



**STAR7 S.p.A.**

**PROCEDURE FOR RELATED PARTY TRANSACTIONS**

Approved by the Board of Directors on 7 December 2021

## Introduction

The purpose of this procedure for related party transactions (the "**Procedure**" or the "**RPT Procedure**") is to outline the process for managing transactions with related parties made by STAR7 S.p.A. (the "**Company**") directly or via its Subsidiaries (as defined below) in order to ensure such transactions are conducted transparently and with substantive and procedural fairness. This follows the admission of shares to trading on Euronext Growth Milan, a multilateral trading facility organised and managed by Borsa Italiana S.p.A. ("**Euronext Growth Milan**" or "**EGM**").

In accordance with article 13 of the Euronext Growth Milan Issuers Regulation (hereinafter, the "**EGM Issuer Regulation**"), the Procedure has been prepared on the basis of:

- article 10 of the Regulation containing provisions on related party transactions, adopted by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended ("**CONSOB Regulation**");
- the Provisions on related parties issued by Borsa Italiana S.p.A. applicable to companies issuing shares admitted to trading on Euronext Growth Milan (the "**Provisions**").

The Procedure contains rules applicable to two categories of related party transactions: (i) More Significant Transactions with Related Parties (as defined below) and (ii) Less Significant Transactions with Related Parties (as defined below) and lays down specific provisions on how they are assessed and approved.

The Procedure does not apply to certain categories of transactions with related parties, including, *inter alia*, Transactions of Limited Value (as defined below) and resolutions relating to the remuneration of members of the Board of Directors and of the executive committee (where such committee has been established).

The Procedure was approved by the Company's Board of Directors at its meeting on 7 December 2021 and came into effect on the date the Company's ordinary shares began trading on Euronext Growth Milan.

For matters not expressly governed by this Procedure, reference should expressly be made to the provisions of CONSOB Regulation (as applicable to the Company in accordance with the EGM Issuer Regulation) and the Provisions in force at the time.

Any amendments made to CONSOB Regulation (as applicable to the Company in accordance with the provisions of EGM Issuer Regulation) – in particular with reference to the definitions of "Related Party Transactions", "More Significant Transactions with Related Parties" and "Related Parties" – and to the Provisions are deemed to be automatically incorporated into this Procedure, with the provisions referencing them amended accordingly.

Without prejudice to the provisions set out in the following points of this RPT Procedure, the main body responsible for it being correctly and consistently applied is the Company's Board of Directors, which, taking into account reports and observations from other corporate bodies, periodically assesses (at least every three years) the effectiveness of the Procedure and the necessity and/or advisability of revising it.

It is, however, to be understood that, in accordance with article 4(6) of CONSOB Regulation, it is the task of the Board of Statutory Auditors to monitor compliance of this Procedure with the principles of CONSOB Regulation, as well as observance of the Procedure itself, and to report on this to the Shareholders' Meeting, pursuant to Article 2429(2) of the Italian Civil Code.

The RPT Procedure is published on the Company's website: [www.star-7.com](http://www.star-7.com).

## Section 1. Definitions

1.1. For the purposes of this RPT Procedure, capitalised terms and expressions, unless otherwise specified, have the meaning stated below:

- **Independent Directors:** directors who meet the independence requirements set out in article 148(3) of the TUF (Italian Finance Act) and any additional sector regulations that may be applicable due to the Company's activities.
- **Non-related directors:** the directors of the Company other than the counterparty to a particular transaction and the related parties.
- **Shareholders' Meeting:** the shareholders' meeting of the Company.
- **Board of Statutory Auditors:** the current Board of Statutory Auditors.
- **Committee for Related Party Transactions** or **Committee:** the committee composed of all the Independent Directors appointed at the time, it being understood that if only one Independent Director is on the Board of Directors, the committee shall be deemed to be legitimate with the presence of that Independent Director alone. The Equivalent Internal Controls referred to in section 4 of this Procedure remain in any case applicable.
- **Market-equivalent or Standard Terms:** conditions similar to those normally used with regard to parties not falling within the definition of a Related Party, for transactions of an equivalent nature, size and risk. This category also includes conditions based on regulated tariffs or fixed prices or those applied to parties the Company is obliged by law to engage for a certain consideration.
- **Responsible Director:** Chairman of the Board of Directors or each director to whom the Board of Directors has delegated its powers.
- **Board of Directors:** the current board of directors of the Company.
- **Group:** the Company and the companies included in its consolidated financial statements (i.e. the Subsidiaries).
- **Responsible Function:** the function responsible for the individual Related Party Transaction as per the provisions of the Company's internal rules, or the delegated body or party if no such internal structure is in place. In the case of transactions completed via a Subsidiary, the Responsible Function is the company function responsible for the prior assessment or approval of the individual transaction which the subsidiary intends to carry out.
- **Significant Interests:** identified by CONSOB Communication DEM/10078683 of 24 November 2010 (and in subsequent CONSOB communications), for the purposes of this Procedure, the assessment of the significance of a Related Party's interest in a transaction is made by taking into account its nature, amount and any other element considered useful for the purposes of the assessment. The assessment is carried out by the Responsible Director who may seek the opinion of the Committee or, if necessary, of independent experts appointed for the purpose. Significant Interests are not considered to arise simply as a result of one or more directors or other executives with strategic responsibilities holding similar roles at both the Company and its Subsidiaries or Associated Companies. Significant Interests exist (i) if one or more Company directors or executives with strategic responsibilities benefit from incentive plans based on financial instruments or variable remuneration plans dependent on results achieved by the Subsidiaries or Associated Companies with which the transaction is made; (ii) if the party with control over the Company (including indirectly) has a shareholding in the Subsidiary or Associated Company with which the Transaction is carried out that has an effective value greater than the shareholding held by the same party in the Company.

- **Related Party Transaction or Transaction:** any transfer of resources, services or obligations between the Company and one or more Related Parties, irrespective of whether a consideration has been agreed upon. Any of the following are considered to be included in this definition: (i) mergers, demergers by incorporation or with a non-proportional allotment of shares to existing shareholders, if carried out with Related Parties; (ii) any decision relating to remuneration and financial benefits, in any form whatsoever, to members of management and supervisory bodies and to executives holding strategic responsibilities, with the exception of the cases referred to in section 12 below. Related Party Transactions do not include transactions that are addressed indiscriminately to all shareholders on equal terms (such as, by way of example but not limited to, demergers with a proportion of shares allotted to shareholders and rights issues).
- **Related Party Transactions carried out via Subsidiaries:** transactions with Related Parties carried out by Subsidiaries of the Company subject to prior assessment or approval by the latter, by virtue of provisions issued in the course of the Company's management activity, internal decision-making processes or powers conferred on the Company's corporate representatives.
- **Transactions of Limited Value:** Transactions whose annual equivalent value (net of any taxes or charges) is, per individual Transaction, less than 150,000.00 euros for legal persons and 750,000.00 euros for natural persons.
- **More Significant Transactions:** "*more significant transactions*" as defined on the basis of the criteria set out in Annex 2 to the Provisions in force at the time.
- **Less Significant Transactions:** all Related Party Transactions other than More Significant Transactions and Transactions of Limited Value.
- **Ordinary Transactions:** a Transaction that is part of the regular business activities of the Company or its subsidiaries, or that is part of its related financial activities, and that has been concluded at market or equivalent conditions.
- **Related Parties:** for the purposes of this Procedure a person/entity is a "Related Party" if he/she/it: (a) directly, or indirectly, including through Subsidiaries, trustees or intermediaries: (i) has control over the Company, is controlled by it, or is under common control; (ii) holds an interest in the Company such as to enable him/her/it to exercise significant influence over the latter; (iii) exercises control over the Company jointly with others; (b) is an associated company of the Company; (c) is a joint venture in which the Company holds a stake; (d) is an executive holding strategic responsibilities at the Company or its parent company; (e) is a close family member of one of the parties referred to in points (a) or (d); (f) is an entity in which one of the parties referred to in points (d) or (e) exercises control, joint control or significant influence or holds, directly or indirectly, a significant proportion (not less than 20%) of the voting rights; (g) is a supplementary pension fund, collective or individual, Italian or foreign, set up for the benefit of employees of the Company, or of any other entity related to it.

For the purposes of this definition, the terms "**control**", "**joint control**", "**significant influence**", "**executives holding strategic responsibility**", "**close family members**", "**subsidiary**" and "**joint venture**" have the meaning ascribed to them in Annex 1 of the Provisions in force at the time.

- **Direct Related Parties:** the Related Parties referred to in points (a) and (d) above.
- **Equivalent Internal Controls:** the controls indicated in section 4 below of this RPT Procedure to be adopted to protect the substantive fairness of the Transaction if, in relation to a given Transaction, it is not possible to constitute the Committee under the specific composition rules.
- **Non-related Shareholders:** parties entitled to vote other than the counterparty of a given transaction and Related Parties to both the counterparty of a given transaction and the Company.

- **Subsidiary:** an entity, even if the entity has no legal personality, such as a partnership, controlled by another entity.
- **Associated Company:** an entity, even if the entity has no legal personality, such as a partnership, in which a shareholder exercises significant influence but not control or joint control.
- **TUF:** Italian Legislative Decree No. 58 of 24 February 1998, and subsequent amendments (known as the Italian Finance Act).

1.2. All capitalised terms not specifically defined in this Procedure will have the meaning indicated in CONSOB Regulations.

## **Section 2. Identification of Related Parties**

2.1. In order to facilitate the Company's monitoring and supervisory activities, Direct Related Parties are required (including in regards to the Related Parties attributable to them) to provide in writing to the Responsible Director the details and information necessary for the timely identification of all existing Related Parties. Any updates to information previously provided are to be supplied promptly.

2.2. The Responsible Director maintains an updated list of Related Parties (this may be done through a specific corporate function) and, in the event of doubts and/or disputes, refers the identification of any Related Parties to the Board of Statutory Auditors. For the purposes of verifying the existence or otherwise of a Related Party, the aforementioned list is made available to the responsible bodies and any relevant corporate functions of the Subsidiaries.

2.3. Each Direct Related Party is required to provide prior notice to the Responsible Director if he/she/it, or his/her/its Related Parties, intend to carry out (including on an indirect basis) Transactions of any kind other than those of a Limited Value with the Company or its Subsidiaries.

2.4. In carrying out the provisions of this Procedure, the Responsible Director may be supported by a specific corporate function.

## **Section 3. Committee for Related Party Transactions**

3.1. The Committee meets at the request of the Chairman of the Board of Directors or the Responsible Director in the cases set out in section 5 of this RPT Procedure. The request indicates: (i) the members of the Committee in accordance with the composition rules set out in this Procedure; (ii) the name of the person appointed as Chairman of the Committee and (iii) the deadline, if any, by which the Committee must issue its opinion pursuant to section 6 below.

3.2. The parties identified as members of the Committee must promptly declare the existence of any relationship to the specific Transaction in relation to which the Committee has been called to meet, in order for, if appropriate, the Equivalent Internal Controls referred to in section 4 below of this Procedure to be applied.

3.3. Committee meetings may also be held by tele-conference/audio-conference or by a written consultation procedure, provided that each member is kept adequately informed and given the opportunity to actively participate in the decision-making process. The decision is adopted in writing by a majority of the Committee members present. Where votes are tied, the Chairman has the casting vote.

## **Section 4. Equivalent internal controls**

4.1. If it is not possible to constitute a collegial Committee, the opinion is issued by the only Independent Director who is also a non-Related Director or, in the absence of such a figure: (i) by the Chairman of the Board of Statutory Auditors provided that he/she is not a Related Party to the specific Transaction; or (ii) by an independent expert identified by the Board of Directors, selected from parties recognised for his/her professional expertise in the relevant areas and whose independence and the lack of any conflict of interest have been assessed.

4.2. In the event of recourse to one of the Equivalent Internal Controls referred to in this section, the provisions laid down concerning the procedure to be followed by the Committee for Related Party Transactions apply, as far as compatible.

## **Section 5. Appraisal and approval of Related Party Transactions**

5.1. In accordance with the combined provisions of article 13 of the EGM Issuer Regulation and article 10 of CONSOB Regulation, the Company opts to apply to More Significant Related Party Transactions the procedure established for Less Significant Related Party Transactions. Therefore, the rules set out in this section will apply to both More Significant Transactions and Less Significant Transactions, without prejudice to the provisions of section 10 below.

5.2. Before carrying out any Transaction, the Responsible Function checks whether the counterparty is a Related Party. If it considers that the Transaction is a Related Party Transaction, the Responsible Function communicates the details of the Transaction to the Responsible Director to verify:

- (a) whether the Transaction is subject to exemption;
- (b) whether the Transaction falls under a Framework Resolution (as defined below); and
- (c) whether the Transaction is a More Significant Transaction or a Less Significant Transaction.

5.3. If the Transaction meets one of the criteria set out in article 5.2, points (a) and (b) above, the Responsible Director informs the Responsible Function. The Responsible Function will notify the Responsible Director of the completion of the Transaction as soon as it has been carried out.

5.4. If the Transaction does not fall within the criteria referred to in Article 5.2, points (a) and (b) above, the Responsible Director promptly brings the Transaction to the attention of the Committee, providing it with all available information and indicating – if necessary – the deadline by which the Committee must express its opinion. The Committee will be constituted and proceed to assess the Transaction, in accordance with this Procedure.

5.5. In case of doubt as to whether the Transaction meets one of the criteria referred to in article 5.2, points (a) and (b) above, the Responsible Director will submit the assessment to the Committee, providing it with all available information.

5.6. Without prejudice to what is described below, the approval of Related Party Transactions must in any case be subject to a reasoned non-binding opinion issued by the Committee on the Company's interest in carrying out the Related Party Transaction, as well as on the financial soundness and substantive fairness of the relative conditions.

5.7. In order to enable the Committee to issue its reasoned opinion: (a) the Responsible Director, supported by the Responsible Function and sufficiently in advance, will provide the Committee with complete and adequate information on the specific Related Party Transaction. In particular, such information must include, as a minimum, a description of the Related Party, the nature of the relationship, the subject of the Transaction, the expected consideration and the other main terms and conditions of the Transaction, as well as the expected timing, the reasons underlying the Transaction and any risks for the Company and its subsidiaries; (b) if the terms of the Transaction are deemed to reflect Market-equivalent or Standard Terms, the Responsible Director, supported by the Responsible Function, must provide objective evidence of this.

5.8. Once the information has been received from the Responsible Director, the Committee, in due time for the approval of the Transaction, and in any case by and no later than the deadline indicated by the Responsible Director pursuant to section 5.4 above, must promptly provide the body responsible for deciding on the approval of the Transaction with adequate information on the preliminary appraisal conducted on the Transaction and issue its own reasoned opinion concerning the Company's interest in carrying out the Transaction, as well as the financial soundness and the substantive fairness of the relevant conditions.

5.9. If the Committee for Related Party Transactions deems it necessary or appropriate, it may seek the advice of one or more independent experts of its own choice, at the Company's expense, in compliance with the maximum limit for expenses – which will in any case be negotiated with the Responsible Director – of 5% (five per cent) of the value of the Transaction. Experts will be selected on the basis of their recognised professionalism and expertise in the fields concerned, their independence and the absence of any conflict of interest.

5.10. Approval of Related Party Transactions is the responsibility of the Responsible Director, in accordance with the powers delegated to him/her, or of the Board of Directors or the Shareholders' Meeting if such transactions fall within a type of transaction which, under the law, the Bylaws, or by a board resolution, come under their respective competence. If the Responsible Director is not authorised to approve Transactions, responsibility for approval lies with the governing body. The Responsible Director may always submit for the governing body's approval any Related Party Transactions which he/she is responsible for.

5.11. If the Transaction falls within the competence of the Board of Directors, complete and adequate information on the Transaction to be carried out is sent to the Board of Directors with sufficient notice for the Board of Directors to accurately assess the proposed Transaction and in any case at least five (5) days before the date of the board meeting. If the terms of the Transaction are Market-equivalent or Standard Terms, further information in this regard is to be included. In any case, the information provided to the Board of Directors must contain:

- (a) an indication of the general characteristics of the Transaction (in particular the subject of the transaction, the reasons, the consideration, the timing and the nature of the relationship);
- (b) an indication of how the consideration is determined and/or the main terms and conditions likely to give rise to obligations on the part of the Company;
- (c) an indication of any interests (directly or on behalf of third parties) that members of the corporate bodies hold in relation to the Transaction.

5.12. The minutes of the meeting of the Board of Directors approving a Related Party Transaction must indicate the reasons relating to the Company's interest in carrying out the Transaction as well as the financial soundness and substantive fairness of the terms of the Transaction. If the Board of Directors considers that it does not share the opinion of the Committee, it must duly specify the reasons for such disagreement.

5.13. More Significant Transactions with Related Parties falling within the competence of the Board of Directors may be approved by the latter even where the Committee is of the contrary opinion, or in any case without taking into account the findings made by the Committee, provided that the completion of the Transaction is subject to the authorisation of the Company's ordinary Shareholders' Meeting. The Shareholders' Meeting resolves on the Transaction with the majorities required by law, it being understood that the completion of the Transaction is prevented if the majority of the voting Non-related Shareholders vote against the Transaction. The Transaction is only prevented from being carried out if the Non-related Shareholders present at the Shareholders' Meeting represent at least 10% (ten per cent) of the share capital with voting rights.

5.14. Resolutions relating to Related Party Transactions of the Company and its Subsidiaries in which one or more directors, including those with executive powers, hold an interest on their own behalf, or on behalf of third parties, remain within the competence of the Board of Directors.

5.15. The same procedure referred to in this section applies to approval by the Board of Directors of proposals for resolutions on Related Party Transactions to be submitted to the Shareholders' Meeting when such Transactions fall within the competence of the Shareholders' Meeting or must be authorised by it.

5.16. The minutes of the shareholders' meeting resolution approving each Related Party Transaction must contain adequate justification regarding the Company's interest in carrying out the Transaction as well as the financial soundness and substantive correctness of the relevant conditions.

5.17. More Significant Transactions with Related Parties that fall within the competence of the Shareholders' Meeting, or that must be authorised by it or submitted before it, are resolved with the majorities required by law, it being understood that the completion of the Transaction is prevented if the majority of voting Non-related Shareholders vote against the Transaction, provided however that the Non-related Shareholders present at the meeting represent at least 10% (ten per cent) of the share capital with voting rights.

5.18. After the competent body has taken a decision on the Transaction, it promptly notifies the Responsible Director and the Responsible Function of the outcome of such decision.

5.19. If the Company is subject to management and coordination, where Related Party Transactions are influenced by such activity, the opinion outlined in this section 5 must contain a precise indication of the reasons and financial soundness of the Transaction, including, if necessary, in the light of the overall result of the management and coordination activity or of transactions aimed at fully eliminating damage arising from the individual Related Party Transaction.

## **Section 6. Approval of Framework Resolutions**

6.1. The Board of Directors may adopt framework resolutions for the Company (directly or through Subsidiaries) to carry out a series of similar Transactions with certain categories of Related Parties identified from time to time by the Board of Directors ("**Framework Resolutions**").

6.2. The Framework Resolutions must be approved according to the procedure established for the approval of a single Related Party Transaction on the basis of the maximum total amount established, and must refer to sufficiently identified transactions, indicating, as a minimum:

- (a) the duration of the Framework Decision, which in any case must not exceed one year;
- (b) the maximum value, in euros, of the total Transactions covered by the Framework Resolution;
- (c) the maximum number of Transactions to be carried out during the reference period and justification for the conditions set out;
- (d) a commitment to provide the Board of Directors with full information on the implementation of the Framework Resolutions on at least a quarterly basis;
- (e) justification for the conditions set out.

6.3. Where it is likely that the maximum value of the Transactions will exceed the threshold for the identification of More Significant Transactions as set out in Annex 2 of the Provisions, the Company will, at the time of the approval of the Framework Resolution, publish an Information Document pursuant to section 10 of this Procedure.

6.4. Individual Transactions carried out under a Framework Resolution are not subject to the provisions relating to the preliminary appraisal, assessment and approval procedure set out above.

6.5. The Responsible Director reports to the Board of Directors, at least every three (3) months, on the implementation of the Framework Resolutions during the relevant quarter.

6.6. In particular, the Responsible Director informs the Board of Directors of the Transactions completed under the Framework Resolutions, indicating for each one:

- (a) the counterparty with which the Transaction was entered into;
- (b) a summary description of the characteristics, form and terms and conditions of the Transaction;
- (c) the reasons for and interests in the Transaction as well as the effects of the Transaction on the Company's financial and economic position;



- (d) the way in which the financial terms have been determined and (where relevant) reference to market standards.

## **Section 7. Approval of Related Party Transactions by the Shareholders' Meeting in cases of urgency**

7.1. Where expressly permitted by the Bylaws, in cases of urgency related to corporate crises, the provisions of Section 5 above do not apply to Related Party Transactions that fall within the competence of the Shareholders' Meeting or need to be authorised by it.

7.2. In the events referred to in section 7.1. above, the body convening the Shareholders' Meeting shall prepare a report containing adequate justification for the urgency and the Board of Statutory Auditors reports to the Shareholders' Meeting on its assessment of the existence of the reasons behind the urgency. The report of the body convening the Shareholders' Meeting and the assessments of the Board of Statutory Auditors are made available to the public at least 21 (twenty-one) days before the date of the Shareholders' Meeting at the registered office and in the manner indicated in article 17 of the EGM Issuer Regulation. Such documents may be contained in the Information Document.

7.3. If the assessments of the Board of Statutory Auditors are negative, the Related Party Transaction may not be carried out if the majority of the voting Non-related Shareholders vote against the Transaction, provided however that the Non-related Shareholders present at the Shareholders' Meeting represent at least 10% (ten per cent) of the share capital with voting rights.

7.4. Otherwise, by the end of the day following the Shareholders' Meeting, information on the results of the vote, with particular regard to the number of total votes cast by Non-related Shareholders, are made available to the public in the manner indicated in article 17 of the EGM Issuer Regulation.

## **Section 8. Related Party Transactions via Subsidiaries**

8.1. This Procedure also applies, as far as applicable, to Transactions carried out through Subsidiaries, trustees or intermediaries.

8.2. Before carrying out a Transaction, the Subsidiary, in accordance with its internal organisation, checks whether the counterparty is one of the parties defined as Related Parties.

8.3. If none of the criteria for exceptions apply, the Subsidiary promptly informs the Responsible Director and provides him/her with the information and documentation necessary to implement the provisions of this Procedure. On the basis of the information received, the Responsible Director assesses, if appropriate, whether to initiate the procedure referred to in section 5 above.

8.4. Following the approval of the Transaction or its completion, the Subsidiary promptly provides the Responsible Director with the information necessary for the Company to fulfil its disclosure obligations under this Procedure and prepares a specific report for the first available meeting of the Company's Board of Directors.

## **Section 9. Periodic reporting**

9.1. The Responsible Director provides the Board of Directors and the Board of Statutory Auditors with full information on the Related Party Transactions carried out. This is done on at least a quarterly basis.

9.2. The details of individual Transactions must contain, as a minimum, the following information:

- (a) the counterparty with which each Transaction was entered into;
- (b) a summary description of the characteristics, form and terms and conditions of each Transaction;
- (c) the reasons for each Transaction and the interests connected to it, as well as the effects of the Transaction on the Company's financial and economic position.

9.3. Without prejudice to the provisions of article 17 of EU Regulation 596/2016 ("**MAR**"), in the case of Transactions executed and/or approved even where the Committee has expressed a negative opinion, the Board of Directors, with the support of the Responsible Function and the parties involved in the Transactions, prepares and makes available to the public at the registered office of the Company within 15 (fifteen) days after the end of each quarter of the financial year, a document indicating the counterparty, the subject and the consideration for the Transactions approved in the reference quarter that the Committee expressed a negative opinion on, as well as the reasons why it was decided not to share this opinion. Within the same timeframe, the opinion is made available to the public as an annex to the document or on the Company's website.

## **Section 10. Information to the public on Related Party Transactions**

10.1. In the event of More Significant Transactions, including those to be carried out by Italian or foreign Subsidiaries, the Board of Directors of the Company must prepare an information document – for the purposes of and pursuant to article 13 of the EGM Issuer Regulation – drafted in accordance with article 2 and Annex 3 of the Provisions (the "**Information Document**").

10.2. The Information Document must also be prepared if, during the course of the financial year, the Company completes several Transactions with the same Related Party or with parties related to that Party or to the Company that are uniform or carried out to accomplish a single purpose which, although not qualifying individually as a More Significant Transaction, exceed, when considered together, the thresholds for relevance indicated in Annex 2 of the Provisions and in CONSOB Regulation. For the purposes of this section, Transactions carried out by Italian or foreign Subsidiaries are also relevant, while any Transactions excluded under this Procedure are not considered. Should the use of the indicators outlined in the CONSOB Regulations lead to a result that is manifestly unjustified in view of the specific circumstances, the Chairman of the Board of Directors may request that Borsa Italiana S.p.A. indicates alternative methods to be used in calculating the combined total.

10.3. The Company makes the Information Document available to the public at the Company's registered office and in the manner indicated in article 26 of the EGM Issuer Regulation, within seven (7) days following the approval of the Transaction by the competent body, or, if the competent body resolves to submit a contractual proposal, from the point when the contract, even if it is a preliminary one, is concluded according to the applicable regulations.

10.4. Following the same timeframe set out for the publication of the Information Document, the Company makes available to the public, as an annex to the Information Document or on its website, any opinions issued by the Committee for Related Party Transactions and/or any independent experts appointed.

10.5. Where the Shareholders' Meeting is competent or authorised to do so, the Information Document is made available within 7 (seven) days following the approval of the proposal to be submitted to the Shareholders' Meeting. If there are significant updates to be made to the Information Document, the Company makes a new version of the Information Document available to the public at the Company's registered office and in accordance with the procedures and terms indicated in article 26 of the EGM Issuer Regulation, following timescales that grant shareholders sufficient time to fully assess the More Significant Transaction and in any case by the 21st day prior to the Shareholders' Meeting.

10.6. If the thresholds for relevance are exceeded as a result of a cumulative number of Related Party Transactions, the Information Document is made available to the public within 15 (fifteen) days following the approval of the Related Party Transaction or the completion of the contract that leads to the threshold for significance being exceeded. This Information Document must contain information, including on an aggregate basis for similar Transactions, on all individual Transactions considered for the purposes of the combined total. If the Transactions that determine the exceeding of the threshold for significance are carried out by Subsidiaries, the Information Document is made available to the public within 15 (fifteen) days

following the point at which the Company is informed of the approval of the Transaction or of the completion of the contract that leads to the threshold being exceeded.

#### **Section 11. Related Party Transactions and information to the public pursuant to MAR article 17**

11.1. If a Related Party Transaction is also subject to the public disclosure obligations set out in article 17 of MAR, and therefore must be disclosed to the public pursuant to and for the purposes of the Company's "Procedure for the Disclosure of Inside Information", in addition to the other information to be published in accordance with such article, the press release to be issued to the public must contain the following information:

- (a) an indication that the counterparty to the Transaction is a Related Party and a description of the nature of the relationship;
- (b) the name of the Related Party;
- (c) an indication of whether the thresholds for significance set out for More Significant Transactions have been exceeded and an indication of whether any subsequent publication of an Information Document pursuant to section 10 of this Procedure is required;
- (d) the procedure that has been or will be followed for the approval of the Transaction and, in particular, whether the Company has opted to apply one of the criteria for exceptions set out in article 12 of this Procedure;
- (e) any approval of the Transaction despite the contrary opinion of the Committee for Related Party Transactions.

#### **Section 12. Exclusions and exemptions**

12.1. In accordance with the provisions of article 13 of CONSOB Regulation, the provisions of this Procedure do not apply to:

- (a) resolutions of shareholders' meetings pursuant to article 2389(1) of the Italian Civil Code concerning the remuneration due to the members of the Board of Directors and the executive committee, nor to the resolutions concerning the remuneration of directors holding special offices included in the total amount previously determined by the Shareholders' Meeting pursuant to article 2389(3) of the Italian Civil Code;
- (b) resolutions of shareholders' meetings referred to in article 2402 of the Italian Civil Code relating to the remuneration of the members of the Board of Statutory Auditors;
- (c) to Transactions of Limited Value;

12.2. Without prejudice to section 11 of this Procedure, where applicable, the provisions of this Procedure do not apply to:

- (a) resolutions, other than those referred to in section 12.1(a) above, concerning the remuneration of directors holding special offices and of other executives with strategic responsibilities, provided that:
  - (i) the Company has adopted a remuneration policy;
  - (ii) a committee made up solely of non-executive directors, the majority of whom were independent, was involved in establishing the remuneration policy;
  - (iii) a report setting out the remuneration policy has been submitted for approval or to an advisory vote at the Shareholders' Meeting;
  - (iv) the remuneration awarded is consistent with such policy;
- (b) Ordinary Transactions carried out on Market-equivalent or Standard Terms. In this case, since the disclosure obligations set out for More Significant Transactions are excluded from article 2(1-6), of

the Provisions, without prejudice to the provisions of article 17 of MAR, the Company will ensure it states in its interim management report and in the annual management report the counterparty, the subject and the consideration for the More Significant Transactions carried out during the period where it has opted to apply the exclusion set out in this paragraph;

- (c) Transactions with or between Subsidiaries, including jointly, as well as Transactions with Associated Companies, if, in the Subsidiaries or Associated Companies that are counterparties to the Transaction, there are no Significant Interests of other Related Parties to the Company;
- (d) further Transactions indicated in article 7 of the Provisions, insofar as they are compatible with the rules applicable to the Company (including cases where transactions are carried out following guidelines for stability purposes issued by the Supervisory Authorities, or on the basis of provisions issued by the parent company for following guidelines issued by the Supervisory Authorities in the interests of the Group's stability).

The provisions of section 11 of this Procedure in any event remain applicable.

12.3. The above exclusions are disclosed to the public in accordance with article 5 of CONSOB Regulation, as applicable in accordance with the combined provisions of article 10 of CONSOB Regulation and article 13 of the EGM Issuer Regulation.

12.4. The cases for exclusion set out in this section also apply to Related Party Transactions carried out via Subsidiaries, as referred to in section 8 of this Procedure.

12.5. Without prejudice to the provisions of section 7 of this Procedure, in cases of urgency, and if the approval of the Transaction does not fall within the competence of the shareholders' meeting and does not need to be authorised by it, the Transaction may be approved as an exception to the provisions of this procedure on condition that:

- (a) if the transaction to be carried out falls within the competence of a Responsible Director or of the executive committee, the Chairman of the Board of Directors is informed of the reasons for the urgency before the transaction is carried out;
- (b) such transactions are subsequently subject, without prejudice to their effectiveness, to a non-binding resolution at the first scheduled ordinary Shareholders' Meeting;
- (c) the body convening the Shareholders' Meeting prepares a report containing adequate reasons for the urgency. The supervisory body reports to the Shareholders' Meeting on its assessment of the validity of the reasons for urgency;
- (d) the report and the evaluations referred to in point c) are made available to the public at least 21 days before the date set for the Shareholders' Meeting at the Company's registered office and on the Company's website in the manner indicated in article 17 of the EGM Issuer Regulation. Such documents may be contained in the Information Document;
- (e) within the day following the Shareholders' Meeting, the Company makes available to the public, in the manner indicated in article 17 of the EGM Issuer Regulation, information on the results of the vote, with particular regard to the number of total votes cast by non-related shareholders.

### **Section 13. Amendments**

13.1. This Procedure may only be amended in writing and in accordance with article 1(3) of the Provisions.