against which the sanctions provided for by Article 9 of the Decree have been applied, where the failure of supervision, or the insufficient supervision, of the Supervisory Body has been ascertained;
- those who have been subject to the definitive application of one of the preventive measures provided for by Legislative Decree no 159/2011 and further amendments/additions;
- those who have held administrative positions (in the three fiscal years prior to their appointment as members of the Supervisory Board) of companies subjects to bankruptcy compulsory administrative liquidation or other insolvency procedures;
- those against whom the accessory administrative sanctions provided for in Article 187-quarter of Legislative Decree 58/1998 have been applied.

Candidates for membership of the Supervisory Body must self-certify with sworn statements that they are not in any of the above conditions of ineligibility, expressly undertaking to communicate any changes to the content of such statements.

### **Revocation**

The Board of Directors of Prysmian S.p.A. may revoke membership of the Supervisory Body, heard the Board of Statutory Auditors, for just cause, such as:

- substantial breaches of the obligations of the mandate, with regard to the tasks listed in the Model, including the breach of the confidentiality obligation in relation to news and information gained by virtue of the mandate;
- for breach of obligations regarding the Regulations of the Supervisory Body;
- in the presence of the above causes of ineligibility, prior to an appointment as member of the Supervisory Body, and they are not mentioned in the self-certification;
- the absence from three or more meetings, even if not consecutive, without a justified reason within a period of twelve consecutive months;

- an irrevocable judgment of conviction pronounced against the Company pursuant to the Decree or a judgment that applies the penalty at the request of the parties, which has become final, where it appears from the records a Supervisory Board "omitted or insufficient supervision", in accordance with the provisions of Article 6, paragraph 1, letter d) of the Decree;
- the application against the Company of an asset prevention measure ordered by the Judicial Authority pursuant to Legislative Decree 159/2011;
- the occurrence of one of the causes of disqualification specified below.

### **Forfeiture**

Members of the Supervisory Body shall forfeit their position when, following their appointment, they are:

- in case of loss of the requirements described in the paragraph 8.1 or the occurrence of one or more grounds of ineligibility abovementioned;
- the Board of Directors' ascertainment of negligence, carelessness or gross incompetence in the performance of tasks assigned pursuant to the preceding paragraph and, in particular, in the identification and consequent elimination of breaches of the model, and, in severe cases, the commission of crimes.

### **Suspension**

The following constitute grounds for suspension from the function of member of the Supervisory Body:

- the application of a personalised precautionary measure;
- the provisional application of one of the preventive measures provided for by Legislative Decree no 159/2011 and further amendments/additions.

An appropriate budget is assigned to the Supervisory Body in order to allow it to perform its duties in complete independence, without limitations arising from insufficient financial resources. This budget is set annually by the Board of Directors. The Supervisory Body can independently commit resources in excess of this budget, if their use is necessary to deal with special situations. In these cases, the Supervisory Body shall promptly inform the Board of Directors of the company.

The Board of Directors shall determine any annual compensation due to members of the Supervisory Body.

The Supervisory Body shall meet on a regular basis and at least every three months according to a duly arranged timetable.

Both the Chair and members of the Supervisory Body can however request additional meetings, whenever necessary for the effective performance of its tasks.

The Board of Directors of the Company may convene the Supervisory Body whenever there is a need for clarification, news or evaluative judgements. For all other operational aspects concerning the functioning of the Supervisory Body, please refer to the: "Regulations of the Supervisory Body".

### **8.3. Checks on the effectiveness and constant updating of the Organizational Model and Plan of Operations**

The Supervisory Body, also availing itself of the support of internal control functions within the Company, is responsible for:

- ensuring compliance by Recipients with the requirements set out in the Model on an ongoing basis, particularly with regard to areas at risk: for this purpose, the Supervisory Body is required to prepare an annual Plan of Operations;
- verifying, also with "surprise actions", operations or specific acts, put in place in areas at risk;
- collecting, processing and storing relevant information acquired in the performance of its duties;
- ensuring the implementation of Article 6 paragraph 2 of the Decree, providing the institution, according to the Legislative Decree no. 24/2023 that implements the EU Directive 2019/2019 of October 23<sup>rd</sup>, 2019, of internal reporting channels and the corresponding informative to Recipients of it, so that they can submit alerts about breaches of the provisions of the Model, as well as reports of infringements by parties

required to comply with the Company's ethical principles and the rules specific to the model;

- evaluating reports, received from Recipients, about possible breaches of the provisions of the Model, as well as reports about infringements by parties required to comply with the Company's ethical principles and the rules specific to the Model;
- performing adequate inspections to ascertain breaches of the Model, coordinating in each instance with the Departments/Functions concerned in order to gather all relevant information for the investigation;
- drafting a summary of the grounds for its decision on any investigation carried out and preparing a document showing what has been done;
- reporting to the competent Departments/Functions, or to the Company bodies, any observed breaches of the model, as well as any infringements by parties required to comply with the Prysmian ethical principles and the rules specific to the Model, in order to assess whether to adopt prescribed remedies and start disciplinary proceedings if necessary;
- coordinating with the head of the HR & Organization Department to identify specific programmes aimed at appropriately distributing this Model to all Recipients;
- monitoring initiatives aimed at the dissemination of the principles of the Organizational Model and the Recipients' awareness thereof;
- providing clarification to Recipients on any queries on the Model and receiving any suggestions on implementing it and making it more effective;
- storing all documentation relating to the activities specified above.

With reference to the updating of the Model, note that the adoption of changes thereto is the responsibility of the administrative body, while the Supervisory Body is responsible for alerting the Company's Board of Directors of any arising need to implement or update the Model and to monitor its adequacy over time. In this regard, the tasks of the Supervisory Body are the following:

- verification of major developments in legislation;
- analysis of the company activities for the purpose of continually updated identification of areas at risk;

- supervision of the updating of each part of the Model, with a view to Crime prevention, in collaboration with the various company Departments/Functions;
- evaluation of the adequacy of the Model in the event of the actual Crimes and related Administrative Offenses or of significant breaches;
- proposals to the Board of Directors for any updates to the Model, both in the wake of the changed operation of the Company or changes to Legislative Decree No. 231/2001.

In carrying out these activities, the Supervisory Body can avail of the support of other internal Company Departments/Functions as well as specially skilled external consultants, whose professional contribution is necessary in a particular instance, without having to obtain specific permission from the Board of Directors of the Company.

#### **8.4. Information obligations towards the Supervisory Body**

All Recipients of this organizational Model are required to promptly report the following information to the Supervisory Body:

##### A) Timely flows

- the commission or attempted commission of unlawful acts that are provided by the Decree or are relevant to the purposes of administrative liability of the Entity (as per the list of Crimes and Administrative Offenses specified and as updated over time), founded on precise and corresponding facts;
- any breaches of the behavioral and operational modalities established in the Model that are directly or indirectly disclosed on the basis of the duties performed, with criticality profiles relating to the regulations of the Decree;
- in any case, any act, fact, event or omission detected or observed in the exercise of responsibilities and assigned duties, with criticality profiles relating to the regulations of the Decree;
- measures and/or news from the Investigative Police or from any other Authority leading to the conduct of investigations involving crimes and administrative offenses, even against persons unknown;
- requests for legal assistance made by staff members in the event of legal proceedings against them for crimes and administrative offenses;

- reports prepared by the heads of company Departments/Functions within the scope of the control activities performed, from which may emerge facts, acts, events or omissions with criticality profiles relating to the regulations of the Decree;
- news highlighting the disciplinary proceedings carried out and any sanctions imposed, measures taken or measures warranted by retained disciplinary proceedings against company staff regarding non-compliance with the Model;
- serious accidents, meaning accidents resulting in a medical report with "guarded prognosis" or "40 days of prognosis or more" or deaths.

## B) Periodic flows

With regards to the areas of activity potentially at risk for the Company, the Company managers are required to communicate to the Supervisory Body, on a quarterly basis or according to the different periodicity communicated by the Supervisory Body, the information referred to in *Annex 1* "Procedure for the management of the information flows towards the Supervisory Body" - which the Supervisory Body has the right to modify and integrate - in accordance with the operating procedures regulated in the aforementioned procedure.

Every six months, in addition to the above information flow, the Supervisory Body shall require to the Function Managers to certify, as part of the activities carried out by the relevant Functions:

- compliance with the behavioural rules and the operating and control modalities regulated in the Model and its Annexes
- the completeness and correctness of the periodic information transmitted during the period
- any organisational and business changes that occurred during the period and relevant for 231 purposes
- any procedural changes which occurred during the period and relevant for 231 purposes.

The standard bi-annual attestation scheme is set out in Annex 2 to the "Procedure for the Management of Information Flows to the Supervisory Body".

Any omitted or delayed communication to the Supervisory Body of all flows of information listed above, whether periodical or not, will be considered a breach of the Model and may be penalised in accordance with the disciplinary system referred to below.

The reporting obligations referred to above shall be carried out, also anonymously, by written notice to be sent directly by post to the Supervisory Body at the registered offices of the Company and/or by e-mail to:

[odv.prysmian@prysmian.com](mailto:odv.prysmian@prysmian.com)

Reporting can also be anonymous and must describe and detail the facts and parties involved.

The Company, in any stage of the proceedings, ensure compliance with the current regulation on reporting in the private sector pursuant to Legislative Decree no. 24/2023.

In particular, pursuant to art. 6, paragraph 2-bis of the Decree, that recall the provisions of Legislative Decree no. 24/2023, the Company and the Supervisory Body act to guarantee that reporting parties are protected from any form of retaliation, discrimination, penalization or any other consequences deriving from the same, for reasons connected directly or indirectly to the report, ensuring the confidentiality of the existence and the substance of the reporting, as well as the identity of reporting subjects (whenever disclosed), this nevertheless applies without prejudice to the obligations of law and the safeguarding of the rights of Prysmian or those accused or wrongly and/or in bad faith, in the event that the reporting party is attributed with criminal or civil liability associated with false declarations. The report is understood as having been made in good faith when it is made on reasonable grounds based in fact.

To this end, every report sent to the Supervisory Body is stored in a proper archive held in accordance with the provisions of Legislative Decree No. 196/2003 and complying with Legislative Decree no. 24/2023, excepting the performance of its reporting tasks as provided by the Model.

Access to such communications is allowed only to the members of the Supervisory Body, who agree to use it only for the purposes of inspection and verification of their assigned functions.

The Supervisory Body will act to ensure that the channels and arrangements for managing alerts grant compliance with the requirements of security confidentiality, non-recoverability and data integrity: failure to comply with such requirements on the part of the members of the Supervisory Body constitutes non-fulfilment of the duties assigned to them by the Board of Directors.

In addition, the Board of Directors shall inform the Supervisory Body of any information relevant to compliance, operation and adjustment of the model.

## **8.5. Coordination between the Supervisory Body of Prysmian S.p.A. and Group Directions regarding “whistleblowing”**

Pursuant to the “Helpline Policy” (Whistleblowing), adopted by Prysmian, any party performing work on behalf of a Group’s company or, in any case, any third party that acquired information on breaches through work-related activities with Prysmian can raise a concern regarding a potential violation of any applicable law or regulation, Prysmian’s Code of Ethics or any other Company’s policy or procedure, including the Model, through several channels:

i) a safe and dedicated Group reporting channel, known as “Integrity First Helpline”, available 24/7 in all Prysmian languages, which offers the following submitting report modes:

- specific toll free number for each of the Country where Prysmian operates, indicated in the Annex C to the “Helpline Policy”;
- protected online system available in multiple languages ([www.prysmiangroup.ethicspoint.com](http://www.prysmiangroup.ethicspoint.com))
- e-mail to the following address: [helpline@prysmian.com](mailto:helpline@prysmian.com).

The “Integrity First Helpline” channel is managed by an independent external company, which has a binding mandate to protect the identity of all who use the Helpline and to preserve the confidentiality of the reported concerns.

ii) The Group Compliance and Internal Audit Functions, which may be contacted also directly n e-mail, via phone or requesting a face to-face meeting.

iii) the “Local Helpline Contact Points”: in accordance with the Whistleblowing Directive (EU Directive 2019/1937) and the respective transposing acts, in any Member State where Prysmian employs cumulatively more than 249 employees it has been implemented - in addition to the Integrity First Helpline - a local channel (“Local Helpline Contact Point”) through which a concern can be raised verbally, in writing or by requesting an in-person meeting and which offers the appropriate guarantees of independence, confidentiality, data protection and privacy, ensuring the absence of language barriers. For the list of such countries and the contact details of each Local Helpline Contact Point, please see Appendix D of the [Helpline Policy](#).

iv) Supervisory Body pursuant to Decree 231: for the Italian legal entities, it is also possible to report to the competent Supervisory Board (“Organismo di Vigilanza”) any relevant concern pursuant to the Italian Legislative Decree no. 231/2001. For the relevant e-mail addresses, please see Appendix E of the [Helpline Policy](#).

v) External channels, with reference to which reference is made to the [Helpline Policy](#).

Given all the above, for the Italian legal entities:

- the Chief Risk and Compliance Officer and the Chief Internal Audit Officer promptly inform the competent Supervisory Board regarding any relevant concern pursuant to Decree 231;
- the competent Supervisory Body pursuant to Decree 231 (“Organismo di Vigilanza”), receives reporting from the Chief Risk & Compliance Officer and/or Chief Audit Officer or designees with respect to the Incident Reports relevant pursuant to the Decree 231 and evaluates the results of the investigations.

## **8.6. Processing of reporting of breaches**

The Supervisory Body evaluates all reports of breaches received or instances of non-compliance with the Model found in the exercise of its activities or received via the Whistleblowing system described in the previous paragraph.

All Recipients of the Model are required to cooperate with the Supervisory Body in order to enable the collection of additional information deemed necessary by the Supervisory Body for the correct and complete evaluation of reporting.

The Supervisory Body promptly informs the HR & Organization Department of instances of non-compliance of the model detected in the exercise of its activities or reported by other Functions/Departments, subject to verification of their soundness, in order that the party responsible for the breach may be subjected to relevant proceedings pursuant to the disciplinary system (Chapter 9).

If the breach is particularly serious, i.e. it concerns Directors of the Company, the Supervisory Body informs the Board of Directors.

## **8.7. Supervisory Body information to the company bodies**

The Supervisory Body reports directly to the Board of Directors and informs the Control and Risks Committee and the Board of Statutory Auditors with regard to issues pertaining to the Model. These communications shall be provided in writing.

The Supervisory Body informs the Board of Directors at least every six months on the implementation and effectiveness of the Model (in particular, indicating controls carried out and their outcomes and any updating of processes at risk), or at other times with reference to specific or significant situations.

The Supervisory Body may be convened at any time by the Board of Directors to report on its activities and ask to confer with it. The Supervisory Body may also ask to be heard by the Company's Board of Directors whenever it deems appropriate, in order to promptly report breaches of the Model or request attention on critical issues related to its operation and compliance.

The Supervisory Body provides appropriate clarifications if there are interpretative issues or questions regarding the Model.

The Supervisory Body must also prepare a report signed by all its members and addressed to the Board of Directors of the Company, in addition to the half-yearly disclosure and at the time of approval of the draft financial statements, concerning:

- the activity carried out by the body itself during the reference period
- any critical issues arising, both in terms of conduct and events occurring
- corrective actions planned and their implementation status.

In the same report, the Supervisory Body sets out a plan of the activities for the year ahead to be submitted to the Board of Directors; the latter may ask the Supervisory Body to perform additional checks on specific topics.

## **9. DISCIPLINARY SYSTEM**

### **9.1. General principles**

The disciplinary system is an integral part of the Model.

The application of disciplinary sanctions pursuant to Legislative Decree 231/2001 is independent of the actual commission of a crime and any other civil or criminal liabilities that may result from the breaches described below. The application of sanctions can thus take place even if the Recipients have brought into being a breach of the principles and rules of conduct set out in the Model that does not constitute a crime or does not result in the direct liability of the Company.

For example, the following constitute breaches of the principles and rules of conduct established by the Model:

- Conduct involving the crimes specified in the Decree
- conduct which, although it does not constitute one of the crimes specified in the Decree, is unequivocally aimed at commission of such crimes
- conduct which does not comply with the provisions of the Model or those cited in the Model
- un-cooperative conduct in relation to the Supervisory Body, including but not limited to omission or delayed communication of all information flows, of a periodic nature and otherwise, listed in the paragraph entitled "*Information obligations towards the Supervisory Body*", refusal to provide information or documentation requested, failure to observe general and specific instructions issued by the Supervisory Body in order to obtain information considered necessary for the performance of its duties, and failure to participate in training sessions
- acts of retaliation or discrimination towards persons that have reported unlawful conduct, relevant in application of the Decree, or a breach of the Model, for reasons directly or indirectly linked to the report itself
- breaches of confidentiality obligations regarding the identity of the reporting party
- reports that prove to be unfounded, if made due to wilful misconduct or gross incompetence.

The disciplinary procedure is initiated as a result of the emergence of breaches of the Model detected by the Supervisory Body during its supervisory activities. The ascertainment of any liabilities arising from the breach of the Model and the attribution of the sanction must be conducted in accordance with current regulations and with respect for the privacy, dignity and reputation of those involved.

In particular, as a result of the Supervisory Body's identification of breaches of the Model and subsequent reporting to senior management, the HR & Organization Department activates the disciplinary procedure and prepares it in accordance with the rules of law.

In the case of breaches committed by Directors and Statutory Auditors, the Appointments, Remuneration, and Sustainability Committee and the Shareholders' Meeting, respectively, evaluate the measures to be taken, depending on the severity of the breach.

The above is without prejudice to the Company's right to demand compensation for damages and to apply the provisions of current law and the National Collective Bargaining Agreement ("contratto collettivo nazionale di lavoro", CCNL) applied by the Company.

## **9.2. Measures for non-compliance by Employees**

The sanctions are commensurate with the level of responsibility and autonomy of the employee, the existence of any previous disciplinary sanctions against him, the intentionality and seriousness of his conduct (assessed against the level of risk to which the Company has been exposed) and, most recently, to the particular circumstances of the conduct in breach of the Model.

### **Non-managers**

The disciplinary measures imposable on employees, in accordance with the procedures provided for in article 7 of Law 300 of 20 May 1970 (Workers' Statute of Rights), are those provided by the CCNL for employees in the rubber, electrical cables and related services industry.

The sanction of **VERBAL WARNING** is applicable, as well as in the cases provided for by the CCNL, to minor breaches of the principles and rules of conduct set out in the Code of Ethics, the Guidelines for Conduct, the Organizational Model and the Protocols, as well as to minor breaches of each worker's obligation to report to their superior any breach, by other workers, of the health and safety rules, and of the obligation of each worker to supervise subordinates (unless the case is more serious and therefore subject to a more severe sanction).

The sanction of **WRITTEN WARNING** is applicable, as well as in the cases provided for by the CCNL, to repeated minor breaches of the principles and rules of conduct set out in the Code of Ethics, Guidelines for Conduct, Organizational Model and the Protocols, as well as to repeated minor breaches of each worker's obligation to report to their superior any breach, by other workers, of the health and safety rules, and of the obligation of each worker to supervise subordinates (unless the case is more serious and is therefore subject to a more severe sanction).

The sanction of **FINE** is applicable, as well as in the cases provided for by the CCNL, to minor breaches of the principles and rules of conduct set out in the

Code of Ethics, the Guidelines for Conduct, the Organizational Model and the Protocols, as well as to minor breaches of each worker's obligation to report to their superior any breach, by other workers, of the health and safety rules, and of the obligation of each worker to supervise subordinates, to such an extent as to be attributable to negligent conduct (unless the case is more serious and is therefore subject to a more severe sanction).

The sanction of **SUSPENSION FROM WORK FOR UP TO THREE DAYS** is applicable, as well as in the cases provided for by the CCNL, to minor breaches of the principles and rules of conduct set out in the Code of Ethics, the Guidelines for Conduct, the Organizational Model and the Protocols, as well as to minor breaches of each worker's obligation to report to their superior any breach, by other workers, of the health and safety rules, and of the obligation of each worker to supervise subordinates, to such an extent as to be attributable to negligent conduct (unless the case is more serious and is therefore subject to a more severe sanction).

The sanction of **DISMISSAL FOR BREACH OF DUTY** is applicable, as well as in the cases provided for by the CCNL, to serious breaches of the principles and rules of conduct set out in the Code of Ethics, the Guidelines for Conduct, the Organizational Model and the Protocols, as well as to minor breaches of each worker's obligation to report to their superior any breach, by other workers, of the health and safety rules, and of the obligation of each worker to supervise subordinates (unless the case is more serious and is therefore subject to a more severe sanction).

This sanction shall also apply in the case of untrue or incomplete preparation of documents required by the Model and/or the Protocols; theft, destruction, alteration of documents concerning the Model and/or the Protocols; hindrance to controls and/or prevention of access to information and documents by the parties responsible for controls or decisions.

### **Senior managers**

The sanction of **WRITTEN WARNING** is issued for:

- minor breach of the principles and rules of conduct set out in the Code of Ethics, the Guidelines for Conduct, the Organizational Model and Protocols
- the adoption, in the context of activities at risk, of conduct non-compliant and unaligned with the provisions of the Model, the Code of Ethics, the Guidelines for Conduct and the Protocols, but which involves only a minor level of non-compliance.

The sanction of **SUSPENSION FROM WORK UP TO 10 DAYS** is issued for:

- minor breach of the principles and rules of conduct set out in the Code of Ethics, the Guidelines for Conduct, the Protocols and the Organizational Model

- the adoption, in the context of activities at risk, of conduct non-compliant and unaligned with the provisions of the Code of Ethics, the Guidelines for Conduct, the Protocols and the Organizational Model, and which involves a significant level of non-compliance
- lack of vigilance on the correct application, by lower-ranking employees and contract workers, of the rules and procedures laid down in the Code of Ethics, the Guidelines for Conduct, the Protocols and the Organizational Model; breach of the obligation to report to the Supervisory Body any abnormalities or non-compliance with the Model, as well as any problems the manager has knowledge of regarding the performance of activities in areas at risk by persons appointed thereto, that would result in significant non-compliance.

The sanction of **DISMISSAL** is issued, as well as in cases provided by law and by the CCNL, for:

- breach of the principles and rules of conduct set out in the Code of Ethics, the Guidelines for Conduct, the Organizational Model and Protocols, such as to erode the trust of the employer
- the adoption, in the context of activities at risk, of conduct non-compliant and unaligned with the provisions of the Code of Ethics, the Guidelines for Conduct, the Protocols and the Organizational Model, and which erodes the trust of the employer
- lack of vigilance on the correct application, by lower-ranking employees and contract workers, of the rules and procedures laid down by the Organizational Model, the Code of Ethics, the Guidelines for Conduct, the Protocols; breach of the obligation to report to the Supervisory Body any abnormalities or non-compliance with the Model, as well as any problems the manager has knowledge of regarding the performance of activities in areas at risk by persons appointed thereto. Both breaches must be so serious as to erode the trust of the employer
- repeated non-compliance with the rules referred to in the previous paragraph.

These sanctions will be imposed upon written complaint to the person concerned, reporting the facts deemed relevant and with a five-day interval allowed to submit any written or oral evidence (if appropriate through a representative designated by the managers' trade union associations).

### **9.3. Measures for non-compliance by members of the company bodies (Directors)**

The sanction of **WRITTEN WARNING** is issued for:

- non-compliance with obligations of supervision and control of employees and/or contract workers

- conduct non-compliant with or inappropriate to the organizational model, the Code of Ethics, the Guidelines for Conduct and the Protocols, or breach of the internal rules and procedures therein, or adoption of conduct non-compliant with or inappropriate to those requirements, in the context of activities at risk, to such an extent as to constitute non-compliance with the above rules and/or procedures. In this case, the Supervisory Body launches an ascertainment procedure by sending a written report to the Board of Directors.

The sanction of **TOTAL OR PARTIAL REVOCATION OF PROXIES or REVOCATION OF MANDATE WITH IMMEDIATE EFFECT** is issued for:

- significant non-compliance with obligations of supervision and control of employees and/or contract workers
- conduct non-compliant with or inappropriate to the Organizational Model, the Code of Ethics, the Guidelines for Conduct and the Protocols, or breach of the internal rules and procedures therein, or adoption of conduct non-compliant with or inappropriate to those requirements, in the context of activities at risk, to such an extent as to constitute significant non-compliance with the above rules and/or procedures. In this case, the Supervisory Body launches an ascertainment procedure by sending a written report to the Board of Directors
- delayed adoption of measures following reports of breaches received by the Supervisory Body and/or delayed preparation of the documents provided by the Model and Protocols, when this constitutes a significant breach.

The significant non-compliance that results in the issue of these sanctions must be such as to involve a crime or merely conduct consciously contrary to those requirements.

These sanctions will be issued, on the initiative of the Supervisory Body, upon written complaint to the person concerned, reporting the facts deemed relevant and with a seven-day interval allowed to submit any written or oral evidence, by the Appointments, Remuneration and Sustainability Committee.

#### **9.4. Measures for non-compliance by members of the Board of Statutory Auditors**

In the event of a breach by the Board of Statutory Auditors, regarding the function of monitoring the adequacy of the organizational, administrative and accounting system of the Company and its correct functioning, as defined by law, on the initiative of the Supervisory Body, the Shareholders' Meeting shall take appropriate measures according to the severity of the breach and in line with the powers established by law and/or the By-laws.

## **9.5. Measures for non-compliance by members of the Supervisory Body**

The sanction of **WRITTEN WARNING** is issued for:

- negligence and/or incompetence in supervising the correct application of the Model and compliance there with negligence and/or incompetence in the detection of cases of breach of the Model.

The sanction of **REVOCATION OF OFFICE OF A MEMBER OF THE SUPERVISORY BODY** is issued for:

- serious negligence and/or serious incompetence in supervising the correct application of the Model and compliance there with
- serious negligence and/or serious incompetence in the detection of cases of breach of the Model.

These sanctions will be issued upon written complaint by a representative of the Board of Directors to the person concerned, reporting the facts deemed relevant and with a seven-day interval allowed to submit any written or oral evidence.

## **9.6. Measures for non-compliance by Recipients of the Model other than employees, directors and the other bodies mentioned above**

The sanction of **AUTOMATIC TERMINATION OF THE CONTRACT** pursuant to art. 1456 of the Civil Code is adopted in the case of non-compliance with the principles and rules laid down in the Code of Ethics, the Guidelines for Conduct, the Organizational Model, the Protocols and current laws, or in the case of the commission of crimes referred to in Legislative Decree No. 231/2001. This is without prejudice to the sanctions and possible cases of termination provided for by specific contractual clauses inserted in the relevant agreements.

## **10. DISSEMINATION OF THE MODEL AND STAFF TRAINING**

### **10.1. Communication and dissemination**

For the purposes of effective implementation of the Model, Prysmian's general objective is to guarantee all Recipients of the Model with knowledge and dissemination of its rules.

The adoption of the Model is disclosed to all Recipients with ongoing relationships with Prysmian at the time of adoption. The notification is made through:

- announcements on company notice boards
- display of the Model in suitable locations
- publication on the company Intranet
- any other means of communication deemed suitable.

Later, the Model is disclosed to Recipients at the time of their joining Prysmian. These individuals sign specific contractual terms in which they undertake to perform their activities in compliance with the principles, rules and procedures laid down in the Model.

### **10.2. Training**

Recipients are required to have full knowledge of the objectives to be pursued with the Model and of the ways in which Prysmian intends to pursue them.

The level of training and information of Recipients will vary in depth, with a particular focus on those who work in areas potentially at risk. The training is thus differentiated depending on the qualification of the Recipients and the risk profile of the area in which they work.

Training activities, overseen by the competent company structures, provide training with reference to:

- introduction to the legislation. Specifically, Recipients will be made aware of: the actions constituting the crimes specified by the Decree and the ways in which they are committed; the consequences to the Company of any crimes committed by persons that act on its behalf and the function that the Model serves in this context
- illustration of the individual components of the Organizational Model and the specific preventive purposes that it is called to perform.

In addition, with regard to areas considered particularly at risk, there will be specific training sessions designed to illustrate operating methods and the control measures related to exercise of these activities.

It is the responsibility of the Supervisory Body, in agreement with and in coordination with the HR & Organization Department to evaluate the effectiveness of the training plan with reference to course content, mode of delivery, its repetition, controls on participation and the measures to be taken towards those who do not attend training without just cause.

Participation in the training processes described above is obligatory and will be documented by requiring a signature of attendance and notification of the names of those present to the Supervisory Body.

## **11. OPERATIONS GUIDED BY SENIOR MANAGERS**

Senior managers according to the Decree are identified in art. 5 as "persons in roles of representation, administration or management of the Entity or one of its organizational units endowed with financial and functional autonomy, as well as persons who exercise, including de facto, management and control of the Entity".

Legislative Decree No. 231/2001 did not alter the system that regulates management and governance of companies, so the decision-making autonomy of individuals in senior management positions is a substantial and unfailing expression of freedom of business management in corporate form. Individuals in senior management positions ordinarily decide on operations that follow the normal criteria provided by the Model, which they know and share. However, some of them – specifically the CEO and the Group CFO – are sometimes obliged, in the interests of the Company, to launch operations that follow a procedure other than that detailed in the model, due to exceptional situations of extraordinary urgency or particular confidentiality or even because of the specific characteristics of the operation.

For these types of operations traceability is still guaranteed in terms of documentation and IT support that can allow the retrospective reconstruction of the reasons and exigent circumstances in which the operation took place.

Special attention should be given to the explanation, albeit in timely and concise form, of the reasons and motives that led to the choice of operations. There must be an explicit description of the elements (e.g. confidentiality and urgency) that prevented the implementation of the decision according to the planned operating scheme.

The senior manager that launched the operation "as an exception" must also convey a specific communication to the Supervisory Body so that it can implement the necessary feedback in a systematic and timely manner.

## **12. UPDATING OF THE MODEL**

Legislative Decree No. 231/2001 expressly provides for the requirement to update the Model so that it constantly reflects the specific needs of the Entity and its actual operations. Amendment and/or updating of the model will be made essentially in case of:

- amendments and additions to Legislative Decree No. 231/2001 and to the list of crimes and administrative offenses
- changes in the organizational structure of the Entity, new activities, new products and/or new services that make more than marginal changes to the organizational structure of the Entity.

Adjustments to the Model may also be considered following breaches and/or concerns that emerge during checks on its efficacy.

The Board of Directors is primarily responsible for approving any updates, additions and/or changes to the Model. The Board of Directors may decide to delegate the Chief Executive Officer or other person with certain responsibilities relating to the approval of the Model (e.g. approval of formal amendments).

The following are the responsibilities of the Supervisory Body:

- monitor the effectiveness of the Model, i.e. verify the consistency between actual conduct and the system
- examine the adequacy of the Model, namely its capacity to prevent the prohibited conduct
- analyse the persistence over time of the Model's soundness and functionality
- encourage the updating of the model, assuming that the analyses carried out will necessitate corrections and adjustments.

### **13. THE MODEL AND THE GROUP'S ITALIAN COMPANIES**

Prysmian S.p.A. discloses to the Italian companies of the Group (hereinafter the "Italian companies") the Model and any subsequent new version or change. These companies evaluate the suitability, for the purposes specified in Legislative Decree No. 231/2001, of the adoption of their own organizational, management and control model after identifying the activities exposed to the risk of commission of crimes, and pinpointing the appropriate measures to prevent them from arising.

Regarding the preparation of the Model, the Italian companies must abide by the principles and content of the present Model, unless there are specific situations relating to the nature, size or type of business, corporate structure or internal delegation framework, which require or encourage the adoption of different measures for a more rational and effective pursuit of the objectives indicated in the Model, also to safeguard the underlying principles expressed by it.

The Supervisory Bodies of the Italian companies report to the Supervisory Body of Prysmian the successful adoption and implementation of the Model and promptly communicate any issues encountered in adapting their Model to the provisions of the present Model. The Supervisory Bodies of the Italian companies also report annually to the Supervisory Body of Prysmian, signaling changes to their Model, together with the reasons for the change, notwithstanding any significant changes to be reported separately and in a timely manner.

## **14. PROVISION OF INTRA-GROUP SERVICES**

### **14.1. Provision of services performed by Prysmian S.p.A. for Group companies**

Prysmian uses written agreements to regulate the provision of services for Group companies, which may affect areas at risk reported in the model. These intra-Group agreements must be reported to the Supervisory Body at the time of signing or any subsequent changes.

In particular, the service agreement should require the Supervisory Body of Prysmian to coordinate with its counterpart (if any) in the service recipient company to ensure the proper execution of supervisory tasks.

The provision of services must be guided by the following rules:

- Prysmian is obliged to provide the services in accordance with the highest professional duty of care, in compliance with current regulations
- the recipient company is obliged to promptly forward to Prysmian any news of important facts or acts relevant to the services
- the recipient company is obliged to grant Prysmian, at the request of the latter, access to all data and information that Prysmian considers necessary or useful for the performance of the services
- the recipient company is obliged to provide all necessary cooperation for the timely fulfilment of any legal requirements.

The service agreement shall provide for the right of the recipient company to ask Prysmian at any time for information and updates, as well as the results of activities performed, and to verify the procedures adopted by Prysmian for the execution of the current assignment. The company shall have free access, during normal business hours, to all data and documents held by Prysmian regarding the performance of the services.

If Prysmian were to carry out, on behalf of Group companies, services within the scope of activities that could give rise to the risk of commission of crimes and/or administrative offenses not covered by its Model, it must provide itself with adequate and appropriate rules and procedures to prevent the commission of such crimes.

## **14.2. Provision of services by Group companies to Prysmian**

PRYSMIAN must regulate with a written agreement the provision of services performed by Group companies to Prysmian, which may affect activities and operations relevant to the Decree.

The agreements referred to in this chapter must provide that the Group company from whom the service is requested shall possess appropriate procedures for preventing the commission of crimes and administrative offenses as provided by the Decree.

In particular, the agreement for the provision of services should include:

- the obligation on the part of Prysmian to ensure the accuracy and completeness of the documentation or information provided for the purposes of performing the services requested
- the right of the Supervisory Body of Prysmian to request information from the Supervisory Body (if any) of the company that provides the services
- the duty of the Supervisory Body (where present) of the company that provides the services to prepare, at least annually, a report on the performance of its functions in relation to the performance of services required by Prysmian S.p.A. and to communicate this report to the Board of Directors and Supervisory Body of Prysmian.