



REVO INSURANCE S.P.A.

RELATED PARTY TRANSACTIONS PROCEDURE

**PURSUANT TO THE REGULATION CONTAINING PROVISIONS ON RELATED PARTY TRANSACTIONS
ADOPTED BY CONSOB BY RESOLUTION 17221 OF 12 MARCH 2010, AS AMENDED**

Approved by the Board of Directors on 26 May 2022 and lastly updated on 13 July 2023

1. INTRODUCTION

This Related Party Transactions Procedure (hereinafter also the “Procedure”) was adopted by Elba Assicurazioni S.p.A. (the “**Company**” or the “**Issuer**”) pursuant to Article 2391-*bis* of the Italian Civil Code, as amended by Legislative Decree 49 of 10 May 2019, and pursuant to Article 4, paragraph 1, of the Regulation containing provisions on related party transactions adopted by Consob by Resolution 17221 of 12 March 2010, as amended (hereinafter the “RPT Regulation”). In particular, this version of the RPT Procedure incorporates the amendments made to the RPT Regulation by Consob Resolution 21624 of 10 December 2020, in force from 1 July 2021.

In particular, the Procedure:

- regulates procedures for identifying related parties, defining the procedures and timescales for preparing and updating the list of related parties and identifying the corporate functions competent for this purpose;
- establishes rules for the identification of related party transactions before they are concluded;
- regulates procedures for the carrying out of related party transactions by the Company, including through subsidiaries pursuant to Article 93 of Legislative Decree 58/1998 (the “**TUF**”) or in any case companies subject to management and coordination (the “**Subsidiaries**” or, individually, the “**Subsidiary**”), where present;
- establishes procedures and timescales for the fulfilment of reporting obligations to the corporate bodies and to the market.

As (i) a smaller company, and (ii) a recently listed company pursuant to Article 3 of the RPT Regulation, the Company applies to related party transactions, including material transactions (as identified pursuant to Article 10.2 below and Annex 3 of the RPT Regulation), a procedure identified for non-material transactions pursuant to Article 7 of the RPT Regulation (as described in greater detail below). It should be noted that the Company also applies the Procedure taking into account Consob Notice DEM/10078683 of 24 September 2010, containing “*Information and guidelines on the application of the Related Party Transactions Regulation adopted by Resolution 17221 of 12 March 2010, as amended*” (the “**Application Notice**”).

This Procedure is an instruction given by the Issuer to the Subsidiaries, if present, pursuant to Article 114, paragraph 2, of the TUF.

This Procedure was adopted by the Company by resolution of its Board of Directors dated 26 May 2022, with a view to the admission to listing of the Issuer’s ordinary shares on Euronext STAR Milan, a market organised and managed by Borsa Italiana S.p.A. (respectively, “**Euronext STAR Milan**” and “**Borsa Italiana**”) (the “**Listing**”), following consultation of the Company’s Independent Directors in office.

Accordingly, the provisions of this Procedure will enter into force with effect from the date of commencement of trading of the Issuer's ordinary shares on Euronext STAR Milan.

The Procedure, and any subsequent amendments, are published on the Company’s website,

without prejudice to the obligation to publish it, including by reference to the same website, in the annual report on operations, pursuant to Article 2391-*bis* of the Italian Civil Code.

In the event of changes in applicable legislation setting out provisions that are incompatible with and/or in addition to the requirements contained in this Procedure, it is understood that the Company must comply with the regulatory obligations and update this document.

This is without prejudice to the Guidelines on Intra-Group Transactions, approved by the Company's Board of Directors in compliance with the provisions of IVASS Regulation 30 of 26 October 2016 and applicable from time to time.

2. DEFINITIONS

2.1 Definition of "related party"

For the purposes of this Procedure, "related parties" are defined as such by the international accounting standards adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No 1606/2002¹.

The Responsible Function (as defined below), with the support of any other corporate functions, by means of IT tools, prepares, updates at least on an annual basis and makes available to the main corporate functions concerned of the Company and the Subsidiaries, a list of the Company's related parties (the "**List of Related Parties**").

In order to keep the List of Related Parties up to date, the Responsible Function sends the questionnaire template set out in "Annex A" to this Procedure to the parties concerned (including members of the Board of Directors and the Board of Statutory Auditors and other "managers with strategic responsibilities" of the Company, the parent company and the Subsidiaries) on an annual basis. The latter fill out, sign and return the questionnaire to the Responsible Function, without prejudice to the obligation to promptly notify the same, by sending an updated version of the said questionnaire, of any changes during the year in the information contained therein.

2.2 Definition of "related party transaction"

For the purposes of the Procedure, "related party transactions" are defined as such by the international accounting standards adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No 1606/2002².

¹ Please refer to Annex B of this Procedure for the definition of "related parties", as shown in the extract of the international accounting standards constituting the Appendix to the RPT Regulation. Please also see Annex B for the notions of "control", "joint control", "significant influence", "close family members" and "managers with strategic responsibilities" for the purposes of this Procedure.

² Please refer to Annex B of this Procedure for the definition of "related party transactions", as shown in the extract of the international accounting standards constituting the Appendix to the RPT Regulation.

For example, as indicated in the RPT Regulation and in the Application Notice, related party transactions include: (i) mergers involving the Company and a related party; (ii) mergers by incorporation with a related party; (iii) demergers that are not proportionate in the strictest sense; (iv) demergers benefiting a related party; (v) capital increases of the Company excluding option rights in favour of a related party.

2.3 Definition of “Independent Directors”, “Unrelated Directors”, “Responsible Function” and “Directors Involved in the Transaction”

For the purposes of the Procedure:

- the term “Independent Directors” refers to persons recognised as such by the Company in application of the legislation and regulations in force *pro tempore* (including the provisions of the Corporate Governance Code);
- the term “Unrelated Directors” refers to Directors other than the counterparty in a given transaction and the counterparty’s related parties;
- the term “Directors Involved in the Transaction” refers to Directors who have an interest in the transaction, on their own behalf or on behalf of third parties, that is in conflict with that of the Company;
- the term “Responsible Function”, refers to the Corporate and Regulatory Affairs Function within the Legal and Corporate Affairs Department or, in the absence of this or in any case when no internal structure is used, the body or delegated person. With specific reference to transactions carried out through Subsidiaries, the Responsible Function is understood as the function of the Company competent to carry out the prior examination of, or give prior approval to, the individual transaction that the Subsidiary intends to carry out.

3. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Persons who, on behalf of the Company or its Subsidiaries, are competent to approve and/or carry out a given transaction, before commencing negotiations, ascertain whether the transaction counterparty is considered a related party or not, by referring, *inter alia*, to the List of Related Parties, with the support of the Responsible Function. If the finding is affirmative, they promptly inform the Responsible Function, which informs the Chairman of the Board of Directors³, of their intention to commence negotiations for the transaction, indicating:

- the details of the counterparty and the nature of the related party relationship;
- the interests and reasons for the transaction, as well as any critical issues and risks that might arise if it is carried out;
- the type and subject matter of the transaction and its main characteristics;
- the consideration and economic conditions of the transaction⁴;
- the expected timescale;

³ For the purposes of this Procedure: (i) unless otherwise specified, the Chairman of the Board of Directors refers to the Chairman of the Company’s Board of Directors; (ii) the powers and functions assigned to the Chairman of the Board of Directors may be exercised by the Chief Executive Officer in the event of the absence or impediment of the Chairman of the Board of Directors or at his or her specific instruction.

⁴ In the case of an ordinary transaction pursuant to Article 6.3.1 below, the documentation contains objective evidence of whether conditions equivalent to market or standard conditions exist.

- any other transactions concluded with the same related party or its related parties.

This information may be provided in several successive stages if the outcome of the negotiations does not permit the timely disclosure of all the necessary information.

On receipt of the above communication and verification that the related party relationship exists with the counterparty to the transaction, the Responsible Function promptly assesses, informing the Chairman of the Board of Directors, the applicability of the provisions of this Procedure. After the assessment, the Responsible Function, if the transaction is: (a) an exempt transaction pursuant to Article 6 below, updates the Related Party Transactions Archive (as defined below); (b) a related party transaction, initiates the procedure referred to in Article 5 below.

The Chairman of the Board of Directors, with the support of the Responsible Function, also ascertains whether the information on the transaction could have a significant effect on the prices of financial instruments issued by the Company and admitted to trading on Euronext Milan, pursuant to EU Regulation 596/2014 (“**MAR**”) and whether the conditions exist for the application of the “*Company policy on relevant information and inside information*” and the related “*Company procedure for the management of the register of persons who have access to relevant information and inside information*”, pursuant, respectively, to Articles 17 and 18 of the MAR, according to the text applicable from time to time at the Company.

The Responsible Function prepares and stores, in electronic format, an archive of related party transactions (the “**Related Party Transactions Archive**”), also carried out through Subsidiaries, approved pursuant to Article 5 below (including those subjects to framework resolutions), as well as exempt transactions pursuant to Article 6 below.

4. GENERAL PRINCIPLES FOR THE APPROVAL OF RELATED PARTY TRANSACTIONS

Related party transactions comply with criteria of transparency and substantive and procedural correctness and are carried out in the exclusive interest of the Company⁵.

⁵ Substantive correctness is understood as the correctness of the transaction from an economic standpoint, when for example the transfer price of an asset is aligned with market prices and, more generally, when the transaction has not been influenced by the related party relationship or at least the relationship has not resulted in the acceptance of conditions that are unjustifiably penalising for the Company. Procedural correctness is understood to mean compliance with procedures aimed at ensuring the substantive correctness of the transaction and, therefore, compliance with those rules that enable, at least potentially, related party transactions not to cause unjustified harm to the Company and its investors. In particular, the essential elements of procedural correctness are: (i) compliance with the rules laid down for the approval of related party transactions; (ii) the information provided to the parties required to decide whether a transaction will be completed, which must be promptly made aware of the existence of a related party relationship (nature, origin and scope) and any influence it may have had in the decision to carry out the transaction and in defining the transaction conditions; (iii) the reasonableness of the transaction for the Issuer - based on the provisions of Articles 2391 and 2497-ter of the Italian Civil Code regarding transactions concluded in the presence of a director concerned or in the case of company management and coordination - to enable an appraisal of the influence of the related party relationship on the definition of the transaction conditions.

As (i) a smaller company, and (ii) a recently listed company⁶ pursuant to Article 10 of the RPT Regulation, the Company applies to related party transactions, including material transactions (as identified pursuant to Article 5.2 below and Annex 3 of the RPT Regulation), a procedure identified for non-material transactions pursuant to Article 7 of the RPT Regulation, without prejudice to the Board of Director's right to resolve, pursuant to Article 8, paragraph 1, subparagraph a), of the RPT Regulation, on the transactions indicated below. This is without prejudice to the provisions of Article 5 of the RPT Regulation ("*Reporting to the public on related party transactions*").

If the Company, including through Subsidiaries, carries out a material related party transaction pursuant to this Procedure, the supporting documentation contains the elements indicated in Article 3 above, as applicable to the individual transaction.

Related party transactions (whether material or non-material) are approved subject to a non-binding opinion given by a committee composed exclusively of Independent Directors, who must also be Unrelated Directors in relation to each transaction⁷ (the "**Related Parties Committee**" or the "**Committee**") or - if necessary - after the Board of Directors has defined equivalent safeguards to protect the substantive correctness of the transaction, including the use, for the giving of the opinion, of the involvement of the Board of Statutory Auditors or an independent expert, as specified below.⁸

Where the nature, size and characteristics of the transaction so require, the Related Parties Committee ensures that the transaction is concluded with the assistance of independent experts of its choice for the purposes of the assessments within its competence, for example in relation to financial, legal or technical profiles, by obtaining specific expert reports and/or fairness reports and/or legal opinions, in order to prevent conditions being agreed for the transaction that are

⁶ Pursuant to Article 3 of the RPT Regulation, "smaller companies" are understood as companies of which neither the assets in the balance sheet nor the revenues, as recorded in the last approved consolidated financial statements, exceed the threshold of €500 million. Smaller companies may no longer qualify as such if they do not meet both these requirements for two consecutive years. "Recently listed companies" are understood as companies with shares listed in the period between the date of commencement of trading and the date of approval of the financial statements for the second financial year following the listing year. Companies resulting from the merger or demerger of one or more companies with listed shares which in turn are not recently listed may not be defined as recently listed companies.

⁷ It is understood that, for the purposes of assessing the composition of the Committee with regard to a specific transaction, an Independent Director who can be classed as a Director Involved in the Transaction is equivalent to a Related Director.

⁸ If the Board of Directors uses the opinion of the Board of Statutory Auditors, the members of the Board of Statutory Auditors, if they have an interest in the transaction on their own behalf or on behalf of third parties, notify the other Statutory Auditors, specifying the nature, terms, origin and scope of the transaction. If related party relationship profiles exist with regard to the members of the Board of Statutory Auditors that prevent the opinion from being given by the control body or if the circumstances make it appropriate, the Board of Directors will make use, for the giving of the opinion, of the involvement of an independent expert as an equivalent safeguard to protect the substantive correctness of the transaction (applying the principles set out below to award the mandate and verify that said expert meets the independence requirements). It is understood that if, in relation to a specific related party transaction, it is necessary to make use of the equivalent safeguards, any reference to the Related Parties Committee contained in this Procedure shall be understood as referring to the Board of Statutory Auditors or the independent expert, as the case may be.

different from those that would probably have been negotiated between unrelated parties. To this end, the same Committee may indicate to the Board of Directors of the Company the expert or experts to be appointed for the performance of the transaction and the mandate must provide that the expert or experts will specifically assist the Committee in the performance of its duties.

Persons that are counterparties to the transaction or related parties of the Company or the counterparty to the transaction cannot be engaged as independent experts.

The selected expert must declare his or her independence at the time of appointment, explaining the reasons why any economic, capital and/or financial relations indicated in paragraph 2.4 of Annex 4 to the RPT Regulation are not relevant for the purposes of assessing independence. The Committee ascertains in advance the independence of experts, taking into account (where existing) the above reports as indicated in paragraph 2.4 of Annex 4 to the RPT Regulation.

The expert reports and/or fairness reports and/or legal opinions are transmitted to the Committee in sufficient time for its meeting.

The Committee meets a sufficient time in advance of the meeting of the Board of Directors called to resolve on the transaction. The managers (or persons delegated by them) of the corporate functions of the Company and/or the Subsidiaries involved in the transaction and/or other executives and consultants indicated by the same Committee participate in the meeting if requested. The Board of Statutory Auditors is invited to the meeting.

In formulating its opinion, the Related Parties Committee also comments on the Company's interest in carrying out the transaction, as well as on the reasonableness and substantive correctness of the relevant conditions.

The opinion, whether positive or negative, must be given in sufficient time for the transaction to be approved, together with any expert reports and/or fairness reports and/or legal opinions requested and all information transmitted to the Committee. The opinion is appended to the minutes of the Committee meeting called to give an opinion on the transaction.

All information transmitted to the Committee and the observations made by it, together with further documentation on the transaction (including any expert reports and/or fairness reports and/or legal opinions), is made available promptly to the body responsible for approving the transaction.

At the meeting of the Board of Directors convened to approve the transaction, the Chairman of the Related Parties Committee, or a delegated member of the Committee, explains the Committee's reasoned opinion to the Board.

Directors who have an interest in the transaction must promptly and comprehensively inform the Board of Directors of the existence of the interest and its circumstances, also pursuant to Article 2391 of the Italian Civil Code. The Directors Involved in the Transaction decide, on a case-by-case basis, whether to leave the Board meeting at the time of the resolution. In any case, the Directors Involved in the Transaction abstain from voting on the resolution.

When drafted, the minutes of the resolution approving the transaction (of the Board of Directors or any other internal collegiate body) provide adequate reasons as to the Company's interest in carrying out the transaction and the reasonableness and substantive correctness of the relevant conditions, as well as evidence of the main elements of the opinion prepared by the Committee. If the approval of the related party transaction is the responsibility of Directors and/or managers vested with powers, the reasons for the Company's interest in carrying out the transactions and the reasonableness and substantive correctness of the relevant conditions, as well as the explanation of the main elements of the opinion, are provided to the Board of Directors and the Board of Statutory Auditors at the next convenient meeting.

The following powers are in any case reserved for the Board of Directors:

- resolutions on material transactions pursuant to Article 5.2 below;
- resolutions on non-material transactions not carried out under market conditions.

5. RELATED PARTY TRANSACTIONS PROCEDURE

5.1 Non-material transactions

Non-material transactions that are not the responsibility of the Shareholders' Meeting are approved by the competent person according to the internal governance rules and the provisions of Article 4 above, subject to the non-binding reasoned opinion of the Related Parties Committee. To this end, having identified the related party relationship with the counterparty pursuant to Article 3 and ascertained the materiality of the transaction pursuant to the RPT Regulation and the Procedure, the Responsible Function promptly informs the person responsible for approval and/or execution; the latter, through the Responsible Function, immediately informs the members of the Related Parties Committee so that they can declare the absence of related party relationships with respect to the specific transaction (also, possibly, with regard to the counterparty of the Subsidiary).

In order to issue its opinion, the Related Parties Committee receives complete, adequate and up-to-date information on the transaction, with particular reference to the elements indicated in Article 3 above.

The general principles set out in Article 4 above apply, including with regard to the engagement of independent experts.

Without prejudice to the provisions of Article 17 of the Market Abuse Regulation (MAR), in the event of one or more transactions approved despite a negative opinion from the Related Parties Committee, the Board of Directors, with the support of the competent corporate function, prepares and makes available to the public, within 15 days of the end of each quarter of the financial year, at the registered office and by the methods indicated in Part III, Title II, Chapter I, of Consob Regulation 11971/1999, a document containing information on the counterparty, the subject matter and the consideration for such transactions, as well as the reasons for disagreement with the said opinion. Within the same time limit, the opinion is made available to the public as an annex to the above document or on the Company's website.

5.2 Material transactions

Material transactions that are not within the competence of the Shareholders' Meeting are reserved for the exclusive competence and approval of the Company's Board of Directors, subject to the non-binding favourable reasoned opinion of the Related Parties Committee.

The general principles set out in Article 4 above apply, including with regard to the engagement of independent experts, as well as the provisions of Article 5.1.

For the purposes of this Procedure, related party transactions carried out by the Company, directly or through its Subsidiaries, where the materiality indicator applicable by specific transaction is higher than the 5% threshold, are considered material transactions, and specifically:

- a) the materiality indicator of the consideration, i.e. the ratio of the consideration for the transaction to shareholders' equity, taken from the most recent consolidated balance sheet published by the Company or, if greater, the capitalisation of the Company recorded at the end of the last stock market trading day in the reporting period of the most recent periodic accounting document published by the Company (annual or half-year financial report or additional periodic financial information, if prepared);
- b) the materiality indicator of the assets, i.e. the ratio of the total assets of the entity subject to the transaction to the total assets of the Company. The data to be used should be taken from the most recent consolidated balance sheet published by the Company; where possible, similar data should be used to determine the total assets of the entity subject to the transaction;
- c) materiality indicator of liabilities, i.e. the ratio of the total liabilities of the acquired entity to the total assets of the Company. The data to be used should be taken from the most recent consolidated balance sheet published by the Company; where possible, similar data should be used to determine the total liabilities of the company or business unit acquired;

all as better defined and detailed in the aforementioned Annex 3 to the RPT Regulation and in the Application Notice, to which reference is made.

Materiality also exists if at least one of the materiality thresholds indicated above is exceeded by several transactions concluded during the same year with the same related party, or with parties related to both the latter and the Company, which are similar or carried out in implementation of a single purpose, which, although not individually classifiable as material transactions, considered cumulatively, exceed at least one of the materiality thresholds indicated above ("cumulative transactions").

In any case, for the purposes of this Procedure, transactions that have, as the counterparty, a Director of the Company and/or of a Subsidiary or his or her close family member or an entity related to them, as identified pursuant to international accounting standards, are to be considered material transactions for all intents and purposes. Material transactions also include those that have, as their counterparty, a manager of the Company with strategic responsibilities who is classed as key staff in the Company's remuneration policies.

5.3 Transactions within the competence of the Shareholders' Meeting

When a related party transaction is the responsibility of the Shareholders' Meeting or must be authorised by it, for the investigation and approval stage of the draft resolution by the Board of Directors for submission to the Shareholders' Meeting, the provisions of Articles 5.1 and 5.2 above apply, *mutatis mutandis*.

5.4 Transactions carried out through Subsidiaries

If the Company's Board of Directors (or the delegated bodies or other company managers) examines and/or approves related party transactions carried out by Subsidiaries, the Related Parties Committee, the Board of Statutory Auditors and the Company's Board of Directors receive, sufficiently in advance, adequate and complete information on the transaction, with particular reference to the elements indicated in Article 3 above.

The transaction is approved and/or executed by the competent person of the Subsidiaries, subject to a reasoned non-binding opinion given by the Committee, an opinion that must be provided in sufficient time before the date of approval and/or execution of the transaction. The general principles set out in Article 4 above apply, including with regard to the engagement of independent experts. All information sent to the Committee, together with other documentation on the transaction, is promptly made available to the person or body of the Subsidiary responsible for approving and/or executing the transaction.

The provisions of Articles 5.1 and 5.2 above and, for transactions within the competence of the Subsidiary's shareholders' meeting, Articles 5.3 above, apply with the necessary adaptations and as the case may be.

5.5 Framework resolutions

Pursuant to Article 12 of the RPT Regulation, similar transactions with certain categories of related parties, to be carried out also through Subsidiaries, may be approved through the use of framework resolutions.

Without prejudice to the provisions of the RPT Regulation and without prejudice to the disclosure obligations established in Article 7 below, according to the terms and methods indicated therein, resolutions concerning the adoption of framework resolutions are subject to the principles set out in Article 4 above and the provisions of Articles 5.1 and 5.2 above, depending on the foreseeable maximum amount of the transactions subject to the resolution, considered cumulatively.

Framework resolutions adopted in accordance with this Article may not take effect for more than one year and must refer to sufficiently determined transactions, reporting at least the foreseeable maximum amount of transactions to be carried out in the reference period and the reasons for the conditions.

The provisions of Articles 5.1 and 5.2 above do not apply to individual transactions concluded in implementation of the framework resolution. Transactions concluded in implementation of a framework resolution subject to an information document published pursuant to Article 7.2 are not calculated for the cumulation purposes provided for in Article 5.2 of the RPT Regulation.

6. CASES OF EXEMPTION PURSUANT TO ARTICLES 13 AND 14 OF THE RPT REGULATION

Without prejudice to the cases of exemption established in Article 13, paragraph 1, of the RPT Regulation, and without prejudice to the disclosure obligations established in Article 7 below, under the terms and methods established therein, the provisions of the Procedure do not apply:

- a) to small transactions pursuant to Article 6.1;
- b) to share-based compensation plans approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the TUF and the relevant executing transactions (see Article 6.2.1);
- c) to resolutions of Shareholders' Meetings other than those indicated in Article 13, paragraph 1, of the RPT Regulation, concerning the remuneration of Directors vested with particular duties and other managers with strategic responsibilities, in compliance with the conditions established in Article 13, paragraph 3, subparagraph b) (cf. Article 6.2.2);
- d) all ordinary transactions concluded under conditions equivalent to market or standard conditions (see Article 6.3);
- e) transactions with or between Subsidiaries and transactions with associates, if there are no interests in the aforementioned companies that are classed as "significant" (see Article 6.4);
- f) all transactions resolved upon by the Company and aimed at all shareholders on equal terms (see Article 6.5).

The provisions of this Procedure, without prejudice to the provisions on reporting to the public, do not apply to Related Party Transactions carried out on the basis of instructions from the supervisory authority for the purposes of stability, including in the interest of the stability of the group.

6.1 Small transactions

Small transactions (as defined below) are excluded from the scope of application of the RPT Regulation and this Procedure (without prejudice to the disclosure obligations established in Article 7 below, under the terms and conditions indicated therein) and may be carried out, in accordance with the powers granted to them, by persons competent from time to time at the Company or by the Subsidiaries' executive directors and managers vested with powers.

For the purposes of the Procedure, "small transactions" refer to related party transactions that, taken individually, do not exceed €50,000 (if the counterparty is a natural person) and €100,000 (if the counterparty is not a natural person).

This exclusion does not apply in the case of several small transactions which are similar or carried out by virtue of a single purpose, entered into with the same related party or with parties related to both the latter and the Company, which, considered cumulatively, exceed at least one of the amounts indicated above.

6.2 Resolutions on remuneration

Resolutions on remuneration are exempt from application of this Procedure where the requirements set out in Article 13, paragraph 1, of the RPT Regulation⁹ are met, or in the cases provided for in Articles 6.2.1 and 6.2.2 below.

It is understood that, if the resolutions on remuneration are subject to this Procedure because they do not come under the aforementioned exemptions, other types of exemption may apply, with particular reference to the exemption established in Article 6.1 for small transactions.

6.2.1 Share-based compensation plans pursuant to Article 114-bis of the TUF

Pursuant to Article 13, paragraph 3, subparagraph a), of the RPT Regulation, the application of the provisions of the RPT Regulation and of this Procedure excludes share-based compensation plans approved by the Shareholders' Meeting pursuant to Article 114-bis of the TUF and the relevant executing transactions.

Compensation plans *ex* Article 114-bis of the TUF and the relevant executing transactions are subject to the transparency obligations provided for by the provisions applicable *pro tempore*.

6.2.2 Resolutions on the remuneration of Directors vested with particular duties and other managers with strategic responsibilities

Pursuant to Article 13, paragraph 3, subparagraph b), of the RPT Regulation, resolutions on the remuneration of Directors other than those indicated in Article 13, paragraph 1, of the RPT Regulation and managers with strategic responsibilities are excluded from the application of the RPT Regulation.

For exclusion purposes, it is necessary that:

- the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
- a committee consisting exclusively of non-executive Directors, the majority of whom are independent, was involved in the definition of the remuneration policy;
- the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments.

6.3 Ordinary transactions concluded on terms equivalent to market or standard conditions

6.3.1 Identification of ordinary transactions under market or standard conditions

"Ordinary" transactions are transactions that form part of the ordinary course of the Company's business and associated financial activity (Article 3, paragraph 1, subparagraph d), of the RPT Regulation). In order to class the transaction as "ordinary", account is taken of the criteria indicated in paragraph 3 of the Application Notice, to which reference is made.

Transactions "concluded under conditions equivalent to market or standard conditions" are transactions concluded under conditions analogous to those customarily applied to unrelated

⁹ The provisions of this Procedure and the RPT Regulation do not apply to resolutions: (i) on fees for members of the Board of Directors; (ii) on remuneration of Directors with particular duties, included in the total amount determined in advance by the Shareholders' Meeting, and (iii) on fees for members of the Board of Statutory Auditors.

parties for transactions of a similar nature, amount and risk, or based on regulated rates or fixed prices, or those applied to entities with which the company is obliged by law to contract for a determined consideration (Article 3, paragraph 1, subparagraph e) of the RPT Regulation).

The identification of ordinary transactions concluded under conditions equivalent to market or standard conditions referred to in this Article 6.3.1 is assessed by the Responsible Function, which may avail itself - where deemed appropriate - of the support of the Committee and reports in any case to the Chairman of the Board of Directors on the outcome of the assessment.

6.3.2 Applicable regulations

Ordinary transactions that are concluded under conditions equivalent to market or standard conditions are excluded from the scope of application of any provision of this Procedure and the RPT Regulation, without prejudice to the provisions of Article 6.3 and without prejudice to the reporting obligations established in Article 7 below, under the terms and conditions indicated therein.

The body responsible for resolving and/or carrying out the transaction must in any case be provided, in sufficient time prior to the approval of the transaction, complete and adequate information on the transaction, including documentation containing objective evidence of the existence of conditions equivalent to market or standard conditions.

In the event that transactions benefiting from the exemption referred to in this Article are material pursuant to Article 5.2 above, without prejudice to the provisions of Article 17 of the MAR, the Company will inform Consob, within seven days of approval of the transaction¹⁰, of the counterparty, the subject matter and the consideration thereof, and the reasons why it is believed that the transaction is ordinary and concluded under conditions equivalent to market or standard conditions (taking into account the information to be included in the Related Party Transactions Archive), providing objective evidence. Pursuant to Article 4, paragraph 1, subparagraph *e-bis*), point (ii) of the RPT Regulation, the Related Parties Committee verifies without delay, and in any case within seven working days of the communication, that the exemption conditions set out in Article 13 of the RPT Regulation have been applied correctly to material transactions defined as “ordinary transactions” and, where deemed necessary or appropriate for the purposes of verification within its competence, may request information from the Responsible Function, which is required to respond promptly to such requests.

6.4 Transactions with and between Subsidiaries and/or associates

Without prejudice to the provisions of this Article and without prejudice to the disclosure obligations established in Article 7 below, under the terms and conditions indicated therein, transactions with or between Subsidiaries, including jointly, and transactions with associates are excluded from the scope of application of any provision of this Procedure if there are no significant interests of other related parties of the Company in the Subsidiaries or associates that are counterparties to the transaction.

¹⁰ Or, if the competent body decides to submit a contractual proposal, from the moment the contract, including a preliminary contract, is concluded.

The significance of the interests held by other related parties in the Subsidiary or the associate is referred to the Board of Directors for assessment.

The Board of Directors assesses the significance of the interests as follows:

- (i) account is taken, *inter alia*, of the existence of any shareholding relationships between the Subsidiary or the associate of the Issuer and other related parties of the same Company and of any relationships of a capital nature between the Subsidiary or the associate, on the one hand, and other related parties of the Company,
- (ii) on the other; account is taken of the provisions of paragraph 21 of the Application Notice, to which reference is made, and in particular, the interests of the person who controls the Company are deemed to be significant interests if the interest held by that person (including indirectly) in the company that is the counterparty in the related party transaction, which is a subsidiary or associate of the Company, has an effective weight greater than that of the equity investment that it holds in the Company;
- (iii) interests arising merely from the sharing of one or more directors or, if present, other managers with strategic responsibilities between the Company and the Subsidiary or the associate are not considered significant interests (see Article 14, paragraph 2, of the RPT Regulation);
- (iv) significant interests exist, however, if, in addition to the mere sharing of one or more directors or other managers with strategic responsibilities, such individuals benefit from share-based incentive plans (or in any case variable remuneration) dependent on the results achieved by the Subsidiary or associate with which the transaction is carried out.

6.5 Transactions aimed at all shareholders on equal terms

The provisions of this Procedure and the RPT Regulation do not apply to transactions resolved upon by the Company and aimed at all shareholders on equal terms, including:

- a) optional capital increases, including to service convertible bonds, and the free capital increases provided for in Article 2442 of the Italian Civil Code¹¹;
- b) demergers in the strictest sense, whether total or partial, with a proportional share allocation criterion;
- c) capital reductions through reimbursement to shareholders as provided in Article 2445 of the Italian Civil Code;

¹¹ As clarified by Consob, transactions benefiting from exemption are resolved on by the Company on equal terms for all its shareholders (including any related party shareholders as parent companies or shareholders exercising significant influence over it) and not transactions in which the Company may participate, as a shareholder of a related party. For example, if the Company resolves on an optional capital increase, the fact that this capital increase is also intended for a related party (e.g., the controlling shareholder) does not make the rules governing related party transactions applicable to the transaction. Conversely, if the Company is required to assess whether to subscribe to a capital increase, including optionally, of one of its Subsidiaries or associates, this exemption cannot apply, without prejudice to the fact that the exemption provided for in Article 6.4 may apply to transactions with Subsidiaries or associates if no significant interests of other related parties exist in the actual transaction.

- d) purchases of treasury shares pursuant to Article 132 of the TUF.

7. INFORMATION ON RELATED PARTY TRANSACTIONS

7.1 Internal information on related party transactions

The Chairman of the Board of Directors, with the support of the Responsible Function and the persons involved in the transactions and/or with the support of the directors or the competent corporate functions of the Subsidiaries, provides internal information on related party transactions, under the terms and conditions indicated below.

Information on cases of exemption

- pursuant to Article 4, paragraph 1, subparagraph *e-bis*), point (i) of the RPT Regulation, information on the application of cases of exemption referred to in Article 6 above is provided to the Related Parties Committee on a quarterly basis, with regard to material transactions pursuant to Article 5.2, by the sending of a report containing the information elements indicated in Article 4 above; this is without prejudice to the disclosure obligation referred to in Article 6.3.2 above with regard to ordinary transactions concluded under conditions equivalent to market or standard conditions that are material;
- the Board of Directors, the Related Parties Committee and the Board of Statutory Auditors are provided, on a quarterly basis, with complete and detailed information on the execution of related party transactions concluded in the period in question and subject to exemption pursuant to Article 6 of the Procedure.

Information on transactions to which the Procedure applies

The Board of Directors, the Related Parties Committee and the Board of Statutory Auditors of the Company are provided, on a quarterly basis, with complete and adequate information on the execution of related party transactions concluded in the reporting period, including transactions that constitute implementation of the framework resolutions referred to in Article 5.5 above; this information also concerns related party transactions carried out through Subsidiaries that have been examined or approved by the Board of Directors of the Company and for which a non-binding opinion has been provided by the Related Parties Committee.

7.2 Disclosure to the public of material related party transactions

In the event of material transactions pursuant to Article 5.2 above, also carried out through Subsidiaries, the Company prepares an information document in accordance with the template set out in Annex 4 of the RPT Regulation, to which reference is made.

The obligation to publish the information document also arises if several transactions are concluded during the same year with the same related party, or with parties related to both the latter and the Company, which are similar or carried out in implementation of a single purpose, which, although not individually classifiable as material transactions, considered cumulatively, exceed at least one of the materiality thresholds indicated above (“cumulative transactions”). For the purposes of this cumulation, transactions carried out by Italian or foreign Subsidiaries are

also relevant and any transactions exempt pursuant to Article 6 of the Procedure are not considered.

The information document is published under the terms and conditions indicated in Article 5 of the RPT Regulation.

7.3 Information on periodic accounting

Information on the following is provided in the interim report on operations and the annual report on operations:

- individual material transactions pursuant to Article 5.2 above concluded during the reporting period, also through Subsidiaries;
- any other individual related party transactions concluded during the reporting period that have a material impact on the Company's financial position or results;
- any amendment or development of related party transactions described in the last annual report that had a material effect on the Company's financial position or results in the reporting period.

The Company indicates in the interim report on operations and in the annual report on operations, within the scope of the information provided for pursuant to this Article 7.3, which of the transactions disclosed have been concluded using the exemption of Article 6.3 (ordinary transactions concluded under conditions equivalent to market or standard conditions).

7.4 Related party transactions and public disclosure pursuant to Article 17 of the MAR

If a related party transaction, including through Subsidiaries, is disclosed through the dissemination of a press release pursuant to Article 17 of the MAR, the latter contains, in addition to the other information to be published pursuant to the said legislation, at least the following information:

- a description of the transaction;
- whether the transaction counterparty is a related party and a description of the nature of the related party relationship;
- the company name or name of the transaction counterparty;
- whether the transaction exceeds or does not exceed the materiality thresholds identified in accordance with Article 5.2 above and whether an information document will subsequently be published pursuant to Article 5 of the RPT Regulation;
- the procedure that was or will be followed for approval of the transaction and, in particular, whether the Company has availed itself of one of the cases for exemption provided for in Article 6 above;
- any approval of the transaction despite a negative opinion from the Related Parties Committee;

as well as the information indicated in the Instructions for the Regulation for markets organised and managed by Borsa Italiana¹².

8. AMENDMENTS, DISSEMINATION AND PUBLICATION OF THE PROCEDURE

8.1 Amendments and publication of the Procedure

The Procedure and the relevant amendments are approved by the Company's Board of Directors, after obtaining the favourable opinion of the Related Parties Committee.

At least every three years, the Board of Directors decides whether to revise the Procedure, taking into account, *inter alia*, any legislative and regulatory changes, any changes to the ownership structure and the effectiveness of the Procedure in practice.

Any amendments and/or updates to the Procedure enter into force on the date of its publication on the Issuer's website or on a date otherwise provided for by law or regulations or by a resolution of the Board of Directors or, in an emergency, by the Chairman of the Board of Directors.

The Procedure, in the text applicable from time to time, is published on the Company's website in the section dedicated to related party transactions and, including by reference to the website itself, in the annual report on operations pursuant to Article 2391-*bis* of the Italian Civil Code, where information is also provided on related party transactions.

8.2 Dissemination of the Procedure

The Responsible Function transmits the Procedure, together with the List of Related Parties, to the Company's main corporate functions, including the Financial Reporting Officer pursuant to Article 154-*bis* of the TUF - in order to ensure coordination with the administrative and accounting procedures provided for in the above law - as well as the functions and bodies required to oversee compliance with the Procedure (for example, the Head of the Internal Audit Function and the Board of Statutory Auditors).

¹² According to the Application Notice, in cases in which the issuer does not publish an information document pursuant to Article 7.2 above, either because the transaction does not exceed the materiality thresholds identified pursuant to Article 5.2 above, or because the exemption cases and options provided for by Article 6 above apply, the information elements that may be relevant for the purposes of compliance with Article 17 of the MAR concerning related party transactions, which are normally a reference parameter for requests from Consob for the publication of information in addition to press releases on such transactions, are, by way of example, as follows: the main characteristics of the transaction (price, execution conditions, payment schedule, etc.); the economic reasons for the transaction; a description of the effects on profit or loss, assets and liabilities and cash flows of the transaction in question; the methods for determining the consideration for the transaction and an assessment of whether it is consistent with the market values of similar transactions; if the economic conditions of the transaction are defined as equivalent to market or standard conditions, as well as a statement to this effect, indicating the objective evidence; any use of experts to assess the transaction and, in that case, an indication of the valuation methods used in relation to the appropriateness of the consideration, as well as a description of any critical issues raised by the experts in relation to the specific transaction.

Pursuant to Article 114, paragraph 2, of the TUF, the Procedure is also sent, by the Responsible Function, to the members of the management bodies and (where present) the control bodies of the Subsidiaries and to the main corporate functions of these companies, so that these persons can read it and comply with it to the extent of their competence or responsibility. To this end, the management bodies of the Subsidiaries resolve to acknowledge the Procedure, as approved by the Company, and send, by way of acceptance, to the Company (for the attention of the Chairman of the Board of Directors and the Responsible Function) a communication in which they accept the instructions received, also undertaking to fulfil, to the extent of their respective competences, the obligations established in the Procedure and to disseminate the Procedure within the corporate structures and to any companies over which the Subsidiaries exercise control pursuant to Article 93 of the TUF.

Omitted Annexes