

ITALMOBILIARE S.p.A.

Code of conduct
(Internal Dealing Procedure)

July 31, 2018

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Introduction

This “Code of Conduct” (**Code** or **Procedure**) adopted by Italmobiliare S.p.A. in accordance with current regulatory provisions, governs the reporting obligations and methods, and the conduct to be adopted, in relation to **Transactions** (as defined below) involving financial instruments issued by Italmobiliare S.p.A. (**Italmobiliare** or the **Company**) executed by persons discharging administration, control or management functions, or by any person holding shares amounting to at least 10% (ten percent) of the capital of Italmobiliare S.p.A., represented by shares with voting rights, as well as any other controlling entity of the Company (**PDMRs**) and persons closely associated with them (**Persons Closely Associated**), as defined where appropriate below, together with the procedures and methods for reporting such Transactions to the Company, CONSOB and the market. The Code aims to:

- **identify** the Company’s PDMRs with reporting obligations pursuant to art. 19, Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and art. 114, subsection 7, of Italian Legislative Decree no. 58/1998;
- **define** the methods to be adopted by PDMRs and the Persons Closely Associated with them for reporting to the Company on any transactions executed by them in shares, securities, derivatives or other associated financial instruments, and
- **define** the methods adopted by the Company to manage reports received and to fulfil any related disclosure obligations, identifying the manager in charge of the receipt, management and disclosure to the market of such reports.

The provisions of the Code of Conduct form an integral part of company regulations and, therefore, strict compliance with these provisions is required of all PDMRs.

This Code is notified in writing to all the interested parties and also serves as a means of informing and sensitising such persons to the obligations imposed by law and by applicable regulations. However, it does not aim to replace (but rather presumes) thorough knowledge of European and national regulations on “market abuse”.

It remains understood that the Procedure aims to govern the reporting obligations for lawful transactions, i.e. executed by the aforementioned persons under fair market disclosure terms, without prejudice therefore to the application of European and national regulations envisaging the obligation to refrain from insider dealing and from conduct likely to qualify as market manipulation (1).

The Procedure is also an essential component of the Company’s internal control and risk management system and of the overall system of preventing offences referred to in Italian Legislative Decree no. 231/2001 and, in particular, in the Organisational Model adopted by Italmobiliare for this purpose.

For all aspects not specifically covered in this Code, the legal and regulatory provisions in force *pro tempore* will apply.

(1) Compliance with the provisions of this Code does not exempt PDMRs and Persons Closely Associated from compliance with regulations on the notification of major holdings pursuant to art. 120, Italian Legislative Decree no. 58/1998 and related implementing provisions.

Art. 1

PDMRs and Persons Closely Associated

1) For the purposes of this Code of Conduct, pursuant to article 19, subsection 1, and article 3, subsection 1, point 25) of Regulation (EU) No 596/2014 relating to market abuse (2), as well as article 114, subsection 7, of Legislative Decree 58/1998 (3) are deemed to be PDMRs:

- a) members of the **Board of Directors** and **Board of Statutory Auditors** of Italmobiliare;
- b) every **senior executive** of the Company with **regular access** to inside information directly or indirectly regarding the Company, and who **has the power to make management decisions** that could affect the Company's future development and prospects;
- c) any person **holding shares amounting to at least 10%** (ten per cent) of the share capital, represented by shares with voting rights, and every other **controlling entity** of the Company (hereinafter, also individually referred to as "**Controlling Shareholders**").

2) The identification of senior executives of the Company with "regular" access to inside information and holders of decision-making powers is the responsibility of the **Executive Director - General Manager**.

The identification is performed on the basis of the following criteria:

- a) assessment relating to **access** to inside information by the "executive" in relation to the assigned duties;
- b) **organisational structure** and **assignment of powers system** adopted by the Company;
- c) whether the executive has **powers to adopt management decisions** that could **affect the future development and prospects** of Italmobiliare.

3) For the purposes of this Code, pursuant to Article 19, subsection 1 and Article 3, subsection 1, point 26) of Regulation (EU) No 596/2014, the following are considered Persons Closely Associated with the PDMRs pursuant to subsection 1, points a) and b):

26)

- a spouse (not legally separated) or partner considered to be equivalent to a spouse in accordance with national law;
- a dependent child, in accordance with national law;

(2) See the regulatory references provided at the end of this Code.

(3) See previous note.

- a relative who has shared the same household for at least one year from the date of the transaction in question; or
- a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging administration (4), control or management responsibilities or by one of the persons referred to in the previous points, or which is directly or indirectly controlled by such a person, or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

4) For the purposes of this Code, pursuant to art.152-*sexies*, subsection 1, point d), CONSOB Regulation no. 11971 of 14 May 1999 (5), those defined as Persons Closely Associated with PDMRs as referred to in this article, subsection 1, point c) are:

- i. the spouse (not legally separated), dependent children (also of the spouse) and, if sharing the same household for at least one year, parents and similar relatives;
- ii. legal persons, partnerships and trusts in which the Controlling Shareholder, or one of the persons indicated in point (i) above, has sole or joint entitlement to the management function;
- iii. legal persons, directly or indirectly controlled by the Controlling Shareholder or one of the persons indicated in point (i) above;
- iv. partnerships in which the business interests are essentially equivalent to those of the Controlling Shareholder, or one of the persons indicated in point (i) above;
- v. trusts established for the benefit of the Controlling Shareholder, or one of the persons indicated in point (i) above, as beneficiary.

5) 5) The PDMRs sign a declaration confirming their awareness and acceptance based on the template attached in Annex 1, with the commitment to notify their respective Persons Closely Associated of their obligations pursuant to current regulations and this Procedure, and to retain a copy of the notification (6), as well as ensure that such Persons adopt all measures necessary for the purpose of prompt fulfilment of such obligations (if necessary making use of the template in Annex 2).

This declaration, duly completed also with details of the Persons Closely Associated, must be promptly transmitted to the Company.

6) The Manager in charge of receipt, management and market disclosure of the reports - as defined in Art. 7 below - prepares and updates the list of PDMRs and their Persons Closely Associated on the basis of the communications received.

(4) Therefore, if the Company manager has managerial responsibilities with another company, the latter will qualify as a “person closely associated” and must disclose transactions involving the Company’s financial instruments.

(5) As last amended by CONSOB Resolution no. 19925 of 22 March 2017.

(6) See art. 19, subsection 5, Regulation (EU) No 596/2014.

Art. 2

Transactions subject to the reporting obligation by Persons Discharging Managerial Responsibilities (PDMRs) or persons closely associated

- 1) The reporting obligations apply to purchase, sale, subscription or swap transactions involving shares and debt instruments issued by the Company, or derivatives or other associated financial instruments, as well as transactions (7) related to these as listed below (the **Transactions**) (8):
- a) the pledging or lending (9) of financial instruments by or on behalf of a PDMR (10) or Person Closely Associated with them;
 - b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a PDMR or a Person Closely Associated, including where discretion is exercised (11);
 - c) transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC, where:

(7) See art. 19, subsection 7, Regulation (EU) No 596/2014 and art. 10, subsection 2 of Regulation (EU) No 522/2016.

(8) Furthermore, pursuant to Article 56, subsection 1 of Regulation (EU) No 1011/2016, the reporting obligation referred to in Article 19, subsection 1 of Regulation (EU) No 596/2014 *“shall not apply to transactions in financial instruments linked to shares or to debt instruments of the issuer referred to in that paragraph where at the time of the transaction any of the following conditions is met:*

- a) the financial instrument is a unit or share in a collective investment undertaking in which the exposure to the issuer's shares or debt instruments does not exceed 20% of the assets held by the collective investment undertaking;*
- b) the financial instrument provides exposure to a portfolio of assets in which the exposure to the issuer's shares or debt instruments does not exceed 20% of the portfolio's assets; or*
- c) (c) the financial instrument is a unit or share in a collective investment undertaking or provides exposure to a portfolio of assets and the person discharging managerial responsibilities or person closely associated with such a person does not know, and could not know, the investment composition or exposure of such collective investment undertaking or portfolio of assets in relation to the issuer's shares or debt instruments, and furthermore there is no reason for that person to believe that the issuer's shares or debt instruments exceed the thresholds in point (a) or (b).*

If information regarding the investment composition of the collective investment undertaking or exposure to the portfolio of assets is available, then the person discharging managerial responsibility or person closely associated with such a person shall make all reasonable efforts to avail themselves of that information”.

(9) Moreover, the penultimate sentence of Article 19, subsection 7, Regulation (EU) No 596/2014 states that *“a pledge, or a similar security interest, of financial instruments in connection with the depositing of the financial instruments in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility”.*

(10) More precisely, note that in this article, the term “PDMR” refers to persons discharging managerial responsibilities of the Company.

(11) Article 56, subsection 1 of Regulation (EU) No 1011/2016 states that *“transactions executed in shares or debt instruments of an issuer or derivatives or other financial instruments linked thereto by managers of a collective investment undertaking in which the person discharging managerial responsibilities or a person closely associated with them has invested do not need to be notified where the manager of the collective investment undertaking operates with full discretion, which excludes the manager receiving any instructions or suggestions on portfolio composition directly or indirectly from investors in that collective investment undertaking”.*

- i. the policyholder is a person discharging managerial responsibilities or a person closely associated with such a person;
 - ii. the investment risk is borne by the policyholder, and
 - iii. the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy;
- d) acquisition, disposal, short sale, subscription or exchange;
 - e) acceptance or exercise of a stock option, including of a stock option granted to PDMRs as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
 - f) signing of indexed swap contracts or the exercise of such contracts;
 - g) transactions in or related to derivatives, including cash-settled transactions;
 - h) entering into a contract for difference on a financial instrument of the concerned issuer or on emission allowances or auction products based thereon;
 - i) acquisition, disposal or exercise of rights, including put and call options, and warrants;
 - j) subscription to a capital increase or debt instrument issuance;
 - k) transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps;
 - l) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
 - m) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
 - n) gifts and donations made or received, and inheritances received;
 - o) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Regulation (EU) No 596/2014;
 - p) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and Council, insofar as required by Article 19 of Regulation (EU) No 596/2014;
 - q) transactions executed by manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, insofar as required by Article 19 of Regulation (EU) No 596/2014;
 - r) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a person discharging managerial responsibilities or a person closely associated with such a person;
 - s) borrowing or lending of shares or debt instruments of the issuer or derivatives or other financial instruments linked thereto (12).

2) The reporting obligation applies if the total of the Transactions has reached the threshold of **20,000 (twenty thousand)** euro. In particular, it applies to all subsequent transactions once a total of 20,000 (twenty thousand) euro has been reached during any calendar year.

(12) See art. 10, Regulation (EU) No 522/2016.

Art.3

Transactions subject to the reporting obligation of Controlling Shareholders and persons closely associated

1) The reporting obligations apply to purchase, sale, subscription or swap transactions involving shares or associated derivative financial instruments (the **Transactions**) (13).

2) The following must not be reported:

a) transactions for which the total amount does not reach **20,000 (twenty thousand) euro** by year end; after each report, transactions are not reported where the total amount does not reach an additional 20,000 (twenty thousand) euro by year end. For derivative financial instruments, the total is calculated in reference to the underlying shares;

b) transactions executed between the Controlling Shareholder and their persons closely associated;

c) transactions executed by the listed issuer and companies under its control;

d) transactions executed by a credit institution or an investment firm for inclusion in the trading book of that institution or firm, as defined by art. 4, subsection 1, point 86 of Regulation (EU) No 575/2013, provided that entity:

- - organisationally segregates its treasury functions from those responsible for managing strategic investments, trading and market making;

- is able to identify the shares held for the purpose of trading and/or market making, adopting methods that can be verified by CONSOB, or by holding them in a specific separate account;

and, if operating as market maker,

- - is authorised by the home member state, pursuant to Directive 2004/39/EC to carry out market making activities;

- - submits to CONSOB the *market making* agreement with the market management company and/or the issuer as required by law and related implementing provisions, in force in the EU member state in which the market maker conducts its business activities;

- - informs CONSOB that it intends to perform or is performing market making activities on the shares of a listed issuer. The market maker must also inform CONSOB without delay when market making activities cease on those shares.

(13) Pursuant to art. 152-*sexies* of CONSOB Regulation no. 11971/1999, financial instruments associated with shares are: (i) financial instruments that allow subscription, acquisition or disposal of the shares; (ii) debt instruments that can be converted into shares or exchanged with the shares; (iii) derivative financial instruments on shares as indicated in art. 1, subsection 3 of the Consolidated Law on Finance; (iv) financial instruments equivalent to shares that represent such shares.

3) The obligations envisaged above do not apply if the Controlling Shareholders or their persons closely associated are required to report transactions carried out pursuant to art. 19 of Regulation (EU) No 596/2014 (14).

Art. 4

Reporting obligations of PDMRs

1) Persons discharging managerial responsibilities and their Persons Closely Associated are required to report to Italmobiliare and CONSOB on Transactions they have carried out - provided they exceed the threshold indicated in art. 2, subsection 2 - within **3 (three) business days from the date of the related transaction (15). **In this respect, considering that Italmobiliare is in turn required to issue a similar communication to the public within the same period set by law (see art. 5, subsection 1), these persons must send the communication to the Company promptly and in any case no later than 1 (one) day after the transaction.****

2) Controlling Shareholders are required to report on transactions that they or their persons closely associated have carried out – provided they exceed the threshold indicated in art. 3, subsection 2, point a) – **by the end of the 15th (fifteenth) day of the month after** that in which the transaction was executed.

3) For the purpose of exceeding the threshold triggering the reporting obligation, the arithmetic mean of amounts relating to all Transactions carried out, by each PDMR and their Persons Closely Associated, is calculated. The amount indicated above is calculated separately for each PDMR and each Person Closely Associated, without aggregating the respective transactions.

4) The persons discharging administration, control or management responsibilities and their Persons Closely Associated, if they are not availing themselves of Italmobiliare's support (see art. 5, subsection 2) must submit the prescribed reports by completing and signing the *“Template for notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them”* (**Notification Template**) (16), attached to this Code of Conduct as Annex 3. However, if these persons have asked to avail themselves of Italmobiliare's support for the fulfilment of their notification obligation, it will be sufficient for them to send the details of the transactions carried out via email to the Company.

5) Controlling Shareholders and their Persons Closely Associated must submit the prescribed notifications by the methods envisaged in Annex 6 to CONSOB Regulation no. 11971/1999 (**Notification Template**), attached to this Code of Conduct as Annex 4.

(14) Therefore if the Company manager has managerial responsibilities with another company, the latter will qualify as a “person closely associated” and is consequently subject to the reporting obligation for transactions involving the Company's financial instruments, regardless of the percentage shareholding.

(15) The reference is specifically to the date of confirmation of the transaction, the settlement date being irrelevant. The three business days exclude Saturdays, Sundays and all other non-business days (therefore including holidays on which markets are open for trading). Furthermore, for transactions carried out as part of individual management of investment portfolios, if such transactions do not derive from a customer instruction, reporting obligations begin from the date on which the customer receives notification of the transactions from the intermediary. (16) See art. 2, Regulation (EU) No 523/2016.

6) PDMRs and their Persons Closely Associated may ask the company in writing to send on their behalf the notifications to be sent to CONSOB pursuant to paragraphs 1) and 2) above, providing the Company with all the information required by the law. They may, if appropriate, use the instruction template attached as Annex 5.

In this case:

- the persons discharging administration, control or management responsibilities and their Persons Closely Associated must inform the Company of Transactions carried out by them within **1 (one) business day** of the actual date of the transaction;
- the Controlling Shareholders, on the other hand, must inform the Company of Transactions carried out by them or by Persons Closely Associated **by the end of the 15th (fifteenth) day** of the month after that in which the transaction was executed.

7) Reports to the Company in accordance with the above paragraphs must be submitted by the aforementioned persons, by the deadlines indicated, to the Manager in charge as identified below.

Art. 5

Reporting obligations of the Company

1) 1) Italmobiliare arranges the prompt disclosure to the public of reports received from persons discharging administration, control or management responsibilities and their persons closely associated in accordance with art. 4 above, and in any event no later than **3 (three) business days** from the date of the Transaction, by means of the *eMarket SDIR Storage* system for the disclosure of regulated information, and at the same time transmit them to the authorised storage device.

2) Where requested by the persons discharging administration, control or management responsibilities and their Persons Closely Associated in accordance with art. 4 above, the Company arranges the submission of reports to CONSOB on behalf of such persons, provided the related notifications were sent to the Company by the same persons within **1 (one) business day** of the actual date of the Transaction, in order to allow the Company to meet the deadlines for reporting obligations to the Authority.

3) If so requested by the Controlling Shareholders and their Persons Closely Associated in accordance with art. 4 above, the Company reports to CONSOB and discloses the Transactions by close of business on the next market trading day after that on which the information was received from such persons.

4) Any authorisation granted to the Company for its transmission of reports to CONSOB (17) does not exclude the responsibility of PDMRs and Persons Closely Associated in relation to their respective obligations. Every formality and/or obligation inherent to this Procedure required of PDMRs and Persons Closely Associated, in fact, remains the responsibility of such persons.

(17) And to the public with regard to Controlling Shareholders and their Persons Closely Associated.

5) Furthermore, the request for support made to the Company does not however exclude PDMRs and Persons Closely Associated from arranging issue of the prescribed reports to CONSOB (18). This without prejudice in any event to the reporting obligation to the Company, for public disclosure purposes, on execution of the Transaction or the intention to independently issue notification to the aforementioned Authority.

Art. 6

Reporting methods

1) PDMRs and Persons Closely Associated shall inform the Manager referred to in article 7 below of Transactions carried out by sending the necessary information for the attention of the Company's Head of Corporate Affairs, at the respective email address, with a copy to the email address affarisocietari@italmobiliare.it, or delivering the documentation required to the latter by hand.

In any event, the PDMRs and Persons Closely Associated must give advance notice of submission of the notification to the Head of Corporate Affairs by phone.

2) The Company arranges the public disclosure of reports received from the PDMRs and Persons Closely Associated through the electronic disclosure system used and by publication of the Notification Template in a special "Internal Dealing" section of its website (19).

3) Reports sent to CONSOB by the PDMRs and by Persons Closely Associated, or by the Company if specifically authorised to do so, are transmitted via certified e-mail to consob@pec.consob.it (if the sender is required to have a certified e-mail address) or by e-mail to protocollo@consob.it, indicating the "Market Information Office" as recipient and with "MAR Internal Dealing" in the subject line (20).

Art. 7

Manager in charge of implementing the Code of Conduct

1) The Manager in charge of the receipt, management and disclosure to CONSOB and the market of the reports required by articles 2 and 3 (**Manager in charge**) is identified as the Corporate Affairs Director of Italmobiliare, who may avail himself of the staff assigned to his office in order to perform his activities or, should it be impossible the use of the dissemination system adopted by the Company, of qualified third parties, duly empowered by the Manager in charge.

2) The Manager in charge:

(18) See previous footnote.

(19) If the Controlling Shareholders do not make use of support from the Company for the public disclosure of Transactions carried out by them or their Persons Closely Associated, such disclosures must be made by sending the Notification Template to two press agencies or by using an official automated disclosure system.

(20) See CONSOB communication no. 0061330 of 1 July 2016.

- a. supervises the correct application of this Procedure;
- b. monitors the legal and regulatory provisions on internal dealing in order to propose amendments and/or additions to the Procedure and/or related annexes, as appropriate, to the Executive Director;
- c. prepares and updates the list of PDMRs and their Persons Closely Associated, based on notifications received from the PDMRs;
- d. arranges for the Procedure to be made available to the PDMRs, ensuring they are made aware of the related obligations;
- e. requests and receives from every PDMR a written statement confirming the receipt, reading and acceptance of this Procedure, including the entry of their name in the list of PDMRs;
- f. receives a specific statement from the PDMRs confirming their undertaking, under obligation, to issue written notification to their Persons Closely Associated of the reporting obligations referred to in this Code;
- g. provides support to the PDMRs in fulfilling their reporting obligations and other formalities required in the event of trading during the blackout period;
- h. receives and manages information submitted by the PDMRs and Persons Closely Associated pursuant to this Procedure;
- i. arranges the storage of notifications received, those sent to CONSOB and those published;
- j. arranges the storage of any authorisations received from PDMRs and Persons Closely Associated for the Company's submission of reports to CONSOB, as well as all documentation sent to/received from the PDMRs and Persons Closely Associated in relation to this Procedure;
- k. in accordance with the regulatory terms and conditions, submits to CONSOB the reports received from PDMRs and from Persons Closely Associated, where such persons have specifically authorised the Company to do so;
- l. in accordance with the regulatory terms and conditions, arranges the publication of reports received from PDMRs and from Persons Closely Associated;
- m. sends notification to the PDMRs of the existence of any prohibitions or restrictions on the execution by all or some of the PDMRs of the Transactions referred to in this Procedure, pursuant to art. 8 below;
- n. promptly informs the Chief Executive Officer and the Supervisory Board of any notifications received past the deadline and of all other violations of this Procedure.

3) The Manager in charge and his collaborators are required to maintain maximum confidentiality regarding reports received, and are absolutely prohibited from:

- **disclosing** or disseminating by any means the information on Transactions that have not already been disclosed to the public, in accordance with the methods envisaged in current regulations and in this Procedure;
- directly or indirectly **executing** purchase, sale or any other form of transaction involving the Company's financial instruments, on their own account or on behalf of third parties;

- directly or indirectly **using** such information to recommend or incite others to purchase, sell or perform any other form of transaction involving the Company's financial instruments, on their own account or on behalf of third parties.

4) The Manager in charge and his collaborators must adopt all necessary precautions to ensure that the information and documentation (whether in printed or digital format) processed and/or received in reference to the Transactions is not accessible to unauthorised third parties.

5) The Manager in charge and his collaborators cannot be considered liable for failure to comply with reporting obligations deriving from the omission, incorrect or delayed notification by PDMRs or their Persons Closely Associated.

Art. 8

Blackout period for transactions executed by PDMRs

1) The PDMRs and Persons Closely Associated must refrain from carrying out Transactions, on their own account or on behalf of third parties, directly or indirectly, involving the shares or debt instruments of the Company, or involving derivatives or other associated financial instruments in the 30 calendar days prior to the announcement of an interim or annual financial report (21) that the Company is required to publish in accordance with legal or regulatory provisions in force (22).

This rule does not apply, therefore, to quarterly reports disclosed by the Company on a voluntary basis.

If the Company discloses preliminary figures, the blackout period only applies to the date of disclosure of the preliminary figures, not the final figures.

2) The Board of Directors of Italmobiliare reserves the right, by special resolution, to establish further prohibitions or restrictions on carrying out Transactions by PDMRs, also in other periods of the year.

3) In order to comply with the provisions of this article:

- i. the Manager in charge will promptly inform each PDMR via e-mail of the blackout periods, the Transactions subject to blackout and the starting date of such periods;
- ii. the disclosure of information referred to in point i) above to Persons Closely Associated will be arranged by each PDMR concerned.

(21) The date of the announcement represents the 30th day of the blackout period.

(22) See art. 19, subsection 11, Regulation (EU) No 596/2014.

Art. 9

Exceptions to the ban on transactions during the blackout period

1) In exceptional circumstances, assessed on a case-by-case basis, such as the onset of serious financial difficulties that impose the immediate sale of financial instruments, the PDMRs and Persons Closely Associated can be authorised to trade during the blackout period.

2) A Person intending to arrange the sale of financial instruments during the blackout period is required to obtain prior authorisation from the Executive Director - General Manager of Italmobiliare, through the Manager in charge.

If any requests for authorisation involve them directly, the Chairman and the Executive Director - General Manager submit such requests to the Board of Directors of the Company.

3) The duly justified request for authorisation, in writing, must contain:

- i. a description of the transaction in question;
- ii. an explanation of the exceptional nature of the circumstances giving rise to the transaction;
- iii. proof that the specific transaction cannot be executed at a time other than during the blackout period.

4) The Company may authorise the PDMRs or Persons Closely Associated to perform transactions during the blackout period in the event of:

- i. extremely urgent, unexpected circumstances not attributable to and beyond the control of the PDMR and/or the Person Closely Associated, which impose the immediate sale of the Company's financial instruments as the only means of obtaining necessary financial resources (23);
- ii. employee stock option plans or a savings scheme, a guarantee or right to receive shares, provided that the characteristics, nature and timing of the transaction were determined, planned and organised reasonably in advance of the start of the blackout period and consequently the beneficiary's interest in the security in question is not subject to change (24).

(23)() The PDMR should only be authorised to obtain such necessary financial resources when the PDMR *"has [a commitment] to fulfil, such as a legally enforceable demand, including a court order, and provided that the person discharging managerial responsibilities cannot reasonably meet this commitment without selling the concerned shares"*, or *"It could also stem from a situation entered into by the person discharging managerial responsibilities before the closed period has started (for example, a tax liability) and requiring the payment of a sum to a third party that could not be fully or partly funded by the person discharging managerial responsibilities in ways other than selling issuer's shares"* (see recital 23 and Article 8, Regulation (EU) No 522/2016).

(24) In accordance with Article 9, Regulation (EU) No 522/2016, the Company *"shall have the right to permit the person discharging managerial responsibilities within the issuer to trade on its own account or for the account of a third party during a closed period, including but not limited to circumstances where that person discharging managerial responsibilities:*

a) had been awarded or granted financial instruments under an employee scheme, provided that the following conditions are met:

- i) the employee scheme and its terms have been previously approved by the issuer in accordance with national law and the terms of the employee scheme specify the timing of the award or the grant and the amount of financial instruments awarded or granted, or the basis on which such an amount is calculated and given that no discretion can be exercised;
- ii) the person discharging managerial responsibilities does not have any discretion as to the acceptance of the financial instruments awarded or granted;

b) had been awarded or granted financial instruments under an employee scheme that takes place in the closed period provided that a pre-planned and organised approach is followed regarding the conditions, the periodicity, the time of the award, the group of entitled persons to whom the financial instruments are granted and the amount of financial instruments to be awarded, the award or grant of financial instruments takes place under a defined framework under which any inside information cannot influence the award or grant of financial instruments;

c) exercises options or warrants or conversion of convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants or convertible bonds falls within a closed period, as well as sales of the shares acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:

- i) the person discharging managerial responsibilities notifies the issuer of its choice to exercise or convert at least four months before the expiration date;
- ii) the decision of the person discharging managerial responsibilities is irrevocable;
- iii) the person discharging managerial responsibilities has received the authorisation from the issuer prior to proceed;

d) acquires the issuer's financial instruments under an employee saving scheme, provided that all of the following conditions are met:

- i) the person discharging managerial responsibilities has entered into the scheme before the closed period, except when it cannot enter into the scheme at another time due to the date of commencement of employment;
- ii) the person discharging managerial responsibilities does not alter the conditions of his participation into the scheme or cancel his participation into the scheme during the closed period;
- iii) the purchase operations are clearly organised under the scheme terms and that the person discharging managerial responsibilities has no right or legal possibility to alter them during the closed period, or are planned under the scheme to intervene at a fixed date which falls in the closed period;

e) transfers or receives, directly or indirectly, financial instruments, provided that the financial instruments are transferred between two accounts of the person discharging managerial responsibilities and that such a transfer does not result in a change in price of financial instruments;

f) acquires qualification or entitlement of shares of the issuer and the final date for such an acquisition, under the issuer's statute or by-law falls during the closed period, provided that the person discharging managerial responsibilities submits evidence to the issuer of the reasons for the acquisition not taking place at another time, and the issuer is satisfied with the provided explanation".

Art. 10

Data processing

- 1) The personal data of PDMRs and Persons Closely Associated will be processed under the terms and for the purpose of compliance with obligations envisaged in this Procedure and in regulations on internal dealing.
- 2) The provision of such data by the PDMRs and Persons Closely Associated is compulsory in order to be able to comply with legal obligations. The data provided will be stored for the period necessary to achieve the purpose for which it was obtained.
- 3) The processing of data takes place in compliance with current European and national provisions on the matter.
- 4) On delivery to the Manager in charge of the confirmation of receipt of this Code, the consent pursuant to the legislation on personal data protection in force at the time is deemed to have been duly provided.

Art. 11

Failure to comply with the rules of conduct

- 1) The PDMRs' failure to comply with the provisions of this Procedure could lead to the application of sanctions.
- 2) Without prejudice to the sanctions prescribed by applicable insider dealing and market manipulation regulations, the provisions of this Procedure form an integral part of the contractual obligations accepted by PDMRs.
- 3) If the PDMRs are Company employees, they can be subject to disciplinary action in accordance with the applicable collective bargaining agreement.
- 4) In the event of failure to comply with the Procedure by members of the Company's boards, all appropriate action permitted under current regulations may be taken.
- 5) The Company in any event reserves the right, by the methods of and within the limits permitted by current legal and regulatory provisions, to take action against the PDMRs or Persons Closely Associated for any damages and/or liability claimed against the Company as a result of conduct adopted in violation of this Procedure or of applicable regulations.

Art. 12

Amendments and Additions to the Code

- 1) Any amendments and/or additions to this Code are approved by the Board of Directors, except amendments triggered by changes to current regulations, changes in the organisation and in market practices, which call for immediate application and are not open to discretionary implementation, and which can therefore be applied by the Executive Director - General Manager with immediate effect and later promptly submitted to the Board of Directors for information.

2) The Manager in charge will arrange for the updated text of the Code of Conduct to be sent to all PDMRs, and to obtain their acceptance of the new version, as amended and/or supplemented.

Main Legal and regulatory references

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which repeals Directive 2003/6/EC of the European Parliament and of the Council and European Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (**Regulation (EU) No 596/2014**)

Commission Delegated Regulation (EU) 2016/522 of 17 December 2015, which, amongst other things, supplements Regulation (EU) No 596/2014 with permission for trading during closed periods and the types of notifiable managers' transactions (**Regulation (EU) No 522/2016**)

Commission Implementing Regulation (EU) 2016/523 of 10 March 2016 laying down implementing technical standards with regard to the format and template for notification and public disclosure of managers' transactions (**Regulation (EU) No 523/2016**)

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 amending Regulation (EU) No 596/2014 (art. 56) (**Regulation (EU) No 1011/2016**)

Italian Legislative Decree no. 58 of 24 February 1998, "Consolidated Law on Finance" (**TUF**), as amended (art. 114, subsection 7) (25)

Issuers' Regulation containing the TUF implementing rules, adopted by CONSOB by resolution no. 11971 of 24 May 1999 (**IR**), as amended (Title VII, Chapter II)

CONSOB communication no. 0061330 of 1 July 2016 on the methods for reporting to CONSOB the information required by Regulation (EU) No 596/2014

Italian Legislative Decree no. 231 of 8 June 2001, "Provisions on administrative liability of legal entities, companies and associations with or without legal status, pursuant to art. 11, Italian Law no. 300 of 29 September 2000" (**Italian Legislative Decree no. 231/2001**)

(25) The aforesaid European Regulations apply directly throughout the European Union and form part of the context of pre-existing provisions (legal or regulatory) contained in national laws, even if not formally adapted or amended.

ANNEX 1

CONFIRMATION OF RECEIPT OF THE CODE AND ACKNOWLEDGMENT

(Place and date)

To: Italmobiliare
S.p.A.
Via Borgonuovo, 20
Milan

I, the undersigned, [•], having accepted my qualification as “person discharging managerial responsibilities (PDMR)”, pursuant to the Code of Conduct issued by Italmobiliare S.p.A. and governing the reporting obligations for internal dealing, in accordance with art. 19, Regulation (EU) no. 596/2014 and with applicable national legal provisions,

HEREBY DECLARE

- (i) that I have received and read a copy of the aforementioned Code, and fully and unconditionally accepted the related provisions;
- (ii) that I am aware of the obligations imposed upon me by the Code of Conduct, by the regulatory provisions referenced therein and the sanctions envisaged in the event of failure to comply with such obligations;
- (iii) that I undertake with utmost diligence to comply with the provisions contained therein and with other European and national regulatory provisions as may apply;
- (iv) that I undertake, in particular, to report to the Manager in charge on significant Transactions, as defined in the Code of Conduct, in accordance with the terms and conditions established in the Code;
- (v) that I will issue notification in writing to my Persons Closely Associated, pursuant to art. 1 of the Code, of their reporting obligations under the terms of the Code, retaining a copy of such notification.

For the purpose of updating the list of persons required to comply with reporting obligations under the terms of the aforementioned Code, the details of my Persons Closely Associated are stated below and I confirm that any change in the information provided will be promptly reported in writing to the Manager in charge.

The above declaration will remain valid for as long as I qualify as a “person discharging managerial responsibilities (PDMR)” of Italmobiliare S.p.A.

Pursuant to current legal provisions regarding the protection of personal data, I also confirm that the personal data provided by me in application of the Procedure is gathered and processed by Italmobiliare S.p.A., with registered office at Via Borgonuovo 20, Milan, as Data Controller, in compliance with legal obligations regarding internal dealing, for the period of time strictly necessary and solely for the purposes indicated in applicable European and national regulations on internal dealing.

Without prejudice to the limits deriving from the compulsory nature of providing the personal data, I am aware of my rights pursuant to current legislation, including the right to request that the personal data be corrected, updated and supplemented.

(Date)

(Signature)

TABLES IDENTIFYING THE PERSONS CLOSELY ASSOCIATED

Name and surname	Place and date of birth	Nature of the association

Company name	Registered Office	Tax ID/VAT No.	Position held

Please send this notification, after signing it to confirm you have read and accepted it, for the attention of the Head of Corporate Affairs, by one of the following means:

- delivery to the registered office: via Borgonuovo, 20, Milan;
- by email to the following address: affarisocietari@italmobiliare.it.

ANNEX 2

Template for notification to Persons Closely Associated with PDMRs of their obligations pursuant to Internal Dealing regulations

Dear
Name/Surname/address

Re: Notification of qualification as a Person Closely Associated with a PDMR in relation to Internal Dealing, pursuant to art. 19 of Regulation (EU) No 596/2014, to art. 114 subsection 7 of Italian Legislative Decree no. 58/1998 and to the Code of Conduct of Italmobiliare S.p.A.

In compliance with the obligation pursuant to art. 19 of Regulation (EU) No 596/2014, to art. 114 subsection 7 of Italian Legislative Decree no. 58/1998 and to the Code of Conduct (Internal Dealing Procedure) adopted by Italmobiliare S.p.A., by this notification *[enter the full personal details of the natural person or legal entity and its legal representative]* is informed of their qualification as a Person Closely Associated with *[enter the personal details of the PDMR]*, and of the existence of conditions based on which reporting obligations are imposed upon the person here notified as envisaged in the aforementioned regulatory provisions and Code of Conduct.

In this respect, also with regard to the sanctions applicable in the event of failure to comply with such reporting obligations, you are invited to read the regulations on such matters and read the Code of Conduct attached herewith.

Note in particular that the Manager in charge (1) must be informed immediately, and in any event within one business day of all transactions carried out on financial instruments issued by Italmobiliare S.p.A., as specified in greater detail in the Company's Code of Conduct to which reference should be made.

Please return this letter duly signed to confirm receipt, without delay, to my email address [•], followed by the original.

Place, Date

Signature

**Annex: Code of Conduct RECEIVED
AND ACKNOWLEDGED**

Place, Date

Signature

(¹) This provision is valid where the Person Closely Associated has authorised the Company to report the transaction to CONSOB. Otherwise, the provision relating to also sending the notification to the Supervisory Authority mentioned must be added.

ANNEX 3

Template for notification and public disclosure of transactions executed by Persons Discharging Managerial Responsibilities (PDMRs) and persons closely associated

1	Details of the person discharging managerial responsibilities/person closely associated	
a)	Name	<p><i>[For natural persons: the first name and the last name(s).]</i></p> <p><i>[For legal persons: full name including legal form as provided for in the register where it is incorporated, if applicable.]</i></p>
2	Reason for the notification	
a)	Position/status	<p><i>[For persons discharging managerial responsibilities: the position occupied within the issuer, emission allowances market participant/auction platform/auctioneer/auction monitor should be indicated, e.g. CEO, CFO.]</i></p> <p><i>[For persons closely associated,</i></p> <ul style="list-style-type: none"> <i>— An indication that the notification concerns a person closely associated with a person discharging managerial responsibilities;</i> <i>— Name and position of the relevant person discharging managerial responsibilities.]</i>
b)	Initial notification/ Amendment	<i>[Indication that this is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that this notification is amending.]</i>
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	<i>[Full name of the entity.]</i>
b)	LEI	<i>[Legal Entity Identifier code in accordance with ISO 17442 LEI code.]</i>
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument Identification code	<p><i>[— Indication as to the nature of the instrument:</i></p> <ul style="list-style-type: none"> <i>— a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument;</i> <i>— an emission allowance, an auction product based on an emission allowance or a derivative relating to an emission allowance.</i> <p><i>— Instrument identification code as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>
b)	Nature of the transaction	<p><i>[Description of the transaction type using, where applicable, the type of transaction identified in Article 10 of the Commission Delegated Regulation (EU) 2016/522 (1) adopted under Article 19(14) of Regulation (EU) No 596/2014 or a specific example set out in Article 19(7) of Regulation (EU) No 596/2014.</i></p> <p><i>Pursuant to Article 19(6)(e) of Regulation (EU) No 596/2014, it shall be indicated whether the transaction is linked to the exercise of a share option programme.]</i></p>

c)	Price(s) and volume(s)	Price(s)	Volume(s)
		<p><i>[Where more than one transaction of the same nature (purchases, sales, lendings, borrows, ...)</i> on the same financial instrument or emission allowance are executed on the same day and on the same place of transaction, prices and volumes of these transactions shall be reported in this field, in a two columns form as presented above, inserting as many lines as needed.</p> <p><i>Using the data standards for price and quantity, including where applicable the price currency and the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>	
d)	Aggregated information — Aggregated volume — Price	<p><i>[The volumes of multiple transactions are aggregated when these transactions:</i></p> <ul style="list-style-type: none"> — <i>relate to the same financial instrument or emission allowance;</i> — <i>are of the same nature;</i> — <i>are executed on the same day; and</i> — <i>are executed on the same place of transaction.</i> <p><i>Using the data standard for quantity, including where applicable the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p> <p><i>[Price information:</i></p> <ul style="list-style-type: none"> — <i>In case of a single transaction, the price of the single transaction;</i> — <i>In case the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions.</i> <p><i>Using the data standard for price, including where applicable the price currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>	
e)	Date of the transaction	<p><i>[Date of the particular day of execution of the notified transaction.</i></p> <p><i>Using the ISO 8601 date format: YYYY-MM-DD; UTC time.]</i></p>	
f)	Place of the transaction	<p><i>[Name and code to identify the MiFID trading venue, the systematic internaliser or the organised trading platform outside of the Union where the transaction was executed as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014, or</i></p> <p><i>if the transaction was not executed on any of the above mentioned venues, please mention 'outside a trading venue'.]</i></p>	

Annex 4

Template for notification and public disclosure of transactions executed by any person holding shares accounting for at least 10 per cent of the share capital and any other person exercising control over the listed issuer

1	Data relative to the person who holds shares equal to at least 10 per cent or who controls the listed issuer or the Person Closely Associated	
a)	Name	<i>For natural persons: Name and surname</i> <i>For legal persons: Company name</i>
2	Reason for the notification	
a)	Reason for the notification	<i>Person who holds shares to an extent at least equal to 10 per cent of the listed issuer:</i> <i>Person who controls the listed issuer:</i>
		<i>Person closely associated</i> <i>Indicate that the notification concerns a person closely associated with:</i> <i>[For natural persons: Name and Surname.]</i> <i>[For legal persons: Company name]</i>
b) ⁶	Initial notification/change	<i>Initial notification:</i> <i>Change to the previous notification:</i> <i>Reason for the change:</i>

3	Data relative to the issuer					
a) ⁷	Name					
b) ⁸	LEI					
4	Data related to the transaction: this section to be completed more than once for i) each type of instrument; ii) each type of transaction; iii) each date; and iv) each place where the transactions are completed					
a)	Description of the financial instrument, type of instrument Identifier					
b) ⁹	Nature of the transaction					
c) ¹⁰	Price(s) and volume(s)	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">Price(s)</td> <td style="width: 50%;">Volume(s)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	Price(s)	Volume(s)		
		Price(s)	Volume(s)			
d) ¹¹	Date of the transaction	<i>Name of the trading venue:</i> <i>Identifier:</i> <i>"Outside of a trading venue":</i>				
e)	Place of the transaction	<i>Name of the trading venue:</i> <i>Identifier:</i> <i>"Outside of a trading venue":</i>				

ANNEX 5

Template for instructing the Company to send Consob, on behalf of the PDMRs, the communication on the Transactions referred to in article 4 of the Code of Conduct

(Place and date)

To: Italmobiliare
S.p.A.
Via Borgonuovo, 20
Milan

Re: authority granted to the Company to send Consob internal dealing communications

The undersigned [•], born in [•], resident at [•], street [•], in his/her capacity as PDMR [or Person Closely Associated to PDMR XX] pursuant to the Code of Conduct (Internal Dealing Procedure) adopted by Italmobiliare S.p.A., having taken note of the content of this Code and aware of the obligations imposed on me by the Procedure, as well as of the penalties in case of non-compliance with the same obligations,

HEREBY ASSIGN

Italmobiliare S.p.A., in the person of the Manager in Charge, the task of sending on my behalf the communication to Consob of the Transactions carried out by me or by the Persons Closely Associated with me

To this end, I undertake to communicate these Transactions to the Manager in Charge, immediately and, in any case, within one business day from the date of their performance, under the conditions indicated in the Code of Conduct and also to indemnify the Company against any harmful consequences that it may suffer as a result of a non-fulfilment, delayed or incorrect fulfilment by the Company of the obligations established by the Internal Dealing Procedure.

Cordially yours,

Signature