

## Trans Adriatic Pipeline AG (TAP) Regulatory Compliance Programme

This Regulatory Compliance Programme (RCP) is established by TAP to provide a binding internal framework aimed to ensuring that, as a certified ITO, TAP and its Employees, TAP Board, Shareholders' representatives, Secondes and Consultants comply with the requirements as set out in TAP's regulatory framework, namely the Gas Directive, section 4.5.1 and 4.5.2 of the FJO, the Certification Decision and TAP's governing corporate documentation, including its Articles of Association and Organizational Regulations.

This RCP aims at ensuring that TAP's Operations are performed on an independent basis and to prevent any influence from supply and production activities. This RCP also aims to ensure that Discriminatory Conduct vis-à-vis third parties is prevented and that the communication of Commercially Sensitive Information to Third Parties is restricted.

### 1. Scope of the Regulatory Compliance Programme

The RCP lays down in particular:

- The rights and the duties of the RCO, the person responsible to monitor the implementation of the RCP and to report to the Authorities, as required by Article 21 of the Gas Directive and the relevant national legislation to the extent transposed by the Authorities in the Certification Decision;
- The Independence Rules provided in the Gas Directive to which TAP commits as an ITO, including both operational and organizational independence;
- Internal guidelines for preventing the disclosure of Commercially Sensitive Information and providing the duties and rights of Employees, Board members, Shareholders' representatives, Secondes and Consultants in the fulfilment of the purposes of the RCP.

### 2. Definitions

The following definitions apply to this RCP and throughout the full set of documents adopted by TAP for the purpose of, *inter alia*, fulfilling the regulatory requirements of the Gas Directive, section 4.5.2 of the FJO and the requirements enclosed in the Annex to this RCP.

- a. **Authorities:** the national energy regulatory authorities of Albania, Greece and Italy;
- b. **TAP Board of Directors (TAP Board):** constituted of members appointed by Shareholders in line with TAP Articles of Association and Organizational Regulations. The TAP Board is identical with and acts as the Supervisory Body under the Gas Directive. In this regard, the TAP Board exercises all the functions of the Supervisory Body as provided under Article 20 of the Gas Directive by taking decisions which might have a significant impact on the value of the assets of Shareholders;
- c. **Certification Decision:** the Authorities' Final Decision on the certification of TAP AG implemented at national level via Greek RAE's Decision no. 45 of 31.03.2016, Italian ARERA's Decision 172/2016/R/GAS of 07.04.2016 and Albanian ERE's decision no. 36 of 31.03.2016;
- d. **Operations:** marketing and allocation of transmission capacity, entering into gas transportation agreements and management of gas transportation agreements;
- e. **Commercially Sensitive Information:** information that is available to TAP directly or indirectly in relation to, for example, the marketing of capacity in the TAP Pipeline, which could provide a competitive advantage to Shareholders in any relevant European market in the production or supply of natural gas, especially the vertically integrated Shareholders. This information refers to both TAP AG and non-TAP AG (third-party) commercially sensitive information;
- f. **Consultants:** any person retained by TAP on a consulting contract basis and required to be present at TAP's premises, or being otherwise potentially exposed to Commercially Sensitive Information;
- g. **Control/controlling:** for the purpose of this RCP, this term should be understood as it is defined in the EU Third Gas Directive 73/2009 and Council Regulation 139/2004 on the control of concentrations between undertakings (EU Merger Regulation);



- h. **Declaration of Independence:** a declaration that includes the independence requirements of the Gas Directive applicable to and which is required to be signed by at least half members of the TAP Board minus 1, as well as their substitute Deputies, on the one hand, and the Managing Director, the other members of the Leadership Team and the RCO, on the other hand;
- i. **Deputy TAP Board/Supervisory Body member (Deputy):** in line with TAP's Articles of Association and Organizational Regulations, a deputy is deemed to be empowered to replace its respective TAP Board member(s), may represent any TAP Board member(s) of the relevant Shareholder during a TAP Board meeting to the extent that this member is prevented from attending the meeting for material reasons. Unless stated otherwise in the Organizational Regulations, a deputy shall have the same rights and obligations as a regular TAP Board member;
- j. **Discriminatory Conduct:** applying dissimilar conditions to equivalent transactions with shippers, such as any party requesting or having contracted for capacity in the pipeline, thereby placing them at a competitive disadvantage;
- k. **Employees:** all personnel employed on the basis of a TAP employment contract;
- l. **Expansion Capacity:** the technical capacity that can be built above the Initial Capacity and up to total of 20 bcm/year;
- m. **Ex Ante Cooling Off Period:** the three-year or six months cooling off period in which no professional position or responsibility, interest or business relationship directly or indirectly with the Shareholders active in production or supply of natural gas or with their controlling shareholders should have been held prior to appointment in the professional functions with TAP, as required by Article 19(3), (8) of the Gas Directive;
- n. **Ex Post Cooling Off Period:** the four-year cooling off period in which no professional position or responsibility, interest or business relationship with Shareholders active in production or supply of natural gas or with their controlling shareholders after the termination of their employment contract with TAP should be held as required by Article 19(7) of the Gas Directive;
- o. **Final Joint Opinion (FJO):** Final Joint Opinion on TAP AG's Exemption Application dated 6 June 2013, granted by the Italian, Albanian and Greek Authorities pursuant to Directive 2009/73/EC;
- p. **Gas Directive:** Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC;
- q. **Gas Regulation:** Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005;
- r. **Independence Rules:** the independence rules under Articles 19(3)-(8) of the Gas Directive;
- s. **Initial Capacity:** the total initially planned technical capacity of 10 bcm/year which has been exempted from regulated third party access, ownership unbundling and regulated tariff;
- t. **Independent Transmission System Operator (ITO):** the producer/supplier of natural gas and the network operator are part of the same group but the network operator owns the network and must comply with the rules ensuring its independence as provided in Chapter IV of the Gas Directive (TAP is not part of any group of companies due to lack of control of any of its Shareholders, but for ITO purposes, TAP is treated by Authorities similar to transmission system operators which are part of a group);
- u. **Leadership Team:** consists of (i) one director called managing director ("Managing Director"; Geschäftsführer), (ii) a number of members determined by the Board ("Leadership Team Member"; Mitglied der Geschäftsleitung) reporting to the Managing Director;
- v. **Managing Director:** in line with TAP's Organizational Regulations, this person has the overall responsibility and accountability for the day to day activities of TAP and is supported by the other member of the Leadership Team; a detailed list of the Managing Director's duties and responsibilities is set out in the Organizational Regulations;
- w. **Market Test:** the process that TAP AG is obliged to perform on a regular basis starting from no later than the Operations date and, subsequently, at least every two years as required by section 4.1.7 of the FJO;
- x. **Regulatory Compliance Program (RCP):** the program defined in the introduction of this document;
- y. **Regulatory Compliance Officer (RCO):** the person appointed as regulatory compliance officer by TAP Board in accordance with the Gas Directive and this RCP;
- aa. **REMIT:** Regulation (EU) no 1227/2011 on wholesale energy market integrity and transparency, the Implementing Regulation (EU) no 1348/2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency, as well as ACER's guiding documents on REMIT;
- bb. **Roadmap:** the Roadmap for TAP's transition towards an ITO model included in the Certification Decision



- and which was annexed to TAP's RCP valid during the construction phase of the TAP pipeline;
- cc. **Secondees:** Employees of Shareholders active in transmission activities placed at TAP premises under a secondment arrangement;
  - dd. **Shareholders:** the shareholders of TAP *at any time* while this RCP is in force, and not necessarily only the shareholders of TAP at the time the RCP *entered into force*;
  - ee. **Shareholders' Meeting:** the annual shareholders' meetings and/or extraordinary shareholders' meetings;
  - ff. **Shareholders' representatives:** are members of the TAP Board Advisory committees (other than TAP Board members) without decision-making powers or shareholders' representatives who may be invited to attend these Advisory committees meetings because of their specialized knowledge/area of expertise ) and the Shareholders' single point of contact in TAP (i.e., person ensuring that each Shareholder communicate in a unified voice; he/she shall monitor and manage information requests and communications between TAP and Shareholders only via TAP Company Secretary or the Managing Director) in order to support TAP;
  - gg. **TAP:** Trans Adriatic Pipeline AG, a company incorporated under the laws of Switzerland with head office at Lindenstrasse 2, 6340, Baar, Switzerland. TAP AG undertakes the planning, development, financing, construction and operation of the TAP Pipeline and associated facilities;
  - hh. **TAP Network Code:** the TAP AG network code as approved by the Authorities pursuant to the obligations set out in section 4.7.1. of the FJO;
  - ii. **TAP Pipeline:** the Trans Adriatic Pipeline;
  - jj. **TAP Tariff Code:** the code containing the final methodology for the implementation of the TAP tariff referred to in section 4.2.1 of the FJO, as approved by the Authorities;
  - kk. **Third Party:** a natural or legal person other than TAP.

### **3. Implementation and monitoring of the Regulatory Compliance Programme**

#### **3.1 Regulatory Compliance Officer**

TAP has appointed an RCO to monitor the implementation of the RCP and to report to the Authorities.

The RCO is appointed by the TAP Board subject to the approval by the Authorities. The Authorities may refuse the approval of the RCO only for reasons of lack of independence or professional capacity. The conditions governing the mandate or the employment conditions of the RCO, including the duration of her/his mandate, shall ensure the RCO's independence and shall be subject to approval by the Authorities, and in line with the Gas Directive and Swiss employment law. The RCO will have in TAP a direct organizational reporting line to the TAP Board for energy regulatory compliance matters in order to ensure independence. The RCO shall have a direct communication line with to the Authorities according to the Gas Directive and keep the Managing Director informed.

The RCO can be dismissed (1) upon the request of the Authorities, or (2) by the TAP Board for reasons of lack of independence or professional capacity subject to the Authorities' approval. Any suspension or dismissal decision by the TAP Board becomes binding only if the Authorities have not raised objections within three weeks of notification.

##### **3.1.1 Rights and duties of the RCO**

3.1.1.1. The RCO will have all the resources necessary to fulfil her/his rights and duties, as these are set out in the Gas Directive and below:<sup>1</sup>

*a) Attendance at meetings*

The RCO may attend all meetings of the management or administrative bodies of TAP, including the Leadership Team, TAP Board, TAP Board Advisory Committees' and Shareholders' Meetings. For the matters set out at Article 21(8) of the Gas Directive the RCO is obliged to attend all meetings. The RCO shall be informed of the agendas and all materials disclosed or discussed in such meetings. Discussions related to Commercially Sensitive Information can only take place if the RCO is either attending the relevant meeting or has given prior approval for such discussions and on the condition that these take place in accordance with Section 4 of this RCP.

*b) Access to data*

The RCO shall have access to all the relevant data, to the offices of TAP without prior announcement and to all information necessary for the fulfilment of her/his tasks, including files, documents and all relevant electronic data processing systems.

*c) Issue recommendations and Assistance*

In ensuring the implementation of the RCP, the RCO shall be entitled to report and issue recommendations on the RCP and its implementation to the TAP Board and to require the assistance of the Managing Director and the Leadership Team when checking/monitoring and ensuring compliance with the RCP.

*d) Potential infringements*

The RCO shall communicate potential infringements of the RCP to the NRAs. The Managing Director and/or TAP Board, as appropriate, should be informed of such potential infringements of the RCP in a timely manner (should the Managing Director be conflicted, then only TAP Board will be informed).

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<sup>1</sup> This list is not exhaustive and sets out several examples based on the Gas Directive.

e) *Commercially Sensitive Information and TAP's TSO duties and obligations*

The RCO shall draw up measures to limit or, where necessary, prohibit access of Employees to TAP's systems for the recording, processing or storage of Commercially Sensitive Information. The RCO may, in appropriate circumstances, also impose such measures on Shareholders' representatives, Seconded or Consultants with respect to their involvement in TAP's activities and the RCO will monitor the implementation of TAP's TSO duties and obligations in compliance with the Gas Directive. The duties of the RCO, and in particular in connection with the Independence Rules, are set out in the next sections below.

f) *Commercial and financial agreements*

The RCO shall report to the NRAs on any commercial and financial agreements concluded with the Shareholders active in production or supply of natural gas in line with Annex 1 to this RCP.

g) *Annual Regulatory Report*

The RCO shall elaborate an annual report every year, setting out the measures taken in order to implement the RCP and its Annex 1, including any infringement occurred and the disciplinary measures taken (if any) and submit both confidential and non-confidential versions to the Authorities by 31st of March of every year. The non-confidential version of the annual report will be published if and as required by the relevant applicable laws and regulations in force from time to time. The annual report will also be sent to the TAP Board for information purposes.

h) *Interaction with the Authorities*

The RCO is entitled to notify substantive breaches related to implementation of this RCP to Authorities and engage with the Authorities on regulatory matters (including the ones raised at points (a)-(f) above) without prior approval of the Managing Director or the TAP Board. The Managing Director and the TAP Board are informed of the existence of a breach and of its notification to the Authorities. After the breach has been properly enquired by the RCO and/or the Authorities, the Managing Director and the TAP Board are informed of the tenor of the breach and of possible remediating actions

3.1.1.2. Separation of powers between the TAP Board and the Managing Director, supported by the other members of the Leadership Team

The RCO shall monitor the effective separation of powers and responsibilities between the TAP Board and the Managing Director supported by the other members of the Leadership Team. Any breach of separation in the ordinary conduct of business of TAP must be reported to the NRAs.

3.1.1.3. Monitoring the Obligations of TAP

The RCO shall report to the NRAs any violation of the Gas Directive, the Gas Regulation, the Certification Decision as well as the Articles of Association and of the Organisational Regulations regarding the obligations of TAP as a certified ITO TSO.

## **3.2 Operational independence**

In accordance with its certification as an ITO, TAP is independent from its Shareholders and their affiliates engaged in the production or supply of natural gas. The RCO shall monitor compliance with the Independence Rules set out below.

### **3.2.1 Operational independence – Network access, TSO duties and obligations, market tests**

TAP's transport services are offered in a transparent and non-discriminatory manner in accordance with the general terms and conditions of TAP's gas transportation agreements and TAP Network Code available on TAP corporate website.

Access to the network, as defined in Article 32 of the Gas Directive, can be refused only in specific circumstances

in line with the TAP Network Code and TAP Market Test procedures, and will be registered. The RCO will be informed and will inform the Managing Director about the refusals. The RCO is the reference point for complaints in respect of internal regulatory compliance and he/she is the contact person for third parties that have raised such complaints in TAP Market Test procedures.

### 3.2.2 Operational independence – Services to/from Shareholders; Human, technical and physical resources

Operational independence relates, in line with the Gas Directive, to the restrictions related to resources and services provided to/from Shareholders active in the production or supply of natural gas.

TAP is equipped with all human, technical and physical resources necessary for fulfilling its obligations and duties as a fully certified and independent TSO in accordance with the Gas Directive.

TAP has, and must maintain, a distinct corporate entity from the Shareholders. More specifically:

- i. TAP has a separate corporate identity (its own clearly identifiable logo, website etc.), communication, branding and premises;
- ii. TAP does not share offices, IT systems equipment, or security access systems with its Shareholders. One exception to this is a collaboration platform where TAP Board related material is shared. Should TAP have the same Consultants or external contractors, including external auditors, with any of its Shareholders active in production or supply of natural gas, they are bound by non-disclosure agreements. Access to TAP systems by Consultants are bound by non-disclosure agreements and governed by job specific authorisations.

Agreements between TAP and the Shareholders as referred to in Annex 1 shall be in line with the Gas Directive and the Certification Decision – the RCO monitors this compliance and notifies the Authorities where so required.

Should TAP require Seconddees from the Shareholders active in transmission of natural gas for a defined limited period of time at any of its premises (headquarters and country offices), the RCO shall notify the Authorities of the Seconddee, the role she/he would hold, the duration for the role and a justification. The notification will take place before the secondment contract has been concluded.

## 3.3 Organizational Independence

### 3.3.1 Independence of the TAP Board

The RCO monitors the composition of the TAP Board and the effective implementation of its duties in accordance with the Gas Directive.

At least half members of the TAP Board minus 1, as well as their substitute Deputies, must meet the independence requirements of the Gas Directive and sign a Declaration of Independence.<sup>2</sup>

By signing the Declaration of Independence, these TAP Board members, as well as their Deputies, confirm that they:

- i. have not held any professional position or responsibility, interest or business relationship directly or indirectly with any of the Shareholders performing the functions of production or supply of natural gas or with their controlling shareholders other than the independent transmission system operator for three years prior to their appointment;
- ii. do not have any other ongoing professional position or responsibility, interest or business relationship in or receive financial benefit, directly or indirectly, with any of any of the Shareholders performing the functions of production or supply of natural gas or with their controlling shareholders. Their remuneration does not depend on activities or results of the Shareholders performing the functions of production or supply of natural gas other than those of the independent transmission system operator.

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<sup>2</sup> A template Declaration of Independence has been approved by the Authorities.



Originals of signed Declarations of Independence are kept by the RCO.

### 3.3.2 Independence of Employees, including the RCO

All Employees must be independent in the execution of their day-to-day behaviour, work and decision-making in TAP. They should not be instructed by Shareholders when taking decisions for or performing their duties on behalf of TAP.

The Managing Director, the other members of the Leadership Team and the RCO should meet the Ex Ante and Ex Post Cooling Off Periods. Specifically, the six-months ex Ante Cooling Off Period applies to the members of the Leadership Team (apart from the Managing Director) as long as the majority of the Leadership Members meet the three years ex Ante Cooling Off Period.

All Employees, including the RCO, shall:

- i. have no other professional position or responsibility, interest or business relationship
- ii. hold no interest in or receive any financial benefit

directly or indirectly with/from Shareholders active in production or supply of natural gas or with their controlling shareholders.

If such financial interests are held, they should be sold or administered by an independent trustee at the employee's expense during employment with TAP. Indirect holding of corporate stakes or securities through ownership of mutual funds, participation in complex investment products, bank term deposits or life insurance linked investments, private insurance products are allowed as these would be administered by an independent trustee (e.g. banks).

#### a) *Declaration of Independence*

Prior to commencing employment with TAP, the Managing Director and other members of the Leadership Team shall declare to the RCO that he/she is aware of and agree to be bound by the independence requirements described above by signing a Declaration of Independence. Originals of signed Declarations of Independence will be kept by the RCO.

### 3.3.3 Appointment, renewal and termination of office of the TAP Board, the Managing Director and the other members of the Leadership Team

The appointment, renewal and the termination of the office of the TAP Board members and Deputies is a Shareholders' matter and is dealt within the Articles of Association.<sup>3</sup>

The Managing Director is appointed and removed by the TAP Board taking due account of the Gas Directive. The TAP Board also determines the Managing Director's working conditions, remuneration and duration of the term. The same is applicable also to the other Leadership Team members, who are supporting the Managing Director.

The decision to appoint or terminate the positions of the TAP Board members, the Managing Director and other Leadership Team members and the reasons for any proposed decisions terminating their term offices shall be notified by the RCO to the Authorities. Such decisions will be effective and binding provided that the Authorities do not raise any objections (namely doubts around the professional independence of the person and the existence of justification of a premature termination) within 3 weeks as of the notification of such decisions. For the avoidance of doubt, if the term of office of one of the above positions expires by operation of applicable law, TAP's governing documents or other relevant source, but the same person is appointed to the same office for another term, the re-appointment shall not be subject to the above procedure.

The fact of having acted in accordance with the measures adopted in this RCP shall never constitute a valid reason to remove or replace the Managing Director and the other members of the Leadership Team by the TAP Board.

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<sup>3</sup> Article 14.

#### 4. Internal guidelines to prevent communication of Commercially Sensitive Information

As a general rule, Employees, as well as TAP Board members will not share or otherwise communicate Commercially Sensitive Information to Shareholders, Shareholders' representatives and Third Parties. Such information includes, without limitation, the following types of data:

- a) booked, nominated, matched and allocated capacities and delivery data per customer;
- b) customer lists and customer specific information;
- c) commodity or capacity prices, fee schedules, pricing policies or formulas per customer;
- d) profit margins or profitability targets on specific services or products offered by TAP;
- e) cost information about individual products, services or technology offered by TAP;
- f) assignment requests, notifications of capacity transfers and in general transactions on the secondary market per customer;
- g) bidding and marketing plans;
- h) detailed information about pending bids.

When at TAP premises, Shareholders' representatives will neither share or otherwise communicate (non-TAP) Commercially Sensitive Information in their activities related to TAP, particularly if such information is potentially deemed by competition authorities to lead companies to coordinate their behaviour. The examples provided above at letters (a) – (h) are applicable in this situation as well.

When in doubt about the sensitivity of any particular information, the RCO should be consulted.

Where Commercially Sensitive Information must be shared, **exceptionally**, with a particular Shareholder, Shareholders' representative or Third Party for a purpose crucial to the successful operation of the TAP Pipeline, in particular with respect to the financing of the project, such information shall be shared on a need to know basis and only if the Shareholder, Shareholders' representative or the Third Party representative involved has confirmed its adherence to the RCP by signing a written declaration of commitment to the RCP. This sharing of information is subject to prior approval by the RCO and is limited to **exceptional circumstances**.

If any documents containing Commercially Sensitive Information are required to be disclosed:

- the RCO will mark such documents as *[Strictly confidential, includes Commercially Sensitive Information]*;
- these documents are shared by the RCO for a limited period, in an aggregated manner (where deemed possible) and through a secured TAP electronic platform to which a limited number of persons will have access;
- the documents should be returned to the RCO immediately after the conclusion of any meetings at which the information has been used or, where this is not applicable, the access of Shareholders, Shareholders' representatives or Third Parties to the secured electronic platform should be restricted.

Commercial Sensitive Information may also be disclosed by TAP or provided to Shareholders, Shareholders' representatives or Third Parties where required by law and in accordance with such law.

Nothing in the above shall:

- restrict the use of information that ceases to be Commercially Sensitive Information because it becomes public knowledge (including information disclosed for transparency purposes based on the Gas Regulation and REMIT), or otherwise loses any ongoing commercial sensitivity; or
- restrict a recipient's use of Commercially Sensitive Information to prepare information that is sufficiently aggregated, summarised or redacted that it is not itself Commercially Sensitive Information. For instance, aggregated usage data of a certain entry or exit point will not be



Commercially Sensitive Information when no references are made to the identity of the shippers.<sup>4</sup>

TAP Board members, Deputies, Secondees, all Employees and Consultants shall be obliged to preserve the confidentiality of the Commercially Sensitive Information during and for a period of 2 years after the termination of their employment or other legal or contractual relationship with TAP unless more restrictive confidentiality obligations apply to them by operation of the law or of the applicable contractual relationship with TAP. When Commercially Sensitive Information is exceptionally shared with Shareholders, Shareholders' representatives or Third Parties, they are obliged to preserve the confidentiality of the Commercially Sensitive Information during and for a period of 2 years after the termination of their legal or contractual relationship with TAP unless more restrictive confidentiality obligations apply to them by operation of the law or of the applicable contractual relationship with TAP.

In case there is a suspicion that Commercially Sensitive Information is being or will be misused, the RCO investigates the situation and informs immediately the Managing Director, the TAP Board and, where necessary, the Authorities of her/his assessment.

If Commercially Sensitive Information can be presented in a manner that eliminates the competitive sensitivity, then it can be shared. For example, historical, aggregated, or coded information may be used to meet the Shareholders' objectives in conducting the operation of the TAP Pipeline without disclosing sensitive details. All such exchanges shall be cleared in advance by the RCO and shall be limited to cases where a compelling business justification can be shown for exchanging that information.

Generally, Employees, TAP Board members, Deputies, Shareholders, Secondees, Shareholders' representatives and Consultants are at least permitted to exchange the following types of information if relevant to their role and responsibility in TAP (these are mere non-exhaustive examples):

- a) corporate financial and tax information;
- b) accounting methods;
- c) regulatory compliance;
- d) physical descriptions of offices;
- e) value of assets.

Shareholders' representatives<sup>5</sup> who are required in the course of TAP business to attend meetings on a regular basis at TAP's premises to advise TAP corporate bodies in the decision-making, shall confirm their adherence to the RCP by signing a written declaration of commitment to the RCP. The RCO shall maintain copies of these declarations of commitment to the RCP and provide proof to the Authorities in case of request.

The RCO shall verify that TAP acts in accordance with the principles of Article 16 of the Gas Directive and shall be responsible for drawing the attention of TAP's Shareholders, TAP Board members, Employees, Secondees, Shareholders' representatives and Consultants to the relevant national legislation and sanctions in the event of non-respect of confidentiality rules.

TAP aims to safeguard the security of its information systems through appropriate technologies and types of software, which can determine in a timely manner and address potential security vulnerabilities that may occur. A separate platform is used to store Commercially Sensitive Information, which can only be accessed by a limited number of personnel employed on the basis of a TAP employment contract and the RCO.

## 5. Enforcement

All TAP Board members, Deputies, Secondees, Employees and, where appropriate, Shareholders' representatives and Consultants shall be familiarised with the RCP by means of a regulatory compliance training when they join TAP, when the RCP is amended significantly or when the RCO considers that it is needed. They shall confirm their adherence to the RCP by signing a written declaration of commitment by which they are also informed in writing that any infringement to the RCP shall result in disciplinary actions, including relocation and/or

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<sup>4</sup> An exemption from this principle is when, there is only one party holding capacity for a certain entry or exit point and this information is publicly available.

<sup>5</sup> As included in a list compiled by the RCO.

dismissals of the Employees.

TAP shall facilitate the conduct by the RCO providing specific and regular trainings on the RCP for all Employees and notably as part of the introduction programme for new Employees. Familiarisation with the RCP will also be provided to any new TAP Board members and Deputies of TAP.

All Employees shall be obliged to actively support the RCO in his/her tasks and to provide the required information completely and faithfully. Employees shall bring any suspected infringements of the RCP to the immediate attention of the RCO, who will register these actions. TAP encourages a speak up regime in the company and Employees can raise any suspected infringements and regulatory compliance concerns with the RCO directly or by writing an email to [regulatorycompliance@tap-ag.com](mailto:regulatorycompliance@tap-ag.com). The anonymity of Employees raising such concerns is protected.

Exceptionally, Shareholders' representatives, Secondees and Consultants may be exposed to Commercially Sensitive Information. In this situation, the RCO will apply the provisions of the RCP, including this section, to them. The RCO shall maintain a list of all Shareholders' representatives, Secondees and Consultants who have been required to sign a declaration confirming compliance with this Section.<sup>6</sup>

Should a TAP Board member breach this RCP, the RCO will inform the Managing Director and the TAP Board. Following an assessment conducted by the RCO, the Managing Director and the TAP Board, the competent corporate body of TAP will adopt the appropriate measures. The Authorities shall be informed in a timely manner of such a breach and of the measures taken.

## **6. Review and Publication of the Regulatory Compliance Programme**

Any review of the RCP shall be subject to the prior approval of the TAP Board and the Authorities.

This RCP shall be binding on all Employees, TAP Board members and Deputies and, to the extent applicable, to the Shareholders, Shareholders' representatives, Secondees and Consultants.

The RCP shall be at any time published on TAP's intranet and the TAP corporate website.

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<sup>6</sup> *Idem.*

## Annex 1: Regulatory Requirements

The regulatory requirements set out below originate in the TAP's Certification Decision and the ITO Roadmap and are deemed to apply for TAP as a certified ITO.

Requirement	Article Gas Directive
<p><u>Make available to the Authorities / Notify</u></p> <ul style="list-style-type: none"> <li>• After signing, technical operation and maintenance agreements signed with adjacent TSOs, including relevant justification regarding their purpose and their compliance with the Gas Directive <ul style="list-style-type: none"> <li>– <i>For comments and tacit endorsement</i></li> </ul> </li> </ul>	17(1)
<ul style="list-style-type: none"> <li>• All the necessary information on <ul style="list-style-type: none"> <li>(i) the definitive financial arrangements related to any construction as soon as they are formalised and</li> <li>(ii) the financial arrangements that will be made related to the operations of the pipeline,</li> </ul> </li> </ul> <p>providing evidence of the compliance of such arrangements with Articles 17 and Article 18 of the Gas Directive</p> <ul style="list-style-type: none"> <li>– <i>For comments and tacit endorsement</i></li> </ul>	17, 18
<ul style="list-style-type: none"> <li>• Regarding the implementation of the Supervisory Body in TAP corporate structure, changes made to TAP Articles of Association and Organizational Regulations that may affect the conditions ascertained in the FJD <ul style="list-style-type: none"> <li>– <i>For comments and tacit endorsement</i></li> </ul> </li> </ul>	20(1)
<ul style="list-style-type: none"> <li>• Amendment of the Regulatory Compliance Programme (RCP) <ul style="list-style-type: none"> <li>– <i>For approval</i></li> </ul> </li> </ul>	21
<ul style="list-style-type: none"> <li>• Before signing, any service agreements with Shareholders active in production or supply of natural gas together with evidence of compliance with the Gas Directive <ul style="list-style-type: none"> <li>– <i>For approval</i></li> </ul> </li> </ul>	17(1)(c) 18(7)
<ul style="list-style-type: none"> <li>• If TAP requires Secondees from its shareholders active in transmission of natural gas activities at its premises <ul style="list-style-type: none"> <li>– <i>Notify the Authorities of the Secondee, the role she/he would hold, the duration for the role and a justification. The notification will take place before the secondment contract has been concluded.</i></li> </ul> </li> </ul>	17(1)(c)
<ul style="list-style-type: none"> <li>• Appointment of TAP Board members in accordance with Independence Requirements <ul style="list-style-type: none"> <li>– <i>For tacit approval</i></li> </ul> </li> </ul>	19 20(2)
<ul style="list-style-type: none"> <li>• Appointment of Managing Director and other members of the Leadership Team by the TAP Board in accordance with Independence Requirements <ul style="list-style-type: none"> <li>– <i>For tacit approval</i></li> </ul> </li> </ul>	19
<ul style="list-style-type: none"> <li>• Appointment of RCO by the TAP Board in accordance with the Independence Requirements</li> <li>• <i>For approval</i></li> </ul>	21
<ul style="list-style-type: none"> <li>• In due time, any change of TAP's ownership structure that would result in a person or persons acquiring control of TAP within the meaning of the EU Merger Regulation in order to allow the Authorities to counteract any possible risk of market foreclosure</li> </ul>	
<ul style="list-style-type: none"> <li>• In due time, to the Authorities of any change in the Shareholders Agreement which may affect the conditions ascertained in the Certification Decision</li> </ul>	