
ITALMOBILIARE S.P.A.

PROCEDURE FOR RELATED-PARTY TRANSACTIONS

ADOPTED PURSUANT TO ART. 4-BIS OF CONSOB REGULATION NO. 17221 OF MARCH 12,

2010

(AS SUBSEQUENTLY AMENDED)

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1) Introduction

The Board of Directors of Italmobiliare S.p.A. (“**Italmobiliare**” or the “**Company**”), pursuant to art. 2391-*bis* of the Italian Civil Code and art. 4, paragraphs 1 and 3, of the Consob Regulation containing provisions on transactions with related parties, with resolution no. 17221 of March 12, 2010, as subsequently amended (“**Related Parties Regulation**”), adopted measures aimed to ensure that transactions implemented with related parties of the Company, directly or through subsidiaries, are carried out transparently and in compliance with the criteria of substantial and procedural correctness.

In particular, on November 12, 2010, the Board of Directors of Italmobiliare approved this procedure (the “**Procedure**”), having obtained the favourable opinion issued on November 3, 2010 by the Committee for Transactions with Related Parties. The Procedure was later amended with a Board of Directors resolution dated November 13, 2013, after having obtained the favourable opinion of the Committee for Transactions with Related Parties on October 30, 2013. The Procedure was amended with the Board of Directors resolution of November 14, 2014, after having obtained the favourable opinion of the Committee for Transactions with Related Parties on November 7, 2014. It was updated, for the exclusive purpose of incorporating an organisational change, on May 2, 2018. Finally, it was amended with a Board of Directors resolution dated July 31, 2018 after having obtained the favourable opinion of the Committee for Transactions with Related Parties on July 17, 2018.

2) Definitions

2.1 The following definitions apply for the purposes of this Procedure:

Independent Directors: directors recognised by the Company as independent following an evaluation based on the principles laid down in the Corporate Governance Code of listed companies.

Non-Related Independent Director: with respect to a Transaction, each Independent Director, when neither that Independent Director nor a party related to him/her is a counterparty to the Transaction.

Managers with Strategic Responsibilities: persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the company, including directors (executive or otherwise) of the Company.

Committee for Transactions with Related Parties or the **Committee:** the committee established pursuant to art. 4, subsection 3, of the Related Parties Regulation, is made up of three Independent Directors appointed by the Board of Directors, having obtained the favourable opinion of the Board of Statutory Auditors.

Control: the power to determine the financial and operating policies of an entity so as to obtain benefits from its activities. It is assumed that Control exists when a person owns, directly, or indirectly, through subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute Control. Control also exists when a person owns half, or less of the voting rights exercisable at shareholders' meeting, if they have:

control over more than half the voting rights by virtue of an agreement stipulated with other investors;

the power to determine the entity's financial and operating policies by virtue of bylaws or an agreement;

the power to appoint or remove the majority of the members of the board of directors or equivalent corporate governance body, and the control of the entity is held by said board or body;

the power to exercise the majority of the voting rights in the meetings of the board of directors or equivalent corporate governance body, and the control of the entity is held by said board or body;

Joint Control: the contractually agreed sharing of Control over an economic activity.

Responsible Department: the department responsible for individual transactions according to the provisions of the Company's internal regulations. With specific reference to Transactions carried out through subsidiaries, the Responsible Department is the department of the Company responsible for the prior examination or prior approval of the single transaction the subsidiary intends to carry out.

Italmobiliare Group: Italmobiliare and the companies included in its consolidated financial statements as Subsidiaries or Associated Companies.

Significant influence is the power to participate in the determination of financial and operating policies of an entity without having control. Significant influence may be gained through share ownership, statute provisions or agreements.

If a person owns, directly or indirectly (e.g. through Subsidiaries), 20% or more of the voting power of the investee, it is presumed to have Significant Influence, unless it can be clearly demonstrated otherwise. Inversely, if a subject possesses, directly or indirectly (e.g. through Subsidiaries), a share of 20% or less of the votes that can be exercised in the shareholders' meeting of the investee company, it is presumed to not have a Significant influence, unless such influence can be clearly demonstrated. The presence of a person in possession of absolute or relative majority of voting rights does not necessarily preclude another person from having significant influence.

The existence of notable influence is usually indicated by the existence of one or more of the following circumstances:

- (a) representation on the board of directors or equivalent governing body of the investee;
- (b) participation in decision making, including participation in decisions about the dividend or other distribution of profits;
- (c) the presence of significant transactions between the investor and the investee;
- (d) exchange of managerial personnel;
- (e) the provision of essential technical information.

Significant Influence is likewise assumed where the Company has a shareholding amounting to or over 3% of a company listed on regulated markets.

Significant Interests: for the purposes of the provisions of art. 14, subsection 2, of the Related Parties Regulation and art. 11 of this Procedure, these are understood to be interests generated by holding shares or assets with Italmobiliare's subsidiaries or associated companies that are counterparties in a specific Transaction, or where the aforementioned relationships are such as to influence, exclusively or as a priority, the management choices made by the Company, the Subsidiary or the Associated Company to satisfy the interest of another Related Party. Significant Interests can be deemed to exist if the Related Party (i) is a Manager with Strategic Responsibilities of both Italmobiliare and of the Subsidiary or Associated Company and benefits from incentive plans based on financial instruments (or in any case variable remuneration) depending on the results achieved by such Subsidiary or Associated

Company; (ii) is the holder, in the Subsidiary or Associated Company, of an equity investment the actual weight of which in weighted terms is greater than the actual weight of the equity investment that the same Related Party holds directly or indirectly in the Company. When examining each relationship with Related Parties, attention should be given to the substance of the relationship and not only its legal form.

Joint Venture: a contractual arrangement whereby two or more parties undertake an economic activity subject to Joint Control.

Transactions Carried Out Through Subsidiaries: transactions carried out by the Subsidiaries of Italmobiliare with Related Parties and subject to its previous examination or its prior approval, on the basis of the provisions issued by Italmobiliare in the exercising of direction and coordination activities or internal decision-making processes or the powers conferred to company representatives of Italmobiliare;

Transaction with Related Parties or Transaction: any transfer of resources, services or obligations between the Company and one or more Related Parties, irrespective of whether or not a fee has been agreed. In any case, the following are included in this notion: (i) mergers, demergers by incorporation or non-proportional demergers in the narrow sense, where undertaken with Related Parties; (ii) all decisions regarding the assignment of remuneration and economic benefits, in any form, to the members of the administration and control bodies and managers with strategic responsibilities. Transactions that involve all shareholders under equal conditions should not be considered Transactions with Related Parties.

Small Amount Transactions: Transactions in which the amount does not exceed 500,000 euros per single Transaction and the total amount of 1,000,000 per annum, with the same party, if carried out with Related Parties - Legal Persons or professional associations and 300,000 euros per single Transaction and the total amount of 600,000 per annum, with the same party, if carried out with Related Parties - Natural Persons.

Transactions of Greater Importance: all Transactions in which at least one of the relevance ratios indicated in Annex 3 of the Related Parties Regulation, applicable in accordance to the specific transaction, is higher than the thresholds set therein.

Transactions of Lesser Importance: all Transactions other than Transactions of Greater Importance and Small Amount Transactions;

Ordinary Transaction: Transactions carried out within the ordinary course of business and related financial activities of the Italmobiliare Group. For the purpose of the application of this Procedure, the following are in any case classed as Ordinary Transactions:

- (a) the trading of financial instruments negotiated on regulated markets;
- (b) the signing of loan agreements for other companies of the Italmobiliare Group or in any case in the interests of one or more companies belonging to the Italmobiliare Group;
- (c) the issuing of guarantees for other companies of the Italmobiliare Group or in any case in the interests of one or more companies belonging to the Italmobiliare Group;
- (d) all other management activities that cannot be classed as an “investment” or “financial,” except for those linked to operating activities, including cash management and service contracts concerning, inter alia, consultancy on administrative, financial, contractual, tax, corporate and legal matters as well as management of staff administration services, IT services and external relations management;
- (e) Ordinary Investment Transactions

Ordinary Investment Transactions: Transactions in which the company subscribes to shares in mutual funds established and/or managed by, or in any case referable or connected to, Related Parties.

Related Party: a person or entity that:

- (a) directly or indirectly related, through Subsidiaries, trustees or an intermediary:
 - (i) Controls the Company, is controlled by, or is under common Control;
 - (ii) holds a stake in the Company to exert Significant Influence over the entity;
 - (iii) exercises Joint Control over the Company;
- (b) is an Associate of the Company;
- (c) is a Joint Venture in which the Company is a participant;
- (d) is one of the Managers with Strategic Responsibilities of the Company or its Parent Company;
- (e) is a Close Relative of one of the subjects referred to in paragraphs (a) or (d);
- (f) is an entity in which one of the subjects referred to in paragraphs (d) or (e) exercises Control, Joint Control or Significant Influence, or owns, directly or indirectly, a significant portion, but no less than 20% of the voting rights;

(g) is a supplementary pension fund, collective or individual, Italian or foreign, established for the employees of the Company, or any other entity associated with it.

Pursuant to art. 10 and the definitions of Non-Related Independent Director and Non-Related Shareholder as per this art. 2, “**related party**” means, with the necessary adaptations and where applicable, Related Party.

Party with a Correlation Index: all subjects that can exercise, even together with others, a significant influence over Italmobiliare’s decision to carry out a certain transaction or its financial conditions, in view of the following correlation indexes:

(a) active correlation indexes:

(i) the direct or indirect holding, by Italmobiliare, of a stake in another company whose shares are traded on Italian or foreign regulated markets of equal to or over 3% of the capital representing voting rights at shareholders' meetings;

(ii) the direct or indirect holding, by Italmobiliare, of a stake in another company whose shares are traded on Italian or foreign regulated markets of equal to or over 3% of the capital representing voting rights at shareholders' meetings, where the partially owned company in turn holds a stake in Italmobiliare of equal to or over 3% of the capital representing voting rights at shareholders' meetings;

(iii) the participation by Italmobiliare in agreements, howsoever stipulated, concerning the exercising of voting rights at shareholders' meetings of companies whose shares are traded on Italian or foreign regulated markets;

(b) passive correlation indexes:

(i) the direct or indirect holding, by any subject, of a stake in Italmobiliare of equal to or over 3% of the capital representing voting rights at shareholders' meetings;

(ii) the participation by any subject in agreements, howsoever stipulated, concerning the exercising of voting rights at the shareholders' meetings of Italmobiliare;

(c) other correlation indexes:

(i) the existence of one or more directors in common with Italmobiliare.

Identified Party: each of the following subjects:

(a) each member of the Supervisory Body;

(b) each mutual fund, foundation or non-profit association, established and/or managed by, or in any case referable or connected to Related Parties;

(c) each entity that participates, together with the Company or with one or more Subsidiaries of the Company, in Joint Ventures of significant economic importance for the Company.

Equivalent Oversight: the oversight indicated in the following art. 13.

Associated Company: an entity, even without legal personality, as in the case of a partnership, in which one shareholder exercises a Significant Influence, but not Control or Joint Control.

A **Subsidiary Company** is an entity, even without legal personality, as in the case of a partnership, controlled by another entity.

Relevant Subsidiaries: the Subsidiaries of Italmobiliare, with significant relevance, identified each year by the Chief Executive Officer of Italmobiliare.

Non-Related Shareholder: with respect to a Transaction, each shareholder of the Company, when neither that shareholder nor a party related to it is a counterparty to the Transaction.

Close Relative: family members who it is expected could influence or be influenced by the person concerned in their dealings with the Company. In any case, these include: (a) the spouse, if not legally separated, or the cohabiting partner; (b) the children and dependants of the person concerned, of the spouse not legally separated, or of the cohabiting partner.

3) Scope of Application of the Procedure. Identification of Related Parties, Identified Parties and Parties with a Correlation Index

3.1 The Procedure applies to Related Parties, as well as, pursuant to art. 4, subsection 2, of the Related Parties Regulation, to Identified Parties and Parties with a Correlation Index. For the purposes of this application, the term “Transaction” when used in relation to one or more Identified Parties or Parties with a Correlation Index means: any transfer of resources, services or bonds between the Company and, depending on the case, one or more of these Parties, irrespective of the fact that a fee has been agreed.

3.2 For the purposes of applying the Procedure, the Corporate Affairs Department, with the support of the departments concerned, shall proceed, on the basis of information received from the Company or in any case already available, to map the Related Parties, the Identified Parties and the Parties with a Correlation Index, using if necessary,

for the purposes of the request to the subjects concerned, the forms contained in Annexes 1 and 2 to the Procedure. For mapping purposes, the Corporate Affairs Department periodically receives, from Administrative Management, the list of Subsidiaries, Joint Ventures and Associated Companies of Italmobiliare and of Identified Parties as per letter c) of the relative definition.

- 3.3 The Corporate Affairs Department periodically, and at least once a year, updates the mapping of the Related Parties, the Identified Parties and the Parties with a Correlation Index, using information received from the Company or in any case available.
- 3.4 The mapping is made available to the Heads of the various Responsible Departments.

4) Identification of Transactions with Related Parties, Identified Parties, or Parties with a Correlation Index

- 4.1 Before carrying out any transaction, the Responsible Department shall check whether, based on the mapping, the counterparty is a Related Party, an Identified Party or a Party with a Correlation Index and, if so, whether it is a Small Amount Transaction.
- 4.2 If the transaction is with a Related Party, an Identified Party or a Party with a Correlation Index but it is not a Small Amount Transaction, the Responsible Department shall inform the Corporate Affairs Department of the Transaction data so that the latter, with the support of the departments concerned, may check:
- (i) whether the Transaction is one of the exemption cases referred to in art. 11 of the Procedure, other than a Small Amount Transaction;
 - (ii) whether the Transaction implements a Framework Resolution adopted pursuant to art. 8; and
 - (iii) whether the Transaction is deemed as a Transaction of Greater Importance or a Transaction of Lesser Importance.
- 4.3 If, even after the checks referred to in the previous art. 4.2, the Corporate Affairs Department is not certain whether the Transaction falls under the category of Ordinary Transactions or whether the conditions of the Transaction are equivalent to those of the market, the assessment shall be referred to the Committee for Transactions with Related Parties.

4.4 If, based on the results of the checks made by the Corporate Affairs Department, it is found to be a Transaction:

(i) with a non-exempt Related Party or Identified Party, the same shall promptly bring the Transaction to the attention of the Committee for Transactions with Related Parties, promptly providing it with the information received from the Responsible Department. The Committee for Transactions with Related Parties shall apply the provisions set out in the following art. 6 if it is a Transaction of Greater Importance or the provisions set out in the following art. 7 if it is a Transaction of Lesser Importance; or

(ii) with a non-exempt Party with a Correlation Index, the same shall promptly bring the Transaction to the attention of the Committee promptly providing it with the information received from the Responsible Department, when: a) the single Transaction with a Party with a Correlation Index exceeds the amount of 750,000 euros; or b) several Transactions with the same Party with a Correlation Index exceed the cumulated amount of 1,500,000 euros in the same year. In these cases, the Committee shall apply the provisions set out in the following article 7. In order to permit the application of the previous point b), every quarter the Administrative Management shall inform the members of the Committee for Transactions with Related Parties of the Transactions completed with Parties with a Correlation Index. This notification must contain a description of the transaction, the Party with whom it was concluded, the correlation indexes and the financial conditions under which it occurred. The Committee, in light of these quarterly communications and on the basis of the pertinent indicators, by way of example the frequency, amount, financial conditions, type of transaction and the relative legal and factual circumstances, may identify any additional Transactions to be subjected to the procedure set out in art. 7 below.

4.5 If the Transaction falls within one of the exemptions referred to in art. 11 below, other than Small Amount Transactions, or it constitutes the execution of a Framework Resolution, the Corporate Affairs Department shall inform the Responsible Department. This department must inform Administrative Management without delay that the Transaction has been completed so that the latter can update the report as per art. 13.1. below.

5) Committee for Transactions with Related Parties

- 5.1 Where the Board of Directors has not already done so, the Committee shall appoint its Chair and, upon the proposal of the latter, a Secretary, who need not be a member of the Committee, whose task is to draft the minutes of the meetings and perform the other tasks envisaged by this Procedure.
- 5.2 Members of the Committee for Transactions with Related Parties are obliged to promptly state the existence of any relationships with related parties as regards the specific Transaction with Related Parties, in order to allow for the application of Equivalent Oversight as per article 10 below.
- 5.3 The Committee shall meet each time it is convened by the Chair of the Committee or at the request of the Chair of the Board of Directors or the Corporate Affairs Department in the cases mentioned in art. 4.3. below. The meeting may be called informally (even verbally).
- 5.4 Committee meetings may also be held using telecommunications systems as long as all the participants can be identified and such identification is noted in the relevant minutes and they are allowed to follow the discussion and intervene in real time on the matters debated, exchanging related documents if necessary. From time to time, the Chair may invite other persons to the Committee meeting, whose presence may help the same committee to best perform its functions.
- 5.5 In order for the Committee meetings to be valid the majority of the members in office must attend. The Committee based on a majority of votes.
- 5.6 Committee meetings are recorded in minutes which, signed by the Chair of the meeting and the secretary, are kept by the secretary in chronological order.

6) Investigation and approval of Transactions of Greater Importance

- 6.1 The Board of Directors of the Company approves Transactions of Greater Importance after receiving the reasoned favourable opinion of the Committee for Transactions with Related Parties on the company's interest in concluding the Transaction and on the benefits and substantial correctness of the related conditions.

6.2 In order to issue a reasoned opinion and ensure that the Committee for Transactions with Related Parties is involved in the negotiations:

- (i) the Responsible Department must provide the Corporate Affairs Department and the delegated body with complete and adequate information on the Transaction, sufficiently in advance. In particular, this information must concern the nature of the relationship, the main terms and conditions of the Transaction, the timing, the underlying reasons for the Transaction and any risks for the Company and its Subsidiaries. The Corporate Affairs Department shall transmit this information to the Committee;
- (ii) the Committee has the power to, through the Corporate Affairs Department, request information and make observations to the delegated bodies and subjects in charge of conducting the negotiations and investigations;
- (iii) if the Committee for Transactions with Related Parties considers it necessary or appropriate it may, at the Company's expense, consult one or more independent experts of its choice. The experts shall be chosen from among persons with recognized professionalism and expertise on the matters concerned, whose independence as well as the absence of conflicts of interest shall be carefully assessed.

6.3 The Committee for Transactions with Related Parties, upon completion of the activities mentioned in the article 6.2 above, shall approve the reasoned opinion in time for the meeting of the Board of Directors called to approve the Transaction of Greater Importance.

6.4 The Committee for Transactions with Related Parties must send the Board of Directors, sufficiently in advance:

- (i) an information notice on the investigation conducted on the Transaction of Greater Importance to be approved. This information notice must detail at least the nature of the relationship, the terms and conditions of the Transaction, the timing, the evaluation procedure followed and the underlying reasons for the Transaction and any risks for the Company and its Subsidiaries;
- (ii) the opinion given pursuant to article 6.3 above; and
- (iii) any other opinions issued in relation to the Transaction pursuant to the article 6.2 above (iii).

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- 6.5 If the Committee for Transactions with Related Parties has expressed a prior reasoned opinion against completion of the Transaction of Greater Importance or a conditional opinion or one with remarks, the Board of Directors of the Company can decide to: (i) approve the Transaction of Greater Importance after fully accepting the remarks made by the Committee for Transactions with Related Parties or, alternatively (ii) approve the Transaction of Greater Importance despite the contrary opinion or in any case without taking into account the remarks made by the Committee contingent upon the Transaction being authorised by the Shareholders' Meeting as per art. 6.8 below, provided that this possibility is provided for in the company bylaws pursuant to art. 2364, subsection 1, no. 5, of the Italian Civil Code; or finally (iii) not approve the Transaction of Greater Importance and therefore not implement it.
- 6.6 The minutes of the Board of Directors' resolutions must provide adequate explanation of the reasons for the Company's interest in completing the Transaction as well as the benefits and substantial correctness of the relative conditions.
- 6.7 In relation to Transactions of Greater Importance pertaining to the Shareholders' Meeting or that it must authorise pursuant to art. 2364, subsection 1, no. 5, of the Italian Civil Code, for the negotiations phase, the investigation phase and the approval phase of the proposed resolution to be submitted to the Shareholders' Meeting, the previous provisions of this art. 6 shall apply.
- 6.8 If the Board of Directors intends to subject the Transaction of Greater Importance to the Shareholders' Meeting despite the contrary opinion or in any case without taking into account the remarks made by the Committee for Transactions with Related Parties, the Transaction may not be carried out if a majority of the non-related voting shareholders vote against the Transaction, provided however that the non-related shareholders in attendance at the shareholders' meeting represent at least 10% of the share capital with voting rights.
- 6.9 After the resolution of the Board of Directors or the Shareholders' Meeting on the Transaction, the Corporate Affairs Department shall inform the Responsible Department of the outcome of the resolution without delay.

7) Investigation and approval of Transactions of Lesser Importance

- 7.1 The Board of Directors of the Company, or the competent delegated body, approves Transactions of Lesser Importance after receiving the reasoned non-binding opinion of the Committee for Transactions with Related Parties on the company's interest in concluding the Transaction and on the benefits and substantial correctness of the related conditions.
- 7.2 In order to enable the Committee for Transactions with Related Parties to issue a reasoned opinion on the matter:
- (i) the Responsible Department must provide the Corporate Affairs Department with complete and adequate information on the Transaction, sufficiently in advance. In particular, this information must concern the nature of the relationship, the main terms and conditions of the Transaction, the timing, the underlying reasons for the Transaction and any risks for the Company and its Subsidiaries. The Corporate Affairs Department shall transmit this information to the Committee;
 - (ii) if the Committee for Transactions with Related Parties considers it necessary or appropriate it may, at the Company's expense, consult one or more independent experts of its choice. The experts shall be chosen from among persons with recognized professionalism and expertise on the matters concerned, whose independence shall be assessed, as shall the absence of conflicts of interest.
- 7.3 The Committee for Transactions with Related Parties, upon completion of the activities mentioned in article 7.2 above, shall approve the reasoned opinion in time for approval of the Transaction of Lesser Importance.
- 7.4 The Committee for Transactions with Related Parties must send the body responsible for passing a resolution to approve the Transactions of Lesser Importance the following, sufficiently in advance:
- (i) an information notice on the investigation conducted on the Transaction of Lesser Importance to be approved. This information notice must detail at least the nature of the relationship, the terms and conditions of the Transaction, the timing, the evaluation procedure followed and the underlying reasons for the Transaction and any risks for the Company and its Subsidiaries;

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- (ii) the opinion given pursuant to article 7.3 above; and
 - (iii) any other opinions issued in relation to the Transaction pursuant to article 7.2 (ii) above.

7.5 The minutes of the Board of Directors' resolutions of approval, or the decision of the competent body, must indicate adequate motivation regarding the company's interests in carrying out the Transaction as well as the benefit and substantial correctness of the relative conditions.

7.6 After the resolution of the Board of Directors or the decision of the competent body regarding the Transaction, the Corporate Affairs Department shall inform the Responsible Department of the outcome of this resolution, without delay.

8) Approval of the Framework Resolutions

8.1 For the purposes of the Procedure, framework resolutions (“**Framework Resolutions**”) are permitted, which provide for the Company to complete a series of homogeneous Transactions with certain categories of Related Parties to be identified each time by the Board of Directors.

8.2 The Framework Resolutions shall not be effective for more than one year and they must indicate, with sufficient accuracy, the Transactions covered by such resolutions, the foreseeable total value of the Transactions to be completed in the reference period, and the reason for the conditions applicable to these Transactions.

8.3 The Framework Resolutions are subject to the provisions of articles 6 and 7 above according to the foreseeable total value of the Transactions covered by the specific Framework Resolution, considered cumulatively. The provisions of articles 6 and 7 above do not apply to individual Transactions completed in implementation of a Framework Resolution.

9) Transactions Carried Out Through Subsidiaries

9.1 Transactions carried out through Subsidiaries, and that do not come under the exemption cases detailed in art. 11, must be subject to the prior non-binding opinion of the Committee for Transactions with Related Parties.

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- 9.2 For the purposes of the provisions of this article, the Responsible Department shall check in advance, based on the mapping, whether the counterparty to the Transaction is a Related Party, an Identified Party or a Party with a Correlation Index and, in that case, whether it is a Small Amount Transaction.
- 9.3 If the counterparty is a Related Party, an Identified Party or a Party with a Correlation Index and it is not a Small Amount Transaction, the Responsible Department shall inform the Corporate Affairs Department and provide it, as soon as possible considering the characteristics of the Transaction and the minimum information available, with an information notice on the Transaction, to enable the Corporate Affairs Department to perform the checks mentioned in art. 4.2 above and, if necessary, involve the Committee for Transactions with Related Parties.
- 9.4 The Committee for Transactions with Related Parties shall issue its opinion in time to allow the competent body to authorise or examine the Transaction. The Committee shall also arrange to send the opinion and information notice on the Transaction to the Corporate Affairs Department, which in turn shall send it to the Responsible Department.
- 9.5 After the Transaction has been approved or on its completion, the Responsible Department, with the support of the relevant departments of the Subsidiary:
- (i) shall promptly provide the Corporate Affairs Department with the information necessary for the Company to fulfil, where applicable, the information obligations set out in articles 5 and 6 of the Related Parties Regulation;
 - (ii) shall prepare a specific information notice for the Company's first useful Board of Directors meeting.
- 9.6 Without prejudice to the provisions of Transactions completed through Subsidiaries as per articles 9.1 to 9.5 above, the Subsidiaries are required to promptly provide the Corporate Affairs Department with information on the Transactions carried out to enable the Company to fulfil its duty, where applicable, to publish the information notice or the press release as per, respectively, articles 5 and 6 of the Related Parties Regulation.

10) Equivalent Oversight

10.1 If one or more members of the Committee for Transactions with Related Parties, or one or more related parties of these members, are Related Parties with respect to a certain Transaction of Greater Importance or of Lesser Importance (in each case any such member is referred to as “Related”), the following equivalent oversights must be adopted, in order:

- (i) if one of the members of the Related Parties Committee is a related party, the opinion mentioned in articles 6, 7 and 9 above shall be issued by the other two non-related members of the Committee;
- (ii) if two of the members of the Committee for Transactions with Related Parties are related parties, the opinion mentioned in articles 6, 7 and 9 above shall be issued by the remaining member of the Committee and by the oldest Non-Related Independent Director not belonging to the Committee;
- (iii) if the oversights referred to in points (i) and (ii) above cannot be applied, the opinion mentioned in articles 6, 7 and 9 shall be issued by the Board of Statutory Auditors;
- (iv) if the oversights referred to in points (i), (ii) and (iii) above cannot be applied, the opinion mentioned in articles 6, 7 and 9 shall be issued by an independent expert identified by the Board of Directors from among persons with recognized professionalism and expertise on the matters of interest, whose independence shall be assessed, as shall the absence of conflicts of interest.

10.2 If Equivalent Oversight is in place, the provisions of this Procedure shall also apply to and for the benefit of the subjects identified pursuant to art. 10.1 above.

11) Exclusions and exemptions

11.1 The provisions of this Procedure shall not apply to the Shareholders' Meeting resolutions pursuant to Article 2389, first subsection, of the Italian Civil Code, relating to fees payable to members of the Board of Directors and Executive Committee of Italmobiliare, nor to resolutions on the remuneration of Directors holding specific offices included in the total amount determined by the Shareholders' Meeting pursuant to Article 2389, third subsection, of the Italian Civil Code. The provisions of this Proce-

dure shall also not apply to Shareholders' Meeting resolution pursuant to article 2402 of the Italian Civil Code, in relation to compensation due to members of the Board of Statutory Auditors.

11.2 Without prejudice to the information obligations set out in articles 12.5 and 12.6 below, the Procedure shall also not apply to the Transactions indicated below:

- (a) Small Amount Transactions;
- (b) Transactions relating to compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the CLF and the related executive Transactions;
- (c) resolutions on the remuneration of Directors assigned specific offices, other than those indicated in art. 11.1 above, and Managers with Strategic Responsibilities, as long as:
 - (i) the Company has adopted a remuneration policy;
 - (ii) the Remuneration Committee was involved in defining the remuneration policy;
 - (iii) a report setting out the remuneration policy has been submitted for the advisory vote of the Shareholders' Meeting;
 - (iv) the remuneration awarded is consistent with this policy.
- (d) Ordinary Transactions concluded under similar conditions to those usually charged to unrelated

parties for transactions of a corresponding nature, extent and risk, or based on regulated rates or at fixed prices or those charged to persons or entities with which the Company is obliged by law to contract at a certain price; for Ordinary Investment Transactions, these conditions shall be met when all the following conditions occur cumulatively:

- (i) the entity subject to subscription or offering subscription to fund shares, is an asset management company authorised pursuant to art. 34 of the CLF;
- (ii) the subscription offer is made under the terms and conditions laid down in regulations approved by the competent authorities and valid for all investors; and

(iii) the size, subject and frequency of the transaction do not involve anomalous aspects and are consistent with those that usually characterize the transactions made by the entity; in particular, the fund shares subscribed to by the Company are distributed to a normal number of investors and, in any case, they are subscribed to by the Company for an amount under 20%;

in any case, without prejudice to the need to comply with the provisions on information pursuant to art. 13, subsection 3(c) of the Related Parties Regulation;

- (e) Urgent Transactions outside the remit of the Shareholders' Meeting or that do not require authorisation therefrom, subject to the introduction of a specific clause in the bylaws and providing that the requirements pursuant to art. 13, subsection 6, of the Related Parties Regulation are met;
- (f) Transactions with or between Companies Controlled by the Company, even jointly, and Transactions with Companies Related to the Company, if other Related Parties have no Significant Interests in the Subsidiary or Associated Companies that are counterparties in the Transaction.

11.3 The exemption hypotheses set out in this article also apply, *mutatis mutandis*, to the Transactions carried out through Subsidiaries as per art. 9 above. Specifically as regards the exemption for Ordinary Transactions as per art. 11.2 (d) above, the activity carried out by the Subsidiary shall determine the assessment of whether or not the Transaction is Ordinary, except where the Subsidiary is a corporate vehicle established for the purpose of carrying out the Transaction, and in such cases the assessment of the Transaction as Ordinary or not must also concern at least one of the activities carried out by the Italmobiliare Group.

11.4 The exemption hypotheses set out in this article, where applicable, also extends *mutatis mutandis* to Transactions with Identified Parties and Transactions with Parties with a Correlation Index.

12) Information

12.1 Without prejudice to the information obligations set out in the Related Parties Regulation, the Chief Executive Officer, on the basis of the information received from the de-

partments responsible for the Transaction, is required to provide an information notice to:

- (a) the Board of Directors and the Board of Statutory Auditors, at least quarterly, on the Transactions of Lesser Importance and Transactions of Greater Importance carried out, with particular reference to the nature of the relationship, the method of executing the Transaction, the terms and conditions of the Transaction, the evaluation procedure followed and the underlying reasons for the Transaction and any risks for the Company and its Subsidiaries; and
- (b) the Board of Directors, at least quarterly, on the execution of each resolution falling within the scope of the Framework Resolution.

12.2 When Transactions of Greater Importance are to be carried out, including by Italian or foreign Subsidiaries of the Company, the latter, through the Corporate Affairs Department, must prepare an information notice for the purposes and effects of art. 5 of the Related Parties Regulation.

12.3 If the Company, during the financial year, concludes, with a Related Party or with an Identified Party, or with subjects related to both the latter and to the Company, Transactions that are homogeneous or carried out in execution of a single design which, although they cannot be quantified individually as Transactions of Greater Importance, exceed the significant reporting threshold indicated in Annex 3 of the Related Parties Regulation, where considered cumulatively, the Corporate Affairs Department must prepare an information notice. In this case, the provisions of art. 5 of the Related Parties Regulation shall apply.

12.4 Without prejudice to the application of art. 17 of (EU) Regulation 596/2014, the Company shall make available to the public, within fifteen days after the close of each quarter, at the registered offices and in the manner set out in Title II, Chapter I of the regulations adopted with Consob resolution no. 11971 of 14 May 1999, a document containing an indication of the counterparty, the subject and consideration for the Transactions of Lesser Importance approved in the reference quarter where the Committee for Transactions with Related Parties issued a negative opinion, and the reasons why it was decided to disregard this opinion. Within the same term, the opinion is made available to the public as an annex to the information document or on the Com-

pany's website. If the Committee's opinion is conditional upon acceptance of certain, specific findings, the aforementioned document need not be published if these findings were acknowledged by the competent body when passing resolution on the Transaction.

12.5 The interim report on operations and the annual report on operations must contain the information indicated in art. 5, subsection 8 of the Related Parties Regulation. The information on the single Transactions of Greater Importance can be included by reference to the informative documents, giving any significant updates.

12.6 If a Transaction is also subject to the disclosure obligations laid down in art. 17 of (EU) Regulation 596/2014, the press release to be issued to the public must include, in addition to the information to be published pursuant to the aforementioned provision, the information indicated in art. 6 of the Related Parties Regulation.

13) Periodic Report on Transactions

13.1 The departments in charge of the Transaction must inform Administrative Management, without delay, of the Transactions implemented with Related Parties or Identified Parties. Administrative Management shall send the Committee, on a quarterly basis, an information notice on the Transactions excluded from the scope of application of the Procedure and the reasons for the exclusion. The report does not include Transactions concerning remuneration as per articles 11.1 and 11.2(b) and (c) of the Procedure.

13.2 Administrative Management shall send the Committee, on an annual basis, an information notice on the transactions concluded by the Relevant Subsidiaries with their Related Parties. To this end, the Relevant Subsidiaries shall send Administrative Management the information necessary to prepare the report.

14) Final provisions

The Company has decided not to make use: (i) of the possibility of defining a maximum expenditure amount for services provided by independent experts in relation to Transactions of Lesser Importance as per art. 7, subsection 2, of the Related Parties Regulation or (ii) of the exemption hypotheses for Transactions carried out in emergency cases

linked to company crisis situations as per art. 11, subsection 5, of the Related Parties Regulation.

Annex 1

Relationship Statement for managers with strategic responsibilities

The undersigned _____, born in _____ on _____ domiciled in _____, as a manager with strategic responsibilities of Italmobiliare S.p.A., as defined in the Regulations on transactions with related parties adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended, and in the Procedure for Transactions with Related Parties adopted by Italmobiliare S.p.A. (the “**Procedure**”),

- i. given that, pursuant to the Regulations, managers with strategic responsibilities of Italmobiliare S.p.A. and/or of the person or entity that controls it, the close relatives of these managers as well as the entities over which both the aforementioned managers and their close relatives exercise control, or joint control, or significant influence, or in which they directly or indirectly hold a significant share, in any case not below 20%, of the voting rights, are considered related parties of Italmobiliare S.p.A.;
- ii. having acknowledged the definitions of “*manager with strategic responsibilities*”, “*close relatives*”, “*control*”, “*joint control*”, “*significant influence*” and “*identified party*” as per the **Procedure**;

declares:

- not to exercise control, joint control or significant influence over any company or entity, and not to hold a significant share, in any case not below 20%, of the voting rights in companies or entities.
- to control, have joint control, exercise significant influence, or hold a significant share, in any case not below 20%, of the voting rights of the companies/entities listed below:

Companies / organisation	TAX CODE / VAT no.	Reg. office	Nature of the relationship

that for the purposes of the Regulations the following must be considered close relatives:

Name and surname	Personal data	TAX CODE	Degree of relationship

that these close relations control, have joint control, exercise significant influence, or hold a significant share, in any case not below 20%, of the voting rights of the companies/entities listed below:

Relative	Companies / organisation	TAX CODE / VAT no.	Reg. office

that the following are Identified Parties pursuant to letter b) of the relative definition in the Procedure:

Identified Party	Related party to whom the Identified Party can be ascribed	TAX CODE / VAT no.	Reg. office

The undersigned undertakes to promptly notify Italmobiliare S.p.A. of any future changes/supplements to the information provided herein.

The undersigned authorises Italmobiliare S.p.A. to process the data and information contained herein and in the related annexes, pursuant to current privacy regulations.

Date

Signature

Annex 2

Relationship Statement for **the controlling entity**

The undersigned _____, born in _____ on _____ domiciled in _____, as the legal representative of _____ Tax Code/VAT no. _____ registered offices _____, parent company of Italmobiliare S.p.A. pursuant to the Regulations on transactions with related parties adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended (the “**Regulations**”), and by the Procedure for Transactions with Related Parties adopted by Italmobiliare S.p.A. (the “**Procedure**”),

- A) given that, pursuant to the Regulations, companies subject to joint control, managers with strategic responsibilities of the parent company of Italmobiliare S.p.A., the close relatives of these managers as well as the entities over which both the aforementioned managers and their close relatives exercise control, or joint control, or significant influence, or in which they directly or indirectly hold a significant share, in any case not below 20%, of the voting rights, are considered related parties of Italmobiliare S.p.A.;
- B) having acknowledged the definitions of “*manager with strategic responsibilities*,” “*close relatives*,” “*control*,” “*joint control*,” “*significant influence*” and ‘*identified party*’ relevant for the purposes of the Regulations and reproduced in the Procedure for Transactions with Related Parties adopted by the Company;

declares:

- A) that _____ exercises control over the following companies:

Company name	TAX CODE / VAT no.	Reg. office

- B) that its managers with strategic responsibilities (including directors and standing auditors) are:

Name and surname	Personal data	TAX CODE

that the following are Identified Parties pursuant to letter b) of the relative definition in the Procedure:

Identified Party	Related party to whom the Identified Party can be ascribed	TAX CODE / VAT no.	Reg. office

A copy of the relationship statement completed by its managers with strategic responsibilities is attached hereto.

The parent company undertakes to promptly notify Italmobiliare S.p.A. of any future changes/supplements to the information provided herein.

The Undersigned authorises Italmobiliare S.p.A. to process the data and information contained herein and in the related annexes, pursuant to Legislative Decree 196/2003.

Date

Signature
