

# PROCEDURE FOR RELATED PARTIES TRANSACTIONS

# PROCEDURE FOR RELATED PARTIES TRANSACTIONS

Introduced by resolution of the Board of Directors of Mediaset S.p.A. on 9 November 2010, pursuant to Art. 4 of Consob Resolution 17221 of 12 March 2010 and last amended by a resolution of the Board of Directors of Mediaset S.p.A. on 11 May 2021 in compliance with Consob resolution No. 21624 of 10 December 2020.

## CONTENTS

Introduction .....	4
2. Definitions .....	4
3. Subject of the procedure .....	6
4. Related Parties Committee .....	6
5. Identification of the Related Parties of the Company .....	6
6. Identification of Transactions of Greater or Lesser Importance with Related Parties .....	7
6.1 Transactions of Greater Importance .....	7
6.2 Transactions of Lesser Importance .....	7
7. Exclusions .....	8
7.1 Excluded transactions .....	8
7.2 Related Parties Committee checks .....	10
8. Preliminary stage common to all Related Parties transactions .....	10
9. Method of examining and approving Transactions of Greater Importance ..	12
9.1 Procedure for Transactions of Greater Importance which are the responsibility of the Board of Directors .....	12
9.2 Procedure for Transactions of Greater Importance which are the responsibility of the general Shareholders' Meeting .....	13
10. Method of examining and approving Transactions of Lesser Importance ..	14
10.1 Procedure for Transactions of Lesser Importance which are the responsibility of the Board of Directors and the managing entities of the Company .....	14
10.2 Procedure for Transactions of Lesser Importance which are the responsibility of the general Shareholders' Meeting .....	15
11. Framework resolutions .....	16
12. Method of examining and approving Transactions performed through subsidiary companies .....	16
13. Disclosure statements .....	18
14. Register of Related Parties Transactions .....	19
15. Oversight of the procedure .....	20
16. Publishing and updating the procedure .....	20
17. Confidentiality .....	20
18. Final provisions .....	20
Annex I .....	21

## I. INTRODUCTION

Pursuant to Art. 2391-bis of the Italian Civil Code and Art. 4, paragraph 1 of the Consob Regulation on Related Parties, as most recently amended by Consob resolution No. 21624/2020 in implementation of Legislative Decree No. 49/2019, the Board of Directors of Mediaset S.p.A. approved this procedure on related party transactions on 11 May 2021.

Pursuant to Art. 4, paragraph 3) of the Consob Regulation on Related Parties, the Related Parties Committee (previously called the Independent Directors Committee), made up of three Independent Directors (as defined below), issued a preliminary favourable opinion on this procedure on 11th May 2021.

## 2. DEFINITIONS

**“Independent Directors”**: the directors recognised by the Company as independent pursuant to the Corporate Governance Code promoted by the Corporate Governance Committee set up by ABI, ANIA, Assonime, Confindustria, Borsa Italiana and Assogestioni.

**Independent and Unrelated Directors**: the Independent Directors who are not the counterparty in a given transaction or the related parties of the counterparty.

**Directors Involved in the Transaction**: Directors who have an interest in the Transaction, on their own behalf or on behalf of third parties, in conflict with that of the Company.

**“Related Parties Committee”**: the committee pursuant to Art. 4 below.

**“Related Parties Operating Committee”**: the committee of corporate functions identified in accordance with the Company's internal regulations.

**“Competent Function”**: the function with responsibility for the individual Transaction with Related Parties of the Company and its subsidiaries pursuant to the Company's internal regulations.

**“Related Parties Transactions”**: the transactions identified as such by the international accounting standards, adopted according to the procedure referred to in Art. 6 of Regulation (EC) No. 1606/2002 as amended from time to time. These transactions are listed - on the basis of the current IAS 24 - in the Appendix to the Consob Regulation for Related Party Transactions.

**“Transactions performed through related parties”**: Related Parties Transactions pursuant to Art. 12 below.

**“Excluded Transactions”**: Related Parties Transactions pursuant to Art. 7.1 below.

**“Smaller Transactions”**: Related Parties Transactions pursuant to Art. 7.1, letter a) below.

**“Transactions of Greater Importance”**: Related Parties Transactions pursuant to Art. 6.1 below.

**“Transactions of Lesser Importance”**: Related Parties Transactions pursuant to Art. 6.2 below.

**“Regular Transactions”**: Related Parties Transactions pursuant to Art. 7.1, letter e) below.

**“Related Parties”**: the parties identified as such by the international accounting standards, adopted according to the procedure referred to in Art. 6 of Regulation (EC) No. 1606/2002 as amended from time to time. These parties listed - on the basis of the current IAS 24 - in the Appendix to the Consob Regulation for Related Party Transactions.

**“Equivalent Internal Controls”**: the internal controls indicated in Annex I to this procedure to apply if, in relation to a given transaction, one or more members of the Related Parties Committee are not Independent and Unrelated Directors.

**“Consob Related Parties Regulations”**: the regulations governing related parties transactions introduced by Consob with resolution No. 17221, 12 March 2010, as most recently amended by Consob with resolution No. 21624/2020.

**“Company”**: Mediaset S.p.A..

**“TUF”**: Legislative Decree No. 58, 24 February 1998.

### 3. SUBJECT OF THE PROCEDURE

This procedure establishes the rules for the identification, approval, performance and disclosure of Related Parties Transactions performed by Mediaset S.p.A., either directly or through subsidiaries, in order to ensure the transparency and substantive and procedural correctness of the transactions, as well as the cases in which such rules are not applied.

### 4. RELATED PARTIES COMMITTEE

**4.1** The Related Parties Committee is made up of three Independent Directors appointed by resolution of the Board of Directors. The Committee establishes its own operating rules.

**4.2** The Related Parties Committee, after receiving the communication pursuant respectively to Art. 7.2, Art. 9.1.2, Art. 10.1.2 and Art. 12.6, promptly verifies whether all the members of the Committee are different from the counterparty in a given transaction and related parties of the counterparty.

In performing the above assessment, the Committee may be assisted by the Corporate Affairs Office of the Company (**the "Corporate Affairs Office"**).

If one or more members of the Committee are the counterparty in a given transaction or a related part to the counterparty, the Related Parties Committee immediately notifies the existence of the relationships to the Corporate Affairs Office, which informs the Competent Function and the Board of Directors of the Company, and the Equivalent Internal Controls are applied.

### 5. IDENTIFICATION OF THE RELATED PARTIES OF THE COMPANY

**5.1** For the purposes of the application of this procedure, the Corporate Affairs Office identifies the Related Parties of the Company and draws up a list based on the Appendix to the Consob Related Parties Regulations ("**List of Related Parties**").

**5.2** The Corporate Affairs Office identifies the Related Parties of the Company:

- a)** based on Company records, with the assistance of the competent functions of the Company and its subsidiaries; and
- b)** based on written statements, prepared in the format provided by the Corporate Affairs Office by controlling parties, directors, auditors and other parties which are Related Parties of the Company as established by Art. 114, paragraph 5, TUF,

indicating the Related Parties of the Company through such parties. These parties must notify the Company, in a timely manner, of any updates.

For the purposes of identifying the Related Parties of the Company, the Corporate Affairs Office may have discussions with the Related Parties Operating Committee.

**5.3** The List of Related Parties is kept by the Corporate Affairs Office, which revises same whenever necessary, also on the basis of the information provided by the functions of the Company and its subsidiaries, as well as by the parties indicated under letter b) of paragraph 5.2 above and, in any case, on a quarterly basis.

All the functions of the Company and its subsidiaries are required to inform, in a timely manner, the Corporate Affairs Office about new circumstances - such as, for example, the acquisition of equity stakes, the stipulation of contracts or the amendment of contracts in force - which may entail changes to the List of Related Parties.

**5.4** The List of Related Parties is published on the Company's intranet site in the "Document Portal" section by the Corporate Affairs Office, and can be accessed online by the Competent Functions. The list is also made available by the Corporate Affairs Office, at the request of the Related Parties Committee, to the corporate entities of the Company and its subsidiaries and to the other competent offices and functions of the Company and its subsidiaries.

## **6. IDENTIFICATION OF TRANSACTIONS OF GREATER OR LESSER IMPORTANCE WITH RELATED PARTIES**

### **6.1 Transactions of Greater Importance**

For the purposes of this procedure, transactions of greater importance are the Related Parties Transactions in which at least one of the relevance indexes indicated in Annex 3, Consob Related Parties Regulations, applicable according to the specific transaction, is higher than the established threshold ("**Transactions of Greater Importance**").

### **6.2 Transactions of Lesser Importance**

For the purposes of this procedure, transactions of lesser importance are Related Parties Transactions different from Transactions of Greater Importance and Smaller Transactions ("**Transactions of Lesser Importance**").

## 7. EXCLUSIONS

### 7.1 Excluded transactions

Without prejudice to the mandatory provisions of Consob Related Parties Regulations, the procedural and transparency rules established by such Regulations and the provisions of this procedure regarding Transactions of Greater and Lesser Importance are not applicable to the transactions set forth in Art. 13, paragraph 1 and paragraph 1-bis, Consob Related Parties Regulations and to the following Transactions with Related Parties, even when they are transactions performed through subsidiaries ("**Excluded Transactions**"):

a) transactions which, taken separately, have a combined value of not more than (i) EUR 300,000 (three hundred thousand) if the counterpart is a single individual and (ii) EUR 500,000.00 (five hundred thousand) if the counterpart is a legal entity ("**Marginal Transactions**");

b) compensation plans based on financial instruments approved by the general meeting pursuant to Art. 114-bis, TUF, and relative executive transactions;

c) resolutions, other than those excluded pursuant to Consob Related Parties Regulations, in relation to the remuneration of directors and directors charged with special duties, as well as of managers with strategic functions, on the condition that: (i) a remuneration policy has been introduced, approved by the Company's Shareholders' Meeting; (ii) the definition of said policy involved the Company's Remuneration Committee, which is made up exclusively of non-executive directors, of whom the majority are independent; (iii) the remuneration awarded is identified in compliance with this policy and quantified on the basis of criteria that do not involve discretionary assessments;

d) transactions with or between subsidiaries - also on a joint basis with the Company - and transactions with associated companies, as long as other Related Parties of the Company do not hold significant interests in the subsidiary or associate counterparties in the transaction.

Significant interests held by another Related Party of the Company are interests deriving from equity stakes in the subsidiary or associate of the counterparty Company in a given transaction, if these relations are such as to influence, on an exclusive or priority basis, the decisions of the subsidiary or associate for the purposes of satisfying the interest held by the Related Party. Another Related Party has a significant interest if (i) the Company shares with the subsidiary or associate one or more managers with strategic responsibilities and such parties, in addition to simply sharing roles, benefit from incentive plans based on financial instruments (or in any case from variable remuneration) which depend on the results reported by the subsidiary or associate with which the transaction is being performed or



(ii) the party which controls the Company or has significant influence over same has an equity interest in the subsidiary or associate, and the stake held by the aforementioned party in the Related Party exceeds the effective importance of the interest held by same in the Company;

e) transactions which form part of the ordinary operations and related financial activities of the Company or the subsidiary performing the transaction, completed at similar conditions to those usually applied to unrelated parties for transactions of a corresponding nature, amount and risk, or based on regulated tariffs or prices applied to parties with which the Company is obliged by law to work for a set consideration ("**Regular Transactions**"); nevertheless, if the transaction is performed by a subsidiary vehicle set up solely for the purpose of performing the transaction, it must be verified that the transaction represents ordinary business not only as regards the subsidiary, but also with regard to at least one of the activities ordinarily performed by Mediaset group, consisting of the companies included in the consolidated financial statements;

f) urgent transactions that do not fall within the competence of the Shareholders' Meeting or do not have to be authorised by the latter, subject to the introduction of a specific clause in the bylaws, without prejudice to the provisions of Art. 5 of the Related Parties Regulation and the Board of Directors' right to resolve pursuant to Art. 8, paragraph 1, letter a) of the same regulation applicable to Transactions of Greater Importance, provided that: (i) if the transaction is the responsibility of a managing entity, the chairman of the Board of Directors is promptly informed of the reasons for urgency and in any event before completion of the transaction; (ii) the transaction is subsequently the subject, without prejudice to its effectiveness, of a non-binding resolution at the first useful ordinary general meeting; (iii) the entity which convenes the general meeting prepares a report containing adequate justification of the reasons for urgency. The board of statutory auditors reports on its assessment of the existence of reasons for urgency to the general meeting; (iv) the report and assessment indicated in point (iii) above are made available for public consultation, at least 21 days before the date of the general meeting, at company headquarters and in the manner indicated in Part III, Section II, Paragraph I of the Issuer regulations. These documents may be contained in the information document pursuant to Art. 5, paragraph 1, Consob Related Parties Regulations; and (v) no later than the day after that of the general meeting, the Company discloses, as indicated in Part III, Section II, Paragraph I, Issuer regulations, information on the outcome of the vote, particularly with regard to the total number of votes cast by unrelated shareholders.

## 7.2 Related Parties Committee checks.

The Related Parties Committee checks, in a specific meeting to be convened within 7 days from the sending of the information referred to in Art. 8.5 to the Committee by the Corporate Affairs Office, the correct application of the exemption conditions referred to in letter e) of Art. 7.1 for the Ordinary Transactions of Greater Importance, explaining in writing, in the meeting minutes, the conclusions reached and sends a copy of the minutes to the Corporate Affairs Office. The Related Parties Committee, if it so deems necessary or appropriate, may request the assistance of one or more experts of its choosing, at the Company's expense, to verify the adequacy of the consideration of the Ordinary Transaction of Greater Relevance in relation to the market values of similar transactions. In choosing the experts, the Committee uses individuals of recognised professionalism and competence in the matters of interest, whose independence the Committee checks in advance, taking into account the reports indicated in paragraph 2.4 of Annex 4 to the Consob Regulation for Related Party Transactions.

This check must be completed within 30 days from the convening of the aforementioned meeting.

## 8. PRELIMINARY STAGE COMMON TO ALL RELATED PARTIES TRANSACTIONS

**8.1** The Competent Function, as soon as possible in consideration of the characteristics of the transaction and the information available:

- verifies whether or not the counterparty is a Related Party;
- if counter party is a Related Party, it promptly informs the Corporate Affairs Office in writing of all the details of the transaction, including, for example, the name of the counterparty, a description of the transaction and the terms and conditions of same. For Ordinary Transactions, it provides the information indicated in paragraph 8.5 below to the Corporate Affairs Office in writing.

**8.2** The Corporate Affairs Office verifies whether or not the transaction:

- is a Related Party Transaction;
- is covered by one of the exclusions provided in Consob Related Parties Regulations or in Art. 7 above, and in particular whether or not the transaction is a Regular Transaction and, for the transactions covered by Art. 7d) above, that no significant interests are held by other Related Parties of the Company;
- implements a Framework resolution;
- is a Transaction of Greater or Lesser Importance.

For the purposes of assessing the aforementioned factors, the Corporate Affairs Office may have discussions with the Related Parties Operating Committee.

**8.3** The Corporate Affairs Office promptly informs the Competent Function in writing of the outcome of the verification indicated in paragraph 8.2 above, indicating the category of transaction in question and providing concrete evidence with regard to the outcome of the verification.

**8.4** If the transaction qualifies as a Transaction of Greater or Lesser Importance and is not an Excluded Transaction pursuant to Art. 7 above or a transaction which implements a Framework resolution, the Corporate Affairs Office initiates the procedure regulated by articles 9 and 10 below and informs the Competent Function of this.

**8.5** The Corporate Affairs Office communicates to Consob and the Related Parties Committee, within the deadline indicated in Art. 5, paragraph 3 of the Consob Regulation for Related Party Transactions, the counterparty, the subject, the consideration for the Ordinary Transactions of Greater Importance that benefited from the exclusion, as well as the reasons why the Transaction of Greater Importance is considered to be Ordinary, providing objective evidence.

**8.6** The Corporate Affairs Office reports to the Related Parties Committee on a quarterly basis with regard to Excluded Transactions and transactions which implement Framework resolutions, indicating the category of transaction involved and providing written evidence to justify the reasons for the exclusion. The Related Parties Committee verifies the correct application of the exemptions.

**8.7** The Corporate Affairs Office keeps an archive of the results of verifications pursuant to paragraph 8.2 above and the communications sent to/by the Competent Function and to/by the Related Parties Committee.



## 9. METHOD OF EXAMINING AND APPROVING TRANSACTIONS OF GREATER IMPORTANCE

### 9.1 Procedure for Transactions of Greater Importance which are the responsibility of the Board of Directors

**9.1.1** Transactions of Greater Importance which are not the responsibility of the general meeting are referred to the Board of Directors of the Company, which produces a resolution on the matter after receiving a reasoned favourable opinion from the Related Parties Committee regarding the Company's interest in concluding the transaction and the expediency and substantial correctness of the relative conditions. Directors Involved in the Transaction must abstain from voting on the transaction.

**9.1.2** For the purposes of forming the opinion of the Related Parties Committee, the Competent Function, through the Corporate Affairs Office, must (i) promptly involve the Related Parties Committee in the negotiation and examination stages of each Transaction of Greater Importance, by promptly providing information regarding the start of negotiations and/or the examination, and the transmission to the Committee, or to the duly delegated member or members of same, of comprehensive and adequate information about the transaction, and (ii) update the information about the transaction whenever this is appropriate or necessary in view of the state of progress of negotiations. Such information must regard, in particular, the nature of the relationship, the main terms and conditions of the transaction, the timing, the reasons underpinning the transaction and any risks for the Company.

The Related Parties Committee may, through the Corporate Affairs Office, request information from and make observations to the managing entities and the parties charged with carrying out the negotiations or examination.

The Related Parties Committee, if it so deems necessary or appropriate, may request the assistance of one or more experts of its choosing, at the Company's expense. In choosing the experts, the Committee uses individuals of recognised professionalism and competence in the matters of interest, whose independence the Committee checks in advance, taking into account the reports indicated in paragraph 2.4 of Annex 4 to the Consob Regulation for Related Party Transactions.

**9.1.3** The opinion of the Related Parties Committee must be attached to the minutes of the Committee meeting and must be issued in time for the Board of Directors meeting called to approve the Transaction of Greater Importance, and transmit it to the Corporate Affairs Office with the independent expert's opinion if issued.

**9.1.4.** The Competent Function provides the Board of Directors, through the Corporate Affairs Office and in time for the meeting called to approve the transaction, with comprehensive and adequate information about the Transaction of Greater Importance to perform, indicating the outcome of the examination, the nature of the relationship, the terms and conditions and timing of the transaction, the assessment procedure followed, the underlying reasons and any risks for the Company, as well as a copy of the opinion of the Related Parties Committee indicated in paragraph 9.1.3 above and any other opinions issued in relation to the transaction.

**9.1.5** If the Related Parties Committee issues an opinion that is contrary to the performance of the transaction or conditional on the recognition of certain comments, the Board of Directors may: (a) approve the transaction, on the condition that the approval resolution recognises all the comments made by the Committee, or (b) approve the transaction notwithstanding the negative opinion or in any case without taking account of the Committee's comments, on the condition that the conclusion of the transaction has been authorised by the general meeting of the Company pursuant to Art. 9.2.2 below, or (c) decide not to allow the transaction to proceed.

**9.1.6** The minutes of resolutions to approve Transactions of Greater Importance must provide adequate reasons regarding the Company's interest in concluding the transaction and the expediency and substantial correctness of the relative conditions.

**9.1.7** The managing entities, based on information provided for this purpose by the Competent Function, provide information on the method of carrying out Transactions of Greater Importance, and in particular on the counterparties, consideration and other economic and timing conditions, to the Board of Directors and the Board of Statutory Auditors at least quarterly.

**9.1.8** The Corporate Affairs Office retains the documentation regarding each individual Transaction of Greater Importance, including for example the opinion of the Related Parties Committee, any opinion issued by independent experts, a copy of the minutes or the decision of the entity competent to resolve on the matter, and finally the information transmitted pursuant to the above paragraphs and, more in general, to this procedure.

**9.1.9** If Equivalent Internal Controls are effective, the provisions of Art. 9.1 regarding the Related Parties Committee are applied, *mutatis mutandis*, to such controls.

## **9.2 Procedure for Transactions of Greater Importance which are the responsibility of the general Shareholders' Meeting**

**9.2.1** In relation to Transactions of Greater Importance which are the responsibility

of the General Meeting or which must be authorised by same, the provisions of Art. 9.1 above are applied, *mutatis mutandis*, to the negotiation, examination and approval stages of the proposed resolution to submit to the General Meeting.

**9.2.2** Conditionally on the introduction of the special clause into the bylaws, if the Board of Directors intends to submit the Transaction of Greater Importance to the approval of the general meeting, notwithstanding the negative opinion of the Related Parties Committee or in any case without taking account of the Committee's comments, the transaction may not be completed if the majority of unrelated voting shareholders vote against the transaction, on the condition, however, that the unrelated shareholders attending the Shareholders' Meeting represent at least 10% of the share capital with voting rights.

## **10. METHOD OF EXAMINING AND APPROVING TRANSACTIONS OF LESSER IMPORTANCE**

### **10.1 Procedure for Transactions of Lesser Importance which are the responsibility of the Board of Directors and the managing entities of the Company**

**10.1.1** Transactions of Lesser Importance which are not the responsibility of the general meeting are approved by the managing entity or decided by the competent function, after receiving a non-binding opinion from the Related Parties Committee regarding the Company's interest in concluding the transaction and the expediency and substantial correctness of the relative conditions. If the Transaction falls within the competence of the Board of Directors, the Directors Involved in the Transaction must abstain from voting on it.

**10.1.2** For the purposes of formulating the opinion of the Related Parties Committee, the Competent Function, through the Corporate Affairs Office, promptly provides comprehensive and adequate information about the Transaction to the Committee. Such information must regard, in particular, the nature of the relationship, the main terms and conditions of the transaction, the timing, the reasons underpinning the transaction and any risks for the Company.

The Related Parties Committee, if it so deems necessary or appropriate, may request the assistance of one or more experts of its choosing, at the Company's expense. In choosing the experts, it uses individuals of recognised professionalism and competence in the matters of interest, whose independence the Committee checks in advance, taking into account the reports indicated in paragraph 2.4 of Annex 4 to the Consob Regulation for Related Party Transactions.

**10.1.3** The opinion of the Related Parties Committee must be attached to the minutes of the Committee meeting and must be issued in time for the approval of the Transaction of Lesser Importance, and transmit it to the Corporate Affairs Office with the independent expert's opinion if issued.

**10.1.4** The Competent Function provides the entity or function responsible for decisions regarding the transaction, through the Corporate Affairs Office and in due time for approval, with comprehensive and adequate information about the Transaction of Lesser Importance to perform, with an indication of the outcome of the examination, the nature of the relationship, the terms and conditions and timing of the transaction, the assessment procedure followed, the underlying reasons and any risks for the Company, as well as a copy of the opinion of the Related Parties Committee indicated in paragraph 10.1.3 above and any other opinions issued in relation to the transaction.

**10.1.5** Transactions of Lesser Importance must be approved in writing; the minutes or the determination, in the case of a monocratic body, of the decision must provide adequate reasons regarding the Company's interest in concluding the transaction and the expediency and substantial correctness of the relative conditions.

**10.1.6** The managing entities, based on complete information provided for this purpose by the Competent Function, provide information on the method of performing Transactions of Lesser Importance, and in particular on the counterparties, consideration and other economic and timing conditions, to the Board of Directors and the Board of Statutory Auditors at least quarterly.

**10.1.7** The Corporate Affairs Office retains the documentation regarding each individual Transaction of Lesser Importance, including for example the opinion of the Related Parties Committee, any opinion issued by independent experts, a copy of the minutes or the decision of the entity competent to resolve the matter, and finally the information transmitted pursuant to the above paragraphs and, more in general, to this procedure.

**10.1.8** If Equivalent Internal Controls are effective, the provisions of this Art. 10.1 regarding the Related Parties Committee are applied, *mutatis mutandis*, to such controls.

## **10.2 Procedure for Transactions of Lesser Importance which are the responsibility of the general Shareholders' Meeting**

In relation to Transactions of Lesser Importance which are the responsibility of the General Shareholders' Meeting or which must be authorised by same, the provisions of Art. 10.1 above are applied, *mutatis mutandis*.

## 11. FRAMEWORK RESOLUTIONS

For the purposes of this procedure, framework resolutions are permitted to enable the Company to perform series of uniform transactions with established categories of Related Parties, as identified by the Board of Directors or the Executive Committee.

The framework resolutions will be effective for no longer than one year and must indicate with sufficient accuracy the transactions which are the subject of such resolutions, in addition to the foreseeable total number of transactions to be carried out in the reference period and the reasons for the conditions established in relation to these transactions.

The provisions of articles 9 and 10 above are applied to framework resolutions according to the foreseeable maximum number of transactions covered by the specific framework resolution, considered as a whole.

The managing entities, based on information prepared specifically by the Competent Function, provide information on the performance of each framework resolution to the Board of Directors and the Board of Statutory Auditors at least quarterly.

## 12. METHOD OF EXAMINING AND APPROVING TRANSACTIONS PERFORMED THROUGH SUBSIDIARY COMPANIES

**12.1** For the purposes of the application of this procedure, Related Parties Transactions performed through subsidiaries are Transactions completed by the Company's subsidiaries which are subject to the approval and/or examination of the Company's entities or officers in accordance with the bylaws or by virtue of resolutions of the Board of Directors of the Company or powers of attorney granted by the Company based on internal regulations ("**Transactions performed through subsidiary companies**").

The concept of control used to identify Transactions performed through subsidiary companies is that established by Art. 2359 of the Italian Civil Code.

The Transactions performed through subsidiary companies are subject to the methods of examination and approval set forth in the following paragraphs of this Art. 12.

Framework resolutions are permitted for transactions performed through subsidiary companies. Such resolutions are subject *mutatis mutandis* to the conditions established by the first, second and fourth paragraphs of Art. 11 above and are subject to the prior non-binding opinion of the Related Parties Committee.



**12.2** Before performing a Transaction through subsidiary companies, the Competent Function, as soon as possible in consideration of the characteristics of the transaction and the information available, verifies whether or not the counterparty is a Related Party. If it is, the Competent Function of the subsidiary company promptly informs the Corporate Affairs Office in writing of all the details of the transaction, including, for example, the name of the counterparty, a description of the transaction and the terms and conditions of same.

**12.3** The Corporate Affairs Office verifies whether or not the Transaction performed through a subsidiary company is a Related Party Transaction. If it is, the Corporate Affairs Office performs the verifications indicated in Art. 8.2 above, and in particular establishes whether or not the transaction is covered by one of the exclusions provided in Consob Related Parties Regulations or in Art. 7 above, or implements a framework resolution.

**12.4** The Corporate Affairs Office informs the Competent Function of the subsidiary company of the outcome of the verifications pursuant to paragraph 12.3 above.

**12.5** If the transaction qualifies as an Excluded Transaction, or as implementing a framework resolution, the following paragraphs in this Art. 12 are not applicable.

Articles 7.2 and 8.5 of this procedure apply.

The Corporate Affairs Office reports to the Related Parties Committee on a quarterly basis with regard to Excluded Transactions and transactions which implement framework resolutions, indicating the category of transaction involved and providing written evidence to justify the reasons for the exclusion.

**12.6** If the transaction does not qualify as an Excluded Transaction or as implementing a framework resolution, it is subject to the prior non-binding opinion of the Related Parties Committee.

For this purpose, the Competent Function of the subsidiary company promptly provides the Corporate Affairs Office with comprehensive and adequate information regarding the transaction, and the Corporate Affairs Office promptly submits this information to the Related Parties Committee.

**12.7** The Related Parties Committee issues its non-binding opinion on the transaction and transmits same to the Corporate Affairs Office in time to allow the competent entity in the Company to approve or examine the transaction.

The Corporate Affairs Offices promptly transmits the opinion to the Company entity responsible for approving or examining the transaction.

**12.8** The Corporate Affairs Office promptly informs the Competent Function of the subsidiary company regarding the resolution or examination of the transaction by the competent entity in the Company.

**12.9** The Competent Function in the subsidiary company prepares a special disclosure statement on the manner in which the Transaction is performed through a subsidiary company and transmits same to the Corporate Affairs Office in time for the first useful Board of Directors' meeting of the Company.

**12.10** If Equivalent Internal Controls are effective, the provisions of Art. 12 regarding the Related Parties Committee are applied, *mutatis mutandis*, to such controls.

### 13. DISCLOSURE STATEMENTS

**13.1** In the case of Transactions of Greater Importance, including those to be performed by the Company's Italian or international subsidiaries, the Corporate Affairs Office, with the support of the corporate functions involved, must prepare and make available for public consultation a disclosure statement pursuant to and for the purposes of Art. 5, Consob Related Parties Regulations.

The Corporate Affairs Office, with the support of the corporate functions involved, must make a statement available for public consultation even in the case in which, during the financial year, transactions are completed with a Related Party, or with parties related both to same and to the Company, which are similar or completed as part of a single scheme, which while they cannot be qualified individually as Transactions of Greater Importance, when taken as a whole exceed the relevance thresholds indicated in Annex 3, Consob Related Parties Regulations. In this case, the provisions of Art. 5, Consob Related Parties Regulations, are applied.

Within the terms provided for in Art. 5 of the Consob Regulation on Related Parties, the Company makes available to the public, as an attachment to the information document or on the website, any opinions of the Related Parties Committee and of the independent experts chosen by the Committee and the opinions issued by experts qualified as independent who may have been used by the management body.

**13.2** In the case of Transactions of Lesser Importance approved despite a negative opinion issued by the Related Parties Committee, the Corporate Affairs Office, with the support of the corporate functions involved, must prepare and make available for public consultation a disclosure statement pursuant to and for the purposes of Art. 7, paragraph 1, letter g), Consob Related Parties Regulations.

**13.3** If a Related Party Transaction is disclosed by issuing a press release pursuant to Art. 17 of Regulation (EU) No. 596/2014, the latter must report, in addition to the information to be published pursuant to the aforementioned rule, the information referred to in Art. 6, paragraph 1 of the Consob Regulation on Related Parties.

**13.4** The interim management report and the annual management report must contain the information pursuant to Art. 5, paragraph 8, Consob Related Parties Regulations. The information on individual Transactions of Greater Importance may be included by reference to the statements published and indicating any significant changes.

**13.5** In order to guarantee coordination with the procedures established by Art. 154-bis, TUF, the Corporate Affairs Office provides the manager responsible for preparing the company's accounting documents with the periodical information pursuant to articles 9.1.7 and 10.1.6, in addition to other information requested by such manager.

**13.6** The Competent Function of the Company or subsidiary which performs the transaction must promptly provide the Corporate Affairs Office and the other functions involved with the information and documents needed to satisfy the obligations established by the previous paragraphs in this Art. 13, as well as the information and documents needed to fulfil the information disclosure obligations required without exception by Consob Related Parties Regulations for Excluded Transactions and for Framework resolutions and the relative implementation operations.

## **14. REGISTER OF RELATED PARTIES TRANSACTIONS**

**14.1** The Corporate Affairs Office maintains a special register on electronic media in which all Related Parties Transactions are filed, including the Excluded Transactions performed by the Company, also through its subsidiaries.

**14.2** The register indicated in paragraph 14.1 above can be consulted by the manager responsible for preparing the company's accounting documents and the administrative function managers of the Company and its subsidiaries.

## 15. OVERSIGHT OF THE PROCEDURE

The board of statutory auditors oversees observance of the procedure and its compliance with applicable regulations, and reports on same to the general meeting pursuant to Art. 2429, paragraph 2 of the Italian Civil Code, or pursuant to Art. 153, TUF. To this end, the internal rules provide for adequate information flows to the board of statutory auditors.

## 16. PUBLISHING AND UPDATING THE PROCEDURE

This procedure and subsequent amendments are published on the Company's website by the Corporate Affairs Office, without prejudice to the obligation to advertise same by reference to this website in the annual report.

Every amendment of the procedure is subject to the approval of the Board of Directors, after receiving a favourable opinion from the Related Parties Committee which meets from time to time.

## 17. CONFIDENTIALITY

The information received or in any case acquired by all the parties involved in transactions with Related Parties must be kept strictly confidential and managed according to the provisions of the procedure for the management and disclosure of price sensitive information regarding the Company.

## 18. FINAL PROVISIONS

The Company has decided (i) that the application of this procedure does not need to be extended to the parties other than Related Parties indicated in the Appendix to the Consob Regulations for Related Party Transactions, (ii) to define Transactions of Greater Importance in such a way as to include only the transactions which exceed the thresholds provided in Annex 3 to Consob Related Parties Regulations, (iii) not to avail itself of the exemption for Related Parties Transactions performed in cases of urgency connected with critical company situations as established by Art. 11, paragraph 5, Consob Related Parties Regulations and (iv) not to avail itself of the possibility of defining an upper fee limit for the services rendered by independent experts in relation to Transactions of Lesser Importance pursuant to Art. 7, paragraph 2, Consob Related Parties Regulations.

## Annex I

### EQUIVALENT INTERNAL CONTROLS

“**Equivalent Internal Controls**” refer to the following internal controls established to protect the substantial correctness of Transactions of Greater or Lesser Importance in effect when one or more members of the Related Parties Committee is/are the counterparty in a given transaction or a Related Party of the counterparty in the transaction (“**Related Director**” and “**Related Directors**”).

1. If a member of the Related Parties Committee qualifies as a Related Director:

(i) in the case of Transactions of Greater Importance, the duties established by paragraph 1, letter b), Art. 8, Consob Related Parties Regulations, are performed by two members of the Committee who qualify as Unrelated Directors, who may delegate such duties to one such Unrelated Director;

(ii) the opinion on the transaction is provided by the two Unrelated Directors on a unanimous basis.

2. If two members of the Committee qualify as Related Directors, the activities indicated in paragraph 1 above are performed by the Committee member who qualifies as an Unrelated Director; together with the most senior Unrelated Independent Director who is not a member of the Committee.

3. If all the members of the Committee are Related Directors, the activities indicated in point 1 above are performed by the Board of Statutory Auditors.

4. If the internal controls set forth in paragraphs 1, 2 and 3 above cannot be applied, the activities indicated in paragraph 1 above are performed by an independent expert, selected by the Board of Directors from professionals with a reputation for competence regarding the matters in question, and their independence and absence of conflicts of interest will be assessed.