



TINEXTA

Procedure for managing Related Party Transactions

Procedure approved by the Board of Directors of the Company on 15/06/2021

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Foreword

This draft procedure (the "**Procedure**") has been adopted by Tinexta S.p.A. (the "**Company**") in implementation of Article 2391-*bis* of the Italian Civil Code and of the regulation setting forth provisions on related party transactions, adopted by CONSOB with Resolution No. 17221 of 12 March 2010 as amended (the "**RPT Regulation**" or "**CONSOB Regulation**").

The Procedure identifies the rules governing the identification, approval and execution of Related Party Transactions (as defined *below*) entered into by the Company, directly or through Subsidiaries, in order to ensure the transparency and substantial and procedural fairness of such transactions.

This Procedure was approved by the Company's Board of Directors on 15/06/2021, subject to the opinion of the Related Party Transactions Committee.

This Procedure shall enter into force on 1 July 2021. Until that date, the Procedure approved by the Board of Directors on 17 May 2016, as last amended on 3 October 2018, shall continue to apply.

For anything not expressly provided for in the Procedure, reference is made to the applicable laws and regulations. The Procedure is published on the Company's website in the Governance section at www.tinexta.com/procedura-sulle-operazioni-con-parti-correlate.

The Board of Directors of the Company, taking into account the indications of the other bodies, shall periodically, and in any case at least every three years, assess the effectiveness of the Procedure and the need and/or advisability for revision, in order to align it with regulatory changes or organisational changes in the Company and/or the group to which it belongs (the "**Group**").

1. Definitions

Below is a list of the main terms used in the Procedure and their definitions. These terms and definitions, unless otherwise specified, have the meanings set out below. Other terms used in the Procedure have the meaning given to them and specified in the text or, where applicable, in the RPT Rules. Interpretation of the definitions of Related Party and Related Party Transaction and of the other definitions referred to is made by referring to the set of international accounting standards adopted according to the procedure set forth in Article 6 of Regulation (EC) No. 1606/2002. In the event of regulatory updates to the definitions of Related Party and Related Party Transaction and any other definitions associated thereto, the definition in force at the time of the opening of negotiations on a particular transaction shall be the one to be applied.

Independent Director	Every director of the Company who meets the independence requirements of Article 148, paragraph 3 of the Consolidated Law on Finance and the Corporate Governance Code, to which the Company adheres.
Non-Related Director	Any director of the Company other than the counterparty to a particular Related Party Transaction and other than the Related Parties of the counterparty.
Directors Involved in the	Directors who have an interest in the Transaction, on their own behalf or on

Transaction	behalf of third parties, in conflict with that of the Company.
Shareholders' Meeting	The shareholders' meeting of the Company.
Corporate Governance Code	The Corporate Governance Code adopted by the Corporate Governance Committee of Borsa Italiana S.p.A. in force from time to time which the Company has adopted.
Board of Statutory Auditors	The Board of Statutory Auditors of the Company.
Related Party Committee or the Committee	The committee established by the Board of Directors referred to in Article 4 of the Procedure below.
Market or Standard Equivalent Conditions or Equivalent Conditions	Conditions similar to those usually applied to non-related parties for transactions of a comparable nature, size and risk, or based on regulated tariffs or imposed prices, or those applied to parties with which the Company (or Subsidiaries) is obliged by law to contract for a specific consideration.
Board of Directors	The Board of Directors of the Company.
CONSOB	The Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa).
Significance Indicator	<p>For the purpose of identifying Related Party Transactions of Greater Significance, the following significance indicators, set out in Appendix 3 of the CONSOB Regulation, apply:</p> <p>a) <u>value Significance Indicator</u>: it identifies the ratio between the value of the Related Party Transaction and the 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 close of the last trading day included in the reference period of the most recent periodic accounting document published (annual or half-yearly financial report or additional periodic financial information, if prepared). More specifically:</p> <p>i. if the economic conditions of the Related Party Transaction are established, their value is:</p> <ol style="list-style-type: none"> (1) for cash components, the amount paid to/by the contractual counterparty; (2) for components consisting of financial instruments, the fair value determined, as of the date of the Related Party Transaction, in accordance with the international accounting standards adopted by EC Regulation No. 1606/2002; (3) for Related Party Transactions involving financing or the granting of guarantees, the maximum amount that may be disbursed; <p>ii. if the economic terms of the Related Party Transaction depend, in</p>

	<p>whole or in part, on quantities not yet known or undetermined, the value of the Related Party Transaction is the maximum value receivable or payable under the agreement governing the Related Party Transaction;</p> <p>b) <u>asset significance ratio</u>: it identifies the ratio between the total assets of the entity subject to the Related Party Transaction and the total assets of the Company. The data to be used must be taken from the most recent consolidated balance sheet published by the company. When possible, similar data should be used to determine the total assets of the entity that is the object of the Related Party Transaction.</p> <p>(i) For Related Party Transactions involving the acquisition or disposal of interests in companies that affect the scope of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital being disposed of;</p> <p>(ii) For Related Party Transactions involving the acquisition and disposal of interests in companies that do not affect the scope of consolidation, the value of the numerator is:</p> <p>(1) in the case of acquisitions, the value of the Related Party Transaction plus any liabilities of the acquired company that may be undertaken by the acquirer;</p> <p>(2) in the case of disposals, the consideration for the asset disposed of.</p> <p>(iii) For Related Party Transactions involving the acquisition and disposal of assets other than shareholdings, the value of the numerator is:</p> <p>(1) in the case of acquisitions, the higher of the consideration and the book value that will be attributed to the asset following the transaction;</p> <p>(2) in the case of disposals, the book value attributed to the asset prior to the transaction;</p> <p>c) <u>liabilities relevance ratio</u>: it identifies the ratio between the total liabilities of the acquired entity and the total assets of the Company. The data to be used must 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 acquired company or business unit.</p>
MAR	Regulation No. 596/2014 of the European Parliament and of the Council of 16 April 2014 which became directly applicable in Italy as of 3 July 2016, as amended.
Related Party Transaction	This refers to transactions defined as such by international accounting

or Transaction	standards adopted in accordance with the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.
Related party transactions of Greater Significance	The Related Party Transactions identified in Article 6 of this Procedure.
Related Party Transactions of Lesser Significance	Related Party Transactions identified in Article 5 of this Procedure and, in any case, Related Party Transactions other than Related Party Transactions of Greater Significance and Related Party Transactions of Negligible Value.
Related Party Transactions of Negligible Value	Related Party Transactions having a value, on an annual cumulative basis, not exceeding Euro 50,000.00 (fifty thousand/00) if the Related Party is, even indirectly, a natural person (e.g. consulting services or other transactions entered into with directors, professional associations of which they are members or companies referable to them) or a value, on an annual cumulative basis, not exceeding Euro 100,000.00 (one hundred thousand/00) if the Related Party is a party other than a natural person
Ordinary Related Party transactions	Related Party Transactions that are part of the ordinary course of business and related financial activities of the Company or the Subsidiary carrying out the transaction.
Exempt Related Party Transactions	Transactions with Related Parties falling under the exemption cases referred to in Article 9 of this Procedure.
Related parties	An entity defined as such by the international accounting standards adopted in accordance with the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002, as referred to in the Regulation. For the purposes of this definition, the notions of "control", "joint control", "significant influence", "close relatives", "key management personnel", "subsidiary", "associate" and "joint venture" contained in the Appendix to the RPT Rules, as annexed to this Procedure.
Equivalent Control Bodies	The persons entrusted with the functions and competences concerning Related Party Transactions in the cases indicated in Article 4 of the Procedure.
RPT Oversight	The Head of Administration and Finance represents the corporate function in charge of identifying Related Parties, Related Party Transactions, and governing information flows with the persons in charge of said Transactions and with the corporate bodies.
Register of Related Parties or Register	The Register in which Related Parties are listed pursuant to Article 2 of the Procedure.
Register of Related Party Transactions or Register of Transactions	The Register in which the Transactions with Related Parties are listed pursuant to Article 12 of the Procedure.

Issuers' Regulation	The regulations adopted by Consob by resolution no. 11971 of 14 May 1999, as amended.
Person in charge of the Transaction	The person in charge of the individual Related Party Transaction of the Company and its Subsidiaries in accordance with the Company's internal regulations.
Non-related Shareholders	Persons entitled to vote other than the counterparty to a given Transaction and than the Related Parties of both the counterparty to a given Transaction and the Company.
Articles of Association	The Articles of Association adopted by the Company.
Consolidated Finance Act	Italian Legislative Decree no. 58, of 24 February 1998, and subsequent amendments and additions.

2. The identification of the Company's Related Parties

- 2.1 For the purposes of applying this Procedure, the Company shall, on the basis of the information received or otherwise already available, identify the Company's Related Parties and draw up a list of them.
- 2.2 The Company sets up the Related Parties Register, in which Related Parties, as defined pursuant to Article 1 above, are listed.
- 2.3 The setting up and updating of the Register of Related Parties, maintained in electronic form, is managed by the RPT Oversight Board, with the support of the competent corporate functions. The Register is also kept in compliance with current privacy legislation.
- 2.4 The Committee shall resolve cases where the identification of a related party is disputed on the basis of the relevant definition in Article 1 above.
- 2.5 All persons specified in Article 114(5) of the Consolidated Law on Financial Intermediation, and, in particular, the key management personnel of the Company and its subsidiaries, and persons who, directly or indirectly, through one or more intermediaries:
 - (a) control – also jointly with other entities – the Company, are controlled by it, or are under common control with it; or
 - (b) hold an interest in the Company such that they are able to exercise significant influence over it, provide the Company, in writing, with all information useful to allow for a correct assessment of their qualification as Related Parties and of the identification of other parties, qualifying as Related Parties by virtue of relations of various nature with them, pursuant to the definition of Related Party set forth in the Procedure and the RPT Rules, and communicate any updates in a timely manner.
- 2.6 Any change during the year in the information/data provided must be promptly notified to the Company

in writing by the aforesaid persons within 10 (ten) days from the date on which the person has become aware of the relevant change.

- 2.7 The Register of Related Parties is updated quarterly on the basis of available information and contains at least the following information:
- first and last name/company name/designation of the Related Party;
 - nature of the correlation relationship;
 - correlation period.
- 2.8 All functions of the Company and its Subsidiaries are required to notify the RPT Oversight Board of any intervening circumstances - such as, for example, the acquisition of shareholdings, the signing of contracts or the revision of existing contracts - that may lead to changes in the data stored in the Register.
- 2.9 The aforesaid information may be sent to the Company by the following alternative means: (i) registered letter with return receipt to the address where the Company has its registered office; (ii) certified email to the address tinexta@legalmail.it; (iii) any other suitable means proving receipt by the Company (e.g. registered letter by hand).
- 2.10 If the Company has no knowledge of the Related Party status of a counterparty and the required disclosure obligations have been omitted, the person who has omitted such disclosure shall be held liable for any damage, pecuniary or non-pecuniary – including as a result of measures taken by the competent authorities – arising to the Company from the performance of the Transaction in breach of the RPT Procedure.

3. Identifying Related Party Transactions

- 3.1 Prior to the execution of any transaction with Related Parties, including through Subsidiaries, the Head of the Transaction contacts the RPT Oversight Board in order to verify whether:
- (a) the counterparty to the transaction is one of the persons identified as Related Parties;
 - (b) the transaction falls within Related Party Transactions of Negligible Value or in the cases of exemption set forth in Article 9 of this Procedure;
 - (c) the transaction is in execution of a framework resolution pursuant to Article 8 of this Procedure;
 - (d) the transaction qualifies as a Transaction of Lesser Significance or a Transaction of Greater Significance in application of the Significance Indicators, subject to prior agreement with the CEO.
- 3.2 In the event that, following the verification described above, the identification of a Related Party or the classification of the Transaction as an Ordinary Transaction is controversial, the assessment is referred to the Related Parties Committee.

- 3.3 For the purposes of identifying Related Party Transactions pursuant to this Procedure, the bodies involved in the review and approval of transactions and the bodies entrusted with the monitoring of compliance with the Procedure, each within the scope of its competence, shall give priority to the consideration of the substance of the relationship and not merely its legal form.
- 3.4 For the purpose of the assessment referred to in this Article, the RPT Oversight Board may request the person in charge of the Transaction to supplement and/or clarify the information and documentation already made available.
- 3.5 The activities described in the preceding paragraphs are adequately documented and made verifiable and must be completed before the Transaction is concluded. If the terms of the Transaction are deemed to be Equivalent Conditions by the person in charge of the Transaction, the documentation prepared contains objective evidence.
- 3.6 If, on the basis of the results of the verification carried out by the RPT Oversight Board, it is a Non-Exempt Related Party Transaction and provided that it is not a Related Party Transaction of a Negligible Amount, the latter shall promptly submit the Transaction to the attention of the Related Parties Committee, providing the latter with all complete and adequate information thereon, also during a meeting specifically called for this purpose. The Related Parties Committee shall apply the provisions set forth in Article 5 below in the event of a Transaction of Lesser Significance or the provisions set forth in Article 6 below in the event of a Transaction of Greater Significance, without prejudice to the provisions of the transitory regime set forth in Article 13.1 of this Procedure.
- 3.7 In the event of several Cumulative Related Party Transactions, during the financial year, pursuant to Article 5, paragraph 2, of the CONSOB Regulation, the Company first determines the significance of each Transaction on the basis of the Significance Indicator or Indicators applicable thereto. To verify whether the thresholds are exceeded for each of the individual transactions subject to cumulation, the results for each indicator are then added together. The circumstance that the aggregate amount of the cumulated Related Party Transactions exceeds any of the thresholds established for the identification of Related Party Transactions of Greater Significance is relevant only for the purposes of the publication of the disclosure document provided for in Article 11 below. To this end, it will be the responsibility of the RPT Oversight Board to keep track of all transactions considered Related Party Transactions of Lesser Significance in order to monitor whether such transactions, combined with others, may result in exceeding the thresholds of significance.
- 3.8 If a Related Party Transaction or several Related Party Transactions cumulated together, during the financial year, pursuant to Article 5, paragraph 2, of the CONSOB Regulation are identified as Related Party Transactions of Greater Significance according to the Significance Indicators and this result appears to be manifestly unjustified in view of specific circumstances, the Company may request Consob to indicate alternative methods to be adopted in calculating the aforementioned indicators. To this end, the Company notifies CONSOB of the essential features of the Transaction and the specific circumstances on which the request is based prior to the conclusion of negotiations.
- 3.9 For the purposes of cumulation, the transactions carried out by Italian or foreign Subsidiaries will also be taken into account, while any transactions excluded pursuant to Articles 13 and 14 of the CONSOB

Regulation ("*Cases and Options for Exclusion*" and "*Management and Coordination, Subsidiaries and Associated Companies*") will not be taken into consideration.

3.10 Related Party Transactions, other than Exempt Related Party Transactions and Related Party Transactions of a negligible amount, are divided into:

- Related Party Transactions of Lesser Significance(see Article 5);
- Related Party Transactions of Greater Significance(see Article 6);

4. The Committee and Equivalent Control Bodies

4.1 The Board of Directors of the Company establishes a Related Parties Committee, composed of three independent, non-executive Directors, appointed by the Board of Directors.

4.2 In addition to what is indicated below with specific reference to Related Party Transactions of Greater Significance and Related Party Transactions of Lesser Significance, the Committee has, in particular, the task of

- expressing, pursuant to Article 4, paragraph 3, of the CONSOB Regulation, a prior opinion on the Procedure and on any amendments thereto, as well as on the proposals to be submitted to the Shareholders' Meeting concerning any amendments to the Articles of Association identified as necessary by the Board of Directors, pursuant to Article 4, paragraph 5, of the CONSOB Regulation, within the scope of the definition of the Procedure;
- expressing a reasoned and binding opinion for Related Party Transactions of Greater Significance, and expressing a non-binding reasoned opinion for Related Party Transactions of Lesser Significance.

4.3 The Related Parties Committee, before formulating the opinion referred to in Articles 5 and 6 below, shall ascertain in a timely manner whether all the members of the Committee are parties other than the counterparty to a particular Transaction and its Related Parties.

4.4 If - in relation to a given Transaction - one or more members of the Committee turn out to be the counterparty of the Transaction or a Related Party to the counterparty of the Transaction (the "**Related Director**" and the "**Related Directors**") or Director(s) Involved in the Transaction (a) the Related Parties Committee shall promptly notify the RPT Committee of the existence of any Related Party relationship to the RPT Oversight Board, which shall inform the Transaction Manager; and (b) the following equivalent control bodies, set up to safeguard the substantial propriety of Transactions of Greater or Lesser Significance, shall be referred to.

4.5 If one of the members of the Committee is a Related Director or a Director Involved in the Transaction, the Committee carries out the activities provided for by this Procedure with the composition limited to the remaining two Independent Non-related Directors who do not qualify as Directors Involved in the Transaction; in this case the opinion is issued unanimously.

4.6 If two members of the Related Parties Committee qualify as Related Directors, the Committee's

activities, as provided for in this Procedure, are performed by the member of the Committee who qualifies as a Non-related Independent Director, together with the most senior Non-related Independent Director who is not a member of the Committee (if any); in this case, the opinion is issued unanimously.

- 4.7 If all the members of the Related Parties Committee qualify as Related Directors or Directors Involved in the Transaction, the Committee's activities, as provided for by this Procedure, are carried out by the Board of Statutory Auditors, provided that the majority of its members are not, with respect to the specific Transaction, Related Parties.
- 4.8 If the equivalent control bodies referred to in the preceding paragraphs cannot be applied, the Committee's activities shall be performed by an independent expert, selected by the Board of Directors from among persons of recognised professionalism and competence in the matters of interest, whose independence and absence of conflicts of interest are assessed in advance. In particular, this assessment is carried out taking into account the reports indicated in paragraph 2.4 of Annex 4 to the RPT Rules.
- 4.9 The Related Parties Committee performs the functions provided for by current legislation and this Procedure.
- 4.10 The members of the Related Parties Committee remain in office until resignation, termination of directorship or loss of independence requirements.
- 4.11 If the Board of Directors has not done so when appointing the Related Parties Committee, the members of the Related Parties Committee shall elect a Chairperson from among its members, who shall be responsible for coordinating the Committee's activities and ensure compliance with the applicable regulations.
- 4.12 The Committee may be assisted by one or more independent experts of its choice. When choosing such experts, the Related Parties Committee shall resort to persons of proven experience, professionalism and competence on the matters of interest, whose independence and absence of conflicts of interest it shall ascertain. In particular, the independence of the expert is assessed taking into account the relationships described in paragraph 2.4 of Annex 4 to the RPT Rules. The independent expert selected must declare his/her independence at the time of his/her appointment, indicating any economic, asset and financial relations with (i) the related party, its subsidiaries, its controlling entities, companies subject to common control with the latter, as well as the directors of the aforesaid companies; and with (ii) the Company, its subsidiaries, its controlling entities, companies subject to common control with the Company and/or the directors of the aforesaid companies, and stating the reasons, if any, why such relations are not relevant for the purpose of the independence assessment.

5. The Related Party Transactions of Lesser Significance

- 5.1 For the purposes of this Procedure, Related Party Transactions of Lesser Significance shall mean all Related Party Transactions that cannot be defined as Related Party Transactions of Greater Significance, it being understood that Related Party Transactions of Negligible Amount and Exempt Related Party Transactions as per Article 9 below do not fall within the definition of Related Party Transactions of Greater Significance, nor Related Party Transactions of Lesser Significance.

- 5.2 The procedure outlined below, unless expressly provided otherwise hereinafter, applies exclusively to Related Party Transactions of Lesser Significance.
- 5.3 The approval of Related Party Transactions of Lesser Significance is the responsibility of the delegated bodies (hereinafter referred to as the "**Delegates**") that, as the case may be, are competent in relation to the specific Related Party Transaction of Lesser Significance on the basis of the powers conferred upon them by virtue of the board resolution appointing them as the Company's delegated body. Without prejudice to the provisions of Article 2391 of the Italian Civil Code, the Delegates may always submit to the Board of Directors for its approval any Related Party Transactions of Lesser Significance for which they would be competent. In the event there are Directors involved in the Transaction, without prejudice to Article 2391 of the Italian Civil Code, they are required (i) to submit the Transaction to the Board if they qualify as Delegates; and/or (ii) to abstain from voting by the Board of Directors on the relevant resolutions, even though their presence is included in the quorum required by law or the Articles of Association.
- 5.4 In any case, Related Party Transactions of Lesser Significance are approved subject to the non-binding opinion of the Committee. The Person in charge of the Transaction shall provide (at least 5 days in advance) the Committee and the body competent to decide on Related Party Transactions of Lesser Significance (*i.e.* Delegates or the Board of Directors), also through the RPT Oversight Board, complete and adequate information on the transaction, including an indication of the counterparty, the nature of the correlation, the object, terms, conditions and timing of the transaction and the reasons regarding the interest of the Company (or, if applicable, of the Subsidiary) in carrying out the transaction and the convenience and substantial correctness of the conditions as well as any risks for the Company (or, if applicable, for the Subsidiary). The Related Party Transactions Committee may at any time ask the RPT Oversight Board and the person in charge of the Transaction to supplement and/or clarify the information and documentation already made available.
- 5.5 The Committee has the right to be assisted by one or more independent experts of its own choice, in compliance with the provisions of Article 4.12 of this Procedure, at the Company's expense, up to a maximum expense limit of: (i) Euro 10,000 for each Transaction whose value is equal to or lower than Euro 1,000,000; or (ii) 1% of the value of each Transaction if higher than Euro 1,000,000.
- 5.6 The Committee's opinion must be focused on the Company's interest in the completion of the Transaction, as well as the convenience and substantial fairness of the relevant conditions, but may not contain any judgement on further aspects and, in particular, on the management choices that are and remain exclusively delegated to the discretionary power of the Board of Directors or the relevant Delegate. The members of the Committee meet collectively in order to share and exchange their ideas and to express an opinion that is shared by the majority of the members. The Committee expresses its opinion in writing at least one day before the date set for the approval of the Transaction. The opinion prepared on the Transaction will be attached to the minutes of the Committee meeting.
- 5.7 The minutes of the approval resolutions must contain adequate reasons regarding the Company's interest in the execution of the Related Party Transaction, as well as the appropriateness and fairness of its terms and conditions.

- 5.8 The Delegates or the Board of Directors (as the case may be), at least on a quarterly basis, report on the execution of Related Party Transactions of Lesser Significance, and provide all the documentation necessary for a clear representation of such Transactions to the Board of Directors (in the case of the Delegates), the Board of Statutory Auditors and the Committee on the execution of Related Party Transactions of Lesser Significance.
- 5.9 If the Committee has issued a negative opinion on the Related Party Transactions of Lesser Significance, the Company shall make available to the public an information document pursuant to Article 11 of the Procedure containing an indication of the counterparty, the object and the consideration of the Related Party Transactions of Lesser Significance approved in the reference quarter despite the aforementioned negative opinion, as well as the reasons why it was decided not to share this opinion. The Committee's opinion is made available to the public as an annex to the disclosure document or on the Company's website.
- 5.10 If one or more members of the Committee are related with respect to a Related Party Transaction of Lesser Significance or if they are Directors Involved in the Transaction, the equivalent internal controls set forth in Article 4 of the Procedure shall apply.

6. The Related Party Transactions of Greater Significance

- 6.1 For the purposes of this Procedure, Related Party Transactions of Greater Significance means the Related Party Transactions identified pursuant to Appendix 3 of the CONSOB Regulation, and in particular:
- (1) Related Party Transactions for which at least one of the Significance Indicators, applicable depending on the specific transaction, exceeds the 5% threshold;
 - (2) Related Party Transactions carried out with the listed Parent Company, or with parties related to the Parent Company that are themselves Related Parties of the Company, if at least one of the Significance Indicators exceeds the threshold of 2.5%.
 - (3) Related Party Transactions (regardless of whether any quantitative threshold is reached) in respect of which the Board of Directors, by specific resolution, has decided to apply the procedure set out in this Article. The Board of Directors also passes resolutions pursuant to this point (3) at the initiative of one of its members or at the request of the Board of Auditors.
- 6.2 The Board of Directors is exclusively responsible for deciding on Related Party Transactions of Greater Significance, and decides after an in-depth analysis of the transactions and their characteristic elements. This analysis must be supported by sufficient documentation to illustrate the reasons for the transactions in question, their appropriateness, and the substantial fairness of the terms on which they are concluded. In the event there are Directors involved in the Transaction, without prejudice to Article 2391 of the Italian Civil Code, they are required to abstain from voting by the Board of Directors on the relevant resolutions, even though their presence is included in the quorum required by law or the Articles of Association.
- 6.3 The Board of Directors decides on Related Party Transactions of Greater Significance subject to the

binding favourable opinion of the Related Party Transactions Committee. The Related Party Transaction Committee's opinion must be focused on the Company's interest in the completion of the Transaction, as well as the convenience and substantial fairness of the relevant conditions, but may not contain any judgement on further aspects and, in particular, on the management choices that are and remain exclusively delegated to the discretionary power of the Board of Directors. The members of the Related Party Committee meet collectively in order to share and exchange their ideas and to express an opinion that is shared by the majority of the members. The Related Party Committee expresses its opinion in writing at least one day before the date set for the approval of the Transaction. The opinion prepared on the Transaction will be attached to the minutes of the Committee meeting.

- 6.4 For the purpose of formulating the opinion of the Related Parties Committee, the person in charge of the of the Transaction - through the RPT Oversight Board - must (i) involve the Committee in a timely manner in the negotiation and preliminary phase of each Transaction of Greater Significance, by promptly informing it of the start of negotiations and/or the preliminary phase of the Transaction through the transmission of a complete and updated information flow; and (ii) fully update the information on the Transaction whenever appropriate and necessary due to the progress of negotiations.
- 6.5 The Person in charge of the Transaction shall provide the Committee and the Board of Directors also through the RPT Oversight Board, complete and adequate information on the transaction, including an indication of the counterparty, the nature of the correlation, the object, terms, conditions and timing of the transaction and the reasons regarding the interest of the Company (or, if applicable, of the Subsidiary) in carrying out the transaction and the convenience and substantial correctness of the conditions as well as any risks for the Company (or, if applicable, for the Subsidiary). The Committee may at any time ask the RPT Oversight Board and the person in charge of the Transaction to supplement and/or clarify the information and documentation already made available.
- 6.6 The Related Party Committee has the right to be assisted by one or more independent experts of its choice, at the Company's expense, in compliance with the provisions of Article 4.12 of this Procedure.
- 6.7 The provisions of Articles 5.6, 5.7, 5.8 and 5.10 apply *mutatis mutandis*.
- 6.8 The opinion of the Related Party Transactions Committee is considered as:
 - 1) favourable, when it expresses its full endorsement of the Transaction;
 - 2) favourable but conditional, when the full endorsement of the Transaction is conditional upon the acceptance of certain remarks expressly formulated in said opinion. In this case, the Board of Directors may proceed with the approval of the Transaction, without the need for the issuance of a new opinion by the Related Party Transactions Committee, only on condition that the aforesaid remarks are taken into account when concluding or executing the Transaction;
 - 3) as negative, when it contains remarks on even a single aspect of the Transaction, unless the opinion contains an express, different indication in favour of the completion of the Transaction. In the latter case, the opinion must set forth the reasons why the aforesaid remarks do not affect the overall assessment of the Company's interest in carrying out the transaction as well as the appropriateness and substantial

fairness of the related conditions

In such a case, notwithstanding the negative opinion of the Related Party Transaction Committee, the Board of Directors may submit the Related Party Transaction of Greater Significance to the authorisation of the Ordinary Shareholders' Meeting, which shall resolve with the favourable vote of the majority of the Non-related Shareholders voting, provided that these Non-related Shareholders attending the Shareholders' Meeting represent at least 10% of the share capital with voting rights.

For the purposes of this paragraph, the status and identification at the Shareholders' Meeting of each Related or Non-related Shareholder shall be made and declared by the Chairperson of the Shareholders' Meeting, at its commencement, on the basis of the information available.

- 6.9 On the occasion of Related Party Transactions of Greater Significance carried out by the Company or its Subsidiaries, the Company drafts an information document in accordance with Annex 4 of the CONSOB Regulation, as provided for in Article 11.3 of the Procedure. In the case of Related Party Transactions of Greater Significance carried out by any Subsidiary, the Transaction Manager of such Subsidiary shall promptly provide the Company with the information necessary to prepare the aforementioned document. Article 11.3 of the Procedure applies.

7. Transactions carried out through Subsidiaries

- 7.1 This Procedure also applies, *mutatis mutandis*, when a Related Party Transaction is carried out through a Subsidiary of the Company (meaning those Transactions which, although carried out by the Subsidiary, are attributable to the Company by virtue of prior review or approval by the latter). In this case, the power to decide on and/or execute the Transaction is reserved to the competent bodies of the Subsidiary, subject to the Committee's substantiated opinion.
- 7.2 In order to allow for the prompt involvement of the Committee, the Subsidiaries - in the person of the person in charge of the Transaction - shall promptly inform the RPT Oversight Board about the Related Party Transactions that the Subsidiaries intend to carry out, transmitting in advance and in a timely manner, the information referred to in Articles 5 and 6 above and the documentation necessary to implement the provisions of the Procedure.
- 7.3 If the Transaction is approved, the Board of Directors and the Board of Statutory Auditors of the Company shall be fully informed, at least quarterly.
- 7.4 In the event that the Group's Subsidiaries intend to enter into Related Party Transactions of Greater Significance, the Subsidiaries themselves - with the exception of those not subject to management and coordination – must in any case obtain the prior consent of the Company's Board of Directors. The Company promptly provides its Italian and foreign subsidiaries with all information necessary to enable them to identify the Related Parties.

8. Framework Resolutions

- 8.1 The Board of Directors may approve framework resolutions regarding Related Party Transactions with some categories of Related Parties.

- 8.2 The framework resolutions must be effective for no more than one year and must indicate, with sufficient definiteness, the Transactions that are the subject of the resolutions themselves, indicating the foreseeable maximum amount of the transactions to be carried out (the "**Maximum Amount**") during the reference period and the justification of the conditions laid down in relation to such Transactions.
- 8.3 If the Maximum Amount exceeds any of the applicable significance thresholds identified pursuant to Article 3 above, the Company shall (i) approve the framework resolution in accordance with the procedure set out in Article 6 and (ii) publish a (single) disclosure document pursuant to paragraph 11.3 below.
- 8.4 If the Maximum Amount, calculated in accordance with the provisions of paragraph 8.3 above, is lower than all the applicable significance thresholds identified in Article 3, the Board of Directors shall approve the framework resolution in accordance with the procedure set forth in Article 5 of the Procedure.
- 8.5 The processes set forth in Articles 5 and 6 of the Procedure shall not apply to individual Related Party Transactions concluded in implementation of a framework resolution. Related Party Transactions concluded in implementation of a framework resolution subject to a disclosure document are not counted for cumulation purposes.
- 8.6 The corporate bodies responsible for the execution of the Transactions subject to a framework resolution shall provide the Board of Directors with full information, at least quarterly, on the implementation of the framework resolution.

9. Exempt Related Party Transactions

- 9.1 The Company uses the exemptions set out below, which are optionally provided for in the CONSOB Regulations. In particular, Exempt Related Party Transactions are, within the limits allowed by the CONSOB Regulation:
- (i) the Related Party Transactions of Negligible Value;
 - (ii) compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the Consolidated Law on Financial Intermediation and the related implementing transactions;
 - (iii) the resolutions (other than those which are already excluded from the scope of application of the CONSOB Regulation, pursuant to Article 13(1) thereof) concerning the remuneration of Directors vested with special powers, as well as of other key management personnel, provided that:
 - a. the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
 - b. a committee consisting exclusively of non-executive directors, the majority of whom are independent, was involved in the definition of the remuneration policy;
 - c. the remuneration awarded is identified in accordance with said policy and quantified on the basis of criteria that do not involve discretionary assessments;

- (iv) Ordinary Related Party Transactions concluded on Equivalent Terms, subject to the obligations set out in Section 9.2 below;
- (v) Related Party Transactions with or between Subsidiaries (including jointly) of the Company, as well as Related Party Transactions with associated companies, provided that in the Subsidiaries or associated companies that are counterparties to the Related Party Transaction there are no interests (qualified as significant pursuant to paragraph 9.3 below) held by other Related Parties of the Company;
- (vi) urgent Related Party Transactions, in accordance with the provisions of paragraph 9.4 below as well as the Company's Articles of Association, without prejudice to the disclosure requirements under Article 5 of the CONSOB Regulation;
- (vii) transactions resolved by the Company and addressed to all shareholders on equal terms, including but not limited to:
 - a. capital increases under option, including for the purpose of convertible bonds, and free capital increases pursuant to Article 2442 of the Civil Code;
 - b. demergers in the strict sense, whether total or partial, with proportional allocation of shares;
 - c. reductions of the share capital by means of reimbursement to shareholders provided for in Article 2445 of the Civil Code;
 - d. purchases of treasury shares pursuant to Article 132 of the TUF.

9.2 In relation to Ordinary Related Party Transactions of Greater Significance concluded on Equivalent Conditions, in the event of a waiver of the publication obligations provided for in Article 5, paragraphs 1 to 7 of the CONSOB Regulation, the Company fulfils the following disclosure requirements:

- (i) notifies CONSOB, and through the RPT Oversight Board, the RPT Committee, of the counterparty, the object and the consideration of the Transactions that have benefited from the exemption, as well as the reasons why the RPT is considered Ordinary and completed on terms equivalent to market or standard conditions, providing objective evidence, within 7 days from the approval of the Transaction, or from the time when the contract (even if preliminary) is concluded, or from the approval of the proposal to be submitted to the Shareholders' Meeting;
- (ii) indicates in the interim report on operations and in the annual report on operations, within the scope of the information provided for in Article 5, paragraph 8, of the CONSOB Regulation, which of the Related Party Transactions subject to the disclosure requirements specified in the latter provision have been completed taking advantage of the exemption provided for in paragraph 9.1 (iv) above.

9.3 For the purposes of the exemption set forth in Section 9.1 (v) above (*i.e.* transactions with or between Subsidiaries), the following are considered significant:

- (i) interests for which the economic value of the Related Party Transaction may be identified, pursuant to Section 9.1 (i) above, as exceeding the threshold for a Related Party Transaction of a Negligible Amount;
- (ii) the interests existing in the case of the sharing of one or more key management personnel, if such executives benefit from incentive plans based on financial instruments or variable remuneration dependent on the results achieved by the Group Subsidiaries or Associates with which the Transaction is carried out;
- (iii) the interests of the party controlling the Company, where the shareholding held by said party (even indirectly) in the company that is the counterparty to the Related Party Transaction and that is controlled by or related to the Company, has an effective weight greater than the weight of the shareholding held by that party in the Company;
- (iv) the interests - whatever the economic value identifiable in the Related Party Transaction - as assessed from time to time by the Board of Directors with reference to each, if any, Related Party Transaction.

9.4 In the case referred to in Section 9.1 (vi) above (*i.e.* Urgent Related Party Transactions), without prejudice to the Board of Directors' decision-making powers with regard to Transactions of Greater Significance, the Company shall comply with the following requirements:

(A) Related Party Transactions not within the competence of the Shareholders' Meeting, nor subject to authorisation by the Shareholders' Meeting:

- (i) if the Transaction to be carried out falls within the competence of a delegated body, the Chairperson of the Board of Directors and the lead independent director, if any, must be informed in a timely manner of the reasons for the urgency and in any case before the Transaction is carried out;
- (ii) the Transactions must subsequently be the subject, without prejudice to their effectiveness, of a non-binding resolution issued by the next ordinary shareholders' meeting;
- (iii) the body convening the Shareholders' Meeting required to pass resolutions pursuant to (ii) above, must draw up a report providing adequate explanation of the reasons for the urgency;
- (iv) The board of auditors must report to the Shareholders' Meeting on its assessment as to whether the reasons for urgency exist;
- (v) the report and the evaluations referred to in items (iii) and (iv) above must be made available to the public (at least twenty-one days prior to the date set for the Shareholders' Meeting referred to in item (ii) above) at the registered office and in accordance with the methods specified in Part III, Title II, Chapter I, of the Issuers' Regulations. These documents may be included in the information document referred to in Article 5(1) of the CONSOB Regulation;
- (vi) by the day following the Shareholders' Meeting referred to in item (ii) above, information on the

results of the vote shall be made available to the public (in the manner set forth in Part III, Title II, Chapter I, of the Issuers' Regulations), with particular regard to the number of total votes cast by non-related shareholders.

(A) transactions within the competence of the Shareholders' Meeting, or which must be authorised by the Shareholders' Meeting

(this includes cases of urgency related to corporate crisis situations, understood as such:

- i. cases of significant losses pursuant to Articles 2446 and 2447 of the Civil Code;
 - ii. situations in which the Company is subject to bankruptcy proceedings or situations in which there are uncertainties about the Company's ability to continue as a going concern, as expressed by the Company or its auditor;
 - iii. situations of financial distress that are likely to result, in the near future, in a decrease in the share capital pursuant to the aforementioned Articles 2446 and 2447 of the Civil Code);
- (i) the Body required to convene the Shareholders' Meeting must draw up a report providing adequate explanation of the reasons for the urgency;
 - (ii) the Board of Auditors reports to the Shareholders' Meeting on its assessment as to whether the reasons for urgency exist;
 - (iii) the report and the evaluations referred to in items (i) and (ii) shall be made available to the public (at least 21 days prior to the date set for the Shareholders' Meeting at the registered office and in accordance with the methods specified in Part III, Title II, Chapter I, of the Issuers' Regulations. These documents may also be included in the information document referred to in Article 5(1) of the CONSOB Regulation;
 - (iv) if the assessments of the auditing body referred to in (ii) above are negative, the Shareholders' Meeting shall pass resolutions in accordance with the so-called whitewash mechanism described in Section 6.8;
 - (v) if the evaluations are positive, information on the results of the vote shall be made available to the public (as indicated in Part III, Title II, Chapter I of the Issuers' Regulations) within the day following the Shareholders' Meeting, with particular regard to the number of total votes cast by non-related shareholders.

9.5 The Committee receives on an annual basis, no later than the date scheduled for the meeting of the Board of Directors that approves the draft financial statements and consolidated financial statements, information on the application of the cases of exemption identified pursuant to Article 9 of this Procedure with reference at least to Transactions of Greater Significance. In particular, the Committee receives a report prepared by the RPT Oversight Board and the corporate functions containing a document describing the Transaction, the evaluations of the person in charge of the Transaction on the application of the exemption, and the documentation relating to the Transaction of Greater Significance. If, as a

result of the periodic verification procedures referred to in this paragraph, the Committee should find that the process and/or criteria for evaluating Related Party Transactions of Greater Significance need to be improved and/or modified for the purposes of applying the relevant exemption conditions, it shall formulate its own recommendations and suggestions to the RPT Oversight Board, which shall take them into account in the subsequent evaluations of similar cases

- 9.6 The Committee, at the meeting following receipt of the information referred to in paragraph 9.2 above, shall verify the correct application of the exemption conditions to Related Party Transactions of Greater Significance completed under equivalent conditions.

10. Related Party Transactions within the scope of the Shareholders' Meeting

- 10.1 If the Transaction to be carried out falls within the scope of the Shareholders' Meeting or must be authorised by it, the same procedures set forth in Articles 3, 5 and 6 above shall be followed, *mutatis mutandis*, distinguishing according to whether it is a Transaction of Greater Significance or a Transaction of Lesser Significance. In this case, the Committee shall give its reasoned opinion on the Company's interest in carrying out the Transaction, as well as on the appropriateness and substantial fairness of the relevant terms when the Company's Board of Directors approves the proposed resolution to be submitted to the Shareholders' Meeting.
- 10.2 The opinions of the Committee and any independent experts appointed are attached to the proposed resolution approved by the Company's Board of Directors.
- 10.3 If - in relation to a Transaction that can be qualified as a Transaction of Greater Significance - the proposed resolution to be submitted to the Shareholders' Meeting is approved in the presence of a contrary opinion of the Related Party Committee, without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, the Transaction may not be carried out if the majority of the voting Non-related Shareholders vote against the Transaction, provided that the Non-related Shareholders attending the Shareholders' Meeting represent at least 10% of the share capital.
- 10.4 In the case of Transactions to be submitted to the Shareholders' Meeting that are of a proved urgency and resulting from corporate crisis situations, the provisions of Section 9.4, letter b) of the Procedure apply if expressly permitted by the Articles of Association

11. Public Disclosure Obligations

- 11.1 The provisions laid down in the following paragraphs provide, for informative purposes only and not to be considered exhaustive, a summary of the main disclosure obligations to which the Company is subject pursuant to the CONSOB Regulation, to which reference should be made for further information.
- 11.2 General transparency obligation: Pursuant to the provisions of Article 4(7) of the CONSOB Regulation, the Procedure and any amendments thereto shall be promptly published on the Company's website, without prejudice to the obligation of disclosure, also by reference to the website itself, in the annual report on operations, pursuant to Article 2391-*bis* of the Italian Civil Code.
- 11.3 Related Party Transactions of Greater Significance and/or subject to cumulation: Pursuant to the provisions of Article 5, paragraphs 1 to 7 of the CONSOB Regulation, for (i) each Related Party

Transaction of Greater Significance, as well as for (ii) several homogeneous transactions or transactions carried out in execution of a unified design which, although not qualifying individually as a Related Party Transaction of Greater Significance, cumulatively exceed the Significance Indicators, the Company is required to prepare an information document drawn up in accordance with Annex 4 to the CONSOB Regulation that comprises at least the information indicated therein. Transactions carried out by Italian or foreign Subsidiaries are also considered significant for the above purposes, and transactions falling within the cases of exemption pursuant to Article 9 of the Procedure are not considered. The information document is made available to the public at the company's registered office and in the manner indicated in Part III, Title II, Chapter I of the Issuers' Regulation, within seven days from the approval of the transaction by the competent body or, if the competent body resolves to submit a contractual proposal, from the time the contract, including a preliminary one, is executed in accordance with the applicable rules. In cases of competence or authorisation by the Shareholders' Meeting, the same information document shall be made available within seven days of the approval of the proposal to be submitted to the Shareholders' Meeting. If the thresholds of significance indicators are exceeded as a result of the accumulation of transactions referred to in point (ii) above, the disclosure document shall be made available to the public within 15 days of the approval of the transaction or the execution of the contract that causes the threshold of significance to be exceeded and shall contain information, also on an aggregate basis for homogeneous transactions, on all transactions considered for the purposes of the accumulation. If the transactions determining the exceeding of the Significance Indicators are carried out by Subsidiaries, the disclosure document shall be made available to the public within 15 days from the time when the company required to prepare the same document is informed of the approval of the transaction or the execution of the contract determining the significance. Pursuant to Article 114(2) of the Consolidated Law on Financial Intermediation, the Company required to prepare the document shall issue the necessary instructions for the Subsidiaries to provide the information required to draw up the document. Subsidiaries shall transmit such information in a timely manner. At the same time as the public disclosure, the Company forwards the disclosure document and opinions to Consob by using the authorised storage mechanism pursuant to Part III, Title II, Chapter I of the Issuers Regulation. Within the terms indicated above, the Company shall make available to the public, as an annex to the Information Document or on its website, any opinions issued by independent directors or advisers and by independent experts chosen by the Committee, as well as the opinions issued by experts qualified as independent that the Board of Directors may have used. With reference to the aforementioned opinions of independent experts, the Company may decide to publish only the items indicated in Annex 4 to the RPT Rules, giving reasons for this choice.

If, in connection with a Related Party Transaction of Greater Significance, the Company is also required to draw up an information document pursuant to Articles 70(4) and (5) and 71 of the Issuers Regulation, it may publish a single document containing the information required by Annex 4 to the CONSOB Regulation and by said Articles 70 and 71. In this case, the document shall be made available to the public, at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers Regulation, within the shortest period of time provided for by each of the applicable provisions. Where separate documents are published, the Company may incorporate, by reference, the information already published.

11.4 Related Party Transactions of Lesser Significance: Pursuant to the provisions of Article 7, paragraph 1,

letter g) of the CONSOB Regulation, without prejudice to the provisions of Article 17 of the MAR in the case of Related Party Transactions of Lesser Significance approved in the presence of a negative opinion of the Committee, the Company shall make available to the public at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulation, within 15 days of the end of each quarter of the financial year, a quarterly information document containing:

- an indication of the counterparty, the object and the consideration of the transactions approved in the reference quarter despite the negative opinion mentioned above;
- an explanation of the reasons why the negative opinion was not shared.

Within the same period, the negative opinion shall be made available to the public, either by attaching it to the information document or by posting it on the Company's website.

11.5 Periodic Information: Pursuant to the provisions of Article 5(8) of the CONSOB Regulation, the Company provides information in the interim management report and in the annual management report, pursuant to Article 154-ter of the TUF:

- a. on individual Related Party Transactions of Greater Significance completed during the reporting period;
- b. on any other individual Related Party Transactions completed during the reporting period that have materially affected the financial position or results of the Company;
- c. on any change or development of the Transactions described in the most recent annual report that had a material effect on the financial position or results of the Company during the reporting period.

Information on individual Related Party Transactions of Greater Significance may be included by reference to the published disclosure documents, reporting any significant updates. In relation to Ordinary Related Party Transactions of Greater Significance completed under Equivalent Conditions, the Company shall notify CONSOB, within 7 days from the approval of the transaction or from the time when the contract (including preliminary) is executed or from the approval of the proposal to be submitted to the Shareholders' Meeting, of the counterparty, the object and the consideration of the aforesaid Related Party Transactions benefiting from the exemption. Furthermore, in the interim report on operations and in the annual report on operations, in addition to the above-mentioned information, an indication is provided about the Related Party Transactions subject to the disclosure requirements set forth in Article 13, paragraph 3, letter c), ii) of the CONSOB Regulation, completed under Equivalent Conditions using the exemption provided for ordinary Related Party Transactions.

11.6 Related Party Transactions and disclosure pursuant to Article 17 of the MAR: Pursuant to Article 6 of the CONSOB Regulation, if a Related Party Transaction is also subject to the disclosure requirements pursuant to Article 17 of the MAR, the press release to be made available to the public shall contain, in addition to the other information to be published pursuant to the aforementioned provision, at least the following information:

- i. the description of the Transaction;
- ii. an indication that the counterparty to the transaction is a related party and a description of the nature of the correlation;
- iii. the name or designation of the counterparty to the transaction;
- iv. whether or not the transaction exceeds the significance thresholds, and an indication as to whether or not a disclosure document will subsequently be published;
- v. the procedure that has been or will be adopted for the approval of the transaction and, in particular, whether the Company has availed itself of a case of exclusion;
- vi. the possible approval of the transaction despite the contrary opinion of independent directors or advisers.

12. Register of the Related Party Transactions

- 12.1 The Company sets up a Register of Related Party Transactions, in which all Related Party Transactions of Greater or Lesser Significance are listed.
- 12.2 The preparation and updating of the Register of Related Party Transactions, which is maintained in electronic form, are managed by the RPT Oversight Board.
- 12.3 The Transaction Register can be accessed by the RPT Oversight Board, the Transaction Manager and the Control Functions of the subsidiaries.

13. Transitional regime

- 13.1 Without prejudice to the disclosure requirements set forth in Article 5 of the CONSOB Regulation and the Board of Directors' reserve power to decide on Transactions of Greater Significance, pursuant to Article 8, paragraph 1, letter a) of the RPT Regulation, if the Company qualifies as a smaller company, it will avail itself of the waiver granted by Article 10 of the CONSOB Regulation, and therefore, the approval of Related Party Transactions of Greater Significance will take place in accordance with the procedure provided for the approval of Related Party Transactions of Lesser Significance as per Article 5 of this Procedure.
- 13.2 The aforementioned simplified regime will no longer be applicable if, for two consecutive financial years, it appears from the most recently approved consolidated balance sheet that either the assets or the revenues of the Company exceed the consolidated amount of Euro 500,000,000.00.
- 13.3 As of that date, therefore, the Company will fully apply the processes set forth in Article 6 of this Procedure to the Related Party Transactions of Greater Significance.

14. Monitoring of the Procedure

- 14.1 The Board of Statutory Auditors monitors the compliance of this Procedure with the general principles set forth in the RPT Regulation, as well as its enforcement, and reports to the Company's Shareholders'

Meeting pursuant to Article 153 of the Consolidated Law on Finance.

Appendix

DEFINITIONS OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS AND DEFINITION FUNCTIONAL THERETO ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS

1. Definitions of related parties and related party transactions according to international accounting standards

For the purposes of Article 3(1)(a) of these Regulations, the definitions contained in the International Accounting Standards, referred to below, shall apply:

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statement.

(a) A person or a close family member of such person is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is one of the key management personnel of the reporting entity or one of its parent companies.

(b) One entity is related to a reporting entity if any of the following conditions apply:

- (i) the entity and the reporting entity are part of the same group (which means that each parent, subsidiary and group company is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

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

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between an entity and a related party, regardless of whether consideration has been agreed upon [IAS 24, paragraph 9].

2. Definitions that are functional to those of "related parties" and "related party transactions" according to international accounting standards.

The terms "control", "joint control" and "significant influence" are defined in IFRS 10, IFRS 11 (Arrangements for Joint Control) and IAS 28 (Investments in Associates and Joint Ventures) and are used with the meanings specified in those IFRS [IAS 24, paragraph 9].

Key Managers

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity [IAS 24, paragraph 9].

Close family members

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

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

3. Interpretative principles of definitions

- 3.1 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form [IAS 24, paragraph 10].
- 3.2 The interpretation of the above definitions is in accordance with the set of international accounting standards adopted in accordance with the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.