

**Regulations containing provisions relating to transactions with related parties** (adopted by Consob with Resolution no. 17221 of 12 March 2010, later amended by Resolutions no. 17389 of 23 June 2010, no. 19925 of 22 March 2017, no. 19974 of 24 April 2017, no. 21396 del 10 June 2020 and no. 21624 of 10 December 2020)<sup>1</sup>

**The Resolution no. 21396 of 10 June 2020 temporarily suspended, from 20 June 2020 to 30 June 2021, in the event of operations of capital strengthening, the application of the provisions of the Article no. 11, paragraph 5, and of the Article no. 13, paragraph 6 of this Regulation, where provided for that, for the purposes of recourse to the faculty of exemption for urgent cases, this faculty is envisaged by the procedures adopted pursuant to the Article no. 4, paragraph 1, of the Regulation as well as in the company statute.**

### CONTENTS:

Article 1	- Legal basis .....	Page	3
Article 2	- Scope of application .....	"	3
Article 3	- Definitions .....	"	3
Article 4	- Adoption of procedures .....	"	4
Article 5	- Public information on transactions with related parties.....	"	5
Article 6	- Related party transactions and communications to the public.....	"	7
Article 7	- Procedures for transactions of lesser importance in companies adopting traditional or one-tier management and control systems .....	"	8
Article 8	- Procedures for transactions of greater importance in companies adopting traditional or one-tier management and control systems.....	"	9
Article 9	- Procedures for transactions in companies adopting dualistic management and control systems.....	"	9
<b>Article 10</b>	<b>- Regulation for certain types of companies .....</b>	<b>"</b>	<b>9</b>
Article 11	- Transactions attributed to the shareholders' meeting.....	"	10
Article 12	- Framework-resolutions .....	"	11
Article 13	- Cases and power of exclusion .....	"	11
Article 14	- Management and coordination, subsidiaries and associated companies.....	"	13
<b>Annex 1</b>	<b>- Definitions of related parties and related party transactions and functional definitions thereof (repealed) .....</b>	<b>"</b>	<b>15</b>
<b>Annex 2</b>	<b>- Procedures for transactions with related parties in companies adopting dualistic management and control systems.....</b>	<b>"</b>	<b>16</b>
<b>Annex 3</b>	<b>- Identification of transactions of greater importance with related parties.....</b>	<b>"</b>	<b>20</b>
<b>Annex 4</b>	<b>- Information document related to greater importance transactions with related parties.....</b>	<b>"</b>	<b>22</b>
<b>Appendix</b>	<b>Definitions of related parties and related party transactions and functional definitions thereof according to international accounting principles .....</b>	<b>"</b>	<b>25</b>

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<sup>1</sup> Resolution no. 17221 of 12 March 2010 and related regulation were published in Official Gazette no. 70 of 25 March 2010 and in CONSOB Fortnightly Bulletin no. 3.1, March 2010. Resolution no. 17389 of 23 June 2010 was published in Official Gazette no. 152 of 2 July 2010 and in CONSOB Fortnightly Bulletin no. 6.2, June 2010, regarding the entry into force of the provisions of Resolution no. 17221 of 12 March 2010 as amended by Resolution no. 17389 of 23 June 2010. Resolution 19925 of 22 March 2017 is published in the Official Gazette no. 88 of 14 April 2017 and in the CONSOB Fortnightly Bulletin no. 4.1 April 2017; it is in force from the fifteenth day following its publication in the Official Gazette. Letter a) of art. 3 of resolution no. 19925 of 22 March 2017 was subsequently amended with resolution no. 20250 of 28.12.2017, published in the Official Gazette n. 1 of 2.1.2018. Resolution 19974 of 27 April 2017 is published in the Official Gazette no. 106 of 8 May 2017 and in the CONSOB Fortnightly Bulletin no. 4.2 April 2017; it is in force from the fifteenth day following its publication in the Official Gazette. Resolution 21396 of 10 June 2020 is published in the Official Gazette no. 154 of 19 June 2020 and in the CONSOB Fortnightly Bulletin no. 6.1 June 2020; it is in force from the fifteenth day following its publication in the Official Gazette. Resolution no. 21624 of 10 December 2020 is published in the Official Gazette no. 317 of 22 December 2020 and in CONSOB Fortnightly Bulletin no. 12.1, December 2020; it enters into force on 1 July 2021. Para. 2 of Article 3 of resolution no. 21624 of 10 December 2020 provides that: "2. *The companies harmonize the procedures envisaged by article 4 of regulation no. 17221 of 12 march 2010 with the modifications made by this resolution by 30 June 2021 and apply them as from 1 July 2021*".



Article 1  
(Legal basis)

1. This regulation is adopted pursuant to Article 2391-bis of the Civil Code and Articles 113-ter, 114, 115 and 154-ter of Legislative Decree 24 February 1998, no.58.

Article 2  
(Scope of application)

1. This Regulation sets out the principles on which the Italian companies with shares listed on regulated Italian and other European Union countries and with shares widely distributed among the public that (hereafter in this Regulation, a unit, "the company") abide in order to ensure transparency and substantial and procedural fairness of related party transactions entered into directly or through subsidiaries.

2. Without prejudice to what is specified in Articles 2343-bis, 2358, 2373, 2391, by Articles 2497 to 2497 - f of the Civil Code and Articles 53 and 136 of legislative decree No. 385 dated 1 September 1993, and its implementing provisions.

Article 3  
(Definitions)

1. In this Regulation, the term:
- a) "related parties" and "related party transactions": those parties and transactions defined as such **by the international accounting principles adopted according to the procedure referred to in Article 6 of Regulation (EU) no. 1606/2002<sup>2</sup>**;
  - b) "transactions of greater importance": transactions with related parties identified as such pursuant to Article 4, subsection 1, paragraph a);
  - c) "transactions of lesser importance": transactions with related parties other than transactions of greater importance and transactions for smaller amounts pursuant to **Article 4, paragraph 1, letter a)<sup>3</sup>**;
  - d) "regular transactions": transactions carried out in the course of the regular business and related financial activities;
  - e) "market or standard equivalent terms": terms similar to those usually charged to unrelated parties for transactions of a corresponding nature, extent and risk, or based on regulated rates or at fixed prices or those charged to persons with which the issuer is obligated by law to contract at a certain price;
  - f) "smaller companies": companies for which neither their balance sheet assets nor their revenue, as of the latest consolidated financial statements approved, exceed € 500 million. Smaller companies shall not qualify as such if any of these requirements is not met for two consecutive years;
  - g) "company recently listed": companies with shares listed in the period between the trading start date and the financial statements approval date for the second year following the year of listing. Companies recently listed shall not qualify as such. Can not be defined newly combined company listing companies resulting from the merger or demerger of one or more companies with listed shares that are not themselves recently listed;

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<sup>2</sup> Letter thus amended by resolution no. 21624 of 10.12.2020, which replaced the words: "in Annex 1" with the words: "by the international accounting principles adopted according to the procedure referred to in Article 6 of Regulation (EU) no. 1606/2002." **For ease of reading, an excerpt from the definition of related party and related party transactions in accordance with IAS 24 and referral to other definitions related thereto envisaged by the international accounting principles is given in the Appendix to this Regulation.**

<sup>3</sup> Letter thus amended by resolution no. 21624 of 10.12.2020, which deleted the word "possibly" and replaced the words: "Article 13" with the words: "Article 4, paragraph 1, letter a)."

h) "independent directors", "independent management directors" and "independent supervisory directors":

- directors and managing directors who satisfy the independence requirements pursuant to Article 148, subsection 3 of the Consolidated Law and any additional requirements identified in the procedures laid down by Article 4, or industry regulations that may apply because of the company's business;

- should a company declare, pursuant to Article 123-bis, subsection 2 of the Consolidated, to adhere to a code of conduct promoted **by the operators** of regulated markets or by trade associations, including the independence requirements at least equivalent to those pursuant to Article 148, subsection 3 of the Consolidated Law, the directors and managing directors acknowledged as such by the company pursuant to the same code<sup>4</sup>;

i) "unrelated directors" and "unrelated managing directors": directors, managing or supervisory directors other than the counterparty of a particular transaction and **the counterparty's related parties**<sup>5</sup>;

***i-bis*) "directors involved in the transactions" and "managing directors involved in the transaction": directors, management or supervisory directors who have an interest in the transaction, be it their own or that of third parties, in conflict with that of the company**<sup>6</sup>;

l) "unrelated shareholders": those which hold the right to vote other than the counterparty in a particular transaction and subjects related to both the counterparty in a particular transaction or to the company itself;

m) "Consolidated Law": Legislative Decree No.58 of 24 February 1998;

n) "Issuers' Regulation": Regulation adopted by Resolution No. 11971 of 14 May 1999 and subsequent amendments and additions.

#### Article 4

##### *(Adoption of procedures)*

1. The boards of directors or management board of the company shall adopt, as specified in this regulation, the necessary procedures to ensure transparency and substantial and procedural fairness of related party transactions. In particular, these procedures shall:

a) identify the transactions of greater importance to include at least those that exceed the thresholds in Annex 3, **and the transactions of small amount establishing, in relation thereto, distinct criteria in consideration at least of the counterparty's nature**<sup>7</sup>;

b) identify the exemption cases provided for in Articles 13 and 14 to which the companies may resource;

c) identify, for the purposes of this Regulation, the requirements for independence of directors, managing or supervisory board members in accordance with Article 3, paragraph h);

d) establish the manner whereby related party transactions are executed and approved and identify rules with regard to cases in which the company shall review or approve the transactions of subsidiaries, Italian or foreign;

e) establish the manner and timing with which they are provided, to independent directors or board members advising on transactions with related parties as well as to the management and supervisory bodies, information on transactions, and related materials, before deliberations, during and after the execution thereof;

***e-bis*) establish the modalities and the time by which the independent directors or managing directors providing an opinion on the transactions with related parties:**

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<sup>4</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, in the second sub indentation, replaced the words: "by management companies" with the words: "by the operator."

<sup>5</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "than its related parties" with the words: "than the counterparty's related parties."

<sup>6</sup> Letter added with resolution no. 21624 of 10.12.2020.

<sup>7</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "envisaged by Annex 3" has added the words: " , and the transactions of small amount establishing, in relation thereto, distinct criteria in consideration at least of the counterparty's nature."

- i) **receive information on the application of the cases of exemption identified in accordance with letter b) of this paragraph, at least in reference to the transactions of greater importance. This information is transmitted at least once a year;**
  - ii) **verify the correct application of the conditions of exemption from the transactions of greater importance defined as regular and concluded at market or standard conditions, communicated to the same in accordance with Article 13, paragraph 3, letter c), point i)<sup>8</sup>;**
- f) indicate the choices made by companies with regard to options, other than those mentioned in previous paragraphs, submitted to the same company from the provisions of this Regulation.

2. Companies shall assess whether to indicate as subjects on which to apply, in whole or in part, the provisions of this regulation, even entities other than the related parties, taking account in particular of ownership, of any contractual or statutory obligations relevant to Article 2359, subsection 1, No. 3), or Article 2497-septies of the Italian Civil Code and to the applicable industry regulations for related party transactions.

3. Resolutions on the procedures and any amendments shall be adopted following the favourable opinion of a committee, even specially formed, composed entirely of independent directors or, for companies that adopt the dual management and supervision system, of independent management and supervisory board members. Should no more than three independent directors remain in office, the resolutions shall be adopted following the favourable opinion of the existing independent directors or, failing that, after the non-binding opinion of an independent expert.

4. The procedures provided for in subsection 1, shall ensure coordination with the administrative and accounting procedures pursuant to Article 154-bis of the Consolidated Law.

5. In defining the procedures, boards of directors and management identifying which rules require amendments to the Statute and shall act in accordance with subsection 3 the resulting proposals to be submitted to the assembly.

6. The oversight body will ensure compliance with the procedures adopted the principles set out in this regulation and compliance with them and report to the assembly under Article 2429, second subsection, of the Civil Code or Article 153 of the Consolidated.

7. The procedures and amendments thereto shall be published without delay on the company website, without prejudice of the requirement of publicity, including reference to that site in its annual report on operations, under Article 2391-bis of the Civil Code.

8. Entities with a controlling interest and any other entities specified in Article 114, subsection 5 of the Consolidated Law, which are related parties of the companies, shall provide them with the necessary information to enable identification of related parties and transactions with the same **and promptly communicate any updates thereof<sup>9</sup>**.

#### Article 5

##### *(Public information on transactions with related parties)*

1. In the event of transactions of greater importance, including those carried out by Italian or foreign subsidiaries, the company shall provide, in accordance with Article 114, subsection 5 of the Consolidated Law, an information document prepared in accordance with Annex 4.

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<sup>8</sup> Letter added with resolution no. 21624 of 10.12.2020

<sup>9</sup> Paragraph thus amended with resolution no. 21624 of 10.12.2020, which, after the words: “transactions with the same” added the words: “and promptly communicate any updates thereof.”

2. Companies shall prepare the information document stated in subsection 1 even if, during the period, they conduct with the same related party, or related subjects to the latter or to the company itself, transactions that are homogeneous or made under a unified design which, while not qualifying as individual transactions of interest, exceed, when considered cumulatively, the thresholds of significance identified in accordance with Article 4, subsection 1, paragraph a). Operations carried out by Italian and foreign subsidiaries shall be deemed relevant for the purposes of this subsection with the exception of those eventually excluded pursuant to Articles 13 and 14.

3. Without prejudice of provisions of Article 17 of Regulation (EU) no. 596/2014, the information document referred to in subsection 1 shall be made available to the public at the registered office and in the manner described in **Part III, Title II**, Chapter I of the Issuers' Regulations, within seven days of approval by the competent body of the transaction or, if the competent body resolves to submit a contract proposal, from the point at which the contract, even preliminary, is drawn up according to the applicable rules. In cases of responsibility or Shareholders' Meeting authorization, the same information document shall be made available within seven days of the approval of the proposal to be submitted to the Shareholders' Meeting<sup>10</sup>.

4. Should the significant reporting threshold be exceeded by a combination of transactions envisaged in subsection 2, the information document shall be made available to the public within fifteen days of transaction approval or of the conclusion of the contract leading to the significant reporting threshold excess and shall contain information, including on an aggregate basis for homogeneous transactions, on all transactions under consideration for the aggregate. Should transactions exceeding the significant reporting threshold be carried out by subsidiaries, the information document shall be made available to the public within fifteen days from the time when the company liable for the preparation of that document became aware of the transaction approval or the conclusion of the contract leading to the relevant event. Pursuant to Article 114, subsection 2 of the Consolidated Law, the company required to prepare this document shall take all necessary steps to ensure subsidiaries provide the information required for the preparation of the document. Subsidiaries shall promptly submit such information.

5. Under the terms envisaged in subsections 3 and 4, as an attachment to the information document referred to in subsection 1 or on the web site, companies shall disclose **any opinions of the directors or independent directors and independent experts, selected in accordance with Article 7, paragraph 1, letter b), and the opinions issued by experts qualified as independent of which the management body has availed itself**. With reference to the **mentioned** independent expert opinions, companies shall publish only the elements indicated in Annex 4, justifying the decision in question<sup>11</sup>.

6. If, in relation to operation of greater importance, the company is required to prepare an information document pursuant to article 70, subsections 4 and 5, and 71 of the Issuers' Regulation, the latter shall be allowed to publish a single document containing the information required in subsection 1 and said articles 70 and 71. In this case, the document shall be made available to the public at the registered office and in the manner described in **Part III, Title II**, Chapter I of the

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<sup>10</sup> Subsection first amended with resolution no. 19925 of 22.3.2017 (as amended by resolution no. 20250 of 28.12.2017) which replaced the words: "article 114, subsection 1 of the Consolidated Law" with the words "article 17 of Regulation (EU) no. 596/2014", then with resolution no. 21624 of 10.12.2020 which replaced the words: "in Title II" with the words: "in Part III, Title II."

<sup>11</sup> Subsection first modified with resolution no. 17389 of 23.6.2010, which deleted the expression "of the board of statutory auditors" then with resolution no. 21624 of 10.12.2020 which replaced the words: "opinions of directors or independent directors and independent experts" with the words: "opinions of directors or independent directors and independent experts, selected in accordance with Article 7, paragraph 1, letter b), and the opinions issued by experts qualified as independent of which the management body has availed itself," and, after the words: "With reference to" added the word: "mentioned."

Issuers' Regulations, within the shortest period envisaged by all applicable provisions. The companies, publishing the information referred to in this subsection in a separate document, may incorporate by reference the information previously published<sup>12</sup>.

7. The companies, together with the public communication, shall send Consob the documents and the opinions stated in subsections 1, 2, 5 and 6 with connection to the storage mechanism authorized under Article 65-septies, subsection 3, of the Issuers' Regulation.

8. Issuing companies with shares listed, having Italy as the home Member State, pursuant to Article 154-ter of the Consolidation Law, shall provide information, in the interim management report and annual report:

- a) on individual transactions of greater importance concluded during the reporting period;
- b) on any other individual transactions with related parties concluded in the reporting period, that have materially affected the financial position or results of companies<sup>13</sup>;
- c) on any change or development of related party transactions described in the last annual report that had a material effect on the financial position or results of the company during the reporting period.

9. For the purposes of subsection 8, information on individual transactions of greater importance may be incorporated by reference to information documents published pursuant to subsections 1, 2 and 6, reporting on any significant updates.

#### **Article 6**

*(Related party transactions and communications to the public)*<sup>14</sup>

**1. Should a transaction with related Parties be disclosed by means of the release of a communication pursuant to article 17 of Regulation (EU) no. 596/2014, the communication shall contain, in addition to other information to be published pursuant to that rule, at least the following information:**

- a) the description of the transaction;
- b) an indication that the counterparty to the transaction is a related party and the description of the nature of the relationship;
- c) the legal or commercial name of the counterparty to the transaction;
- d) whether the transaction exceeds or not the significant reporting threshold established under Article 4, subsection 1, paragraph a), and the indication of the possible subsequent publication of written information pursuant to Article 5;
- e) the procedure which has been or shall be followed for the transaction approval and, in particular, whether the company has used a case of exclusion set forth in Articles 13 and 14;
- f) any approval of the transaction despite the contrary opinion of the directors or independent directors<sup>15</sup>.

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<sup>12</sup> Subsection thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "in Title II" with the words: "in Part III, Title II."

<sup>13</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which deleted the words: "as defined under Article 2427, second subsection, of the Italian Civil Code."

<sup>14</sup> List thus modified with resolution no. 19974 of 27.4.2017, which deleted the words: "pursuant to Article 114, paragraph 1, of the Consolidated Law".

<sup>15</sup> Subsection first amended with resolution no. 19925 of 22.3.2017 and then thus replaced by resolution no. 21624 of 10.12.2020.

Article 7

*(Procedures for transactions of lesser importance in companies adopting traditional or single-tier management and control systems)*

1. With respect to transactions of lesser importance, without prejudice to the application of Article 8, the procedures shall at least foresee:

a) that, before transaction approval, a committee, also specially formed, composed exclusively of unrelated, non-executive directors, mostly independent, expresses a reasoned and not binding opinion on the interest of the company in the completion of the transaction and the convenience and substantial correctness of the underlying terms. **This opinion is attached to the minutes of the committee's meeting**<sup>16</sup>;

b) the ability of the committee to request the assistance, at the expense of company, to one or more independent experts of its choice. **The same committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4**<sup>17</sup>;

c) that, the body responsible to resolve on the transaction and the committee indicated in paragraph a) above is provided with full and appropriate information in advance. Should the transaction terms be equivalent to market or standard terms, the documentation prepared shall include objective elements of comparison;

d) that, whenever at least two unrelated and independent directors are not available, specific internal controls equivalent to those set forth in paragraph a) shall be established, to protect the substantial correctness of the transaction;

**d-bis) that, in relation to the companies with shares listed on regulated markets, where the transaction is the purview of the Board of Directors, the directors involved in the transaction abstain from voting thereon**<sup>18</sup>;

e) that, where applicable, the approval resolution minutes shall bear adequate reasons with regard to the interest of the company in the completion of the operation and the convenience and substantial correctness of the underlying condition;

f) full disclosure, at least on a quarterly basis, to the Board of Directors and the Board of Statutory Auditors on the execution of transactions;

g) that, without prejudice to the provisions of article 17 of Regulation (EU) no. 596/2014, is made available to the public, within fifteen days after the close of each quarter, at the registered office and in the manner set out in **Part III, Title II**, Chapter I of the Issuers' Regulations, a document containing an indication of the counterparty, of the object and the consideration of the transactions approved in the reference quarter in the presence of a negative opinion pursuant to paragraph a) above and the reasons why it was deemed suitable not to share that opinion. In the same period, the opinion shall be made available to the public attached to the information document or on the website of the company<sup>19</sup>.

2. With reference to the use of independent experts set out in subsection 1, paragraph b), the procedures may define a maximum expense amount for each individual transaction, identified in absolute terms or in proportion to the transaction amount, for services rendered by independent experts.

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<sup>16</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "of the related conditions" added the words: ". This opinion shall be attached to the minutes of the meeting of the committee."

<sup>17</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "of its choice" added the words: ". The same committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4."

<sup>18</sup> Letter added with resolution no. 21624 of 10.12.2020.

<sup>19</sup> Letter first amended with resolution no. 19925 of 22.3.2017, which replaced the words: "article 114 subsection 1 of the Consolidated Law" with the words "article 17 of the (EU) no. 596/2014," then with resolution no. 21624 of 10.12.2020, which, in the first clause, replaced the words: "in Title II" with the words: "in Part III, Title II,".



### Article 8

*(Procedures for transactions of greater importance in companies adopting traditional or single-tier management and control systems)*

1. Without prejudice to the application of Article 11 with respect to transactions of greater importance, in addition to the provisions of Article 7, subsection 1, paragraphs *b)*, *c)*, ***d-bis***, *e)* and *f)*, the procedures shall at least foresee<sup>20</sup>:

*a)* the reserved right to resolve of the Board of Directors

*b)* a committee, including specially formed, composed exclusively of unrelated independent directors, or one or more components delegated by it, are **immediately** involved in the negotiation phase and the initial inquiry through a complete and **updated** flow of information, with the possibility to request information and to submit comments to the managing bodies and entities responsible for the conduct of negotiations or inquiry<sup>21</sup>;

*c)* that the Board of Directors approves the transaction after the reasoned opinion of the Committee indicated in *b)* on the interest of the company in the completion of the transaction and on the convenience and the substantial correctness of the underlying terms, or, alternatively, that other approval modalities are applied to ensure that the majority of independent and unrelated directors play a decisive role. **This opinion is attached to the minutes of the committee's meeting**<sup>22</sup>;

*d)* if, at least three independent directors unrelated are not available, specific internal controls equivalent to those provided by the paragraphs *b)* and *c)* to protect the substantial correctness of the operation.

2. Procedures may foresee, subject to the statutory provisions required by law, that the Board of Directors approves transactions of greater importance despite the contrary opinion of independent directors, provided that the completion of these transactions is authorized, pursuant to Article 2364, subsection 1, number 5) of the Italian Civil Code, by the Shareholders' Meeting acting in accordance with Article 11, subsection 3.

### Article 9

*(Procedures for transactions in companies adopting dualistic management and control systems)*

1. Companies that adopt the dualistic system of management and control shall apply, instead of Articles 7 and 8, the principles contained in Annex 2.

### Article 10

*(Regulation for certain types of companies)*

1. **Without prejudice to the provisions of Article 5, and to the right of approval of the Board of Directors, in accordance with Article 8, subsection 1, letter *a)*, or of the management board, in accordance with subsections 2 and 3 of Annex 2, small listed companies, recently listed companies, and the companies with widely distributed among the public shares may apply to transactions of greater importance a procedure identified for transactions of lesser importance in Article 7, or in subsection 1 of Annex 2. Provisions held in this subsection shall not be of application to listed subsidiaries, even indirectly, of an Italian or foreign companies with shares listed on regulated markets.**

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<sup>20</sup> Indent thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "letters *b)*, *c)*," added the words: "d-bis,".

<sup>21</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "delegated by it, are involved" added the words: "immediately" and replaced the word: "timely" with the word: "updated."

<sup>22</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "independent and unrelated" added the words: ". This opinion shall be attached to the minutes of the meeting of the committee."

**2. The procedures shall be adapted to the provisions of exemption pursuant to subsection 1 within one hundred and eighty days after the end of the financial year in which the company can no longer qualify as a small company, should a sufficient number of directors or independent directors be in place, or within one hundred and ninety days after the first renewal of the Board of Directors or the Management Board following the end of the same financial year, in all other cases<sup>23</sup>.**

#### Article 11

##### *(Transactions attributed to the shareholders' meeting)*

1. For transactions of lesser importance with related parties attributed to or requiring the authorization of the shareholders' meeting, in the preparatory, inquiry or approval stages of proposed resolution to be submitted to the shareholders' meeting, the procedures shall foresee provisions pursuant to Article 7, subsection 1 of Annex 2.

2. For transactions of greater importance attributed to or requiring the authorization of the shareholders' meeting, the procedure shall foresee provisions pursuant to Article 8, subsections 2 and 3 of Annex 2, for the negotiation, preparation, and approval stages of proposed resolutions to be submitted to the shareholders' meeting. For shareholders' meeting matters, neither Article 8, subsection 2, nor the provisions of subsections 2 and 3 of Annex 2 shall apply. The procedures may foresee that proposed resolutions to be submitted to the shareholders' meeting shall be approved even with the contrary view of the Directors or Independent Directors, provided that in such cases, these procedures are in accordance with subsection 3.

3. If, in connection with a transaction of interest, the proposed resolutions to be submitted to be Shareholders' Meeting is approved with the contrary view of the Directors or Independent Directors, the procedures, without prejudice to the application of Articles 2368, 2369 and 2373 of the Italian Civil Code and subject to the statutory provisions as required by law, shall foresee provisions designed to prevent the completion of the transaction whenever the majority of unrelated voting shareholders shall vote against the operation. The procedures may foresee that the completion of the transaction is prevented only if the unrelated shareholders present at the meeting represent at least a certain percentage of share capital with voting rights, albeit under no circumstances exceeding ten percent.

4. Should there be relevant updates the information document published pursuant to Article 5, the company, within the twenty days of the Shareholders' Meeting, shall make available to the public at the registered office and as per the formalities described in **Part III, Title II**, Chapter I, of the Issuers' Regulations, a new version of the document. Companies may incorporate by reference information previously published<sup>24</sup>.

5. Where expressly permitted by the statute, procedures may foresee that, in case of emergency situations related to corporate crisis, without prejudice to the application of Article 5, where applicable, transactions with related parties shall be concluded notwithstanding the provisions of subsections 1, 2 and 3, provided that the Shareholders' Meeting is convened pursuant to Article 13, subsection 6, paragraph c) and d). Should the assessments of the control body pursuant to Article 13, subsection 6, paragraph c) be negative, the Shareholders' Meeting shall resolve as per subsection 3, otherwise, Article 13, subsection 6 e) shall apply<sup>25</sup>.

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<sup>23</sup> Article thus replaced by resolution no. 21624 of 10.12.2020.

<sup>24</sup> Subsection thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "in Title II" with the words: "in Part III, Title II,".

<sup>25</sup> **The Resolution no. 21396 of 10 June 2020 temporarily suspended, from 20 June 2020 to 30 June 2021, in the event of operations of capital strengthening, the application of the provisions of the Article no. 11, paragraph 5, and of the Article no. 13, paragraph 6 of this Regulation, where provided for that, for the purposes of recourse to the**

Article 12  
(*Framework-resolutions*)

1. If, for certain categories of transactions, procedures allow framework-resolutions for similar transactions with certain categories of related parties, these procedures shall at least foresee:

- a) provisions pursuant to Articles 7 and 8 and subsections 1 and 2 of Annex 2, depending on the expected maximum amount of transactions subject to resolution, considered collectively;
- b) framework-resolutions shall not be effective for more than a year and shall refer to sufficiently determined transactions, reporting at least the foreseeable maximum amount of transactions to be performed during the reporting period and the reasons for the foreseeable terms;
- c) full disclosure to the Board of Directors, at least on a quarterly basis, on the implementation of the framework-resolutions.

2. Upon approval of a framework-resolution, the company shall publish an information document pursuant to Article 5 whenever the foreseeable maximum amount of transactions subject to resolution exceeds the significant reporting threshold identified pursuant to Article 4, subsection 1, a).

3. Provisions envisaged in Articles 7 and 8 and subsections 1 and 2 of Annex 2 shall not apply to individual transactions completed in the implementation of framework-resolutions. Transactions completed in implementation of a framework-resolution described in an information document published pursuant to subsection 2 shall not be counted for the purpose of cumulation set forth in Article 5, subsection 2.

Article 13  
(*Cases and power of exclusion*)

1. The provisions of this Regulation shall not apply to the Shareholders' Meeting resolutions pursuant to Article 2389, first subsection, of the Italian Civil Code, relating to fees payable to members of the Board of Directors and Executive Committee, nor to the resolutions relating to remuneration of Directors holding particular offices included in the total amount determined in advance by the Shareholders' Meeting pursuant to Article 2389, third subsection, of the Italian Civil Code. Furthermore, the provisions of this regulation shall not apply to shareholders' meeting resolutions pursuant to Article 2402 of the Italian Civil Code in relation to remuneration for members of the board of statutory auditors and the supervisory board, or to shareholders' meeting resolutions on remuneration for members of the management board if appointed pursuant to Article 2409-*terdecies*, subsection 1, paragraph a) of the Italian Civil Code<sup>26</sup>.

**1-bis. The provisions of this Regulation shall not apply to the transactions approved by the companies and intended for all the shareholders, all conditions being equal, therein including:**

- a) capital increases on a rights offering, including for servicing convertible debenture loans, and the gratuitous capital increases envisaged by Article 2442, Italian Civil Code;
- b) demergers in the strictest sense, in whole or in part, with assignment of shares on a proportional basis;
- c) share capital reductions by means of reimbursement to shareholders, as provided for by Article 2445, Italian Civil Code, and purchases of own shares in accordance with Article 132 of the Consolidated Law<sup>27</sup>.

2. The provisions of this Regulation shall not apply to transactions for smaller amounts

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faculty of exemption for urgent cases, this faculty is envisaged by the procedures adopted pursuant to the Article no. 4, paragraph 1, of the Regulation as well as in the company statute.

<sup>26</sup> Subsection thus amended with resolution no. 17389 of 23.6.2010 which added the final sentence.

<sup>27</sup> Subsection added with resolution no. 21624 of 10.12.2020.

**identified by the companies in accordance with Article 4, subsection 1, letter a)<sup>28</sup>.**

3. Procedures may exclude, in whole or in part, from the provisions of this Regulation, without prejudice to the application of Article 5, subsection 8, if applicable:

a) compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law and its enactment regulations;

b) resolutions other than those indicated in subsection 1 in relation to remuneration for directors and board members holding special office, together with remuneration for other managers with strategic responsibilities and resolutions by which the supervisory board determines remuneration for management board members, provided that<sup>29</sup>:

i) the company has adopted a remuneration policy **approved by the shareholders' meeting**<sup>30</sup>;

ii) in the definition of the remuneration policy has been involved a committee consisting solely of directors or a majority of independent non-executive directors;

iii) *...omissis...*<sup>31</sup>;

iv) **the remuneration awarded is consistent with this policy and quantified on the basis of criteria that do not imply discretionary evaluations**<sup>32</sup>;

c) regular transactions completed in market-equivalent or standard terms. In case of exception to the disclosure requirements, established for transactions of greater relevance, set forth in Article 5, subsections 1 to 7, and without prejudice to the application of Article 17, of Regulation (EU) no. 596/2014:

i) **companies shall notify Consob, and the directors and independent directors giving an opinion on transactions with related parties, within the period specified in Article 5, subsection 3, of the counterparty, the object, the consideration for the transactions that benefited from the exclusion, as well as the of reasons why it is believed that the transaction is a regular one and is concluded at market-equivalent or standard conditions, providing objective facts**<sup>33</sup>;

ii) companies listed on regulated markets shall indicate in the interim management report and annual report, in accordance to provisions in Article 5, subsection 8, which of the transactions subject to disclosure requirements specified in that provision been concluded based on the exclusion provided in this paragraph;

iii) companies with common stock shall indicate in the annual report the counterparty, the purpose and the consideration for the transactions of greater relevance completed in the period entered taking advantage of the exclusion provided in this letter<sup>34</sup>.

4. The provisions of this regulation, without prejudice to the application Article 5, shall not apply to transactions for stabilization purposes required by the Italian Central Bank, or on the basis of regulations issued by the parent for the execution of instructions issued by the Italian Central Bank in the interest of the group stability.

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<sup>28</sup> Subsection thus replaced by resolution no. 21624 of 10.12.2020.

<sup>29</sup> Indent as amended by Resolution no. 17389 of 23 June 2010 which replaced the words: "resolutions on remuneration for directors and board members holding special office, other than those indicated in subsection 1, together with managers with strategic responsibilities, provided that" with the words: "resolutions other than those indicated in subsection 1 in relation to remuneration for directors and board members holding special office, together with remuneration for other managers with strategic responsibilities and resolutions by which the supervisory board determines remuneration for management board members, provided that".

<sup>30</sup> Point thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "remuneration policy" added the words: "approved by the shareholders' meeting."

<sup>31</sup> Point repealed with resolution no. 21624 of 10.12.2020.

<sup>32</sup> Point thus replaced by resolution no. 21624 of 10.12.2020.

<sup>33</sup> Point thus replaced by resolution no. 21624 of 10.12.2020.

<sup>34</sup> Letter thus amended with resolution no. 19925 of 22.3.2017, which replaced the words: "article 114 subsection 1 of the Consolidated Law" with the words "article 17 of Regulation (EU) no. 596/2014".

5. Without prejudice to the application of Article 5, for related party transactions subject to applicable provisions in Article 136 of Legislative Decree no. 385 of 1 September 1993, the company, in establishing the procedures, shall not apply the provisions and opinions of independent experts under Article 7, subsection 1, paragraphs a) b) d) g) and subsections 1.1, paragraphs to ), b) and g), 1.2 and 1.3 of Annex 2 and, for transactions of greater importance, Article 8, subsection 1, paragraphs a), c) and d) and 2, and subsections 2.1, paragraphs to ), c) and d) 2.2, b) and d), and 3.1 points a) c) d) e) of Annex 2.

**6. In cases where transactions are neither attributed to nor shall be authorized by the Shareholders' Meeting, procedures may foresee, as expressly permitted by statute, that in cases of urgency - without prejudice to the application of Article 5, and to the right of approval of the Board of Directors, in accordance with Article 8, subsection 1, letter a), or of the management board, in accordance with subsections 2 and 3 of Annex 2, applicable to transactions of greater importance - the transactions with related parties be concluded notwithstanding the provisions of Article 7 and other provisions of Article 8 and Annex 2, provided that<sup>35</sup>:**

a) for transactions falling under the responsibility of a Managing Director or the Executive Committee, the Chairman of the Board of Directors or of the Management Board is informed of the reasons of urgency **immediately and, in any case**, prior to closing the transaction<sup>36</sup>;

b) these transactions are subsequently, without prejudice to their effectiveness, subject to non-binding resolution of the first valid ordinary Shareholders' Meeting;

c) the body which convenes the Shareholders' Meeting prepares a report containing an adequate justification of the reasons for urgency. The control body reports to the Shareholders' Meeting its assessment on the existence of the reasons for urgency;

d) the report and the assessments referred to in paragraph c) are made available to the public at least twenty days before the date fixed for the meeting at the registered office and as per the formalities set out in **Part III, Title II**, Chapter I of the Issuers' Regulation. These documents may be contained in the disclosure document referred to in Article 5, subsection 1<sup>37</sup>;

e) within the day immediately after the Shareholders' Meeting the company makes available to the public as per the formalities specified in **Part III, Title II**, Chapter I of the Issuers' Regulation on voting results, particularly with regard to the number of total votes cast by unrelated shareholders<sup>38</sup>.

#### Article 14

*(Management and Coordination, subsidiaries and associated companies)*

1. If the company is subject to management and coordination, for transactions with related parties, the opinions provided pursuant to Articles 7 and 8, and Annex 2 shall timely indicate the reasons and the convenience of these transactions, where appropriate, in light the overall result of the supervision and coordination of transactions that is designed to fully eliminate the damage resulting from an individual Related Party transaction.

2. Procedures may foresee that the provisions of this Regulation, without prejudice to the application of Article 5, subsection 8, shall not apply, in whole or in part, to transactions with or

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<sup>35</sup> Indent thus replaced by resolution no. 21624 of 10.12.2020.

<sup>36</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "reasons of urgency" added the words: "immediately and, in any case,".

<sup>37</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "in Title II" with the words: "in Part III, Title II,".

<sup>38</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "in Title II" with the words: "in Part III, Title II,". **The Resolution no. 21396 of 10 June 2020 temporarily suspended, from 20 June 2020 to 30 June 2021, in the event of operations of capital strengthening, the application of the provisions of the Article no. 11, paragraph 5, and of the Article no. 13, paragraph 6 of this Regulation, where provided for that, for the purposes of recourse to the faculty of exemption for urgent cases, this faculty is envisaged by the procedures adopted pursuant to the Article no. 4, paragraph 1, of the Regulation as well as in the company statute.**

between subsidiaries, or jointly, as well as to transactions with associated companies, if its subsidiaries or associated counterparties no interests exist, which may qualify as significant under the criteria established in Article 4, by other related parties of the company. It shall not be considered as significant interests those derived from the mere sharing of one or more directors or other managers with strategic responsibilities between the company and its subsidiaries or associated companies<sup>39</sup>.

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<sup>39</sup> Subsection thus amended with Resolution no. 17389 of 23.6.2010, which, after the words: “or more directors or” added the words: “other”; and after the word: “subsidiaries” added the words: “or associated companies”.

**Annex 1**

**DEFINITIONS OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS  
AND FUNCTIONAL DEFINITIONS THEREOF**

*...omissis...*<sup>40</sup>

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<sup>40</sup> Annex repealed with resolution no. 21624 of 10.12.2020.

## Annex 2

### PROCEDURES FOR TRANSACTIONS WITH RELATED PARTIES IN COMPANIES ADOPTING DUALISTIC MANAGEMENT AND CONTROL SYSTEMS

#### 1. Procedures for transactions of lesser importance

1.1. For companies adopting the dualistic system of management and control, with regard to transactions of lesser importance, the procedures shall at least foresee:

- a) that, before transaction approval, a committee, even specially formed, composed exclusively of unrelated advisory directors, mostly independent, expresses a reasoned and not binding opinion on the interest of the company in the completion of the transaction and the convenience and substantial correctness of its underlying terms. **This opinion is attached to the minutes of the committee's meeting**<sup>41</sup>;
- b) the ability of the committee to request the assistance, at the expense of company, from one or more independent experts of its choice. **The same committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4**<sup>42</sup>;
- c) that, the body responsible to resolve on the transaction and the committee indicated in paragraph a) above is provided with full and appropriate information in advance. Should the transaction terms be equivalent to market or standard terms, the documentation prepared shall include objective elements of comparison;
- d) that, should the supervisory board members have an interest, be it their own or of third parties, in the transaction, they shall give notice to the other supervisory board members, specifying the nature, terms, origin and scope;
- d-bis*) that, in relation to the companies with shares listed on regulated markets, where the transaction is the purview of the Board of Directors, the directors involved in the transaction abstain from voting thereon**<sup>43</sup>;
- e) that, where applicable, approval resolutions minutes shall bear adequate reasons in respect of the interest of the company in the completion of the transaction and the convenience and substantial correctness of its underlying terms;
- f) full disclosure at least quarterly to the management board and supervisory board on execution of transactions;
- g) the application of Article 7, subsection 1, paragraph g).

1.2. With reference to the use of independent experts set out in subsection 1.1 b), procedures can define a maximum expenses amount for each individual transaction, identified in absolute terms or in proportion to the transaction amount, for services rendered by independent experts.

1.3. The procedures adopted by companies with at least one unrelated, independent Management Board member may foresee that the advance non-binding opinion referred to in subsection 1.1, paragraph a), shall be issued by such member or a committee, including specially formed, composed exclusively of unrelated, non-executive management board members, mostly independents. In this case, the right to be assisted by one or more independent experts, provided as indicated in subsection 1.2, fall to the management called to the opinion and information about the provisions of subsection 1.1, point c) shall be provided the Board.

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<sup>41</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "of the related conditions" added the words: "This opinion is attached to the minutes of the committee's meeting."

<sup>42</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "of its choice" added the words: ". The same committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4."

<sup>43</sup> Letter added with resolution no. 21624 of 10.12.2020.



## 2. Procedures for transactions of greater importance

2.1. In companies adopting the dualistic system of administration and control, for transactions of greater importance, the procedures shall, in addition to the provisions of subsection 1.1, paragraphs b) to f), at least foresee:

- a) a degree of competence to act on the part of the board of management;
- b) that a committee, including specially formed, composed exclusively of unrelated independent supervisory directors, or one or more components delegated by it, are **immediately** involved in the negotiation phase and the initial inquiry through a complete and **updated** flow of information, with the possibility to request information and to submit comments to the managing bodies and entities responsible for the conduct of negotiations or inquiry<sup>44</sup>;
- c) that, the transaction is approved after reasoned and non-binding opinion on the interest the company holds in the completion of the transaction and on the convenience and the substantial correctness of the underlying terms, by the committee stated in the paragraph b). **This opinion is attached to the minutes of the committee's meeting**<sup>45</sup>;
- d) that, in the event that the Management Board approves the transaction with the negative opinion of the committee set out in paragraph b), without prejudice to its effectiveness, this transaction is subsequently subject to a non-binding resolution of the ordinary shareholders' meeting, to be convened without delay. Within the day after the shareholders' meeting, companies shall make available to the public, as per the formalities specified in **Part III, Title II**, Chapter I of the Issuers' Regulations, the information on voting results, especially with regard to the number of total votes cast by unrelated shareholders<sup>46</sup>.

2.2. The procedures adopted by companies with at least one unrelated, independent Management Board member may foresee that the advance non-binding opinion referred to in subsection 2.1, paragraph a), shall be issued by such member or a committee, including specially formed, composed exclusively of unrelated, non-executive management board members, mostly independents. In such event, without prejudice to the Management Board reserved right to resolve on these matters, the procedures shall at least foresee:

- a) that the committee of independent management board members or one or more of its delegated officers or the independent board member are involved **immediately** in the negotiations and investigation stages by means of a full and **updated** flow of information and with the right to request information and issue comments to the delegated bodies and persons appointed to conduct the negotiations or investigations<sup>47</sup>;
- b) the right of the Board or committee envisaged in paragraph a) to be assisted by one or more independent experts. **The same board or committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4**<sup>48</sup>;
- c) that, the information about the provisions of subsection 1.1, point c), is made available to the Management Board;

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<sup>44</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "delegated by it, are involved" added the words: "immediately" and replaced the word: "timely" with the word: "updated."

<sup>45</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "in letter b)" added the words: ". This opinion shall be attached to the minutes of the meeting of the committee."

<sup>46</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "in Title II" with the words: "in Part III, Title II,".

<sup>47</sup> Letter first amended with resolution no. 17389 of 23 June 2010, which after the words: "the committee of independent management board members or" added the words: "one or more members delegated by it or" and replaced the words: "is involved" with the words: "are involved," then with resolution no. 21624 of 10.12.2020, which, after the words: "the independent management board members are involved" added the word: "immediately" and replaced the word: "prompt" with the word: "updated".

<sup>48</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "independent experts" added the words: ". The same management director or committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4."

- d) should the Management Board approve a transaction with a negative opinion of the independent director or committee, either:
  - i) resource to, without prejudice to the transaction effectiveness, a subsequent non-binding resolution of the ordinary shareholders' meeting, to be convened without delay, subject to the provisions contained in subsection 2.1, d);
  - ii) that, a non-binding, reasoned opinion on the interest of the company in the completion of the transaction and on the convenience and the substantial correctness of the underlying conditions, is issued by a committee, including specially formed, composed exclusively unrelated, independent supervisory board members. In this case, the right to be assisted by one or more independent experts is held by this committee.

### 3. Procedures for strategic transactions

**3.1.** Should the supervisory board be convened to resolve on transactions with related parties pursuant to Article 2409-I f-bis) of the Italian Civil Code, the procedures shall at least foresee:

- a) the reserved right of the Management Board to resolve on the proposal to submit to the Supervisory Board;
- b) that a committee, including specially formed, composed exclusively of unrelated independent supervisory directors, or one or more components delegated by it, are **immediately** involved in the negotiation phase and the initial inquiry through a complete and **updated** flow of information, with the possibility to request information and to submit comments to the managing bodies and entities responsible for the conduct of negotiations or inquiry<sup>49</sup>;
- c) the power of the committee envisaged in paragraph b) to request the assistance, at the expense the company, of one or more independent experts of its choice. **The same committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4**<sup>50</sup>;
- d) that, the supervisory board resolves on the transaction following a reasoned and favourable opinion, on the interest of the company in the completion of the transaction and on the convenience and the substantial correctness of the underlying terms, of the Committee indicated in paragraph b). **This opinion is attached to the minutes of the committee's meeting.** The procedures may foresee that the supervisory board decides in favour of the transaction despite the negative opinion of the committee provided this operation, without prejudice to its effectiveness, is subsequently subject to a non-binding resolution of the ordinary shareholders' meeting, to be convened without delay<sup>51</sup>;
- e) within the day immediately after the shareholders' meeting the company makes available to the public, as per the formalities specified in **Part III, Title II**, Chapter I of the Issuers' Regulation, information on voting results, particularly with regard to the number of total votes cast by unrelated shareholders<sup>52</sup>;
- f) that, the management board and the supervisory board are provided with full and adequate information in advance. Should the transaction terms be market-equivalent or standard, the documentation prepared shall include objective elements of comparison;
- g) that, should the supervisory board members have an interest, be it their own or that of third parties, in the transaction, they shall give notice to the other supervisory board members, specifying the nature, terms, origin and scope;

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<sup>49</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "delegated by it are involved" added the word: "immediately" and replaced the word: "timely" with the word: "updated."

<sup>50</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, after the words: "independent experts of its choice" added the words: ". The same committee preemptively verifies the independent nature of the experts, keeping into account the reports indicated in paragraph 2.4 of Annex 4."

<sup>51</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which, in the first clause, after the words: "indicated in letter b)." added the words: "This opinion is attached to the minutes of the committee's meeting."

<sup>52</sup> Letter thus amended with resolution no. 21624 of 10.12.2020, which replaced the words: "in Title II," with the words: "in Part III, Title II,".

**g-bis) that, in companies with shares listed on regulated markets, the directors involved in the transaction abstain from voting thereon<sup>53</sup>;**

- h) that the approval resolutions minutes bear adequate reasons in respect of the interest of the company in the completion of the operation and the convenience and the substantial correctness of the underlying terms;
- i) full disclosure at least quarterly to the management board and supervisory board on transactions execution.

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<sup>53</sup> Letter added with resolution no. 21624 of 10.12.2020.

### Annex 3

#### IDENTIFICATION OF TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES

1. Internal procedures set out quantitative criteria for the identification of the "transactions of greater importance" so as to include at least the categories of transactions listed below.

1.1. Transactions in which, at least one of the following relevance indexes, applicable depending on the specific operation, is greater than the 5% threshold:

**a) Equivalent-value relevance ratio:** the ratio between the equivalent transaction and the net equity drawn from the latest published balance sheet (consolidated, if so prepared) by the company or, for listed companies, if greater, the capitalization of the acquired firm at the end of the last trading day included in the period covered by the latest accounting periodical published document or semi-annual financial report or additional periodic financial information, if drafted). For banks, is the ratio between the equivalent of the operation and regulatory capital drawn from the latest published balance sheet (consolidated, if so prepared)<sup>54</sup>.

Should the economic conditions of the transaction not be determined, the equivalent operation shall be:

- i) for the cash component, the amount paid to or from the contract;
- ii) for the component in financial instruments, the *fair value* determined at the date of the transaction, in accordance with international accounting standards adopted by Regulation (EC) No. 1606/2002;
- iii) for funding transactions or grant of guarantees, the maximum amount payable.

If the economic conditions of the operation depends, in whole or in part, of magnitudes not yet known, the equivalent operation is the maximum admissible or payable value under the Agreement.

**b) Asset relevance ratio:** the ratio between the total assets of the entity in the transaction and the total assets of the company. Data to be used shall be obtained from the most recently published balance sheet (consolidated, if so prepared) by the company; whenever possible, similar data should be used for determining the total assets of the entity involved in the transaction.

For transactions involving the acquisition and sale of shares in companies that have an impact on the area of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital being available.

For transactions of acquisition and divestment of holdings in companies that have no effect on the consolidation perimeter, the value of the numerator is:

- i) in the case of acquisitions, the counter operation plus the liabilities of the company acquired eventually assumed by the purchaser;
- ii) in case of supplies, the consideration of the divested business.

For transactions of acquisition and disposal of other assets (other than the purchase of a stake), the value of the numerator is:

- i) in case of acquisitions, the greater of the consideration and the carrying amount that will be attributed to the asset;
- ii) in case of supplies, the book value of the assets.

**c) Liabilities relevance ratio:** Description of characteristics, rules, terms and conditions of the

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<sup>54</sup> Letter thus amended with resolution no. 19925 of 22.3.2017 that replaced the words: "interim operating report" with the words "additional periodic financial information when drafted".

transaction. Data to be used must be derived from the most recently published balance sheet (consolidated, if so prepared) by the company; whenever possible, similar data should be used for determining the total liabilities of the company or company branch acquired.

**1.2.** Transactions with the parent company listed or subjects that are related to the latter in turn related to companies where at least one indicator of significance in subsection 1.1. higher than the threshold of 2.5%.

**1.3.** Companies evaluate whether to identify thresholds of significance lower than that mentioned in subsections 1.1 and 1.2 for transactions that could affect the issuer's management independence (e.g, disposal of intangible assets such as trademarks or patents).

**1.4.** In the case of overlapping of multiple transactions pursuant to Article 5, subsection 2, companies shall determine in the first place, the relevance of each individual transaction on the basis of the ratio or ratios, as prescribed in subsection 1.1, thereto applicable. To verify whether the thresholds specified in subsections 1.1, 1.2 and 1.3 are exceeded, the results for each indicator are added together.

**2.** Where a transaction or several transactions that are accumulated under article 5, subsection 2, are identified as "most relevant" according to the indices established in subsection 1 and this result is manifestly unreasonable in view of special circumstances, Consob may indicate, at the request of the company, alternative arrangements to be followed in determining these indices. To this end, the company announced to Consob the essential characteristics of the transaction and the special circumstances upon which the request prior to the conclusion of the negotiations was based.

## Annex 4

### INFORMATION DOCUMENT CONCERNING TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES

For companies quoted on regulated markets, with their common stock widely distributed among the public (hereinafter "the companies"), and conducting transactions of greater importance with related parties, the information document foreseen by Article 5 shall contain at least the following information:

#### *Contents*

##### *1. Warnings*

Highlight, in summary, the risks related to potential conflicts of interest arising from the operation with related parties described in the information document.

##### *2. Details of the transaction*

- 2.1. Description of characteristics, formalities, terms and conditions of the transaction.
- 2.2. Indication of related parties with involved in the operation, the nature of the relationship, and whether it has been disclosed to the Board of Directors, the nature and extent of the interests of such parties in the transaction.
- 2.3. Indication of the economic rationale and company suitability of the operation. If the transaction has been approved against the negative opinion of directors or independent directors, an analytical and adequate justification why it was deemed suitable not to share that view.
- 2.4. Methods of determining the consideration for the transaction and assessments regarding its adequacy in relation to market values of similar transactions. If the economic terms and conditions of the transaction are defined as market-equivalent or standard, providing adequate justification for such claim and comparison elements. Indicate whether there are independent expert opinions in support of the adequacy of such consideration and the conclusions of the same, stating:
  - bodies or individuals who commissioned the opinions and designated experts;
  - **the assessments conducted to select the independent experts and verification of their independence. In particular, include any economic relations, property and financial relations between the independent experts, and (i) the related party, the companies controlled by it, the entities controlling it, the companies under common control and the managers of the aforementioned companies; (ii) the company, the companies controlled by it, the entities controlling it, the companies subject to common control and the managers of the aforementioned companies, taken into account for purposes of qualification as an independent expert and the reasons for which these reports were considered irrelevant to the proceedings on independence. Information about possible relationships can be provided by attaching a declaration from these independent experts<sup>55</sup>;**

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<sup>55</sup> Sub-indent thus replaced by resolution no. 21624 of 10.12.2020.

- the terms and purpose of the mandate given to the experts;
- the names of experts appointed to assess the adequacy of the consideration.

Indicate that the opinions of independent experts or the essential elements thereof, pursuant to Article 5 of the Issuers' Regulations, are attached to the information document or published on the company website. The essential elements of the expressed opinion that shall be communicated are as follows:

- evidence, where applicable, of the specific limits encountered in the performance of office (e.g. with regard to access to relevant information), the assumptions used and the conditions to which the opinion is subject;
- evidence of possible criticisms reported by experts in relation to the specific transaction;
- Indication of the valuation methods adopted by the experts to comment on the adequacy of the consideration;
- Indication of the relative importance attributed to each of the valuation methods adopted for the purpose above;
- Indication of the values resulting from each valuation method adopted;
- In the event the valuation methods used provided a range of values, an indication of the criteria whereby it was determined the final value of the consideration;
- Indication of the sources used to compile the relevant data being processed;
- Indication of the main parameters (or variables) taken as reference for the application of each method.

With regard to elements of the publicly available expert opinion, confirm that this information has been reproduced in keeping with the content of opinions to which it refers, and that, as known to the issuer, there are no omissions that would render the reproduced information inaccurate or misleading.

- 2.5. An illustration of the transaction economic and financial effects, providing at least the applicable ratios of relevance . If the operation exceeds the significant reporting threshold determined by Consob pursuant to Articles 70 and 71 of the Issuers' Regulations, which will be published to highlight pro-forma financial information provided in the document, as appropriate, by subsection 4 of Article. Or Article 70. 71 and in the terms established by those provisions. Notwithstanding the right to publish a single document pursuant to Article 5, subsection 6.
- 2.6. If the amount of compensation for members of the board of the company and / or their subsidiaries is bound to change as a result of the operation, detailed particulars of the variations. If no changes are foreseen, insertion, however, of a declaration to that effect.
- 2.7. In the case of transactions where the related parties involved are the members of the administrative and control bodies, top executives and directors of the issuer, information concerning the securities of the issuer that are held by entities identified above and to the interests of those in transactions overtime, provided for by Title 14.2 and 17.2 of Annex I to Regulation 809/2004/EC.
- 2.8. Inspection bodies or administrators who have led or participated in the negotiations and / or educated and / or approved the transaction by specifying the respective roles, particularly with regard to independent directors, if any. Referring to the resolutions approving the transaction, specify the names of those who voted for or against the transaction or abstained, giving the reasons **in a detailed manner** for any dissent or abstentions. Indicate that, under Article 5 of the Issuers' Regulations, any opinions of independent directors are attached to

the information document or published on the website of the company<sup>56</sup>.

- 2.9.** If the significance of the transaction results from the cumulation - under article 5, subsection 2 - of more transactions carried out during the year with the same related party, or related persons to both the latter and the company, the information specified in the preceding subsections shall be provided with reference to all the above transactions.

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<sup>56</sup> Subsection thus amended with resolution no. 21624 of 10.12.2020, which, in the second clause, after the words: “or abstained, giving the reasons” added the words: “in a detailed manner”.



## Appendix

### DEFINITIONS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES AND FUNCTIONAL DEFINITIONS ACCORDING TO INTERNATIONAL ACCOUNTING PRINCIPLES

#### 1. Definitions of related parties and transactions with related parties according to international accounting principles

For the purposes of Article 3, subsection 1, paragraph *a*) of this Regulation, the following definitions contained in the international accounting principles, shall apply:

##### *Related parties*

A *related party* is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”).

- (a) A person or close member of that person’s family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity;
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
  
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are *joint venture* of the same third party;
  - (iv) one entity is a *joint venture* of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associate and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].

### *Transactions with related parties*

A *related party transaction* is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged [IAS 24, paragraph 9]<sup>57</sup>.

## **2. Functional definitions to those of "related parties" and "transactions with related parties" according to international accounting principles**

The notions of "control", "joint control", "significant influence", are defined in IFRS 10, IFRS 11 (*Joint arrangements*) and in IAS 28 (*Investments in associates and joint ventures*) and are used with the meanings specified in those IFRS [IAS 24, paragraph 9].

### *Key management personnel*

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

### *Close relatives*

*Close relatives of an individual* are those family members who may be expected to influence or be influenced by, that individual in their dealings with the company, and include:

- (a) the individual's children and spouse or domestic partner;
- (b) children of the individual's spouse or domestic partner;
- (c) dependants of the individual or the individual's domestic partner [IAS 24, paragraph 9].

## **3. Principles of interpretation of the definitions**

**3.1** In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form [IAS 24, paragraph 10].

**3.2** The interpretation of the definitions above is accomplished by referring to the set of international accounting standards adopted by the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.

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<sup>57</sup> These transactions include:

- mergers, demergers by incorporation or non-proportional demergers in the strictest sense, if carried out with related parties;
- decisions regarding the assignment of remunerations and financial benefits, in any form whatsoever, to the members of management and control bodies and of key management personnel.