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## **CIVITANAVI SYSTEMS S.P.A.**



### **PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES**

*Most recently approved by the Board of Directors of Civitanavi Systems S.p.A. on February 25, 2022.*

## PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES

### **1 INTRODUCTION AND SOURCES**

- 1.1** This procedure (the **Procedure**) governs the procedures for the approval and execution of transactions with Related Parties (as defined below) carried out by Civitanavi Systems S.p.A. (the **Company** or **Civitanavi Systems**) directly or through its subsidiaries, in accordance with article 2391-bis of the Italian Civil Code and the "*Regulations for related party transactions*" adopted by Consob with resolution 17721 of 12 March 2010 (as subsequently amended and supplemented) setting out the principles and rules to be followed by the boards of directors of companies that make use of the risk capital market "*in order to ensure transparency and substantial and procedural correctness of related party transactions carried out directly or through subsidiaries*" (the **Consob Related Parties Regulation**).
- 1.2** For matters not expressly governed by this Procedure, express reference is made to the provisions of the Consob Related Parties Regulation in force from time to time.

### **2 DEFINITIONS**

- 2.1** In addition to the terms defined elsewhere in this Procedure, the following terms shall have the meanings ascribed to them herein:

**Board of Directors:** means the board of directors of the Company in office, from time to time.

**Board of Statutory Auditors:** means the Board of Statutory Auditors of the Company in office, from time to time.

**Close Family Member:** means the close family members of a person, i.e. those family members who are expected to influence, or be influenced by, that person in their dealings with the company, including (a) the children and spouse or cohabitant of that person; (b) the children of that person's spouse or cohabitant; (iii) and persons dependent on that person or spouse or cohabitant<sup>1</sup>.

**Committee for Transactions with Related Parties or Committee:** means the committee composed of Non-Executive Directors, the majority of whom must be independent, and the number of the latter must not be less than 2 (two); if, for any reason, the Committee cannot be formed in compliance with these rules, the Equivalent Remedies shall be used. If the Board of Directors has not already done so when the Committee was set up, the Committee may appoint a Chairman from among its members, who will direct the work of the Committee, call its meetings and keep the minutes, with the assistance of a secretary who may or may not be a member of the Committee. Powers relating to Transactions of Greater Significance and Transactions of Lesser Significance concerning remuneration are in any case entrusted to the Remuneration Committee, which performs those tasks on the basis of the indications given in the Procedure.

**Corporate Governance Code:** means the Corporate Governance Code of listed companies, drafted by the Corporate Governance Committee of listed companies, promoted by Borsa

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<sup>1</sup> See IAS 24, paragraph 9.

Italiana, in force from time to time.

**Directors involved in the Transaction:** means the directors who have an interest in the Transaction, on their own behalf or on behalf of third parties, which conflicts with that of the Company.

**Equivalent Safeguards:** means the safeguards indicated in Article 5 below to be adopted by the Company for the purposes of the operation of this Procedure if, in relation to a given Transaction, it is not possible to set up the Committee according to the relevant composition rules indicated in this Procedure.

**Excluded Transactions:** means the transactions excluded, in whole or in part, from the application of this Procedure, in accordance with the exemption provisions of the Consob Related Parties Regulation and better identified in Article 13 below.

**Executives with Strategic Responsibilities:** means those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the company, including the directors (executive or otherwise) of the Company<sup>2</sup>.

**Independent Director:** means each director acknowledged by the Company as being independent pursuant to Article 148, third paragraph, of Legislative Decree no. 58/1998 (the **Consolidated Financial Act**) and pursuant to and in application of the principles and recommendations of the Corporate Governance Code.

**International Accounting Standards:** shall mean the international accounting standards adopted in accordance with the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.

**Market-equivalent or Standard Terms and Conditions:** means the terms and conditions similar to those usually applied to unrelated parties for transactions of a corresponding nature, size and risk, or based on regulated tariffs or imposed prices, or those applied to parties with which the Company is obliged by law to contract for a given consideration.

**Non-Executive Directors:** means the directors of the Company who are not vested with executive functions.

**Ordinary Transactions:** means the transactions that are part of the ordinary course of business and related financial activities.

**Related Parties:** means the parties defined as such by International Accounting Standards and, in particular, by IAS 24 in force at the time. In particular, under the wording of IAS 24 - which shall be amended from time to time in the event of any amendments to IAS 24 currently in force - a Related Party is a person or entity that is related to the entity that drafts the financial statements (i.e. the Company). A person is a related party to the Company<sup>3</sup>:

- a) in the case of a person or a Close Family Member of that person, if such person:

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<sup>2</sup> See IAS 24, paragraph 9.

<sup>3</sup> The terms "control," "joint control," "significant influence," and "joint venture" are defined in IFRS 10, IFRS 11 (Arrangements for Joint Control), and IAS 28 (Investments in Associates and Joint Ventures) and are in the Procedure used with the meanings specified in those IFRSs (IAS 24, paragraph 9).

- (i) controls, including jointly, the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is one of the Executives with Strategic Responsibilities of the Company or its parent company.
- b) in the case of other entities if any of the following conditions applies:
- (i) the entity and the Company are part of the same group;
  - (ii) the entity is an associated company of the Company or a joint venture in which the Company is a participant (i.e. the entity is an associated company or a joint venture that is part of a group of which the Company is a member);
  - (iii) both the entity and the Company are joint ventures of the same third party;
  - (iv) an entity is a joint venture of a third party and the Company is an associate of the third party;
  - (v) the entity is represented by a post-employment benefit plan for the benefit of employees of the Company 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 one of the Executives with Strategic Responsibilities of the entity (or its parent) (IAS 24, paragraph 9).
  - (viii) the entity, or any member of a group to which it belongs, provides key management personnel services to the Company or the Company's parent (IAS 24, paragraph 9).

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

**Related Party Transactions or Transactions:** means, pursuant to International Accounting Standards, a transfer of resources, services or obligations between the Company and one or more Related Parties, regardless of whether a consideration<sup>4</sup> is agreed upon. Such transactions include:

- (i) mergers, demergers by incorporation or demergers in the strict non-proportional sense, where carried out with Related Parties; (ii) decisions relating to the allocation of remuneration and economic benefits, in any form, to members of the management and control bodies and to Executives with Strategic Responsibilities, without prejudice to Excluded Transactions.

**Significant Interests:** interests are considered as such by the Board of Directors on the basis of the indications provided by Consob in Communication no. DEM/10078683 of 24 September 2010 (and in subsequent Consob communications), it being understood that interests are not considered significant if they arise from the mere sharing of one or more directors or other Executives with Strategic Responsibilities between the Company and its Subsidiaries or

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<sup>4</sup> See IAS 24, paragraph 9.

Subsidiaries, and it being understood that, in any event there are significant interests of other related parties of the Company (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 on variable remuneration dependent on the results achieved by the subsidiaries or associated companies with which the Transaction is carried out and (ii) if the person who, even indirectly, controls the Company, holds in the subsidiary or associated company with which the Transaction is carried out a shareholding whose effective weight is greater than the effective weight of the shareholding held by the same person in the Company, without prejudice to the obligations under art. 12 of this Procedure.

**Transactions of Limited Value:** means (i) a Related Party Transaction the value of which does not exceed Euro 250.000,00 if the counterparty is a legal person or Euro 50.000,00 if the counterparty is a natural person (including professional associations of which the Related Party is a member or companies referable to the same), or (ii) several Transactions that are homogeneous or carried out in execution of a unitary plan which, taken together, do not exceed Euro 300.000,00 if the counterparty is a legal person or Euro 100.000,00 if the counterparty is a natural person (including professional associations of which the Related Party is a member or companies referable to it).

**Transactions of Greater Significance:** means, the "*transactions of greater significance*" as defined on the basis of the criteria indicated in the annex to the Consob Related Parties Regulation.

**Transactions of Lesser Significance:** means, all Transactions other than Transactions of Greater Significance and Transactions of Limited Value.

**Unrelated Directors:** means the directors of the Company other than a counterparty to a particular Transaction and the Related Parties of the counterparty.

**Unrelated Shareholders:** means those persons entitled to vote other than the counterparty to a given Transaction and persons related both to the counterparty to a given Transaction and to the Company.

### **3 REGISTER OF RELATED PARTIES**

- 3.1** The Company shall set up a special register in which the Related Parties identified pursuant to the previous article 2 shall be recorded. In particular, this register and the related communications to Related Parties may be managed directly or also through an external party.
- 3.2** The drafting and updating of the register of Related Parties is taken care of by the Company's Investor Relations department, which shall update it at least once a year.
- 3.3** The Company's Investor Relations department shall (i) identify the Company's direct Related Parties and (ii) notify in writing each Director and Statutory Auditor as well as Executives with Strategic Responsibilities of the Company or of the entity controlling the Company that they have been entered in the register, at the same time requesting from each interested party the initial provision of data on Close Family Members, the entities in which they or their close family members exercise control, even jointly, or significant influence, all as -identified pursuant to

article 2 above.

- 3.4** Without prejudice to the provisions of article 4.8 of the Consob Related Parties Regulation, Directors and Statutory Auditors, as well as Executives with Strategic Responsibilities of the Company or of the entity that controls the Company, are required to promptly notify the Investor Relations Department of the Company at the e-mail address: [investorrelations@civitanavi.com](mailto:investorrelations@civitanavi.com) of any change relevant to the identification of related parties.

## **4 COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES**

- 4.1** The Committee for Transactions with Related Parties meets at the request of the Chairman of the Board of Directors or at the request of at least one of the members of the Committee.
- 4.2** The persons identified as members of the Committee are required to promptly declare the existence of any relationship of correlation in relation to the specific Related Party Transaction, in order to allow the application of the Equivalent Safeguards.
- 4.3** In the event of a collegial composition of the Committee, meetings of the Committee may also be held by teleconference/audio-conference. Decisions are taken by majority vote of the Committee members.

## **5 EQUIVALENTS SAFEGUARDS**

- 5.1** If one of the members of the Committee cannot be considered as an Unrelated Director, the following equivalent measures must be taken, in order:
- A. the opinion of the Committee is issued unanimously by the remaining Unrelated Directors of the Committee;
  - B. in the event that there are not at least 2 (two) Unrelated Directors on the Committee or in any event the oversight referred to in letter A. above cannot be applied, the opinion shall be issued:
    - by the sole member, if any, of the Committee who qualifies as an Unrelated and Independent Director jointly with: (i) the Chairman of the Board of Statutory Auditors provided that he/she is not, with respect to the specific Transaction, a Related Party; or (ii) another member of the Board of Statutory Auditors indicated by the Board of Statutory Auditors provided that he/she is not, with respect to the specific Transaction, a Related Party; or
    - by the Board of Auditors; or
    - by an independent expert identified by the Board of Directors from among persons of well-known professionalism and competence in the relevant matters, whose independence and absence of conflicts of interest are assessed.

## **6 REVIEW OF THE TRANSACTION AND DISCLOSURE TO THE RELATED PARTIES COMMITTEE**

- 6.1** Persons intending to carry out a transaction shall first ascertain whether the counterparty of such transaction is included in the register of Related Parties set up pursuant to article 3 above. To this

end, if the direct counterparty of the transaction is a person acting on behalf of third parties, the person who has been granted powers to carry out the relevant transaction shall check whether the ultimate beneficiary of the transaction is included in the Company's list of Related Parties.

- 6.2** The person who intends to carry out a Transaction with a Related Party identified pursuant to the previous paragraph, other than Transactions of a Limited Amount, shall promptly inform the Chief Executive Officer of the Company.
- 6.3** The Chief Executive Officer, with the assistance of the Chief Financial Officer, after hearing the opinion of the Related Parties Committee, if deemed appropriate considering doubts about the size of the Transaction, shall assess whether the proposed Transaction falls under Transactions of Greater Significance, under Transactions of Lesser Significance or under the cases of exemption provided for by this Procedure. If the Transaction falls within a case of exemption, the Chief Executive Officer, with the assistance of the Chief Financial Officer, shall inform the responsible department that it may proceed to complete the Transaction but that department shall in any case inform the Chief Executive Officer of the completion of the Transaction as soon as it has been completed.
- 6.4** When a Related Party Transaction is deemed to be non-exempt under this Procedure, the Chief Executive Officer, using the Investor Relations function, shall promptly deliver to the Related Parties Committee a written notice containing all the information needed to assess the transaction and in any case a summary of the transaction indicating:
  - a) the Related Party of the Company that is the counterparty to the transaction;
  - b) the nature of the correlation;
  - c) whether it is a Transactions of Greater Significance or a Transactions of Lesser Significance;
  - d) the terms and conditions of the Transaction, including an indication of how the consideration will be determined, the terms and conditions;
  - e) the interest of the Company in carrying out the Transaction; and
  - f) the rationale behind the transaction and any risks that might arise from its implementation.

## **7 APPROVAL OF TRANSACTIONS WITH RELATED PARTIES**

- 7.1** Pursuant to the provisions of Article 10 of the Consob Related Parties Regulation, the Company, as long as it maintains the *status* of a "smaller company" or of a "newly listed company" (as defined in the Consob Related Parties Regulation), makes use of the option to apply, in the context of Transactions of Greater Significance, the procedure established for Transactions of Lesser Significance, therefore the rules set out in this article shall apply both with reference to Transactions of Greater Significance and to Transactions of Lesser Significance.
- 7.2** The approval of Related Party Transactions not exempted under this Procedure shall be the responsibility of the body with delegated powers, if it falls within the scope of the powers delegated to it and without prejudice to compliance with Article 2391 of the Italian Civil Code, or of the Board of Directors or the shareholders' meeting if such transactions fall within a type of

transaction that, pursuant to the law, the Articles of Association or any resolution of the Board of Directors, falls within their respective competence. If the power cannot be attributed to the delegated body, the power to approve the transactions lies with the Board of Directors. In any case, the Board of Directors reserves the right to pass all resolutions on transactions of Greater Significance if they do not fall under Excluded Transactions.

- 7.3 If the Transaction is within the competence of the Board of Directors, the Directors involved in the Transaction shall abstain from voting on it.
- 7.4 The Board of Directors of the Company or the competent delegated body approves Related Party Transactions after receiving a reasoned, non-binding opinion from the Committee on the Company's interest in carrying out the Transaction as well as on the appropriateness and substantial correctness of the relevant conditions. This opinion is attached to the minutes of the Committee meeting.
- 7.5 The Committee for Transactions with Related Parties shall issue, in due time for the execution and/or resolution of the Transaction, the relevant reasoned opinion on the matter, promptly providing the body in charge of resolving or executing the Transaction with adequate information on the preliminary investigation carried out on the Transaction to be approved. This information shall concern at least the nature of the relationship, the terms and conditions of the Transaction, the timing, the evaluation procedure followed and the reasons underlying the Transaction as well as any risks for the Company and its subsidiaries. If the economic conditions of the Transaction, at the end of the preliminary investigation, are defined as equivalent to market or standard conditions, i.e. similar to those usually applied to unrelated parties of a corresponding nature, size and risk, the documentation prepared must contain objective elements of verification. This opinion must be drawn up in an analytical manner and provide, in its conclusion, a precise and clear indication of the Committee's will, whether favourable or unfavourable, to the Transaction under analysis. The Committee must also send to the body responsible for deciding on the Transaction any other opinion acquired in relation to the Transaction as per paragraph 7.7 below.
- 7.6 In order to allow the Committee for Related Party Transactions to issue a reasoned opinion on the matter, it must be provided with complete and adequate information well in advance.
- 7.7 If the Committee for Transactions with Related Parties deems it necessary or appropriate, it may use the advice of one or more independent experts of its own choice - subject to adequate verification of the independence of such experts taking into account the reports indicated in paragraph 2.4 of Annex 4 of the Consob Related Parties Regulation – not exceeding the spending limit of 2% of the countervalue of the Transaction.
- 7.8 In all cases in which the Transaction falls within the competence of the Board of Directors, the minutes of the resolutions approving the Transaction must contain adequate reasons concerning the Company's interest in carrying out the Transaction as well as the convenience and substantial correctness of the relevant conditions. If the Board of Directors does not agree with the opinion of the Committee, it shall duly specify the reasons for such disagreement.
- 7.9 The rules set out in this Article also apply to the preliminary investigation and approval stages of resolution proposals relating to Related Party Transactions that fall within the competence of or

must be authorised by the shareholders' meeting.

- 7.10 Subject to and within the limits of specific provisions of the Articles of Association, in the event of urgency connected with a corporate crisis situation, transactions with Related Parties may be concluded in derogation of the provisions of the previous article 7.9, provided that they comply with the provisions of Article 11 paragraph 5 of the Consob Related Parties Regulation or the legislation applicable from time to time.
- 7.11 If, in relation to a Transaction of Greater Significance, the proposed resolution to be submitted to the shareholders' meeting is approved despite the Independent Directors have expressed their unfavourable opinion, without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, such transaction may not be carried out if the majority of the voting Unrelated Shareholders, representing an interest of at least 10% of the share capital, vote against the transaction.

## **8 FRAMEWORK RESOLUTIONS**

- 8.1 For the purposes of this Procedure, framework resolutions providing for the completion by the Company, directly or through its subsidiaries, of series of recurring homogeneous transactions with the same Related Party to be identified by the Board of Directors (the **Framework Resolutions**) are allowed.
- 8.2 Framework Resolutions shall be effective for no more than one year, shall relate to sufficiently determined transactions and shall state the maximum foreseeable amount of the transactions to be carried out in the relevant period and the reasons for the conditions laid down.
- 8.3 Framework Resolutions shall be governed by the provisions of article 7 above, whereas individual transactions concluded in implementation of a Framework Resolution shall not be governed by the provisions of that article.
- 8.4 If it is foreseeable that the maximum amount of transactions will exceed the threshold for determining Significant Transactions in this Procedure, the Company shall, at the time of the approval of the Framework Resolution, publish a Information Document pursuant to Article 10 of this Procedure.
- 8.5 The Chief Executive Officer of the Company makes a full quarterly report to the Board of Directors on the implementation of the framework resolutions.

## **9 RELATED PARTY TRANSACTIONS CARRIED OUT BY SUBSIDIARIES**

- 9.1 This Procedure shall also apply, *mutatis mutandis*, in the case of Related Party Transactions carried out through subsidiaries, trust companies or intermediaries.
- 9.2 The Committee for Transactions with Related Parties shall issue its opinion in due time in order to allow the competent body of the Company to authorise or examine the Related Party Transaction carried out through subsidiaries.

## **10 REGULAR REPORTING TO THE BOARD OF DIRECTORS**

- 10.1 The Chief Executive Officer provides the Board of Directors and the Board of Statutory Auditors

with adequate and complete information on the execution of Related Party Transactions. In particular, the Chief Executive Officer provides the Board of Directors and the Board of Statutory Auditors with a report:

- on at least a quarterly basis, of Transactions of Lesser Significance and Transactions of Greater Significance carried out, with particular reference to the nature of the relationship, the way in which the transaction was carried out, the terms and conditions of the transaction, the valuation procedure followed, the underlying reasons and any risks for the Company and its subsidiaries;
- on at least an annual basis, on the application of the cases providing for exemption as per article 13 below, at least with reference to the most significant transactions.

- 10.2** If a Transaction of Greater Significance is approved, even if it is carried out or to be carried out by subsidiaries, the Board of Directors shall draft an information document - for the purposes and to the effects of Article 114, paragraph 5, of the Consolidated Financial Act - drawn up in compliance with Annex 4 of the Consob Regulation on Related Parties (the **Information Document**).
- 10.3** The Information Document must also be prepared if, in the course of the same financial year, the Company enters into transactions with the same Related Party or with parties related to the latter or to the Company that are homogeneous or carried out as part of a unitary plan which, although not qualifying individually as Transactions of Greater Significance, exceed, if considered as a whole, the materiality thresholds set out in the Annex 3 to the Consob Related Parties Regulation. For the purposes of this provision, Excluded Transactions shall not be considered. If the use of the ratios set out in the Annex 3 to the Consob Related Parties Regulation brings to a result that is manifestly unjustified considering the specific circumstances, the Chairman of the Board of Directors may request the competent authority to indicate alternative methods to be observed in calculating the cumulative amount.
- 10.4** Without prejudice to the provisions of Article 17 of Regulation (EU) No. 596/2014, the Information Document shall be made available to the public, at the Company's registered office, and in any further manner applicable to the Company pursuant to the provisions in force, within 7 (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 moment when the contract, even the preliminary contract, is concluded according to the applicable regulations.
- 10.5** In compliance with the same deadline set for the publication of the Information Document, the Company shall make available to the public, as an attachment to the Information Document itself or on its *website*, any opinions issued by the Committee for Related Party Transactions and/or by the independent experts chosen pursuant to art. 7.7 of the Procedure and the opinions issued by experts qualified as independent which may have been used by the Board of Directors. With reference to the aforementioned opinions of independent experts, the Company may publish only the elements indicated in Annex 4 of the Consob Related Parties Regulation, giving reasons for this choice.
- 10.6** If the approval of the Transactions of Greater Significance is the responsibility of the shareholders'

meeting, the Information Document shall be made available within 7 (seven) days after the approval of the proposal to be submitted to the shareholders' meeting. If there are significant updates to be made to the Information Document, the Company shall make a new version of the Information Document available to the public at the Company's registered office according to a timeframe that is in any case able to allow shareholders to fully assess the Transaction and in any case no later than the twenty-first day before the shareholders' meeting.

- 10.7** If the thresholds of significance are exceeded as a result of an accumulation of transactions, the Information Document shall be made available to the public within 15 (fifteen) days from the approval of the Transaction or from the conclusion of the contract that causes the threshold of significance to be exceeded. This Information Document shall contain information, also on an aggregate basis for homogeneous transactions, on all the individual Transactions considered for the purposes of cumulation. If the Transactions that cause the relevant threshold to be exceeded are carried out by subsidiaries, the Information Document shall be made available to the public within 15 (fifteen) days after the Company has been informed of the approval of the Transaction or of the conclusion of the contract that causes the threshold to be exceeded.

## **11 PERIODIC INFORMATION OBLIGATIONS**

- 11.1** The Board of Directors of the Company provides information in the half-yearly and annual management reports on:
- a) Transactions of Greater Significance concluded during the reporting period;
  - b) any other Related Party Transactions concluded during the reference period that have had a significant impact on the Company's financial position or results;
  - c) any modification or development of the Related Party Transactions described in the last annual report that had a material effect on the financial position or results of the Company during the reference period.
- 11.2** This information may also be included in the periodic financial documentation by reference to the Information Documents eventually published during the approval of Transactions of Greater Significance, reporting any significant updates.
- 11.3** If for any reason a press release has not been sent to the market in respect of Related Party Transactions carried out and/or approved in the presence of a negative opinion of the Committee for Related Party Transactions, without prejudice to the provisions of Article 17 of Regulation (EU) no. 596/2014, a document must be made available to the public at the company's registered office, within 15 (fifteen) days from the end of each quarter of the financial year, containing an indication of the counterparty, the object, the consideration of the Transactions approved in the reference quarter in the presence of a negative opinion expressed by the Committee as well as the reasons why it was decided not to share this opinion. Within the same period, the opinion is made available to the public as an annex to the document or on the Company's website.

## **12 OBLIGATIONS TO PROVIDE TIMELY INFORMATION TO THE PUBLIC**

- 12.1** If a Related Party Transaction is disclosed by means of a press release pursuant to Article 17 of

Regulation (EU) No. 596/2014, the latter shall contain, in addition to the other information to be published pursuant to the aforementioned provision, at least the following information:

- a) the description of the Transaction;
- b) an indication that the counterparty to the Transaction is a Related Party and a description of the nature of the existing relationship;
- c) the name or designation of the Related Party;
- d) an indication of whether the materiality thresholds laid down for Transactions of Greater Significance have been exceeded and an indication of whether the Information Document will be published subsequently;
- e) an indication of the procedure followed for the approval of the Related Party Transaction and whether it is an Excluded Transaction;
- f) the possible approval of the Transaction despite the contrary opinion of the Committee for Transactions with Related Parties.

## **13 EXCLUDED TRANSACTIONS**

**13.1** Excluded Transactions are Related-Party Transactions for which, in line with the provisions of the Consob Related Parties Regulation, the provisions of this Procedure concerning, respectively, instruction and approval as well as information regulations on Related-Party Transactions do not apply in whole or in part - except as otherwise provided for below:

- a) Transactions of Limited Amount;
- b) Transactions with or between companies controlled, even jointly, by the Company as well as transactions with companies associated with the Company, if in the subsidiaries or associated companies that are counterparties to the Transaction, there are no Significant Interests of other Related Parties of the Company;
- c) the resolutions passed by the Shareholders' Meeting pursuant to Article 2389, first paragraph, of the Italian Civil Code relating to the remuneration of the Board of Directors, as well as, pursuant to Article 2402 of the Italian Civil Code relating to the remuneration of the Board of Statutory Auditors and the resolutions referred to in Article 2389, third paragraph, of the Italian Civil Code concerning the remuneration of directors holding special offices within the total amount previously determined by the Shareholders' Meeting;
- d) without prejudice to the provisions of Article 5, paragraph 8 of the Consob Related Parties Regulation on periodic accounting information, where applicable:
  - (i) compensation plans based on financial instruments approved by the shareholders' meeting pursuant to Article 114-bis of the Consolidate Financial Act and the related executive transactions; and
  - (ii) resolutions, other than the resolutions of the shareholders' meeting referred to in letter c) of this article, concerning the remuneration of directors holding special offices as well as of the Company's other Executives with Strategic

Responsibilities, provided that:

- the Company has adopted a remuneration policy approved by the shareholders' meeting;
  - a committee made up exclusively of non-executive directors, the majority of whom are independent, was involved in defining this remuneration policy;
  - the remuneration awarded is identified in accordance with this adopted policy and quantified on the basis of criteria that do not involve discretionary assessments;
- (iii) Ordinary Transactions concluded on Market-equivalent or Standard Terms. In the event that the transactions benefiting from the exemption referred to in this paragraph are Significant Transactions, without prejudice to the provisions of Article 17 of Regulation (EU) No. 596/2014, the Company shall:
- provide information to Consob and to the Independent Directors who express opinions on Related Party Transactions, within the deadline indicated in art. 5, paragraph 3 of the Consob Related Parties Regulation, as to the counterparty, the object, the consideration of the Ordinary Transactions that have benefited from the exclusion as well as the reasons why the transaction is deemed to be an Ordinary Transaction and concluded at Market-equivalent or Standard Conditions, providing objective evidence;

The Independent Directors who express their opinions on Related Party Transactions shall verify without delay, and in any case within 7 (seven) days from the notice referred to in the previous paragraph, the correct application of the exemption conditions to Transactions of Greater Significance defined as Ordinary Transactions and concluded at Market-equivalent or Standard Conditions;
  - specify in the interim management report and in the annual management report, as part of the information required by Article 5, paragraph 8 of the Consob Related Parties Regulation, which of the transactions subject to the disclosure requirements set out in the latter provision have been concluded taking advantage of the exclusion for Ordinary Transactions provided for in this letter.
- e) urgent transactions as referred to in Article 13 paragraph 6 of the Consob Related Parties Regulation within the limits and in the manner provided for therein;
- f) transactions decided by the Company and addressed to all shareholders on equal terms, including:
- I. capital increases with option rights, including those servicing convertible bonds, and free capital increases pursuant to Article 2442 of the Italian Civil Code;
  - II. demergers in the strict sense, whether total or partial, with proportional share allocation;

- III. reductions in share capital by means of reimbursement to shareholders pursuant to Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the Consolidate Financial Act.
- 13.2** The above exclusions are without prejudice to the public information requirements of Regulation (EU) No 596/2014, where applicable.
- 13.3** The cases of exclusion provided for in this article shall also apply to Related Party Transactions carried out through Subsidiaries as referred to in Article 9 of the Procedure.

#### **14 SUPERVISION OF THE PROCEDURE**

- 14.1** The Board of Statutory Auditors supervises compliance of the Procedure with the principles indicated in the Consob Related Parties Regulation as well as its compliance and reports to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Financial Act.

#### **15 ENTRY INTO FORCE AND AMENDMENTS**

- 15.1** This Procedure was last approved in draft form by the Board of Directors on February 25, 2022.
- 15.2** This Procedure may only be amended in writing and in accordance with the procedure indicated in Article 4, paragraph 3, of the Consob Related Parties Regulation in force from time to time.
- 15.3** To this end, the Committee shall meet in good time before the meeting of the Board of Directors called to approve the Procedure or the amendments thereto. The Committee's opinion is then sent to the Board of Directors in good time before the resolution is passed.
- 15.4** The Board of Directors shall assess, at least every three years, whether to revise the Procedure, taking into account, inter alia, any changes in laws and regulations, any changes in the ownership structure, and the effectiveness of the Procedure in practice.
- 15.5** This Procedure is published on the Company's website in the Investor Relations section.