

Prysmian Group

**Organisational, management and
control model pursuant to Legislative
Decree 231/01 of**

PRYSMIAN S.P.A.

Document approved by the Board of Directors
by resolution of 1 March 2017

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INTRODUCTION

1. PRYSMIAN S.p.A. - ACTIVITIES AND ORGANISATION

Prysmian S.p.A. (hereinafter also "Prysmian" or the "Company") heads a Group founded in 2005 following the acquisition of the investments and business of 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 the Borsa Italiana (Italian Stock Exchange).

1.1. Group activities

The Prysmian Group, (hereinafter also 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 (Energy business) and telecommunications (Telecom business) sectors. In particular:

- within the Energy business, divided into three business areas (Utilities, Trade and Installers and Industrial), the Group designs, develops, manufactures, distributes and installs a wide range of cables for the transmission and distribution of electricity as well as cable accessories;
- within the Telecom business, the Group designs, develops, manufactures and distributes optical fibres and designs, develops, manufactures, distributes and installs fibre optic cables for the transmission of video, data and voice and for the transmission of control signals, as well as broadband components and accessories. The Group also manufactures, supplies and installs telecommunication copper cables.

In addition, the Group also carries out projects in which it plays only a coordination and management role, together with the performance of installation and preventive maintenance services, primarily in the Energy business.

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 Parent, the Company 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 the energy and telecom businesses;
- Prysmian Cavi e Sistemi S.r.l., operating holding of cables and systems and telecom energy sectors;
- 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 SpA, through Prysmian Cavi e Sistemi Srl, indirectly controls, Prysmian Electronics Srl, an Italian company that engineers and installs Prycam Grids partial discharge detection instruments, provides advanced diagnostic services, and the pressure measurement of oil cables. Prysmian Electronics S.r.l. is also responsible for the technical training of selected staff from Prysmian group companies and third party customers.

1.3. Organisational structure of the Company

The Company has the following organisational structure:

- Staff Functions: responsible for governance, coordination and control of business support activities (e.g.: legal and corporate affairs, industrial property, human resources, administration and control, information technology);
- Central Operational Functions: these play a direct role in the administration and supervision of certain primary activities in the supply chain that require central control (for example: logistics, industrial operations, product development);
- Business: through the holdings Prysmian Cavi e Sistemi S.r.l. and Draka Holding B.V., it controls investments in foreign companies in the energy and telecom sector and in Prysmian Electronics S.r.l., and has direct holdings in Italian operating companies.

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 Article 2497 bis of the Italian Civil Code, its Italian direct and indirect subsidiaries identify Prysmian SpA 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 Borsa Italiana "Corporate Governance Code", 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 organisational 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 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 by-laws and the principles of proper administration in the conduct of corporate activities. It also checks the adequacy of the Company's organisational structure, internal control 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 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.

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

1.5. Intra-group relationships

Relations between Group Companies are governed through guidelines issued by the Parent company and formalised through intra-group contractual agreements concluded for this purpose.

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

- commercial transactions such as the resale, to Group operating companies, of strategic materials (copper, aluminium and lead);
- technical, organisational and general services provided by central functions to subsidiaries;
- charges for authorisation to use licenses for patents and know-how;
- financial relations entertained by the Parent company on behalf of and with subsidiaries, mainly consisting of funding and current account relationships seeded within the treasury management carried out by Prysmian Treasury S.r.l.;
- dividends paid by subsidiaries.

2. ORGANISATION, 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 organisational, management and control Model (hereinafter also the "Model" or "Organisational Model") adopted by Prysmian by resolution of the Board of Directors on 1 march 2017 in accordance with Legislative Decree No. 231 of 8 June 2001, (hereinafter also the "Decree"), and replaces the previous version of 25 February 2014, incorporating also the necessary updates relating to organisational and operational changes at Group and Company level and to legislative changes resulting from the widening of the category of 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 improve systematically 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.

The Model, which is an integral part of Prysmian's broader system of governance, is designed to cover at increasing levels of detail the rules of behaviour deemed appropriate for preventing significant unlawful conduct pursuant to the meaning of the Decree. It consists mainly 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 organisational rules for the implementation and continuous functioning of the Model;
- the Protocols, which translate the ethical principles enshrined 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 offences currently provided by the Decree;
- Contractual clauses;
- List of protocols relevant to the purposes of Legislative Decree 231/01.

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 administrative offences punishable under Legislative Decree 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 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.

Persons other than the aforementioned Recipients, who nevertheless act on behalf of or in the interests of the company, are in any case required to comply with the requirements laid down by Legislative Decree 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 offences, 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 crimes¹ and is ascertained through criminal proceedings².

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 organisational 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).

¹ In addition to administrative offences, in accordance with law No. 62 of 18 April 2005.

² Exception made for the abovementioned administrative offences of market abuse, established by Consob.

The framework of Legislative Decree 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).

As expressly established by Legislative Decree 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 in Italian state territory.

With regard, however, to crimes committed abroad, the liability of the Entity in accordance with Legislative Decree 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 Criminal Code (Criminal 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 "quotes".
- 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 organisational deficiencies that led to the crime, by adopting organisational models suitable for preventing the perpetration of further crimes.

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 OFFENCES THAT DETERMINE ADMINISTRATIVE LIABILITY

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

- crimes against the public administration and against its property (articles 24 and 25);
- IT crimes and unlawful data processing (art. 24bis);
- organised crime offences (article 24-ter);
- 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 crimes (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 individual (art. 25-quinquies);
- market abuse crimes (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 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);
- use of illegally staying third-country citizens (art. 25-duodecies);
- bribery between individuals (crime introduced by Law No. 190 of 6 November 2012 and included among the corporate crimes referred to in art. 25-ter of the Decree);
- 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 231/2001 provides for a specific form of exoneration from 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 organisational 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 organisation 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 "guilt by organisation", i.e. the non-adoption or failure to comply with required standards relevant to the organisation 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 particular reference to the first of these requirements, Legislative Decree 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 that the crimes envisaged by Legislative Decree 231/2001 may be committed;
- 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 organisation 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 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 7 March 2002 and to 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 organisational characteristics of the Company and, in particular, the existing internal control system implemented by the organisational 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 Articles of Association.

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 thereof:

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 231/2001 and their reinforcement, when deemed necessary, particularly with regard to:
 - verifiability and traceability of any relevance to Legislative Decree 231/2001;
 - adherence to the principle of separation of functions;
 - existence of adequate authorisation and signature powers;
 - existence of communication of relevant information to the supervisory board.

The update of the Model has become necessary as a result of substantial changes in organisational structure and company operations and following the widening of the category of Crimes and Administrative Offences relevant to the purposes of Legislative Decree 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 formalised 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 summarise 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 enshrined in the Group Code of Ethics (Annex I), in order to implement and formalise the values that define the ethical lines 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 enshrined by the Code of Ethics as well as the Code of Conduct;
- the roles and responsibilities of the various parties involved in activities at risk;
- the operating and control methods the fulfilment of the activities at risk must respect;
- information obligations towards the Supervisory Board.

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 authorisation 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 lines 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.

The powers are formally defined within the scope of authorisations in force and, in the case of internal powers and spending powers, by related company regulations, to which you are referred.

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 231/2001.

The establishment of a Supervisory Board

For the purposes of exemption from administrative liability, Legislative Decree 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 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 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 organisational changes – there is evidence of potentially significant processes for the commission of crimes and administrative offences. It was decided to focus attention on the risks of committing the crimes listed in the rules invoked by the following articles:

- art. 24 (crimes against the property of public administration);
- art. 24-bis (IT crimes and unlawful data processing);
- art. 25 (crimes against the public administration);
- art. 25-bis (crimes of forgery in identification instruments or signs);
- art. 25-ter (corporate crimes, including bribery between individuals);
- art. 25-sexies (market abuse crimes);
- 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 undecies (environmental crimes including eco-crimes) and 25 duodecies (employment of illegally staying third-country nationals).

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

Additionally, given the scope of Prysmian 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);
- organised crime offences (art. 24-ter of the Decree);
- crimes against the individual (art. 25-quinquies of the Decree);
- incitement to not make statements or to make false statements to the judicial authorities (art. 25-decies of the Decree);
- crimes of copyright infringement (art. 25-novies of the Decree) and "transnational" crimes under art. 10 Law 146/2006.

It is believed that general measures encoded in Prysmian's Code of Ethics and Code of Conduct, designed to prevent the cited offences, 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, including tax obligations;
- management of monetary and financial flows;
- management of advance payments and expenses reimbursements;
- management of gifts, representation expenses and sponsorship;
- management of powers;
- management of privileged information;
- management of extraordinary transactions;
- management of intercompany transactions and those with other related parties;

- management of litigation and settlement agreements;
- management of public/subsidised loans;
- management of relationships and compliance with public administration and supervisory bodies;
- staff selection, recruitment and career path management;
- management of relationships with representatives and/or employees of private third counter parties with whom the Company has any type of relationship (such as suppliers, lenders, factoring companies, certification bodies, independent auditors, board of statutory auditors, media, institutional investors, financial analysts, trade unions, waste disposal and transport companies and competitors);
- management of relationships with certification bodies;
- management of relationships with partners, statutory auditors and independent auditors;
- management of purchases of goods and services, including consulting and professional services;
- management of internal, logical and physical access to data and systems;
- management of software, equipment, devices or IT programmes;
- management of access to the sites of third parties or public bodies;
- network security management;
- management of product and process inventions/innovations and use of trademarks and trade names;
- management of the health and safety system;
- environmental compliance management;
- management of real estate and related services.

8. SUPERVISORY BODY

8.1. Role of the Supervisory Body

The Supervisory Board ("Organismo di Vigilanza", hereinafter also "ODV"), has the task of supervising organisational model functioning and compliance, as well as its updating.

In accordance with the provisions of Legislative Decree 231/2001, it is necessary that the Supervisory Board as a whole performs its activities in accordance with the criteria of independence, professionalism and continuity of action, so as to ensure the effective and efficient implementation of the Model. These policies 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 personality 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 referent 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.

8.2. Composition and appointment of the Supervisory Body

Prysmian, in line with the guidelines provided by Confindustria and in order to promote an internal dialectic 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.

Integrity requirements and grounds for ineligibility

The members of the Supervisory Body must possess integrity requirements. In particular, appointment to membership of the Supervisory Body is excluded to persons with a conviction, even if it is non-definitive or suspended, or if it is a sentence pursuant to articles 444 et seq. of the Code of Criminal Procedure, without prejudice to the effects of rehabilitation:

- to imprisonment for not less than one year for one of the crimes provided for by Royal Decree No. 267 of 16 March 1942;
- to a custodial sentence for not less than one year, for one of the crimes provided for by the rules governing banking, financial, property and insurance activities and by the rules for markets and transferable securities and for payment instruments;
- to imprisonment for not less than one year for a crime against the public administration, against public faith, against property, against public economics and for a tax crime;
- for any crime committed without criminal intent negligent, to a penalty of imprisonment for not less than two years;
- for one of the crimes provided for by Title XI of Book V of the Civil Code as reformulated by Legislative Decree 61/2002;
- for a crime that results in and has resulted in the sentencing of a punishment leading to even temporary disqualification from holding public office, i.e. temporary disqualification from executive offices of legal persons and enterprises;
- for any of the crimes or administrative offences referred to by Decree, although with less severe sentences than those indicated in the preceding paragraphs;
- those who have held the office of member of the Supervisory Body of a company, and who have been subject to, for events occurring during the period when the member held this office, the sanctions provided for in art. 9 of the Decree;
- those who have been subject to the definitive application of one of the preventive measures provided for by art. 10, paragraph 3, of Law No. 575 of 31 May 1965, as replaced by article 3 of Law No. 55 of 19 March 1990, as amended.

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 may revoke membership of the Supervisory Body in the event of any 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 instances of breach of obligations regarding the Regulations of the Supervisory Body; when the B.o.D. becomes aware of the above causes of ineligibility, prior to an appointment as member of the Supervisory Board, and they are not mentioned in the self-certification; when the grounds for revocation specified below subsist.

Forfeiture

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

- in one of the situations referred to in art. 2399 of the Civil Code;
- no longer in possession of the above integrity requirements;
- in the situation where, after their appointment, they come to know that they hold the office of member of the Supervisory Body in a company that has been subject to, for events during the period when the member held this qualification, the sanctions provided for in art. 9 of the Decree in relation to crimes or administrative offences (pursuant to the TUF) committed during their appointment;
- 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 art. 10, paragraph 3, of Law No. 575 of 31 May 1965, as replaced by article 3 of Law No. 55 of 19 March 1990, as amended.

An appropriate fund is assigned to the Supervisory Board in order to allow it to perform its duties in complete independence, without limitations arising from insufficient financial resources. This fund is decided annually by the Board of Directors. The Supervisory Body can independently commit resources in excess of this fund, 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 Board 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 regulation: "Regulations of the Supervisory Body".

8.3. Checks on the effectiveness and constant updating of the Organisational Model and Plan of Operations

The Supervisory Body has the following duties:

- ensure compliance by Recipients of the requirements set out in the Model on an ongoing basis, particularly with regard to areas "at risk"; for this reason, the Supervisory Body is required to prepare an annual Plan of Operations;
- verify with "surprise actions" – operations or specific acts, put in place in areas at risk;
- collect, process and store relevant information acquired in the performance of its duties;
- set up an email address and/or a physical postal address and inform 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;
- evaluate 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;
- perform adequate inspections to ascertain breaches of the Model, coordinating from time to time with the Functions/Departments concerned in order to gather all relevant information for the investigation;

- draft a summary of the grounds for its decision on any investigation carried out and prepare a document showing what has been done;
- report to the competent Functions/Departments, 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;
- coordinate with the head of the HR & Organisation Department to identify specific programmes aimed at appropriately distributing this Model to all Recipients;
- monitor initiatives aimed at the dissemination of the principles of the Model and the Recipients' awareness thereof;
- provide clarification to Recipients on any queries on the Model and to receive any suggestions on implementing it and making it more effective;
- store 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 Board 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 may include 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 Functions/Departments;
- evaluation of the adequacy of the Model in the event of the actual carrying out of crimes and related administrative offences 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 Decree 231/2001.

In carrying out these activities, the Supervisory Board can avail of the support of other internal Company Functions/Departments as well as specifically-skilled external consultants, whose professional contribution is from time to time necessary, 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 organisational Model are required to promptly report the following information to the Supervisory Body:

- 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 offences specified and as updated over time);
- any breaches of the behavioural and operational modalities established in the Model that are directly or indirectly disclosed, 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 offences, even against persons unknown;
- requests for legal assistance made by staff members in the event of legal proceedings against them for crimes and administrative offences;
- 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.

As regards the methods and timing of periodic information flows to the Supervisory Body for the individual areas of activity with potential risk-crime, please refer to the specific Protocol "Management of information flows to the Supervisory Board."

Any omitted or delayed communication to the Supervisory Board 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@prysmiangroup.com

The Supervisory Board acts to ensure that reporting parties are protected from any form of retaliation, discrimination, punishment or any consequence arising from therefrom, ensuring the confidentiality of their identities, 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.

To this end, every report sent to the Supervisory Body is stored in an IT and/or paper archive held in accordance with the provisions of Legislative Decree 196/2003, excepting the performance of its reporting tasks by 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: failure to comply with this duty of confidentiality 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 Director shall inform the Supervisory Body of any information relevant to compliance, operation and adjustment of the model.

8.5. 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.

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 & Organisation 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 Board informs the Board of Directors.

8.6. Supervisory Board information to the company bodies

The Supervisory Board 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 Board 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 Board 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 Board 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 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 the occurrence of 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 enshrined in the Model that does not materialise in a crime or does not result in the direct liability of the Company.

The disciplinary procedure is initiated as a result of the emergence of breaches of the Model detected by the Supervisory Board 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 & Organisation 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 Board of Directors as a whole and the Board of Statutory Auditors 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 Organisational 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 liable 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, Organisational 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 liable 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 Organisational 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 Organisational 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 Organisational 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.

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 Organisational 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 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 Organisational 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 Organisational 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 Organisational 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 Organisational 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 Organisational 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 Organisational 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 organisational 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 Organisational 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 integrate a crime or merely conduct consciously contrary to those requirements.

These sanctions will be issued 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.

9.4. 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 therewith;
- negligence and/or incompetence in the detection of cases of breach of the Model.

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

- serious negligence and/or serious incompetence in supervising the correct application of the Model and compliance therewith;
- 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.

9.5. 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 of the principles and rules laid down in the Code of Ethics, the Code of Conduct, the Organisational 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 a 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, provides tuition with reference to:

- introduction to the legislation. Specifically, Recipients will be made aware of: the constituent elements of the crimes provided by the Decree and the ways in which they are commissioned; the consequences to the Company of any crimes committed by persons that act for it; and the function that the Model serves in this context;
- illustration of the individual components of the Organisational 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 controlling measures related to the exercise of these activities.

It is the responsibility of the Supervisory Body, in agreement with and in coordination with the HR & Organisation 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 presence and notification of the names of those present to the Supervisory Board.

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 organisational units endowed with financial and functional autonomy, as well as persons who exercise, including de facto, management and control of the Entity (senior managers)";

Legislative Decree 231/2001 did not alter the system that regulates management and governance of the Company, so the decisional autonomy of individuals in senior management positions is a substantial and unailing 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 individual peculiarities 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 developed.

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 Board so that it can implement the necessary feedback in a systematic and timely manner.

12. UPDATING OF THE MODEL

Legislative Decree 231/2001 expressly provides for the requirement to update the Model so that it constantly reflects the specific needs of the Entity and its concrete operation. The adjustment and/or upgrade actions of the model will be made essentially on the occasion of:

- changes and integrations to Legislative Decree 231/2001 and to the crimes and administrative offences;
- changes in the organisational structure of the Entity, new activities, new products and/or new services that make more than marginal changes to the organisational 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, integrations and/or changes to the Model. The Board of Directors may decide to delegate to 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 Decree 231/2001, of the adoption of their own organisational, management and control model after identifying the activities exposed to the risk of commission of crimes, and pinpoint the appropriate measures to prevent their realisation.

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 for the safeguard of the underlying principles expressed by it.

The Supervisory Bodies of the Italian companies report to the Supervisory Board 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 Board of Prysmian, signalling changes to their Model, together with the reasons for the change, notwithstanding the 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 Board 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 offences 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 offences 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 Board (if any) of the company that provides the services;
- the duty of the Supervisory Board (if any) 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 Board of Prysmian.