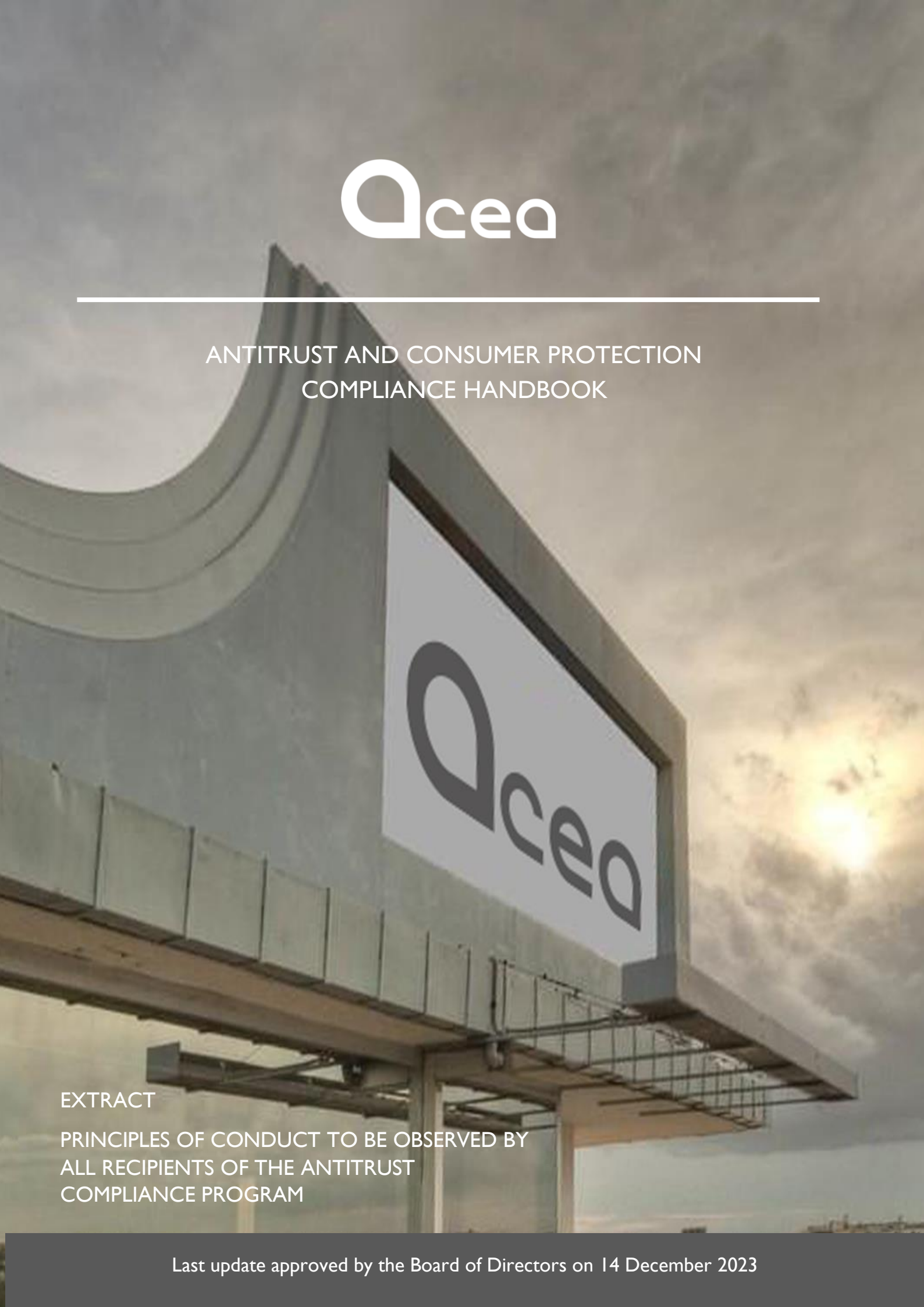

ANTITRUST AND CONSUMER PROTECTION COMPLIANCE HANDBOOK

EXTRACT

PRINCIPLES OF CONDUCT TO BE OBSERVED BY ALL RECIPIENTS OF THE ANTITRUST COMPLIANCE PROGRAM

Last update approved by the Board of Directors on 14 December 2023

Dear Colleagues,

the Acea Group operates in constantly evolving market contexts that require increasing attention to

compliance with competition and consumer protection regulations.

These regulations constitute founding values of Acea Group's activity and are expressly recognised in the Group's Code of Ethics.

Compliance with the rules protecting competition and the consumer assumes a value that goes beyond the mere avoidance of the potential consequences of an infringement, being an expression of the ethics and integrity with which Acea Group acts and presents itself to the world.

To protect these values, an extensive Antitrust Compliance Programme has been implemented, under which policies, rules, measures and organisational safeguards have been defined to ensure compliance with regulations and to foster the development of a business culture oriented towards respect for competition and consumer protection principles.

In this context, this Handbook plays a crucial role. In particular, the Handbook proposes to illustrate, in a simple and accessible manner, the contents of the rules protecting competition and the consumer and offers a standard of conduct that we are all called upon to follow in the conduct of our business.

We urge you to apply it scrupulously and rigorously, since we firmly belfeve that respect for competitors and customers is an indispensable value that contributes to strengthening the Group's capabilities and reputation.

Head of Risk Management,
Compliance & Sustainability Function

Pierfrancesco Latini

Contents

All Recipients of the Antitrust Compliance Program, as identified below, ***are required to comply with the regulations, principles and rules of conduct set out below****, as well as to adopt, each one in relation to the function and role effectively exercised, conduct that complies with any other rule and/or regulatory instrument that regulates in any way the activities falling within the scope of Program and, in general, of Antitrust and Consumer Protection Regulations.*

In view of the above and also for external use, this publication contains an extract of the regulatory references and of cross-cutting and specific (where applicable) principles of conduct which the Recipients of the Program must diligently acknowledge and observe.

Definitions

Term	Definition
Acea or Holding	Acea S.p.A.
Antitrust Authority	Italian Antitrust Authority (i.e. "AGCM"), European Commission, foreign competition authorities.
Italian Antitrust Authority, Italian Competition Authority or "AGCM"	Independent administrative authority established by Law No. 287 of Oct. 10, 1990, on "The Competition and Fair Trading Act", whose tasks include ensuring the protection of competition and the market, combating unfair commercial practices against consumers and micro-businesses, protecting businesses from misleading and comparative advertising, as well as ensuring that there are no unfair terms in contractual relations between businesses and consumers, and suppressing abuses of economic dependence that are relevant to the protection of competition and the market.
Ethical Code	Acea's Ethical Code.
European Commission or Commission	Administrative authority of the European Union whose tasks also include the application of the European Union rules on competition, as outlined in the Treaties and related implementing rules.
Competitor	Company not belonging to the Acea Group which operates in one or more of the markets where the Acea Group is active (effective competitor), or which could reasonably enter one or more of the markets where the Acea Group is active, or which is active in one or more of the markets where the Acea Group could reasonably enter (potential competitor).
Consumer	Any natural person acting for purposes which do not fall within the framework of his/her commercial, industrial, artisanal, or professional activity. The protection against unfair commercial practices also extends to micro-enterprises, i.e. entities, companies, or associations, which, regardless of their legal form, carry out an economic activity (including on an individual or family basis), employing fewer than ten people and carrying out a turnover or balance sheet total not exceeding two million euros per year.

Recipients of the Antitrust Compliance Program	Managers, Employees, and other subjects (natural and legal persons) who operate on behalf of and/or under the direction and/or under the decisive influence of Acea or its Subsidiaries.
Employees	Employed workers and collaborators linked by an employment contract, even temporary, with one of the companies of the Acea Group.
Directions / Competent Structures	The Acea structure/office responsible for the matter.
Senior Executives	Those who carry out management, administration, and direction functions, including members of strategic, control and/or executive bodies, and holders of corporate offices in Acea or in Subsidiary Companies.
Group	The group formed by Acea and its Subsidiaries.
Antitrust Law	Law 10 October 1990, n. 287 "The Competition and Fair Trading Act"
Antitrust Compliance Program or Antitrust Program	The Program aimed at preventing violations of Antitrust Regulations.
Management	Managers and/or similar figures, with responsibility in the process of defining and pursuing corporate objectives in Acea or in Subsidiary Companies.
Antitrust Regulations or Competition and Consumer Protection Regulations	National and European Union legislation on competition and consumer protection applicable to the Group's conduct. In particular, the Italian and European Union regulations governing the following cases: – Understandings – Abuse of dominant position – Concentrations – Abuse of economic dependence – State aid – Corporate separations – Unfair competition – Misleading and comparative advertising – Unfair commercial practices – Violation of consumer rights in contracts – Geo-blocking.
Holding Antitrust Representative	The Acea structure/office or person responsible for coordination in relation to the implementation of the components of the Antitrust Compliance Program.

	The Holding Antitrust Representative also carries out the role of Company Antitrust Representative in Acea.
Company Antitrust Representative	The structure/office or other person responsible for the implementation of the components of the Antitrust Compliance Program in the Subsidiaries, which operates in coordination with the Holding Antitrust Representative.
Antitrust risk	Any type of risk deriving from violation of the Competition and Consumer Protection Regulations.
Group Company	Acea and its Subsidiaries.
Subsidiary Company	Company directly or indirectly controlled by Acea and/or subject to the exercise of the management and coordination activity of Acea pursuant to articles 2497 et seq. of the Civil Code.
Investee Company	Company in which Acea, or other Group companies, hold a stake which does not confer control powers.
TFUE	The Treaty on the Functioning of the European Union.

Premise

Purpose of the Antitrust Compliance Handbook

This Antitrust Compliance Handbook (hereinafter also "the **Antitrust Handbook**") is part of the broader Antitrust Compliance Program of the Acea Group (hereinafter also "**Program**"), and it represents the expression and the implementation of the principles of its Ethical Code, pursuant to which the protection of competition and consumers constitute the founding values of the activities of Acea and the Group Companies (hereinafter also "**Group**").

The purpose of the document is to offer a support tool – even if not exhaustive and in any case susceptible to future updates – for the knowledge of the main elements of the Competition and Consumer Protection Regulations (hereinafter also "Antitrust Regulations") and the identification of the situations with potential risk of violation. The Antitrust Handbook is also aimed at providing a guidance on the correct behaviors to adopt and the rules to follow in situations of potential risk of violation.

This Antitrust Handbook is integrated with the procedures and guidelines adopted by the Group.

The Acea Group undertakes to conform its corporate governance system to the Competition and Consumer Protection Regulations and requires all staff, including commercial partners and third parties who operate on its behalf, to scrupulously comply with the same.

Since the involvement of Top Management is vital in this context, they undertake to accept the content of the Antitrust Compliance Program, including this Handbook. The Managers - i.e. those who carry out management, administration, and management functions, including members of strategic, control and/or executive bodies, and holders of corporate offices in Acea or in Subsidiary Companies - sign and accept the contents through action of bestowal of the assignment.

Likewise, all Employees undertake to accept the content of the Antitrust Compliance Program, including this Handbook. Employees hired after the approval of the Antitrust Compliance Program accept its contents at the time of hiring.

Structure of the Antitrust Compliance Handbook

For the purposes of immediate consultation and understanding, the Antitrust Handbook is structured as follows:

- each chapter deals with a **macro-topic** of relevance under the Antitrust Regulations;
- where applicable, within each chapter **individual scenarios/conducts** which could constitute an offense under the Antitrust Regulations and which are therefore to be avoided are well highlighted and explained;

– some chapters also report specific **focuses** in relation to profiles that are of particular relevance for the Acea Group, as well as a **summary** with the main practical rules of conduct to be followed (by way of example).

The rules set out in this Antitrust Handbook are integrated with the provisions contained in the internal regulatory instruments, which constitute an integral part of it.

Antitrust Regulations

The purpose of **laws and regulations governing fair competition** (i.e. "Antitrust Regulations" or "Antitrust Law") is to ensure that companies do not adopt behaviors that distort healthy competitive dynamics, preventing the market from functioning optimally. The basic thesis is that a scenario of effective competition is able to allocate available resources efficiently, to the benefit of the community.

The **consumer protection regulations** have the aim of protecting Consumers from the incorrect behavior of operators, allowing them to make conscious and informed consumption choices and exercise their rights. Moreover, a further purpose is to indirectly preserve the proper functioning of the market, since practices that mislead the consumer are capable of generating the further effect of distorting competition to the damage of competing operators.

The Competition and Consumer Protection Regulations include the main cases indicated below.

REGULATIONS	CASE
Competition	Anti-competitive agreements
	Abuse of dominant position
	Abuse of economic dependence
	Concentrations
	State aid
	Corporate separations
	Unfair competition
	Misleading and comparative advertising
Consumer Protection	Deceptive commercial practices

	Aggressive commercial practices
	Unfair contractual terms
	Violation of consumer rights in contracts
	Geo-blocking

Sector Regulations

Compliance with sector regulations (i.e. ARERA Resolutions, rules on the protection of personal data, etc.) does not automatically protect against possible violations of the Antitrust Regulations. Specifically, certain behaviors not specifically prohibited by sector legislation could still be considered unlawful under the Antitrust Regulations.

Furthermore, a violation of sector regulations may also constitute an offense under the Antitrust Regulations.

Case History

Case PS11710

In several recent cases, the AGCM has considered the absence of clear information about the use of customer data for commercial/marketing purposes as a violation of the Consumer Protection Regulations, despite the fact that there was no evidence of a violation of the obligations imposed by the personal data legislation.

In particular, according to the AGCM "*the circumstance that in the presentation of the service the consumer is not informed about the commercial use of their data is not remedied by the fact that in the Privacy Notice, which is merely referred to at the beginning of the funnel, the underlying commercial purpose of the collection, maintenance and management of their data is recalled, since the companies adopt a process of 'capitalization' of the data subject to economic exploitation, of which the end user must become aware*".

Recipients

The **Antitrust Handbook** is aimed at Acea and its Subsidiaries, as well as all Managers, Employees, and other subjects (natural and legal persons) who operate on behalf and/or under the direction and/or under the decisive influence of Acea or of the Subsidiary Companies, in any capacity, directly or indirectly, permanently, or temporarily, in Italy and abroad.

The Subsidiary Companies ensure the adoption of this Antitrust Handbook in their respective deliberative venues and the formal and substantial internal implementation of the Antitrust Handbook.

For Investee Companies, the document is to be considered a support for the definition of their regulatory instruments.

Reporting Violations

If the recipients, whether internal or external, believe that a violation of the Antitrust Regulations and/or of the Antitrust Compliance Program has occurred, they can report it via the "Comunica Whistleblowing" electronic platform dedicated (whistleblowing) to the reception, managing, analysis and processing of reports.

QR CODE 2 _ Whistleblowing: the internal reporting system - Gruppo Acea

The whistleblowing procedure ensures the maximum degree of confidentiality in the processing of reports; it protects the whistleblowers against possible retaliation, keeping their identity confidential, except for specific legal obligations.

The Platform adopted ensures the confidentiality of the identity of the reporter, the secure storage of the documents transmitted and uploaded and the confidential management of the analysis and management processes, guarantees the protections provided for by Legislative Decree no. 24/2023 and is therefore considered preferential compared to any other channel that may be used.

PART I

COMPETITION

CHAPTER I
ANTI-COMPETITIVE AGREEMENTS

1. What is meant by "agreements"?

The Antitrust Regulations prohibit agreements between companies, decisions by business associations and concerted practices, which have the object or effect of significantly preventing, restricting, or distorting competition (so-called agreements).

An agreement can be concluded between two or more competing companies (so-called "horizontal agreement") or between companies that are at different but connected stages of the economic process, for example a manufacturer and a distributor/supplier (so-called "vertical agreement").

1.1. The notion of "company" and intercompany agreements

– *OMISSIS* –

2. Anti-competitive agreements between competitors

2.1. General inputs

The art. 101 of the Treaty and the art. 2 of the Antitrust Law of the related implementing regulations (hereinafter also "Law") prohibit agreements **between competitors** which have as their object or effect the **prevention, restriction, or distortion of competition**.

The agreement can be in written or in oral form. The acceptance of the parts can be explicit or by conclusive facts. It is irrelevant whether the parties consider the agreement to be binding or not. The so-called "gentlemen's agreements" therefore also integrate an agreement.

The agreement can be reached not only following private contacts between companies, but also in other contexts, such as trade associations, during trade fairs, through the intermediation of third parties, etc.

The anti-competitive agreement (i.e., unlawful coordination with competitors) can concern both the products/services to be sold (supply side) and those to be purchased (demand side).

A particular type of unlawful agreement (demand side) concerns the **labor market**. Therefore, for example, an agreement between two competitors regarding how much to offer in terms of remuneration to certain professional figures could constitute an antitrust offense.

2.2. Prices, discounts and other competitive variables

– *OMISSIS* –

2.3. Market sharing

– *OMISSIS* –

3. The exchange of sensitive commercial information between competitors

3.1. General inputs

An antitrust violation can also be contested in presence of less structured forms of cooperation than an anti-competitive agreement. In this way, even the exchange of sensitive information between competitors may be critical: for example, when the information voluntarily exchanged, directly or indirectly, between competing companies can reveal their respective future commercial strategies.

An information is considered sensitive if it can influence the commercial conduct of the company. In other words, where it can be used – or where it is in any case considered useful - for the purpose of determining commercial choices.

Data relating to the main **strategic variables** of business activity are typically considered sensitive, such as:

- prices and conditions of sale;
- discounts, promotions, increases, reductions or allowances;
- customer/supplier lists;
- production costs;
- quantities sold/purchased;
- production capacity;
- business plans and marketing initiatives;
- commercial and development strategies (e.g. when participating in tender procedures: economic and technical offers, lots for which one intends to compete, etc. - see § 6).

Those data, which are already in the public domain, i.e. which can be accessed by everyone (even ordinary citizens), do not constitute sensitive commercial information and can therefore be freely used. For example, information reported in sector magazines, ISTAT data, etc., provided that the company has not itself contributed or had any role in placing such information in the public domain. Data that is publicly available, but whose collection or processing still requires a non-negligible commitment in terms of money and/or time, are not considered to be in the public domain.

The borderline between lawful information exchange and unlawful information exchange depends on a series of factors, such as the nature and degree of sensitivity of the information exchanged, the strategic nature of the information, its topicality, the confidential nature of the information, the aggregated or disaggregated nature, suitability to detect future behavior on the market, frequency, and methods of exchange.

This assessment must be conducted on a case-by-case basis, considering both the characteristics of the market concerned (concentration, transparency, stability, symmetry, and complexity) and those of the exchange of information.

The exchange of sensitive commercial information between competitors (illegal) can occur through various methods. Below are those most subject to attention by the Antitrust Authorities. The scenarios that will be analyzed can give rise to an antitrust offense in the form of exchange of sensitive commercial information, to the extent that the exchange reduces or eliminates the degree of uncertainty regarding the functioning of the market (in particular, with reference to the behaviors of competitors), allowing an alignment of the commercial conduct of the operators, with consequent restriction of competition (e.g. price alignment).

FOCUS: Direct exchange of information between competitors

– *OMISSIS* –

FOCUS: Communications to the public

– *OMISSIS* –

FOCUS: Hub & spoke / Benchmarking / Reporting

– *OMISSIS* –

FOCUS: Data pooling

– *OMISSIS* –

FOCUS: New employees/managers

– *OMISSIS* –

4. Cooperation agreements between competitors

4.1. General inputs

The term "cooperation agreements" identifies forms of collaboration between competitors which, although potentially aimed at pursuing legitimate objectives, can however at the same time generate anti-competitive issues.

Specifically, these forms of cooperation between competitors can generate positive effects, allowing companies to share risks, cut costs, increase investments, share know-how, increase the quality and variety of products, launch more quickly innovations on the market, etc. However, precisely because they involve companies in

direct competition with each other, they can also lead to negative effects on the market and therefore fall within the prohibition of restrictive agreements. Depending on the circumstances, such agreements may: facilitate anti-competitive coordination, strengthen the market power of the parties to the agreement, hinder innovation, or market access, etc.

In consideration of the above, such cooperation agreements between competitors, although not illegal in themselves, still require prior antitrust scrutiny in order to prevent them from being structured as agreements having an anti-competitive object or effect, thus becoming illegal pursuant to the competition law.

4.2. Individual cooperation agreements between competitors

– *OMISSIS* –

5. The Trade associations

– *OMISSIS* –

6. Participation/non-participation in public or private tenders

– *OMISSIS* –

SUMMARY: Main rules of conduct in relations with competitors (example)

Anti-competitive agreements between competitors

- Avoid any form of agreement with competitors unless the agreement in question falls within the context of a project or initiative authorized and monitored by the Competent Management.
- Autonomously make your own decisions regarding how to structure your commercial offer and your objectives in different geographical areas and towards different types of customers, without discussing these topics with competitors.
- Make your own decisions regarding the preparation of tender offers independently, without coordinating or having contact with competitors.
- Do not conclude agreements of any nature with competitors (direct or indirect, binding or non-binding, formal or informal, tacit or express) regarding the commercial conduct to be adopted on the market.

* * *

Exchanges of sensitive commercial information between competitors

- Avoid any form of exchange of information with competitors unless such exchange has been previously examined by the Competent Departments and has been considered in line with antitrust rules. In any case, follow the instructions provided by the Competent Departments in this context.
- Ensure that any public communications do not contain commercially sensitive information.
- Do not collect commercially sensitive competitive information from mutual suppliers or customers.
- If you receive an inappropriate written communication from a competitor or a third party, containing sensitive commercial data of the competition, report the error to the sender, highlighting how the Acea Group policy does not allow receiving such forms of communication and confirming that the data in question will be deleted and will not be taken into consideration. The response, in writing, must be previously shared with the Competent Departments.
- Before participating with other companies in any benchmarking activities (even just by receiving reports containing information relating to the market in general or to other companies active in the environmental, energy and water sectors), always request prior information from the Competent Departments.
- New staff coming from a previous work experience with a competitor must not bring with them (in physical or electronic format) or use sensitive commercial information concerning their previous employer for the purpose of their new employment with the Acea Group.
- In the case of non-controlling shareholdings in other competing companies or in joint ventures with competitors, evaluate the adoption of physical and virtual separation measures (firewalls, confidentiality agreements, etc.) to avoid the establishment of an exchange of sensitive commercial information between competitors.

- During the negotiations of a possible cooperation agreement or M&A operation: (i) limit the exchange of sensitive commercial information between the parties to what is strictly/objectively necessary in order to negotiate the cooperation agreement/operation**;** (ii) identify the people within the Acea Group to be involved in the negotiation of the agreement. This group of people should be as small as possible (so-called clean teams); (iii) adopt the necessary physical and virtual separation measures (firewalls, confidentiality agreements, etc.) in order to prevent people external to the clean team from accessing any sensitive commercial information obtained from the competitor during the negotiation; (iv) the Acea Group and the competitor must continue to act autonomously and independently on the market during the negotiation period of the agreement.

* * *

Cooperation agreements between competitors

- Before starting to negotiate a cooperation agreement with a competitor, contact the relevant company departments in order to ensure that the collaboration project does not present antitrust issues.
- Do not use cooperation agreements for anti-competitive purposes (e.g. slowing down innovation, fixing prices, sharing the market, etc.).

* * *

The trade associations

- Do not use the trade association as an opportunity to meet with competitors in order to agree on prices, other commercial conditions, or market strategies.
- Under no circumstances should sensitive commercial information be exchanged with competitors during or on the sidelines of association meetings, not even in an episodic or informal manner.
- Do not think that the activities organized by the trade association are necessarily legitimate. An independent assessment must always be carried out. Illegitimate conduct for the purposes of antitrust remains illegitimate even if adopted in the context or with the support of the trade association. The associative context does not constitute an exemption.
- If the trade association implements benchmarking activities, it will be necessary to ensure in advance with the Competent Departments that participation in them (even if only in the form of receiving reports) is legitimate pursuant to the Antitrust Regulations.

* * *

Participation/non-participation in public or private tenders

When preparing for and/or participating in public tenders, it is important to:

- Not to coordinate with competitors in order to influence the outcome of public or private tenders, in

any way and in any form: through agreements relating to the conditions of participation in the tender; boycotting the race; submitting an invalid or purely formal offer to allow the award to a competitor; instrumentally using the institution of temporary business groupings or subcontracting to avoid competitive confrontation.

- Refrain from any contact with other potential participants in the tender in which sensitive commercial information can be exchanged, directly or indirectly, or in which participation in the tender and the methods of participation can be discussed (financial offer, technical offer, exchange of information on lots, etc.).
- If you intend to participate in the tender in association with other operators (e.g. in RTIs, Consortia, etc.): (i) previously evaluate its feasibility in accordance with the Antitrust Regulations with the Competent Departments; (ii) limit the exchange of sensitive commercial information to what is strictly/objectively necessary (iii) create a clean team.

* * *

Finally, as a general rule:

- Create and keep copies of internal documentation suitable to demonstrate the autonomy of the commercial decisions taken, indicating the factors taken into consideration and documenting the timing of the decision-making process.

7. Vertical agreements: relationships with client companies and suppliers

– *OMISSIS* –

SUMMARY: Main rules of conduct in relations with client companies and suppliers (example)

- Do not impose minimum or exclusive supply obligations on Acea Group suppliers that do not comply with standards previously evaluated by the Competent Departments.
- Do not impose minimum or exclusive purchase obligations on resellers of goods or services of the Acea Group that do not comply with standards previously evaluated by the Competent Departments.
- Do not impose any prohibition on suppliers or resellers from supplying competing companies, or reselling goods/services from competing companies, without prior evaluation by the Competent Management.
- Do not think that a restriction on the commercial freedom of the dealer or supplier is legitimate just because it has been accepted by the latter. This element is not relevant. The clause, if illegal from an antitrust point of view, remains so.
- More generally, remember that any form of restriction on the freedom of the supplier or dealer requires verification pursuant to Antitrust Regulations.
- During written or oral agreements/negotiations with dealers or suppliers, always ask for the support

of the competent internal departments to ensure that there are no critical issues from an antitrust point of view.

CHAPTER II
THE ABUSE OF DOMINANT POSITION

1. General inputs

Article 102 of the Treaty and Article 3 of the Law (and the related implementing rules) prohibit a company that holds a dominant position on the relevant market from adopting conduct that may constitute an abuse of this position.

In order for an offense to occur in the form of abuse of a dominant position, therefore, two factors must be cumulatively present:

- the company must hold a dominant position in the relevant market;
- the conduct adopted by that dominant company must be capable of being classified as an abuse of that position.

The mere fact of holding a dominant position in the relevant market does not constitute an infringement. It is the abuse of this position that constitutes an antitrust offense.

2. The dominant position

– *OMISSIS* –

3. The abuse of dominant position

– *OMISSIS* –

FOCUS: Abuse of law/procedural abuses

– *OMISSIS* –

SUMMARY: Main rules of conduct in the markets in which the Acea Group holds a "dominant position" (example)

- In relation to those relevant markets where the Acea Group holds a dominant position, it is necessary to comply with the following rules:
  - do not make the granting of the discount conditional on the fact that the customer undertakes to purchase his/her entire requirement of a specific product or service or a substantial part of it from the Acea Group/a Group company;
  - do not force customers to purchase exclusively or mainly from the Acea Group/from a Group company, except in cases where this obligation is imposed by law (legal monopoly services);

  - do not subordinate the sale of a product/service (generally referring to the market in which it is dominant) to the condition that the customer simultaneously purchases another product/service belonging to a different market and which can be sold separately;
  - avoid unjustified discrimination between customers (or between suppliers);
  - avoid unjustified refusals to provide customers or competitors with products/services necessary to compete in distinct markets. Any refusal must be supported by objective reasons, such as: the protection of commercial interests, insufficient production capacity to satisfy the offer, failure to fulfill the contract by the counterparty;
  - verify that retention, win-back actions or in any case actions aimed at customers of specific competitors do not take place through loyalty offers or through the improper use of information that the Group holds in its capacity as legal monopolist or holder of special rights.

- In markets in which the Acea Group is vertically integrated - i.e. active both in the market for an upstream production input (where it holds a dominant position) and in the downstream one - do not set the prices of the above-mentioned input at such a high level or the sale prices of its product in the downstream market at such a low level that the competing company, active only in the downstream market, does not have a sufficient resale margin to continue operating.
- Do not ignore any doubts, even those that seem marginal. Discuss openly with the relevant departments for any clarification.

CHAPTER III
SPECIAL RULES APPLICABLE TO PUBLIC COMPANIES OR OWNERS OF SPECIAL/EXCLUSIVE RIGHTS OR RESPONSIBLE FOR CARRYING OUT A SERVICE OF GENERAL INTEREST

1. General inputs

Certain companies of the Acea Group, as they operate under a monopoly regime or in any case hold special or exclusive rights since they carry out activities of general economic interest, are also subject to the provisions of the art. 106 TFEU and art. 8 of the Law.

2. Obligation

– *OMISSIS* –

FOCUS: Denial of access and abuse of dominant position

– *OMISSIS* –

FOCUS: Abuse of a dominant position in cases of companies carrying out activities under a monopoly or SGEI regime

– *OMISSIS* –

SUMMARY: Main rules of conduct in relation to the particular rules applicable to companies carrying out activities under a monopoly or SGEI regime (example)

- In case that goods or services (including information) of which there is exclusive availability due to activities carried out under a monopoly or SGEI regime are made available to companies controlled or in any case connected to the Acea Group, verify that they are also made available to third parties who may request it under fair and non-discriminatory conditions.
- Do not use the profits obtained by virtue of operating in a legal monopoly or SGEI regime in order to be able to practice a predatory price (i.e. lower than production costs) on a different market open to competition, compensating for the related losses through these profits (so-called cross-subsidies).
- In the markets in which the Acea Group operates under a concession regime, provide to the public authority the necessary information in order to allow the latter to launch a new tender for the awarding of the expiring concession.
- If the Acea Group controls an infrastructure that is indispensable for providing certain products or services (so-called "essential facility"), allow access to this resource to all interested parties (including potential competitors) under fair and non-discriminatory conditions.

CHAPTER IV
ABUSE OF ECONOMIC DEPENDENCE

1. General inputs

Article 9 of law no. 192/1998 prohibits a company from abusing its strength position against another company economically dependent on it.

In order for an offense to take place in the form of abuse of economic dependence, specifically, two factors must be cumulatively present:

- the economic dependence of one operator on another;
- the abuse of this dependence by the subject placed in the position of power.

The abuse of economic dependence is a case of general application applicable to all commercial collaboration relationships established between companies (e.g. customer, supplier, partner).

2. Economic dependence

– *OMISSIS* –

3. The abuse of economic dependence

– *OMISSIS* –

FOCUS: Abuse of economic dependence and abuse of dominant position

– *OMISSIS* –

SUMMARY: Main rules of conduct regarding abuse of economic dependence (example)

With reference to commercial relationships with suppliers, partners, or customers in a position of economic dependence:

- Do not stop a business relationship suddenly and without an economic rationale. In particular, it is necessary to verify: (i) that the termination of the commercial relationship is motivated by legitimate commercial reasons (e.g. diversification, better offers, unsatisfactory quality of service, etc.); (ii) the related timing, in terms of notice.
- Do not impose unjustifiably burdensome or discriminatory contractual conditions.
- Subject to prior evaluation by the Competent Departments those clauses that could be sensitive from a perspective of abuse of economic dependence.

CHAPTER V
CONCENTRATIONS

1. General inputs

A company can increase its market power not only through sales of its own products/services (internal growth), but also by concentrating with other companies (external growth), i.e. by merging or acquiring control of another company or by creating a joint venture.

Regulations (EC) no. 139/2004 and the Law also regulate such operations, so-called concentrations. The relevant rules, specifically, provide that the parties must previously notify the competent Antitrust Authorities of the concentrations before they are implemented, in order to evaluate their impact on the market.

2. Definition of concentration

– *OMISSIS* –

3. Notification duty

– *OMISSIS* –

FOCUS: Sub-Threshold Concentrations

– *OMISSIS* –

SUMMARY: Main rules of conduct in relation to Concentrations (example)

- Check promptly with the Competent Departments if the operation you plan to implement can qualify as a concentration and if it reaches the thresholds for antitrust notification.
- In case of sub-threshold concentrations - especially when only one of the two relevant turnover thresholds is exceeded, i.e. the total turnover achieved at a global level by all the companies involved is greater than 5 billion euros - promptly carry out a verification with the Competent Departments.
- During the due diligence and negotiation phases, especially where the parties are competitors, limit the exchange of sensitive commercial information to what is strictly/objectively necessary.
- Identify the people within the Acea Group who need to be involved in the negotiation of the operation. This group of people should be as small as possible (so-called clean team).
- Adopt the necessary physical and virtual separation measures (firewalls, confidentiality agreements, etc.) to avoid that people external to the clean team should access sensitive commercial information obtained from the competitor during due diligence and negotiation activities.
- Continue to act autonomously and independently in the market during the due diligence and negotiation period of the transaction.

- Avoid exchanging sensitive commercial information that is not strictly/objectively necessary for the due diligence phase or merger negotiation.
- Do not use the sensitive commercial information thus obtained to shape/decide your commercial policy on the market, already in the pre-closing phase.

CHAPTER VI
VIOLATION OF THE PRINCIPLES FOR THE PROTECTION OF COMPETITION IN PUBLIC TENDERS

1. General inputs

In cases where AGCM considers that a public tender violates the rules protecting competition, it may issue a reasoned opinion within sixty days, in which it indicates the specifics of the violations found.

If, in case of a tender notice, the contracting authority that issued the document does not comply within sixty days following the communication of the opinion, AGCM may present an appeal for annulment to the administrative judge, within the following thirty days.

AGCM has ascertained the existence of widespread behavior by contracting administrations capable of determining distortions of competition, with negative effects on the mechanisms for forming public demand and therefore on the cost of the contracted goods, services or works.

AGCM has recommended that contracting authorities adopt tender notices that are pro-competitive and in particular:

- avoid requirements that have the effect of favoring some operators to the detriment of others and that are not related to the actual technical capabilities of the participating entities, like references to certain product brands or the obligation for participating companies to have already carried out activities similar to those covered by the tender;
- do not make the participation in tenders dependent on the achievement of a turnover level that is disproportionate to the amount of the service covered by the tender or on the achievement of a turnover calculated only on the geographical market of reference;
- in the case of RTIs, provide that the requirement of technical and economic capacity is satisfied by the grouping as a whole and not by the individual associated companies.

– *OMISSIS* –

SUMMARY: Main rules of conduct in relation to the preparation of tender notices (example)

- When preparing tender notices, ensure compliance with the principles of free competition, equal treatment, non-discrimination, transparency, and proportionality, for example with reference to the division into lots, the participation requirements, the characteristics of the technical offer and the economic offer, the duration of the contract and any extensions.

CHAPTER VII
STATE AID

1. General inputs

Alongside the rules aimed at companies, there is a set of rules addressed to the Member States of the European Union (Articles 107, 108 and 109 TFEU), which have the aim of preventing them from granting aid to companies that could distort or threaten competition and affect trade between Member States.

2. Notion of State Aid

– *OMISSIS* –

3. The notification obligation

– *OMISSIS* –

4. Aid exempt from notification requirement

– *OMISSIS* –

5. The National Register of State Aid

– *OMISSIS* –

SUMMARY: Main rules of conduct regarding State Aid (example)

- Subject public funding to prior evaluation by the Competent Departments. In particular, it should be verified, also through consultation of the National Register of State Aid, that the measure has been notified to the European Commission by the State and it has been declared compatible, or that it falls within an exemption regulation or is aid de minimis.

CHAPTER VIII
UNFAIR COMPETITION

1. General inputs

Anyone who violates the principles of professional correctness through conduct capable of damaging another's company commits acts of unfair competition.

The regulation of unfair competition directly protects companies against illegal conduct carried out by competitors. Entrepreneurs and their trade associations are therefore entitled to react pursuant to these rules.

2. Cases of unfair competition

– *OMISSIS* –

SUMMARY: Main rules of conduct in order not to violate the legislation on Unfair Competition (example)

- Do not discredit the products or services of a competing company in terms of the reputation and trust they enjoy on the market or attribute to your products/services qualities that belong to the competitor.
- Do not use the competitor's name or distinctive signs and/or imitate it slavishly to cause confusion in the end customer between the company's products and services and those of the competitor.
- Do not adopt parasitic competition behaviors, such as the systematic and "en masse" imitation of your competitor's entire activity, or part of it (e.g. launching services or multiple service lines that correspond exactly or almost exactly to those of the competitor, adoption, and exploitation, more or less complete and immediate, of every competitor's initiative, study, or research).
- Do not carry out false advertising, consisting of falsely attributing quality or merits to your products belonging to another competitor.

CHAPTER IX
MISLEADING AND COMPARATIVE ADVERTISING BETWEEN COMPANIES

1. General inputs[1]

Legislative Decree 2 August 2007, n. 145, introduces a series of rules applicable to advertising between professionals, so-called business-to-business.

Advertising means any form of message which is disseminated, in any way, in the exercise of a commercial, industrial, artisanal, or professional activity for the purpose of promoting the transfer of movable or immovable property, the provision of works or services or the establishment or transfer of rights and obligations over them.

2. Misleading advertising

– OMISSIS –

3. Comparative advertising

– OMISSIS –

SUMMARY: Main rules of conduct regarding misleading and comparative advertising between companies (example)

- Do not use misleading messages.
- With reference to comparative advertising, do not compare goods or services that do not satisfy the same needs or have the same objectives.
- Do not cause discredit or disparagement of a competitor's trademarks, trade names, other distinctive features, goods, services, business, or position.
- Do not take undue advantage of the notoriety associated with the trademark, commercial name, or other distinctive sign of a competitor.

[1] This chapter considers forms of advertising aimed at professionals. In Part II, Chapter I, Section 2, 'Deceptive Commercial Practices', the rules governing forms of advertising aimed at consumers are analyzed.

PART II

CONSUMER PROTECTION

CHAPTER I
UNFAIR COMMERCIAL PRACTICES

1. General inputs

"Commercial practice" means any non-occasional or isolated activity carried out by a professional and addressed to the consumer and/or to the microenterprise (hereinafter also just "Consumer").

In particular, "commercial practices" include any action, omission, conduct, declaration, or commercial communication, including advertising disseminated by any means and marketing, that a company carries out in relation to the promotion, sale or supply of goods or services to Consumers. The definition of commercial practice also includes the first contact phase (e.g. advertising) and the post-sales phase, i.e. following the termination of the contract (e.g. debt collection activities).

Professional: the natural or legal person acting in the exercise of his or her entrepreneurial, commercial, craft or professional activity, or an intermediary thereof.

Consumer: the natural person acting for purposes unrelated to any entrepreneurial, commercial, craft or professional activity.

Microenterprise: entities, companies, or associations that, regardless of their legal form, engage in an economic activity, including on an individual or family basis, employing less than ten persons and having an annual turnover or an annual balance sheet total not exceeding two million euros. For the purposes of applying the protections provided by the legislation on unfair commercial practices, microenterprises are equated with consumers.

The commercial practice is incorrect – and, therefore, prohibited – when it is in conflict with the principle of diligence professional, false or is likely to distort the economic behavior of the Consumer to an appreciable extent medium that it reaches or to which it is directed, affecting its ability to make informed commercial decisions and thus also determining a distortion of competition.

The Consumer Protection Legislation therefore requires that the professionals comply with the duties of diligence and loyalty, in any contact with the customer who can be classified as a current or potential Consumer, which takes place before, during or after a commercial operation relating to a product or service offered to a Consumer.

Furthermore, protection is guaranteed to groups of vulnerable consumers (minors, disabled people) towards whom the company's behavior must be even more attentive.

The Consumer Protection Regulations also provide for two specific types of unfair commercial practices:

- deceptive commercial practices, capable of misleading the Consumer, distorting their decision-making process. The misleading may concern the price, the availability of the product on the market, its characteristics, the risks associated with its use, etc.;
- aggressive commercial practices, in which the company acts with harassment, coercion or other forms of undue influence towards the Consumer.

– OMISSIS –

2. Deceptive Commercial Practices

– OMISSIS –

3. Aggressive Commercial Practices

– OMISSIS –

FOCUS: Responsibility for the work of intermediaries

– OMISSIS –

FOCUS: Environmental claim and greenwashing

– OMISSIS –

FOCUS: Processing of personal data for commercial purposes

– OMISSIS –

SUMMARY: Main rules of conduct regarding unfair commercial practices (example)

- Use clear language and indicate the characteristics of the offer and any limiting conditions thereof as well as the contacts the customer can contact to obtain information.
- Instruct adequately intermediate operators (agencies, dealers, call centers, maintenance, and service activation companies, etc.) in compliance with the Consumer Protection Regulations and verify that the commercial practices adopted follow the instructions and are not in any case incorrect.
- Process customer requests as promptly as possible, with particular attention to those relating to consumption invoicing.
- Adopt the necessary measures to guarantee the correctness of consumption measurements and related invoicing.

- Promptly manage refunds due to Consumers.
- Inform with adequate notice if it is necessary to initiate suspension/secondment procedures.
- Do not include incorrect information or information that may cause confusion or be misleading in commercial communications, preventing the Consumer from making an informed choice.
- Do not omit information in commercial communications that prevents the Consumer from making an informed choice.
- Do not declare, untruly, that the product/service (or any particular conditions linked to the product/service) will only be available for a very limited period, in order to obtain an immediate decision and deprive Consumers of the possibility or time enough to make an informed decision.
- Do not present the rights conferred to Consumers by law as a characteristic of the offer made.
- Do not use any form of communication to promote a product/service without the promotional intent being clearly indicated.
- Do not include elements in the promotional material (e.g. an invoice or similar payment request) that lead the Consumer to falsely believe that they have already requested the product/service.
- Do not make repeated commercial solicitations via call center, fax, e-mail, or other means of remote communication, except in the circumstances and to the extent justified by national law for the purposes of the execution of a contractual obligation.
- Do not spread untruthful information regarding the effects that could arise for the customer from non-acceptance of the offer, or which could lead to the discredit of competitors.
- Do not cause confusion between companies or between your trademarks, commercial names, other distinctive signs, goods, or services and those of a competitor.

In case of customer requests, for example, the following may constitute unfair commercial practices:

- not responding, delaying the response, making the management of the request more burdensome for the Consumer, for example, by requiring the presentation of documents that cannot reasonably be considered relevant to establish the validity of the request or already in the possession of the professional;
- provide interlocutory, ambiguous, irrelevant, contradictory, and inconclusive answers;
- activate suspension, reminder and/or debt collection procedures when not foreseen (e.g. because a dispute must be verified in advance);
- charge previous arrears not directly attributable to the applicant upon activation of a user or transfer of an active user or in any case condition the activation/transfer of the user to the payment of previous

arrears in the phase of ascertaining the imputability of the debt to the customer;

- activate offers, services, or sell products, without adequate information on the nature and costs of the offer, its duration and the conditions that will subsequently be applied, and without the prior express consent of the customer;
- introduce changes to ongoing contracts or provide ancillary services for consideration without adequate information and with the express consent of the customer.

CHAPTER II
VIOLATION OF CONSUMER RIGHTS IN CONTRACTS

1. Pre-contractual information

In the context of contracts concluded between a professional and a Consumer, the pre-contractual information provided to the Consumer become relevant in order to rebalance the information asymmetry against the latter. Further aspects relating to the protection of Consumer rights in the context of contracts concern, for example, formal requirements, the exercise of the right of withdrawal, the costs for the use of payment instruments, etc.

The legislation distinguishes the following types of contracts:

(i) *Contracts concluded within the commercial premises*

In case of contracts concluded within the commercial premises and the simultaneous presence of the professional and the Consumer, consumer protection is aimed at guaranteeing the completeness of pre-contractual information.
The professional is required to provide the Consumer with a series of information (which is referred to by way of example and is not exhaustive) relating to:

- the main characteristics of the goods or services or offers;
- the identity of the professional, the geographical address where he/she is established and his/her telephone number and, where this information is relevant, the geographical address and identity of the professional on whose behalf he/she is acting;
- the total price of the goods or services including taxes, or if impossible a priori, the methods of calculating the price;
- payment methods;
- delivery and execution, the date by which the professional undertakes to deliver the goods or provide the service or activate the offer and the processing of complaints by the professional;
- the duration of the contract or, if the contract is for an indefinite period or is an automatically renewable contract, the conditions for terminating the contract;
- the existence of the legal guarantee of conformity, the existence and conditions of the after-sales service and conventional guarantees, if applicable.

(ii) *Distance contracts and off-premises contracts*

In contracts concluded between the company and the Consumer without the physical and simultaneous presence of the professional and the Consumer (e.g. telephone contracts or contracts concluded via the internet) and in contracts negotiated away from business premises, the protection of the Consumer, in addition

to guaranteeing completeness of pre-contractual information, prescribes the satisfaction of a series of requirements that strengthen the position of the Consumer due to the absence of the simultaneous physical presence of the two parties and to strengthen the Consumer's awareness.

The Consumer, before being bound by the stipulation of a distance contract, must receive from the professional, in a clear and comprehensible manner, all the necessary information, which is referred to here by way of example and not exhaustively, relating to the:

- exact identification of the product or nature of the offer;
- identity of the professional;
- means of communication provided by the professional, including the geographical address, telephone number and electronic address as well as, if offered, any other means of electronic communication which guarantees the Consumer to be able to maintain written correspondence with the professional, which bear the date and time of the relevant messages on a durable medium. All means of communication provided by the professional must allow the Consumer to contact him/her quickly and communicate effectively with him/her;
- overall price to be paid and the payment methods and if applicable, information that the price has been personalized based on an automated decision-making process;
- cost of using the means of distance communication for the conclusion of the contract when this cost is calculated on a basis other than the basic tariff;
- delivery and execution methods, the date by which the professional undertakes to deliver the goods or provide the services;
- information that the Consumer will have to bear the cost of returning the goods in the event of withdrawal, if applicable;
- methods of execution and processing of complaints by the professional;
- conditions of existence of the right of withdrawal and termination of the contract;
- existence of the legal guarantee of conformity for the goods;
- existence and conditions of the after-sales service and conventional guarantees, if applicable.

The professional provides to the Consumer the information on paper or, if the Consumer agrees, on another durable medium. The information must be legible and presented in simple, understandable language. The professional must provide to the Consumer a copy of the signed contract or the confirmation of the contract on paper or, if the Consumer agrees, on another durable medium, including, where appropriate, confirmation of the prior express consent and the Consumer acceptance.

Pre-contractual information obligations in distance or off-premises contracts lies with the company.

The Consumer Protection Legislation also provides formal requirements for distance and off-premises contracts, as well as the methods and times for the Consumer's withdrawal.

2. The right of withdrawal

– OMISSIS –

3. Unfair contractual terms

– OMISSIS –

SUMMARY: Main rules of conduct in relation to contractual obligation (example)

- Provide to the Consumer clear and complete pre-contractual information, both in relation to distance contracts or contracts negotiated outside the commercial premises, and with reference to contracts concluded within the commercial premises, in particular on withdrawal, pre-sales and post-sales assistance conditions.
- Do not conclude unsolicited supply contracts (e.g. through the addition of false signatures) or activate unsolicited supplies.
- Do not activate services or sell products without having provided adequate information to the Consumer, for example, on the nature and costs of the products/services, on their duration and/or without their prior express consent.

In contractual formats:

- Do not unjustifiably limit the rights of the Consumer (e.g. exclude the opportunity to offset debts towards the Company with credits claimed by the Consumer; reserve to the Company the power to ascertain the conformity of the goods sold or the service provided with respect to that provided for in the contract or give it the exclusive right to interpret any clause of the contract).
- Do not impose excessive burdens on the Consumer (e.g. impose, in case of non-compliance or delays, the payment of compensation of a manifestly excessive amount; establish a deadline excessively early with respect to the expiry of the contract for communicating the cancellation in order to avoid the tacit extension).
- Do not impose unilateral changes without a justified reason indicated in the contract, providing only generic reasons (i.e. "integrity, security, legal or supervisory requirements") or mere examples ("for example in the case of updating the functionality of the Services").
- Do not impose limitations in the management of disputes (e.g. limitations on the Consumer's ability to raise objections, exceptions to the jurisdiction of the judicial authority, limitations on the presentation of evidence, reversals of the burden of proof).

CHAPTER III
GEO-BLOCKING

1. General inputs

In the e-commerce field, the term geo-blocking identifies those behaviors aimed at preventing a person with nationality or residence/establishment in a Member State from purchasing goods/services online in a different Member State.

Geo-blocking activities can be implemented using different methods, such as: the impossibility of accessing the web page in question in order to proceed with the purchase via e-commerce, redirection to another site in the Member State to which concerns the potential customer, the refusal of credit cards issued in foreign countries, etc.

Geo-blocking practices find specific regulations in the new regulations (EU) 2018/302 of 28 February 2018.

The text of the legislation establishes that websites must be made accessible regardless of the user's nationality or residence/establishment. It is possible to provide a redirect to another site – for example, considering the IP address of the computer, the language chosen by the potential buyer, etc. – subject to the explicit consent of the navigator.

Geo-filtering falls within the definition of geo-blocking, a practice which consists in applying different commercial conditions depending on the nationality or residence/establishment of the buyer.

The legislation does not prevent traders from offering general access conditions, including net sales prices, which are different between Member States or within a Member State. However, this differentiation must be based on the territory where the product is sold or the service provided, and not on the nationality or residence/establishment of the buyer.

The legislation identifies specific hypotheses in which the application by the seller of different commercial conditions towards the buyer from a different Member State is considered a discriminatory practice, i.e. illegitimate, as it is presumed that this difference in treatment compared to domestic users is due to reasons of nationality or residence/establishment. These are cases in which:

(i) the seller is required to deliver the goods to a Member State where he/she usually ships according to his/her own general conditions. In this case, the commercial terms usually applied in that Member State by the seller towards domestic customers will also have to apply to those buyers with a different nationality or residence/establishment;

(ii) the service is provided entirely electronically. This is the case, for example, of cloud activities, data warehousing, etc.;

(iii) the service object of transaction is used by the customer at a specific physical location located in a Member State where the seller operates. For example, hospitality activities, car rental, purchase of concert tickets, etc. fall into this scenario.

The online seller is not forced to offer the same prices and conditions on all the websites he/she uses to market its product/service within the European Union. The foreign buyer, in the cases referred to in points (i)-(iii) above, must however have the possibility of buying from any of these sites under the same conditions offered to domestic buyers, thus being able to take advantage of the offer that he/she considers most advantageous.

Likewise, the online seller is not prohibited from differentiating his/her prices and conditions based on criteria other than the user's nationality or place of residence/establishment, such as the browsing history of the potential buyer or any information regarding his/her preferences and habits.

The geo-blocking legislation does not apply to a situation limited to one Member State, i.e. if all elements relevant to the transaction in question are limited to one Member State (so-called "purely internal situations").

FOCUS: Discrimination of electronic payments based on nationality or residence

– OMISSIS –

SUMMARY: Main rules of conduct regarding geo-blocking (example)

- Allow access to the online interfaces by Consumers from other EU States without redirecting the Consumer from another European Union State to a version of the online interface different from the one the customer wanted to access unless the customer has already specifically consented.
- Do not sell or deliver[2] products and services[3] under discriminatory conditions based on the nationality, place of residence or establishment of the other party.
- Do not discriminate in relation to the proposed payment systems on grounds relating to a customer's nationality, place of residence or place of establishment, location of the payment account, place of establishment of the payment service provider or place of issuing the payment instrument within the Union, if not under the conditions established by the legislation.

2However, companies are not obliged to make deliveries to Member States where they do not already market their products. Companies can therefore provide limitations to the delivery area such as: "delivery only in Italy". However, customers with residence or premises outside the delivery area must be able to order goods and have them delivered to an address of their choice or to a collection point within the delivery area where such options are intended for home users.
3Some services such as financial services are excluded.

PART III

SANCTIONS AND OTHER CONSEQUENCES IN CASE OF VIOLATION OF ANTITRUST REGULATIONS

1. Consequences for Companies

- Financial sanctions: companies responsible for a violation of Antitrust Regulations may be subject to heavy financial penalties.

  I. In case of violation of the Antitrust Regulations, financial sanctions can reach a maximum amount equal to 10% of the total turnover achieved during the previous financial year by the entire company (i.e., by the Group).

  II. In case of violation of the Consumer Protection Regulations, the company that carries out an unfair commercial practice may be imposed by the AGCM with a fine ranging from 5,000 euros to 10,000,000 euros, considering the seriousness and duration of the violation and also the economic and financial conditions of the professional. In case of sanctions imposed pursuant to Article 21 of Regulations (EU) 2017/2394 (widespread infringement/infringement with a Union dimension), the maximum amount of the fine imposed by the AGCM is equal to 4% of the professional's annual turnover achieved in Italy or in the EU member states affected by the relevant violation.

- Damage claims: violation of the Antitrust Regulations may give rise to actions for damage claims (in civil proceedings) by customers, competitors or consumers damaged by the illicit conduct.

- Invalidity of illicit clauses/contracts: agreements and contractual clauses that constitute a violation of the Antitrust Regulations are null and void. Contractual agreements and clauses that constitute a violation of Consumer Protection Regulations also risk being invalid (void).

- Exclusion from public tenders: illicit in violation of the Antitrust Regulations may constitute grounds for exclusion from public tenders.

- Reputational damage.

- Failure to assign a legality rating: the rating in question is a synthetic indicator of companies' compliance with high standards of legality and allows them to benefit from a series of advantages (e.g. when granting loans by companies' public administrations and banks).

- Exclusion from the list of entities authorized to sell electricity: repeated violation of the Antitrust Regulations in the activity of selling electricity may be the cause of exclusion from the list of entities authorized to sell electricity.

2. Consequences for individual subjects

- Criminal liability: in some cases, the same conduct may not only constitute an illicit in violation of the Antitrust Regulations, but it can also constitute a crime, thus exposing the subjects involved to criminal liability. For example, an agreement between competitors aimed at the division of lots in the context of a public tender could constitute both a violation of the competition rules and the crime of interference with public tender process pursuant to articles. 353 and following of the Penal Code.
- Dismissal/other disciplinary measures: further consequence for subjects involved in infringements in violation of the Antitrust Regulations or violations of Acea's internal antitrust behavioral rules are dismissal/other disciplinary measures.
- Recourse by the company against the agent: the company could take recourse against its employee/manager/agent/collaborator who carried out the illicit conduct, requesting compensation from the latter for the damage suffered, for example, in the form of a sanction pecuniary by the Commission or the AGCM.

PART IV

DISCIPLINARY SANCTIONS

1. Incentives and disciplinary sanctions

The application of disciplinary measures, to recipients who have adopted conduct contrary to the principles of the Program and, in general, to the Antitrust Regulations and/or to the rules contained in this Antitrust Handbook, is aimed at protecting the balanced and correct structure of the work organization, in order to restore its functionality and efficiency requirements, as well as representing a deterrent to the commission and/or repetition of such violations, also constituting a tangible proof of the Group's commitment to welcoming and promoting the culture of compliance.

Therefore, violations of the Program will be subject to disciplinary measures proportionate to the severity of the infringement, with the application of measures which, in the most serious cases, may lead to the termination of the employment/contractual relationship.

The decision regarding the measure of the sanction is taken by the People Culture & Organization based on the contested facts, taking into consideration certain evaluation criteria, such as the motive and intentionality of the conduct, and other aggravating or mitigating circumstances, as well as the elements provided in its defense by the interested party.

Any virtuous conduct implemented by staff to prevent the commission of offenses in violation of the Antitrust Regulations can be incentivized through the reward system defined on the basis of the company regulatory instruments in force including those relating to staff remuneration policies in scope of the variable incentive models in place.

2. Sanctions for directors and auditors

In the event of confirmed violations of the Antitrust Regulations and/or of this Antitrust Handbook by the Directors, the Internal Audit or other competent structure or the Company's Antitrust Representative will immediately inform the President of the Board of Directors and the Board of Statutory Auditors with a written report for the relevant measures.

The Board of Directors may apply any suitable measure permitted by law and, in the most serious cases, or in any case when the failure is such as to damage the Company's trust in the manager, the Board of Directors may convene the Assembly proposing the revocation of the office. The Board of Statutory Auditors, upon communication to the President of the Board of Directors, may call the Shareholders' Meeting pursuant to art. 2406 of the Civil Code if it detects reprehensible facts of significant gravity and there is an urgent need to take action. If the above-mentioned Directors are also managers of the Company, the provisions set out in the following paragraph may in any case apply.

In case of ascertained violations of the Antitrust Regulations and/or of this Antitrust Handbook by the Auditors, the Internal Audit or, if applicable, the Company's Antitrust Representative will immediately inform the Board of Directors with a written report, which may convene the Assembly pursuant to art. 2366 of the Civil Code for the relevant measures.

3. Sanctions for managers

If violations of the Antitrust Regulations and/or of this Antitrust Handbook are found by managers, the Internal Audit or the Company's Antitrust Representative informs the CEO who, with the possible support of the competent Departments, may consider withdrawing from the employment relationship within the terms established by the CCNL applied to the Manager or adopt measures of a different nature in accordance with any company regulations and individual agreements.

4. Sanctions for employees

The Antitrust Handbook, an integral part of the Antitrust Program, is among the mandatory instructions given by the Company for compliance with the Antitrust Regulations and therefore it constitutes an expression of the employer's managerial power.

All employees are therefore required to strictly comply with the Antitrust Regulations, the Antitrust Handbook, and its future updates, which will be published from time to time on the company Intranet system, as well as compliance with the training activity and all the initiatives that will be adopted by the Company's Antitrust Representative for the implementation, updating and improvement of the Compliance Program.

Ascertained non-compliance with the Antitrust Regulations and/or with this Antitrust Handbook by employees will constitute a disciplinary illicit, and it will lead, in compliance with the provisions of the Law and the Contract applied, to the application of the sanctions provided for by the art. 21 of the CCNL for the gas-water sector of 30.09.2022 and subsequent amendments or art. 25 of the CCNL for the electricity sector of 18.07.2022 and subsequent amendments, without prejudice to the principle of graduality of the sanction depending on the severity of the failure provided for by the art. 2106 of the Civil Code, by Law n. 300/70 and the applicable CCNL.

The hierarchical manager of the employee concerned or, if applicable, the Internal Audit or other competent structure or the Company's Antitrust Representative, after informing the hierarchical manager, reports this violation to the Human Resources Unit of the Company, for the assessment and contestation of the disciplinary illicit and for the possible imposition of the relevant sanction.

5. Sanctions for third parties in contractual relationships with the Company

If facts occur that may constitute a violation of the Antitrust Regulations and/or of this Antitrust Handbook by collaborators or contractual counterparties, the Representative of the Competent Function or Area to which the contract or relationship pertains or, if applicable, the Internal Audit or other competent structure or the

Company's Antitrust Representative, after informing the Function or Area Manager, reports this violation to the Company's Human Resources Unit or to the Contract Representative.

The competent bodies, based on the Company's internal rules, also order the termination of existing contracts or relationships against those responsible, without prejudice to the possibility of legal action for compensation for any damage suffered by the Company.