

INDEL B S.P.A.

indel B

**PROCEDURE GOVERNING
RELATED-PARTY TRANSACTIONS**

Document approved by the Board of Directors of Indel B S.p.A. on 7 March 2017

Introduction

This procedure for related-party transactions (**Procedure**) establishes how to manage the related-party transactions carried out by Indel B S.p.A. (**Company**), whether directly or via its subsidiaries, in order to ensure their procedural and substantive transparency and propriety following admission of the shares of the Company to trading on the MTA (Mercato Telematico Azionario), which is the multilateral trading system organised and managed by Borsa Italiana S.p.A. (**MTA**).

Pursuant to art. 2391-*bis* of the Italian Civil Code, this Procedure has been prepared with reference to art. 10 of the Regulation containing instructions for related-party transactions adopted by Consob Decision 17221 dated 12 March 2010 and subsequent amendments and additions (**Regulation 17221/2010**).

This Procedure contains instructions applicable to two categories of related-party transaction: (i) Related-Party Transactions of Greater Significance (as defined below) and (ii) Related-Party Transactions of Lesser Significance (as defined below), establishing specific procedures for their investigation and approval.

This Procedure does not apply to certain other categories of related-party transaction (identified in Article 2), including, *inter alia*, Transactions of Insignificant Amount (as defined below) and shareholders' resolutions regarding the remuneration of the members of the Board of Directors and, if appointed, the Executive Committee.

This Procedure takes effect on the first day of trading in the shares of the Company on the MTA.

For all matters not expressly governed by this Procedure, express reference is made to the instructions in force from time to time that are contained in Regulation 17221/2010.

Any amendments made to Regulation 17221/2010 – especially with reference to the definitions of “Related-Party Transactions”, “Transactions of Greater Significance” and “Related Parties” – are automatically included in this Procedure and the instructions that refer to them are automatically amended as a result.

Without prejudice to the subsequent content of this Procedure, the Board of Directors has primary responsibility for its proper and constant application.

In this context and in compliance with art. 4, para. 6, of Regulation 17221/2010, the Board of Statutory Auditors monitors the compliance of this Procedure with the principles embodied in Regulation 17221/2010, as well as compliance with this Procedure, and reports on its work to the Shareholders' Meeting pursuant to art. 2429, para. 2, of the Italian Civil Code.

I. GENERAL CLAUSES

Article 1 Definitions

1. The terms and expressions highlighted in boldface have the following meanings:

Independent Directors: those directors recognised by the Company as independent, both pursuant to art. 148 TUF and in application of the principles and application criteria contained in art. 3 of the Corporate Governance Code;

Unrelated Directors: directors of the Company other than the counterparties to a given transaction and their Related Parties;

Corporate Governance Code: the code of self-regulation for listed companies adopted by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. and in force from time to time;

Board of Statutory Auditors: the Board of Statutory Auditors of the Company in office from time to time;

Related Parties Committee or Committee: the committee comprising all the Independent Directors in office from time to time, with the clarification that, while and whenever the Board of Directors only has one Independent Director, the Related Parties Committee shall be deemed valid with the presence of just that Independent Director and the participation of one of the Equivalent Supervisors referred to in art. 5 of this Procedure;

Conditions Equivalent to Market or Standard Conditions: the “*conditions equivalent to market or standard conditions*” defined in the version of Regulation 17221/2010 in force from time to time ⁽¹⁾;

Board of Directors: the Board of Directors of the Company in office from time to time;

Consob: Commissione Nazionale per le Società e la Borsa (Stock Exchange Regulatory Body) with offices at via G.B. Martini 3, Rome;

Executives with Strategic Responsibilities: the “*executives with strategic responsibilities*” defined in the version of Regulation 17221/2010 in force from time to time ⁽²⁾;

Responsible Function: the function responsible for the specific Related-Party Transaction in accordance with the internal regulations of the Company or, otherwise, the authorised body or person if the internal organisational structure is not used. In the case of transactions carried out via subsidiaries, the Responsible Function is the Company function responsible for examining or approving in advance the individual transactions that the subsidiaries intend to carry out;

⁽¹⁾ For the sake of clarity, please note that Regulation 17221/2010 defines “Conditions Equivalent to Market or Standard Conditions” as conditions similar to those usually applied to unrelated parties in transactions of a corresponding nature, size or risk, or based on regulated tariffs or on imposed prices, being those applied to parties with which the issuer is obliged by law to contract at a specified price.

⁽²⁾ For the sake of clarity, please note that Regulation 17221/2010 defines “Executives with Strategic Responsibilities” as those persons who have powers over and direct or indirect responsibility for the planning, management and control of the activities of the company, including its executive and non-executive directors.

Significant Interests: interests in transactions are deemed significant by the Board of Directors with reference to the instructions contained in Consob Communication DEM/10078683 dated 24 September 2010 (and in subsequent Consob communications), with the clarification that interests are not deemed significant merely because one or more directors or other executives with strategic responsibilities are shared among the Company and its Subsidiaries and/or Associates and that, in all cases, other parties related to the Company have significant interests (i) if one or more directors or executives with strategic responsibilities of the Company benefit from incentive plans based on financial instruments or, in any case, from variable remuneration based on the results of the Subsidiaries or Associates with which the Transaction is carried out; and (ii) if the party that, directly or indirectly, controls the Company holds an equity interest in the Subsidiary or Associate with which the Transaction is carried out conferring greater effective influence than the effective influence conferred by its equity interest in the Company, without prejudice to the obligations arising under art. 8 of this Procedure;

Related-Party Transactions or Transactions: any transfer of resources, services or commitments between the Company and one or more Related Parties, regardless of whether or not a consideration has been agreed. This concept always includes: (i) mergers, spin-offs on formation or non-proportional spin-offs in the strict sense, if carried out with Related Parties; (ii) all decisions relating to the allocation of remuneration and economic benefits, in any form, to the members of the administrative and control bodies and to the Executives with Strategic Responsibilities, except in the cases referred to in Article 2 below. The definition of Related-Party Transactions does not include those transactions open without distinction to all shareholders on the same terms (such as but not limited to proportional spin-offs in the strict sense and capital increases offered under option);

Related-Party Transactions carried out via Subsidiaries: the Related-Party Transactions carried out by Subsidiaries with parties related to the Company;

Transactions of Insignificant Amount: the Related-Party Transactions, or connected series of Related-Party Transactions, whose annual amount (net of any taxes, levies or charges) is, individually or cumulatively, less than Euro 100,000.00 (*onehundredthousand/00*);

Transactions of Greater Significance: the “*transactions of greater significance*” defined with reference to the criteria indicated in Attachment 3 to the version of Regulation 17221/2010 in force from time to time;

Transactions of Lesser Significance: all Related-Party Transactions other than Transactions of Greater Significance and Transactions of Insignificant Amount;

Ordinary Transactions: transactions carried out in the ordinary course of the operating activities and related financial activities (being ancillary to the operating activities) of the Company or its Subsidiaries;

Executive Body: each director of the Company holding executive powers;

Related Parties: the “*related parties*” defined in the version of Regulation 17221/2010 in force from time to time ⁽³⁾;

⁽³⁾ For the sake of clarity, please note that Regulation 17221/2010 defines a “Related Party” as the party that, with respect to a company:

Equivalent Supervisors: the supervision indicated in Article 5 of this Procedure, to be adopted by the Company in order to assure the functioning of this Procedure if – in relation to a given Related-Party Transaction – it is not possible to form the Related Parties Committee in accordance with the rules for its formation;

Issuers' Regulation: the Consob Regulation adopted by Decision 11971 dated 14 May 1999 and subsequent amendments and additions;

Unrelated Shareholders: the parties that hold voting rights, other than the counterparty of a given Transaction and the Related Parties of both the counterparty to a given Transaction and the Company;

Subsidiary: “*subsidiary company*” as defined in the version of Regulation 17221/2010 in force from time to time ⁽⁴⁾;

Associate: “*associated company*” as defined in the version of Regulation 17221/2010 in force from time to time ⁽⁵⁾;

Testo Unico della Finanza (Consolidated Finance Law) or TUF: Decree 58 dated 24 February 1998 and subsequent amendments and additions.

Article 2 **Exclusions**

1. This Procedure does not apply:

- (a) to shareholders' resolutions concerning the remuneration of members of the Board of Directors and the Executive Committee (if appointed) (adopted pursuant to art. 2389, para. 1, of the Italian Civil Code) or to resolutions concerning the remuneration of the directors with specific responsibilities included in the total amount for the remuneration of all directors established in advance at the Shareholders' Meeting pursuant to art. 2389, para. 3, of the Italian Civil Code;
- (b) to shareholders' resolutions adopted pursuant to art. 2402 of the Italian Civil Code

(a) directly, or indirectly via subsidiaries, trust companies or intermediaries: (i) controls the company, is controlled by it or is subject to joint control; (ii) holds a sufficient equity investment in the company to be able to exercise significant influence over it; (iii) exercises control over the company together with other parties;

(b) is an associated company of the company;

(c) is a joint venture in which the company is a participant;

(d) is one of the executives with strategic responsibilities of the company or its parent company;

(e) is a close family member of one of the parties referred to in letters (a) or (d);

(f) is an entity over which one of the parties referred to in letters (d) or (e) exercises control, joint control or significant influence or holds, directly or indirectly, a significant share, being not less than 20%, of the voting rights;

(g) is a collective or individual supplementary pension fund, whether Italian or foreign, established in favour of the employees of the company or any other entity to which it is related.

The concepts of “control”, “joint control”, “significant influence”, “executives with strategic responsibility”, “close family members”, “subsidiary”, “associate” and “joint venture” are defined in Regulation 17221/2010.

⁽⁴⁾ For the sake of clarity, please note that Regulation 17221/2010 defines a “subsidiary company” as a party, whether or not a legal person, that is controlled by another party.

The concepts of “control” and “joint control” are defined in Regulation 17221/2010.

⁽⁵⁾ For the sake of clarity, please note that Regulation 17221/2010 defines an “associated company” as a party, whether or not a legal person, over which a member exercises significant influence, but not control or joint control.

The concepts of “control”, “joint control” and “significant influence” are defined in Regulation 17221/2010.

concerning the remuneration of the members of the Board of Statutory Auditors;

- (c) to Transactions of Insignificant Amount;
- (d) without prejudice to the obligations referred to in art. 9 of this Procedure, if applicable, to resolutions (other than those indicated in paragraph (a) above) concerning the remuneration of directors with specific responsibilities and the other executives with strategic responsibilities, on condition that: (i) a compensation policy has been adopted; (ii) the compensation policy was determined with the contribution of a committee composed solely of non-executive directors, the majority of whom were independent; (iii) a report explaining the compensation policy was submitted for approval or a consultative vote at the Shareholders' Meeting; and (iv) the remuneration assigned is consistent with that policy;
- (e) to Ordinary Transactions carried out on Conditions Equivalent to Market or Standard Conditions. Without prejudice to the provisions of art. 17 of Regulation (EU) 596/2014, in the case of exceptions to the disclosures required for Transactions of Greater Significance in art. 10 of this Procedure, the Company must (i) notify to Consob, by the deadline indicated in art. 10.3 of this Procedure, the names of the counterparties, the purpose and the amounts of the Transactions that benefited from an exemption from the obligation to publish a Disclosure Document (as defined below); (ii) indicate in the interim report on operations and in the annual report, in the context of the disclosures required by art. 5, para. 8, of Regulation 17221/2010, which of the completed Transactions subject to the disclosure requirements indicated in this last-mentioned regulation benefited from the exemption envisaged in this letter;
- (f) without prejudice to the provisions of art. 10 of this Procedure, if allowed by the Articles of Association, to Related-Party Transactions that do not have to be referred to and authorised at the Shareholders' Meeting, but which must be authorised urgently in accordance with the related procedure that requires:
 - (i) should the transactions be within the powers of the Executive Body or the Executive Committee (if appointed), the Chairman of the Board of Directors to be informed about the urgent reasons prior to carrying them out;
 - (ii) without prejudice to their effectiveness, the transactions to be subjected subsequently to a non-binding resolution at the next available ordinary shareholders' meeting;
 - (iii) the body that calls the shareholders' meeting to prepare a report containing adequate reasons for the urgency and the Board of Statutory Auditors to report to the Shareholders' Meeting on its assessment of the validity of the urgent reasons;
 - (iv) the report and the assessment *sub* (iii) to be made available to the public at the registered offices at least 21 (twenty-one) days prior to the date fixed for the Shareholders' Meeting and on the website of the Company on the basis indicated in Title II, Chapter I of the Issuers' Regulation. These documents may be included in the Disclosure Document (as defined below in Article 10);
 - (v) the outcome of the voting, with particular reference to the total number of votes

cast by the Unrelated Shareholders, to be made available to the public by the day after that of the Shareholders' Meeting on the basis indicated in Title II, Chapter I of the Issuers' Regulation;

- (g) to Related-Party Transactions with or among one or more Subsidiaries, as well as those with Associates, if the other Related Parties of the Company do not have Significant Interests in the Subsidiaries or Associates that are counterparties to the Transaction;
 - (h) to transactions required under instructions given by the Supervisory Authorities for stability purposes, or by the parent company for the execution of instructions given by the Supervisory Authorities to assure the stability of the group.
2. The exemptions envisaged in this Article 2 also apply to the Related-Party Transactions carried out via Subsidiaries that are referred to in Article 11 of this Procedure.

II. PROCEDURAL ASPECTS

Article 3

Approval of Related-Party Transactions

1. Pursuant to art. 10 of Regulation 17221/2010, the Company has elected to apply the procedure established for Related-Party Transactions of Lesser Significance to the Related-Party Transactions of Greater Significance. Accordingly, the provisions of this Article 3 will apply to both Transactions of Greater Significance and Transactions of Lesser Significance.
2. Before carrying out any Transactions, the Responsible Function checks if the counterparty is a Related Party. If the transaction is believed to be a Related-Party Transaction, the Responsible Function notifies details of the Transaction to the Executive Body, so that the latter can check:
 - (a) if the Transaction is covered by the exemptions;
 - (b) if the Transaction is carried out under a framework resolution; and
 - (c) if the Transaction is a Transaction of Greater Significance or a Transaction of Lesser Significance.

If the Transaction is included among the situations envisaged in letters (a) or (b) above, the Executive Body informs the Responsible Function. The Responsible Function then notifies the Executive Body about the completion of the Transaction as soon as it has been carried out. If the Transaction is not included among the situations envisaged in letters (a) or (b) above, the Executive Body refers the Transaction to the Related Parties Committee on a timely basis, providing all the information in its possession and indicating - if necessary - the deadline by which the Related Parties Committee must express its opinion. The Related Parties Committee meets and makes an assessment pursuant to the provisions of this Procedure. If in doubt about whether or not the Transaction is included among the situations envisaged in letters (a) or (b) above, the Executive Body will refer that assessment to the Related Parties Committee, providing all the information in its possession.

3. Related-Party Transactions are approved by the Executive Body, to the extent of its delegated powers, or by the Board of Directors or at the Shareholders' Meeting, if they fall within the types of transaction that, by law, the Articles of Association or Board resolution, must be referred to

each of them. If responsibility for the Transactions is not attributable to any Executive Body, the administrative body is responsible for their approval. Executive Bodies may always refer Transactions for which they are responsible to the administrative body for collegiate approval. In all cases, Related-Party Transactions must be approved after receipt of a non-binding reasoned opinion from the Related Parties Committee on the interest of the Company in carrying them, as well as on the reasonableness and propriety in substance of the related conditions.

4. In order to allow the Related Parties Committee to issue a reasoned opinion, the Executive Body assisted by the Responsible Function must, as early as possible, provide adequate and complete information about the specific Related-Party Transaction to the Related Parties Committee. In particular, at a minimum, that information must include the name of the Related Party, the nature of the relationship, the purpose of the Transaction, its expected value and other main terms and conditions, the expected timing, the reasons underlying the Transaction and any risks for the Company and/or its subsidiaries, if applicable, as well as objective evidence, if applicable, showing that the conditions of the Transaction are Conditions Equivalent to Market or Standard Conditions.
5. After receiving the above information from the Executive Body, the Related Parties Committee issues its reasoned opinion in good time for the related execution and/or authorisation of the Related-Party Transactions and, in any case, by and no later than any deadline indicated by the Executive Body pursuant to art. 3.2 above, providing the body responsible for authorising or executing the Related-Party Transactions to be approved with adequate information on a timely basis about the due diligence carried out on them.
6. If deemed necessary or appropriate, the Related Parties Committee may take advice from one or more independent experts selected by that committee - following appropriate checks on the independence of those experts - without exceeding the maximum expenditure limit of 5% (five percent) of the amount of the Transaction.
7. If the Transaction must be decided by the Board of Directors, the Chairman or the Executive Body ensures that adequate, complete information about the Transaction is sent to the directors, by e-mail or fax, in good time to allow the Board of Directors to make a careful assessment of the proposed Transaction and, in all cases, at least 5 (five) working days prior to the date fixed for the Board meeting, together with objective evidence, if applicable, showing that the conditions of the Transaction are Conditions Equivalent to Market or Standard Conditions. In all cases, the information provided to the Board of Directors must include:
 - indication of the general characteristics of the Transaction (in particular: purpose, reasons, consideration, timing and nature of the relationship);
 - indication of how the consideration is calculated and/or the main terms and conditions that may generate obligations for the Company;
 - indication of any interests (direct or on behalf of third parties) that members of the corporate bodies may have in the Transaction.
8. The minutes of the meeting of the Board of Directors that approves a Related-Party Transaction must indicate the reasons for which the Company is interested in carrying it out, as well as the reasonableness and propriety in substance of the related conditions. If the Board of Directors does not agree with the opinion of the Related Parties Committee, the reasons for this disagreement

must be explained appropriately.

9. The Board of Directors is responsible for authorising those Related-Party Transactions carried out by the Company and/or its Subsidiaries in which one or more directors have an interest, whether directly or on behalf of third parties, or in which the Managing Director has an interest, whether directly or on behalf of third parties, and therefore abstains from voting pursuant to art. 2391 of the Italian Civil Code.
10. The procedure indicated in this Article 3 also applies to approval by the Board of Directors of proposed resolutions regarding Related-Party Transactions to be submitted to the Shareholders' Meeting, if those Transactions must be referred to or authorised at that meeting.
11. If with regard to a Transaction of Greater Significance, the proposed resolution to be submitted to the Shareholders' Meeting is approved despite the contrary opinion of the Related Parties Committee, without prejudice to arts. 2368, 2369 and 2373 of the Italian Civil Code, that Transaction may not be carried out if the majority of the Unrelated Shareholders, holding shares representing at least 10% (ten percent) of the share capital, vote against the Related-Party Transaction.

Article 4

Related-Party Transactions Committee

1. The Related Parties Committee meets upon request from the Chairman of the Board of Directors or from the Executive Body in the cases envisaged in art. 3 of this Procedure. The request indicates: (i) the members of the Committee, in compliance with the rules for its composition specified in this Procedure, (ii) the name of the person appointed to serve as Chairman of the Committee and (iii) any deadline by which the Committee must issue its opinion pursuant to art. 3 of this Procedure.
2. The persons identified as members of the Related Parties Committee must disclose promptly the existence of any links between them and the specific Related-Party Transaction, so that Equivalent Supervisors can be appointed.
3. If the Related Parties Committee meets on a collegiate basis, its decisions may also be adopted by audio/video conference or by following the written consultation procedure. Meetings and the written consultation procedure, or the acquisition of consent expressed in writing, are not subject to special constraints, on condition that each member is assured of the right to receive adequate information and participate in the decision. Decisions are adopted in writing by the majority of the members of the Related Parties Committee present at the meeting. In the event of a voting tie, the vote of the Chairman shall prevail.

Article 5

Equivalent Supervisors

1. If it is not possible to form a Related Parties Committee on a collegiate basis, the opinion is given by the sole unrelated Independent Director, if present, who will work and resolve together with: (i) the Chairman of the Board of Statutory Auditors, on condition that said person is not a Related Party with regard to the specific Transaction; or (ii) the eldest Serving Auditor, on condition that said person is not a Related Party with regard to the specific Transaction; or (iii) an independent expert identified by the Board of Directors from among persons of recognised professionalism

and skill with regard to the matters concerned, following an assessment of their independence and the absence of conflicts of interest. If the above Independent Director is unable to participate in this activity (due to links with the Transaction or otherwise), that role will be played (together) by two of the other Equivalent Supervisors.

2. If recourse is made to one or more of the Equivalent Supervisors referred to in this art. 5, the provisions regarding the procedures to be followed by the Related Parties Committee shall apply, to the extent compatible.

Article 6

Framework resolutions

1. If it is deemed appropriate to make a multitude of similar, repeating transactions, the Board of Directors may adopt framework resolutions that allow the Company, either directly or via its subsidiaries, to carry out a series of similar transactions with given categories of Related Party that are identified from time to time by the Board of Directors.
2. Framework resolutions must relate to sufficiently specific categories of transaction, stating the maximum expected amount of the transactions to be carried out during the reference period and the reasons for the conditions specified.

Framework resolutions also indicate the period during which they are effective, which cannot exceed one year under any circumstances.

3. Framework resolutions are approved in compliance with the procedure for the approval of Related-Party Transactions established in art. 3 above.
4. Individual transactions carried out in implementation of a framework resolution are not subject to the procedures referred to in Article 3 above.
5. If it is likely that the maximum amount of the transactions will exceed the threshold for Transactions of Greater Significance identified in this Procedure, the Company will publish a Disclosure Document pursuant to art. 10 of this Procedure at the time of approving the framework resolution.
6. The Executive Body reports to the Board of Directors, at least every 3 (*three*) months, on the implementation of the framework resolution during the quarter concerned.

In particular, the Executive Body informs the Board of Directors about the transactions carried out in implementation of the framework resolution, specifying for each:

- the counterparty with which the transaction was carried out;
- a summary description of the characteristics, basis, terms and conditions of the transaction;
- the reasons for and interest in the transaction, as well as its effects on the economic and financial position;
- the basis for determining the economic conditions applied and (where significant) the references made to market standards.

Article 7

Approval at the Shareholders' Meeting of Related-Party Transactions in urgent cases

1. If allowed by the Articles of Association, in urgent cases linked to business-critical situations, the Related-Party Transactions that must be referred to or authorised at the Shareholders' Meeting are not subject to the provisions of Article 3 above.
2. In the circumstances referred to in para. 1 above, the body that calls the Shareholders' Meeting prepares a report containing adequate reasons for the urgency and the Board of Statutory Auditors reports to the Shareholders' Meeting on its assessment of the validity of the urgent reasons. The report of the body that calls the Shareholders' Meeting and the assessment of the Board of Statutory Auditors are made available to the public at the registered offices at least 21 (*twenty-one*) days prior to the date fixed for the Shareholders' Meeting on the basis indicated in Title II, Chapter I of the Issuers' Regulation. These documents may be included in the Disclosure Document.
3. If the assessment of the Board of Statutory Auditors is adverse, the Related-Party Transaction may not be carried out if the majority of the voting Unrelated Shareholders vote against it, on condition, however, that the Unrelated Shareholders present at the Shareholders' Meeting represent at least 10% (ten percent) of the share capital with voting rights.
4. Otherwise, the outcome of the voting, with particular reference to the total number of votes cast by the Unrelated Shareholders, is made available to the public by the day after that of the Shareholders' Meeting on the basis indicated in Title II, Chapter I of the Issuers' Regulation.

III. DISCLOSURE REQUIREMENTS

Article 8

Timely disclosure to the public

1. If a Related-Party Transaction is subject to the disclosure requirements envisaged in art. 17 of Regulation (EU) 596/2014 and, accordingly, must be disclosed to the market pursuant and consequent to the Company's "Procedure for the disclosure of Inside Information", the communication to the public must include, in addition to the other information to be published pursuant to that article:
 - indication that the counterparty of the Transaction is a Related Party, with a description of the nature of the relationship;
 - the business or personal name of the Related Party;
 - indication, if applicable, that the thresholds of significance envisaged for Transactions of Greater Significance have been exceeded and indication, if applicable, of the subsequent publication of a Disclosure Document (as defined below) pursuant to art. 10 of this Procedure;
 - indication of the procedure that has been or will be followed for approval of the Transaction and, in particular, whether or not the Company has made recourse to any of the exemption envisaged in Article 2 above;
 - approval, if applicable, of the Transaction despite an adverse opinion from the Related Parties Committee.

Article 9
Periodic disclosures

1. The Executive Body reports to the Board of Directors and to the Board of Statutory Auditors, at least every 3 (three) months, on the Related-Party Transactions carried out during the quarter concerned.
2. The description of the individual Transactions must contain, at a minimum, the following information:
 - the counterparty with which each Transaction was carried out;
 - a summary description of the characteristics, basis, terms and conditions of each Transaction;
 - the reasons for each Transaction and the interest in it, as well as its effects on the economic and financial position.
3. In the half-year report on operations and in the annual report, the Board of Directors of the Company provides information on:
 - each Transaction of Greater Significance carried out during the period;
 - any other Related-Party Transactions, as defined in art. 2427, para. 2, of the Italian Civil Code, completed during the period that significantly influenced the financial position or the results of the Company;
 - any changes to or development of the Related-Party Transactions described in the last annual report that had a significant effect on the financial position or the results of the Company during the period.
4. This information may be included in the periodic financial documentation by making reference to any Disclosure Documents (as defined below) published on the approval of Transactions of Greater Significance, indicating any significant updates.
5. Without prejudice to the provisions of art. 17 of Regulation (EU) 596/2014 and with regard to the Related-Party Transactions carried out and/or approved despite an adverse opinion from the Related Parties Committee, a document must be made available to the public at the registered offices, on the basis indicated in Title II, Chapter I, of the Issuers' Regulation, within 15 (fifteen) days of the end of each calendar quarter, indicating the counterparty, the purpose and the consideration for the Transactions approved during the quarter concerned despite the expression of adverse opinions by the Related Parties Committee, together with the reasons for disagreement with those opinions. By the same deadline, the opinions must be made available to the public as an attachment to the above document or on the website of the Company.

Article 10
Disclosures about Transactions of Greater Significance

1. If a Transaction of Greater Significance is approved, even if carried out or to be carried out by Italian or foreign subsidiaries, the Board of Directors prepares a disclosure document - pursuant and consequent to art. 114, para. 5, TUF – in conformity with Attachment 4 to Regulation 17221/2010 (“**Disclosure Document**”).

2. The Disclosure Document must also be prepared if, during the same year, the Company carries out with the same Related Party, or with parties related to the latter or to the Company, a number of similar but separate Transactions or related Transactions that, although not individually identifiable as Transactions of Greater Significance, exceed in total the thresholds of significance identified in Attachment 4 to Regulation 17221/2010. The Transactions carried out by Italian or foreign subsidiaries (if any) are counted for the above purpose, while the Transactions excluded pursuant to Article 2 of this Procedure are not considered.
3. The Disclosure Document is made available to the public at the registered offices, on the basis indicated in Title II, Chapter I, of the Issuers' Regulation, within 7 (seven) days of approval of the Related-Party Transaction by the competent body or, if the competent body resolves to present a draft contract, of completion of the related contract, even on a preliminary basis, under the applicable regulations.
4. By the same deadline envisaged for the publication of the Disclosure Document, the Company makes available to the public any opinions issued by the Related Parties Committee and/or by any independent experts appointed, either as an attachment to the Disclosure Document or on its website. With regard to the opinions of independent experts, the Company may decide to publish just those elements indicated in Attachment 4 to Regulation 17221/2010, explaining this decision.
5. If the Transaction of Greater Significance must be approved at the Shareholders' Meeting, the Disclosure Document is made available within 7 (seven) days of approval of the proposal to be submitted to the Shareholders' Meeting. If significant updates must be made to the Disclosure Document, the Company makes a new version available to the public at the registered offices, on the basis indicated in Title II, Chapter I, of the Issuers' Regulation, with timing that, in all cases, allows the shareholders to assess properly the Transaction of Greater Significance and, in any case, not later than twenty-one days prior to the Shareholders' Meeting.
6. If the thresholds of significance are exceeded as a result of an accumulation of Related-Party Transactions, the Disclosure Document is made available to the public within 15 (fifteen) days of approval of the Related-Party Transaction or of completion of the contract that results in the threshold of significance being exceeded. This Disclosure Document must contain information, including aggregated information for similar Transactions, on all the individual Transactions included in the accumulated total. If the Transactions that result in the threshold of significance being exceeded are carried out by Subsidiaries, the Disclosure Document is made available to the public within 15 (fifteen) days of the moment in which the Company became aware of approval of the Transaction or of completion of the contract that results in the threshold being exceeded.
7. If, in relation to a Transaction of Greater Significance, the Company is required to prepare a Disclosure Document pursuant to arts. 70, paras. 6 and 7, and 71, para. 1, of the Issuers' Regulation, it may publish just one document containing all the information required by this art. 10. In that case, the document is made available to the public at the registered offices, on the basis indicated in Title II, Chapter I, of the Issuers' Regulation, within the shortest of the periods envisaged in each of the applicable instructions. If the above information is published in separate documents, the Company may include information already published by making reference to it.

IV. OTHER INSTRUCTIONS

Article 11

Related-Party Transactions carried out via Subsidiaries

1. The instructions contained in this Procedure also apply, *mutatis mutandis*, to the Related-Party Transactions carried out via Subsidiaries, trust companies and intermediaries.
2. Before carrying out a Transaction, the internal organisation of the Subsidiary checks if the counterparty is included among the parties defined to be Related Parties.
3. Subsequent to authorisation or examination by the competent body within the Company, the Executive Body informs the executive body of the Subsidiary about the outcome on a timely basis.
4. If none of the exemptions apply, subsequent to approval of the transaction or its implementation by the Subsidiary, the executive body of the Subsidiary:
 - provides the necessary information to the Executive Body of the Company on a timely basis, so that the Company can make the required disclosures described in Section II of this Procedure;
 - prepares a specific report for the next available meeting of the Board of Directors of the Company.
5. Without prejudice to the procedures for Transactions carried out via Subsidiaries described in this Article 11, Subsidiaries are in all cases required to provide information on the transactions carried out to the Executive Body of the Company on a timely basis, so that the Company can comply with the disclosure requirements imposed by the Issuers' Regulation.

Article 12

Supervision of the Procedure

The Board of Statutory Auditors monitors the compliance of this Procedure with the principles embodied in Regulation 17221/2010, as well as compliance with this Procedure, and reports on its work to the Shareholders' Meeting pursuant to art. 2429, para. 2, of the Italian Civil Code or art. 153 TUF.

Article 13

Amendments

This Procedure may only be amended in writing and in compliance with the procedure indicated in art. 4, para. 3, of the version of Regulation 17221/2010 in force from time to time.