

ITALMOBILIARE S.P.A.

PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES
ADOPTED PURSUANT TO ARTICLE 4 OF THE CONSOB REGULATION NO. 17221
DATED 12 MARCH 2010
AS AMENDED
EFFECTIVE JULY 1, 2021

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1) **Introduction**

The Board of Directors of Italmobiliare S.p.A. (“**Italmobiliare**” or the “**Company**”), pursuant to Article 2391-*bis* of the Italian Civil Code and Article 4, paragraphs 1 and 3, of the Consob Regulation containing provisions concerning Transactions with Related Parties, adopted with resolution no. 17221 dated 12 March 2010, as amended, (the “**Related Parties Regulation**”), has adopted measures intended to ensure that transactions carried out with parties related to the Company, either directly or through subsidiaries, are carried out in a transparent manner and comply with the criteria of substantial and procedural correctness.

In particular, on 12 November 2010, the Board of Directors of Italmobiliare approved this procedure (the “**Procedure**”), subject to the favourable opinion issued on 3 November 2010 by the Committee for Transactions with Related Parties. The Procedure was subsequently amended with the Board of Directors resolution dated 14 November 2013, subject to the favourable opinion of the Committee for Transactions with Related Parties of 30 October 2013. The Procedure was amended with the Board of Directors’ resolution dated 14 November 2014, subject to the favourable opinion of the Committee for Transactions with Related Parties of 7 November 2014. The Procedure was updated on 2 May 2018 exclusively to incorporate an organisational change, and subsequently amended with the Board of Directors resolution dated 31 July 2018, subject to the favourable opinion of the Committee for Transactions with Related Parties of 17 July 2018. Lastly, the Procedure was updated with the text of the Related Parties Regulation amended with Consob Resolution no. 21396 dated 10 June 2020, and no. 21624 dated 10 December 2020, implementing the so-called “Shareholders’ Rights II” Directive.

2) **Definitions**

2.1 For the purposes of this Procedure, the following definitions apply:

Directors Involved in the Transaction: a director who has an interest in the transaction, on his or her own behalf or on behalf of third parties, in conflict with that of the Company.

Independent Directors: the directors recognised by the Company as independent following the assessment made on the basis of the principles set out in the Corporate Governance Code for Listed Companies.

Unrelated Independent Directors: any Independent Director, or their related party, who is not a counterparty in a given Transaction.

Key Management Personnel: those who have the power and responsibility, directly or indirectly, for the planning, management and control of the Company's activities, including the directors (executive or otherwise) of the Company.

Committee for Transactions with Related Parties or Committee: the Committee established pursuant to Article 4, paragraph 3, of the Related Parties Regulation, composed of three Independent Directors nominated by the Board of Directors, having heard the favourable opinion of the Board of Statutory Auditors.

Responsible Function: the function responsible for the individual Transaction according to the Company's internal regulations. With specific reference to Transactions carried out through subsidiaries, the Responsible Function is that function of the Company responsible for the prior examination or prior approval of the individual transaction that the subsidiary intends to carry out.

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

Significant Interests: for the purposes of Article 14, paragraph 2, of the Related Parties Regulation and Article 11 of this Procedure, significant interests are those interests generated by participatory or equity relationships with the Italmobiliare Subsidiary or Associated Companies that are counterparties to a specific Transaction, where the aforementioned relationships are such as to orient, exclusively or as a priority, the operational decisions of the Company, of the Subsidiary Company or of the Associated Company to satisfy the interest of another Related Party. Significant Interests may be considered to exist if the Related Party (i) is a member of Key Management Personnel, either of Italmobiliare or of the Subsidiary or Associated Company and benefits from incentive plans based on financial instruments (or in any case of variable remuneration) dependent on the results achieved by the Subsidiary or Associated Company; (ii) is the owner of an equity interest in the Subsidiary or Associated Company whose actual weight is greater than the actual weight of the equity interest that the Related Party holds directly or indirectly in the Company. In examining each relationship with Related Parties, attention must be paid to the substance of the relationship and not simply to its legal form. Interests ensuing from the mere sharing of

one or more directors or other key management personnel between the Company and the subsidiary or associated companies are not considered significant interests.

Transactions through Subsidiaries: transactions carried out by Italmobiliare Subsidiaries with Italmobiliare Related Parties and subjected to its prior examination or its prior approval, by virtue of the provisions issued in the exercise of management control and coordination by Italmobiliare or of internal decision-making processes or powers conferred on Italmobiliare corporate officers.

Transactions with Related Parties or Transactions: transactions defined as such by the international accounting standards adopted according to the procedure referred to in Article 6 of Regulation (EC) no. 1606/2002 (the definition currently contained in IAS 24 is given in Annex 3).

Transactions of Negligible Amount: transactions whose amount does not exceed Euro 500,000 per single Transaction and the total amount of Euro 1,000,000 on an annual basis, with the same party, if carried out with Related Parties - Legal persons or professional associations - and Euro 300,000 per single Transaction and the total amount of Euro 600,000 on an annual basis, with the same party, if carried out with Related Parties - Individuals.

Transactions of Greater Importance: all transactions in which at least one of the relevant indices indicated in Annex 3 of the Related Parties Regulation, applicable depending on the specific transaction, is higher than the thresholds provided for therein.

Transactions of Lesser Importance: all transactions other than Transactions of Greater Importance and Transactions of Negligible Amount.

Ordinary Transactions: transactions that fall within the scope of the ordinary operations and related financial activity of the Italmobiliare Group. For the purposes of applying this Procedure, the following are considered Ordinary Transactions, by way of example and not limited to:

- (a) trading in financial instruments on regulated markets;
- (b) the stipulation of loan agreements in favour of other Italmobiliare Group companies or in any case in the interest of one or more companies belonging to the Italmobiliare Group;
- (c) the issue of guarantees in favour of other Italmobiliare Group companies or in any case in the interest of one or more companies belonging to the Italmobiliare Group;

(d) the subscription by the Company of shares in undertakings for collective investment established and/or managed by, or in any case referable to or connected to, Related Parties.

Related Party: the parties defined as such by the international accounting standards adopted in accordance with the procedure referred to in Article 6 of Regulation (EC) no. 1606/2002 (the definition currently contained in IAS 24 is given in Annex 3);

Equivalent Controls: the controls indicated in Article 13 below.

3) **Scope of the Procedure**

3.1 The Procedure applies to Transactions with Related Parties.

3.2 For the purposes of applying the Procedure, the Corporate Affairs Department, with the support of the functions concerned and on the basis of the information received by the Company or in any case already available, proceeds with the identification of the Related Parties, if necessary, using the forms in Annexes sub-paragraph 1 and sub-paragraph 2 to the Procedure for the request to interested parties. For identification purposes, the Corporate Affairs Department periodically receives from the Administration Department the list of Italmobiliare Subsidiaries, Joint Ventures and Associated Companies.

3.3 The Corporate Affairs Department periodically updates, and in any case at least once a year, the identification of the Related Parties, making use of the information received by the Company or in any case already available.

3.4 The identification is made available to those in charge of the various Responsible Functions and Subsidiaries.

4) **Identification of Transactions with Related Party**

4.1 Before carrying out any transaction, and from the start of any negotiation or preliminary phase, the Responsible Function verifies whether, on the basis of the identification, the counterparty is a Related Party and, in such case, whether it is a Transaction of Negligible Amount.

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- 4.2 If the transaction is with a Related Party and is not a Transaction of Negligible Amount, the Responsible Function communicates the details of the Transaction to the Corporate Affairs Department, so that the latter, with the support of the functions involved, can verify:
- (i) if the Transaction falls within the cases of exemption referred to in Article 11 of the Procedure, other than Transactions of Negligible Amount;
 - (ii) if the Transaction is in implementation of a Framework Resolution adopted pursuant to the following Article 8; and
 - (iii) if the Transaction falls within the category of Transactions of Greater Importance or Transactions of Lesser Importance.
- 4.3 In the event that, also following the verification referred to in Article 4.2 above, the Corporate Affairs Department is not certain whether the Transaction falls within the category of Ordinary Transactions, or whether the Transaction conditions are equivalent to market or standard conditions, the assessment is referred to the Committee for Transactions with Related Parties.
- 4.4 If, on the basis of the results of the verification carried out by the Corporate Affairs Department, it is a Transaction:
- (i) with a non-exempt Related Party, the same Department promptly submits the Transaction to the attention of the Committee for Transactions with Related Parties, promptly providing it with the information received from the Responsible Function. The Committee for Transactions with Related Parties will apply the provisions referred to in Article 6 in the case of a Transaction of Greater Importance or the provisions referred to in Article 7 in the case of a Transaction of Lesser Importance.
- 4.5 If the Transaction falls within one of the hypotheses of exemption referred to in Article 11, other than Transactions of Negligible Amount or constituting execution of a Framework Resolution, the Corporate Affairs Department informs the Responsible Function. This function shall immediately inform the Administration Department of the carrying out of the Transaction so that the latter can update the report referred to in Article 13.1.

5) Committee for Transactions with Related Parties

- 5.1 Where the Board of Directors has not already done so, the Committee nominates its own chairman, and on the proposal of the latter, a secretary, also chosen from outside its own members, who is entrusted with the task of writing the minutes of the meetings and the other tasks envisaged by this Procedure.
- 5.2 The members of the Committee for Transactions with Related Parties are required to declare promptly the existence of any relationships of correlation in relation to the specific Transaction with Related Parties, in order to allow the application of the Equivalent Controls referred to in the following Article 10.
- 5.3 The Committee meets whenever called by the Committee Chairman, or at the request of the Chairman of the Board of Directors or of the Corporate Affairs Department in the cases referred to in Article 4.3. The convocation can be made without formalities (even orally).
- 5.4 The Committee meetings may also take place via telecommunications media, provided that all the participants can be identified, and such identification is acknowledged in the relative minutes and they are allowed to follow the discussion and intervene in real time in the discussion of the topics addressed, exchanging the relevant documentation where necessary. The chairman may from time to time invite to Committee meetings other parties whose presence can be of assistance in better performing the functions of the Committee.
- 5.5 For Committee meetings to be valid, the presence of the majority of the members in office is required. The Committee passes resolutions by a majority of those entitled to vote.
- 5.6 The Committee meetings are accounted for by minutes which, signed by the meeting chairman and secretary, are kept by the secretary in chronological order. The opinions issued by the Committee are attached to the minutes of approval.

6) Preliminary phase and approval of Transactions of Greater Importance

- 6.1 The Company Board of Directors approves the Transactions of Greater Importance subject to the reasoned favourable opinion of the Committee for Transactions with

Related Parties on the interest of the Company in carrying out the Transaction, as well as on the convenience and substantial correctness of its conditions.

6.2 For the purposes of the issue of a reasoned opinion, and to ensure the involvement of the Committee for Transactions with Related Parties in negotiations and/or in the preliminary phase:

- (i) the Responsible Function shall provide the Corporate Affairs Department and the delegated body with timely, complete, updated and adequate information about the Transaction with appropriate advance notice. In particular, this information shall concern the nature of the relationship, the main terms and conditions of the Transaction, the schedule, the reasons underlying the Transaction as well as any risks for the Company and its Subsidiaries. The Corporate Affairs Department shall arrange to send this information to the Committee;
- (ii) the Committee will have the right, through the Corporate Affairs Department, to request information and make observations to the delegated authorities and to the parties in charge of conducting the negotiations or the preliminary phase;
- (iii) if the Committee for Transactions with Related Parties deems it necessary and opportune it may avail itself, at the Company's expense, of the advice of one or more independent experts of its choice. In the choice of experts, subjects of recognised professional status and competence on the matters in question will be used, whose independence and absence of conflicts of interest will be verified by the Committee in advance.

6.3 The Committee for Transactions with Related Parties, as a result of the activities referred to in paragraph 6.2, approves its reasoned opinion in time for the meeting of the Board of Directors called for the approval of the Transaction of Greater Importance.

6.4 The Committee for Transactions with Related Parties shall send to the Board of Directors with adequate advance notice:

- (i) information on the preliminary phase performed on the Transaction of Greater Importance to be approved. This information shall concern the nature of the relationship, the main terms and conditions of the Transaction, the timing, the

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- valuation procedure followed, the reasons underlying the Transaction as well as any risks for the Company and its Subsidiaries;
- (ii) the opinion issued pursuant to paragraph 6.3; and
 - (iii) any other opinions issued in relation to the Transaction under paragraph 6.2 (iii)
- 6.5 If the Committee for Transactions with Related Parties has expressed a prior reasoned opinion contrary to carrying out the Transaction of Greater Importance, or has expressed a conditional opinion or opinion with findings, the Board of Directors of the Company may: (i) approve the Transaction of Greater Importance subject to full recognition of the findings expressed 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 account of the Committee findings, provided that carrying out the Transaction is authorised by the Shareholders' Meeting pursuant to the following Article 6.8 and provided that this possibility is envisaged in the By-laws pursuant to Article 2364, paragraph 1, no. 5, of the Italian Civil Code; or finally (iii) not to approve the Transaction of Greater Importance and therefore not to allow it to be carried out.
- 6.6 The Directors involved in the Transaction abstain from voting on it.
- 6.7 The minutes of the decisions of the Board of Directors have to contain adequate motivation regarding the Company's interest in carrying out the Transaction, as well as the convenience and substantial correctness of the conditions.
- 6.8 In relation to Transactions of Greater Importance within the competence of the Shareholders' Meeting or authorised by it pursuant to Article 2364, paragraph 1, no. 5, of the Italian Civil Code, for the negotiation phase, the preliminary phase and the phase of approval of the proposed resolution to be submitted to the Shareholders' Meeting, the previous provisions of this Article 6 apply.
- 6.9 If the Board of Directors intends to submit a Transaction of Greater Importance to the Shareholders' Meeting notwithstanding the contrary opinion, or in any case without taking account of the findings expressed by the Committee for Transactions with Related Parties, the Transaction cannot be carried out if a majority of the Unrelated Shareholders involved in the ballot vote against the Transaction, provided however

that the Unrelated Shareholders present at the meeting represent at least 10% of the share capital with voting rights.

6.10 Subsequent to the Board of Directors or Shareholders' Meeting decision with regard to the Transaction, the Corporate Affairs Department communicates without delay the outcome of this decision to the Responsible Function.

7) Preliminary phase and approval of Transactions of Lesser Importance

7.1 The Company's Board of Directors or the competent delegated body approves the Transactions of Lesser Importance, subject to the non-binding reasoned opinion of the Committee for Transactions with Related Parties on the Company's interest in carrying out the Transaction, as well as on the convenience and substantial correctness of the conditions.

7.2 To permit the Committee for Transactions with Related Parties to issue a reasoned opinion on the matter:

(i) the Responsible Function shall provide the Corporate Affairs Department with complete, updated and adequate information about the Transaction with adequate advance notice. In particular, this information shall concern the nature of the relationship, the main terms and conditions of the Transaction, the schedule, the reasons underlying the Transaction as well as any risks for the Company and its Subsidiaries. The Corporate Affairs Department shall arrange to send this information to the Committee;

(ii) if the Committee for Transactions with Related Parties deems it necessary and opportune it may avail itself, at the Company's expense, of the advice of one or more independent experts of its choice. In the choice of experts, subjects of recognised professional status and competence on the matters in question will be used, whose independence and absence of conflicts of interest will be verified by the Committee in advance.

7.3 The Committee for Transactions with Related Parties, as a result of the activities referred to in paragraph 7.2 above, approves its reasoned opinion in time for the approval of the Transaction of Lesser Importance.

7.4 The Committee for Transactions with Related Parties shall send with adequate advance notice to the competent body to resolve on approval of a Transaction of Lesser Importance:

- (i) information on the preliminary phase carried out on the Transaction of Lesser Importance to be approved. This information shall concern the nature of the relationship, the main terms and conditions of the Transaction, the timing, the valuation procedure followed, the reasons underlying the Transaction as well as any risks for the Company and its Subsidiaries;
- (ii) the opinion issued pursuant to paragraph 7.3; and
- (iii) any other opinions issued in relation to the Transaction pursuant to the previous paragraph 7.2 (ii).

7.5 The minutes of resolutions of approval of the Board of Directors or the decision of the competent body must bear adequate motivation regarding the Company's interest in carrying out the Transaction, as well as the convenience and substantial correctness of the conditions.

7.6 The Directors involved in the Transaction abstain from voting on it.

7.7 Subsequent to the resolution of the Board of Directors or decision of the competent body with regard to the Transaction, the Corporate Affairs Department communicates the outcome to the Responsible Function without delay.

8) Approval of Framework Resolutions

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

8.2 The Framework Resolutions shall take effect for no more than one year and shall indicate, with sufficient precision, the Transactions involved in these resolutions, the foreseeable maximum amount of the Transactions to be carried out in the reference period, and the reasons for the conditions envisaged in relation to such Transactions.

8.3 The provisions referred to in Articles 6 and 7, depending on the foreseeable maximum amount of the Transactions involved in the specific Framework Resolution, considered cumulatively, apply to the Framework Resolutions. The provisions referred to in Articles 6 and 7 do not apply to the single Transactions concluded in implementation of a Framework Resolution.

8.4 The Board of Directors shall receive full information at least quarterly on the implementation of Framework Resolutions.

8.5 When a Framework Resolution is approved, the Company publishes an information document if the foreseeable maximum amount of the Transactions exceeds the limit on Transactions of Greater Importance.

9) Transactions through Subsidiaries

9.1 Transactions through Subsidiaries which do not fall within the cases of exemption referred to in Article 11, must be submitted to the prior non-binding opinion of the Committee for Transactions with Related Parties.

9.2 For the purpose of this Article, the Responsible Function verifies beforehand, on the basis of the identification, if the counterparty of the Transaction is a Related Party and, if so, whether it is a Transaction of Negligible Amount.

9.3 If the counterparty is a Related Party and it is not a Transaction of Negligible Amount, the Responsible Function informs the Corporate Affairs Department to which it provides, as soon as possible due to the characteristics of the Transaction and the information available, a report on the Transaction so that the aforementioned Department can proceed with the verifications referred to in Article 4.2 and, if necessary, involve the Committee for Transactions with Related Parties.

9.4 The Committee for Transactions with Related Parties issues its opinion in time to permit the competent body to authorise or review the Transaction. The Committee shall also arrange to send the opinion and report on the Transaction to the Corporate Affairs Department, which in turn sends them to the Responsible Function.

9.5 Once the Transaction has been approved or carried out, the Responsible Function, with the support of the Subsidiary's functions concerned:

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- (i) shall promptly provide the Corporate Affairs Department with the necessary information so that the Company can fulfil, where applicable, the reporting obligations referred to in Articles 5 and 6 of the Related Parties Regulation;
 - (ii) prepare a specific report for the next meeting of the Company's Board of Directors.

9.6 Without prejudice to the regulations on Transactions carried out through Subsidiaries referred to in Articles 9.1 to 9.5, Subsidiaries are required to provide the Corporate Affairs Department promptly with information on the Transactions carried out so that the Company can fulfil its obligation, where applicable, to publish the disclosure document or the press release referred to, respectively, in Article 5 and Article 6 of the Related Parties Regulation.

9.7 Article 7 applies insofar as it is compatible.

10) Equivalent Controls

10.1 In the event that one or more members of the Committee for Transactions with Related Parties, or one or more related parties of such members, are counterparties to a specific Transaction of Greater Importance or Minor Importance (in each case, such a member is called "Related"), or is required to abstain as a Director Involved in the Transaction, the following Equivalent Controls must be adopted, in this order:

- (i) if one of the members of the Related Party Committee is Related or Involved in the Transaction, the opinion referred to in Articles 6, 7 and 9 is issued by the other two Committee members who are Unrelated and Uninvolved in the Transaction;
- (ii) if two of the members of the Related Party Committee are Related, the opinion referred to in Articles 6, 7 and 9 is issued by the one remaining Committee member and by the Independent Director Unrelated and Uninvolved in the Transaction and eldest in age who is not a member of the Committee;
- (iii) in the event that the controls referred to in points (i) and (ii) cannot be applied, the opinion referred to in Articles 6, 7 and 9 is issued by the Board of Statutory Auditors;
- (iv) in the event that the controls referred to in points (i), (ii) and (iii) cannot be applied, the opinion referred to in Articles 6, 7 and 9 is issued by an independent

expert identified by the Board of Directors between persons of recognised professional status and competence on the matters in question, whose independence and absence of conflicts of interest are verified.

10.2 if the Equivalent Controls operate, the provisions of this Procedure also apply for the benefit of the parties identified pursuant to Article 10.1.

11) Exclusions and exemptions

11.1 The provisions of this Procedure do not apply to shareholders' resolutions referred to in Article 2389, first paragraph of the Italian Civil Code relating to the remuneration due to the members of the Board of Directors of Italmobiliare, or to resolutions concerning the remuneration of directors vested with special powers that fall within the total amount decided by the Shareholders' Meeting pursuant to Article 2389, third paragraph of the Italian Civil Code. Nor do the provisions of this Procedure apply to shareholders' resolutions referred to in Article 2402 of the Italian Civil Code concerning remuneration due to the members of the Board of Statutory Auditors.

11.2 The provisions of this Procedure do not apply to the transactions decided by the Company and addressed to all shareholders on equal terms, including by way of example, but not limited to:

a) capital increase (rights issue), also to service convertible bond loans, and capital increase (bonus issue) provided for by Article 2442 of the Italian Civil Code;

b) full or partial demergers in the strictest sense, with proportional share allocation criteria;

c) reductions in share capital by reimbursement to shareholders provided for by Article 2445, paragraph 3, of the Italian Civil Code concerning purchases of treasury shares, pursuant to Article 132 of the Consolidated Law.

11.3 Without prejudice to the reporting obligations referred to in Articles 12.5 and 12.6, the Procedure does not apply to the following Transactions either:

(a) Transactions of Negligible Amount;

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- (b) Transactions relating to remuneration plans based on financial instruments approved by the shareholders' meeting pursuant to Article 114-*bis* of the Consolidated Law on Finance and the related executive Transactions;
 - (c) resolutions concerning the remuneration of directors holding special offices, other than those referred to in Article 11.1, and Key Management Personnel, on condition that:
 - (i) the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
 - (ii) the Remuneration Committee has been involved in the definition of the remuneration policy;
 - (iv) the remuneration assigned is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments.
 - (d) Ordinary Transactions concluded in market or standard conditions, by which is meant, by way of example and not limited to, those usually performed with unrelated parties for transactions of a matching type, size and risk, i.e., based on regulated tariffs or imposed prices, or performed with parties with whom the Company is obliged by law to enter into contracts for a specific fee. In the event of Transactions of Greater Importance the Company, through the Corporate Affairs Department, communicates to Consob and to the Independent Directors who express opinions on Transactions with Related Parties, within the time limit indicated in Article 5, paragraph 3 of the Transactions with Related Parties Regulation (i.e. seven days from approval of the transaction by the competent body) the following information: counterparty, object and consideration of the transactions that benefited from this exclusion, as well as the reasons for the exclusion, providing objective evidence;
 - (e) Urgent Transactions that do not fall within the competence of the Shareholders' Meeting or do not have to be authorised by it, subject to the introduction of a specific clause in the By-laws and provided that the requirements referred to in Article 13, paragraph 6, of the Related Parties Regulation are complied with;

(f) Transactions with or between Subsidiary Companies, also jointly, and Transactions with Associated Companies, provided that there are no Significant Interests of other Related Parties in the Subsidiaries or Associates that are counterparties in the Transaction.

11.4 The hypotheses of exemption provided for in this Article are applied, *mutatis mutandis*, also to Transactions carried out through Subsidiaries referred to in Article 9. With specific regard to the exemption for Ordinary Transactions referred to in Article 11.3, letter d), in order to evaluate the ordinary nature of the Transaction, the activity carried out by the Subsidiary will also be taken into account. If the Subsidiary is a special purpose vehicle established for the purpose of carrying out this Transaction, the verification of the ordinary nature will take account of the activities carried out by the Italmobiliare Group.

12) **Reports and disclosures**

12.1 Without prejudice to the reporting obligations referred to in the Related Parties Regulation, the Chief Executive Officer, based on the information received from the functions competent for Transactions, is required to provide a report:

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

12.2 On the occasion of Transactions of Greater Importance to be carried out also by Company Subsidiaries, the Company, through the Corporate Affairs Department, shall prepare a report in accordance with Article 5 of the Related Parties Regulation.

12.3 If, during the financial year, the Company concludes with a Related Party, or with parties related both to this Party and to the Company, Transactions that are homogeneous or carried out in execution of a single plan which, although not

individually classifiable as Transactions of Greater Importance, exceed the threshold values indicated in Appendix 3 of the Related Parties Regulation, where cumulatively considered, the Corporate Affairs Department has to prepare a report. In this case, the provisions of Article 5 of the Related Parties Regulation apply.

12.4 Without prejudice to the provisions of Article 17 of the Regulation (EU) 596/2014, the Company, within fifteen days of the end of each quarter of the financial year, makes available to the public, at the registered office and in the manner indicated in Title II, Chapter I, of the regulation adopted with Consob Resolution no. 11971 dated 14 May 1999, a disclosure document containing the indication of the counterparty, the object and the consideration of the Transactions of Lesser Importance approved in the reference quarter given a negative opinion of the Committee for Transactions with Related Parties, as well as the reasons why it was decided not to share this opinion. Within the same time limit, the opinion is made available to the public as an attachment to the disclosure document or on the Company's website. If the Committee's opinion is conditional on the acceptance of certain, specific findings, the publication of the aforementioned document will not be necessary in the event that such findings have been recognised by the body competent to decide the Transaction.

12.5 The interim report on operations and the annual report on operations have to contain the information referred to in Article 5, paragraph 8 of the Related Parties Regulation. The information on individual Transactions of Greater Importance can be included by reference to the disclosure documents published, reporting any significant updates.

12.6 If a Transaction is also subject to the communication obligations provided for in Article 17 of Regulation (EU) 596/2014, the information referred to in Article 6 of the Related Parties Regulation is included in the notice to be announced to the public, in addition to the information to be published pursuant to the aforementioned provision.

13) Periodic Report on the Transactions and verification of the correct application of exemptions for Transactions of Greater Importance

13.1 The functions responsible for the Transaction have to inform the Administration Department without delay regarding Transactions carried out with Related Parties. On a quarterly basis, the Administration Department sends the Committee information on

Transactions excluded from the scope of the Procedure and the reasons for exclusion. Transactions relating to remuneration referred to in Article 11.1 and Article 11.3, letter c) of the Procedure are not included in the report.

13.2 The Committee verifies correct application of the exemption conditions for Transactions of Greater Importance defined as ordinary and concluded at market or standard conditions that were communicated to it pursuant to Article 11.3(d) at least annually.

14) Final provisions

The Company has decided not to make use of the exemption assumption for Transactions carried out in case of urgency related to corporate crisis situations referred to in Article 11, paragraph 5, of the Related Parties Regulation.

Annex 1

Declaration of relationship for Key Management Personnel

I, the undersigned _____, born in _____ on _____ domiciled in _____, _____, as a member of Key Management Personnel of Italmobiliare S.p.A.; in consideration of the Procedure adopted by the Company;

declare that the following are Related Parties of Italmobiliare through me

Entities (subject to control or joint control of the Manager)

Company/entity	Tax code/VAT number	Head Office	Nature of the relationship

Close relatives

Name and surname	Personal details	Tax code	Degree of kinship

I also declare that these **close relatives** control or jointly control the entities or companies listed below:

Family member	Company/entity	Tax code/VAT number	Head Office

(Only for who has control or joint control of Italmobiliare)

The undersigned also declares to exercise significant influence or hold the role of member of Key Management Personnel in the entities or companies listed below

Company/entity	Tax code/VAT number	Head Office	Nature of the relationship

The undersigned undertakes to promptly inform Italmobiliare S.p.A. of any future change/addition to the information provided herein.

The undersigned authorises Italmobiliare S.p.A. for the processing of data and information contained herein, pursuant to Regulation (EU) 2017/679 of the current provisions on privacy.

Date

Signature

Annex 2

Declaration of relationship for parent companies

I, the undersigned _____, born in _____ on _____ domiciled in _____, _____, _____, as legal representative of _____ Tax Code/VAT No. _____ registered office _____, in consideration of the Procedure adopted by the Company

declare:

that [*company name*] exercises control or joint control on the entities or companies listed below:

Company name	Tax code / VAT number	Head Office

that its Key Management Personnel (including directors and statutory auditors) are:

Name and surname	Personal details	Tax code

that the following are its associated companies:

Company name	Tax code / VAT number	Head Office

A copy of the declaration of relationship filled in by Key Management Personnel is attached.

The undersigned undertakes to inform Italmobiliare S.p.A. promptly of any future change/addition to the information provided herein.

The undersigned authorises Italmobiliare S.p.A. for the processing of data and information contained herein, pursuant to the Regulation (EU) 2017/679 of the current provisions on privacy.

Date

Signature

Annex 3 – Additional definitions

The definitions of related party, transactions with related parties useful for the previous definitions referred to in IAS 24 and used by the Consob Regulation on Transactions with Related Parties are given below. In this context, “entity preparing the financial statements” means the Company.

1. Definition of related parties and transactions with related parties according to international accounting standards.

For the purposes of Article 3, paragraph 1, letter a), of this Regulation, the definitions contained in the international accounting standards apply, as reiterated below:

Related parties

A related party is a person or entity who is related to the entity that prepares the financial statements.

(a) A person or a close relative of that person are related to the entity that prepares the financial statements if that person:

- (i) has control or joint control of the entity that prepares the financial statements;
- (ii) has a significant influence over the entity that prepares the financial statements;
- or
- (iii) is a member of key management personnel of the entity that prepares the financial statements or of its parent company.

(b) An entity is related to the entity that prepares the financial statements if any of the following conditions apply:

- (i) the entity and the entity that prepares the financial statements are part of the same group (which means that each parent, subsidiary and company of the group is related to the others);
- (ii) an entity is an associate or joint venture of the other entity (or an associate or joint venture part of a group which the other entity is part of);
- (iii) both entities are joint ventures of the same third counterparty;
- (iv) an entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is represented by a post-employment relationship benefit plan for employees of the entity that prepares the financial statements, or an entity related to it;
- (vi) the entity is controlled or jointly controlled by a person identified in point (a);
- (vii) a person identified in point (a) (i) has a significant influence on the entity or is one of the key management personnel of the entity (or of its parent company) [IAS 24, paragraph 9].

In the definition of a related party, an associated company includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. For example, this means that a subsidiary of an associated company and the investor who has significant influence over the associated company are connected to each other [IAS 24, paragraph 12].

Transaction with Related Parties

A transaction with related parties is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged [IAS 24, paragraph 9].

2. Definitions useful for those of “related parties” and “transactions with related parties” according to international accounting standards.

The terms “control”, “joint control” and “significant influence” are defined in IFRS 10, in IFRS 11 (Agreements for joint control) and IAS 28 (Investments in associates and joint ventures) and are used with the meanings specified in these IFRS [IAS 24, paragraph 9].

Key Management Personnel

Key management personnel are those parties who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the company, including directors (executive or otherwise) and statutory auditors of the company [IAS 24, paragraph 9].

Close relatives

Close relatives of a person are those family members who are expected to influence or be influenced by the person concerned in their relations with the company. They include:

- (a) the children and the spouse or cohabiting partner of that person;
- (b) the children of the spouse or of the cohabiting partner of that person;
- (c) the persons supported by that person or by the spouse or by the cohabiting partner [IAS 24, paragraph 9].

3. Interpretative principles of the definitions.

3.1 In examining each relationship with related parties, attention must be paid to the substance of the relationship and not simply to its legal form [IAS 24, paragraph 10].

3.2 The definitions are to be interpreted by making reference to international accounting standards (IAS/IFRS) adopted according to the procedure laid down in Article 6 of Regulation (EC) no. 1606/2002.

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For the convenience of the reader, the definitions of the terms “control”, “joint control” and “significant influence” envisaged by IFRS 10 and 11 and by IAS 28 and of the main terms to which they refer are given below.

IFRS 10 – “control”

Control

5. An investor, regardless of the nature of its relationship with an entity (the investee), must ascertain whether it is a parent by assessing whether it controls the investee.

6. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

7. Therefore, an investor controls an investee if and only if the investor has all three of the following elements:

a) power over the investee (see paragraphs 10-14);

b) exposure, or rights, to variable returns from its involvement with the investee (see paragraphs 15 and 16); and

c) the ability to use its power over the investee to affect the amount of the investor's returns (see paragraphs 17 and 18).

8. An investor must consider all relevant facts and circumstances when assessing whether it controls an investee. Reassessment of control of the investee is required by the investor if facts and circumstances indicate that any of the three control elements listed in paragraph 7 have changed (see paragraphs B80-B85).

9. Two or more investors collectively control an investee when they must act together to direct the key activities. In such cases, since no investor can direct the activities without the involvement of the others, no investor individually controls the investee. Each investor should account for its interest in the investee in accordance with the provisions of the relevant IFRS, such as IFRS 11 Joint arrangements, IAS 28 Investments in associates and joint ventures or IFRS 9 Financial instruments.

Power

10. An investor has power over an investee when the investor has rights that give it the ability to direct the key activities, i.e. the activities that significantly affect the investee's returns.

11. Power arising from rights. In some cases, ascertaining power is straightforward, as in the case in which the power over an investee is obtained directly and solely through the voting rights conferred by equity instruments such as shares and can be determined by considering the voting rights deriving from such equity investments. In other cases, it will be more complex and several factors need to be considered, for example if the power results from one or more contractual arrangements.

12. An investor with the ability to direct the key activities has power even if the rights to direct those activities have not yet been exercised. The fact that the investor is directing the key activities may help to establish whether it has power, but this evidence does not in itself constitute a conclusive element in determining whether an investor has power over an investee.

13. If two or more investors each have valid rights that give them a unilateral ability to direct different key activities, the power over the investee is exercised by the investor who has the ability to direct the activities that most affect the returns of the investee.

14. An investor may have power over an investee even if other entities hold valid rights that give them the ability to participate in the direction of key activities, for example when another entity has a significant influence. In any case, an investor who holds only protective rights has no power over an investee (see paragraphs B26-B28) and, consequently, does not control it.

Returns

15. An investor is exposed or is entitled to variable returns deriving from its relationship with the investee when the returns deriving from this relationship have the potential to vary as a result of the economic performance of the investee. The investor's returns can be solely positive, solely negative or both, taken overall.

16. While a single investor may control an investee, multiple parties may share its returns. For example, holders of minority interests can share the profits or dividends of an investee.

Correlation between power and returns

17. An investor controls an investee if, in addition to having power over it and the exposure or right to variable returns deriving from its relationship with the investee, it also has the ability to exercise its power to affect the returns deriving from this relationship.

18. An investor who has the decision-making right must therefore establish whether it operates on its own account as a "principal" or as an "agent" on behalf of third parties. An investor who acts as an agent, in accordance with paragraphs B58-B72, does not control an investee when exercising the decision-making right that has been delegated to it.

IFRS 11 – “joint control”

Joint control

7. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the key activities require the unanimous consent of the parties sharing control.

8. An entity that is a party to an arrangement must assess whether the contractual arrangement collectively grants all parties, or a group of parties, control of the arrangement. All the parties, or a group of parties, collectively control the arrangement if they are to jointly direct the activities that significantly affect the returns of the arrangement (i.e. the key activities).

9. Once it is established that the parties, or a group of parties, collectively control the arrangement, joint control exists only when decisions about the key activities require the unanimous consent of the parties that collectively control the arrangement.

10. In a joint arrangement, none of the parties individually control the arrangement. A party that has joint control of an arrangement can prevent any of the other parties, or a group of parties, from controlling the arrangement.

11. An arrangement may be a joint control arrangement even if not all the parties have joint control of the arrangement. This IFRS makes a distinction between parties that hold joint control of the arrangement (participants in jointly controlled activities or joint ventures) and parties that participate in a joint control arrangement but do not hold control.

12. An entity should exercise its judgement in assessing whether all parties, or a group of parties, have joint control of the arrangement. An entity should make such an assessment taking into consideration all facts and circumstances (see paragraphs B5-B11).

13. If the facts and circumstances change, an entity should reassess if it still holds joint control of the arrangement.

IAS 28 – “significant influence”

Significant influence

5. Where an entity, directly or indirectly (e.g., through subsidiaries) holds 20% or more of the voting rights that can be exercised in the shareholders' meeting of the investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. Conversely, if an entity, directly or indirectly (e.g., through subsidiaries) holds less than 20% of the voting rights that can be exercised in the shareholders' meeting of the investee, such entity is presumed not to have significant influence, unless such influence can be clearly demonstrated. The circumstance that an entity owns the absolute or relative majority of the voting rights does not necessarily preclude another entity from having a significant influence.

6. The existence of significant influence by one entity is usually suggested by the occurrence of one or more of the following circumstances:

- (a) the entity is represented on the Board of Directors, or equivalent governing body of the investee;
- (b) the entity participates in decision making, including decisions about dividends or other types of profit distributions;
- (c) the entity carries out significant transactions with the investee;
- (d) there is an exchange of management personnel; or
- (e) they share essential technical information.

7. An entity may hold warrants, call options, debt or equity instruments that are convertible into ordinary shares, or other similar instruments that have the ability, if exercised or converted, to give the entity additional voting rights or to reduce third party voting rights over the financial and management policies of another entity (i.e. potential voting rights). The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether an entity has significant influence. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a certain future date or until the occurrence of a future event.

8. In assessing whether potential voting rights contribute to significant influence, the entity examines all facts and circumstances (including the clauses for the exercise of potential voting rights and any other contractual arrangement considered both individually and in combination with others) that affect potential rights, with the exception of management's intentions and financial capacity to exercise or convert such potential voting rights.

9. The entity loses significant influence over an investee when it loses the power to participate in decisions on the financial and management policies of that investee. Loss of significant influence can occur with or without changes in absolute or relative ownership levels. This could be the case, for example, when an associate company is placed under the control of a government agency, court, commissioner or regulatory authority. It could also be the result of a contractual arrangement.