

**RELATED-PARTY TRANSACTION PROCEDURE
OF CY4GATE S.P.A.**



Document approved by the Board of Directors of CY4Gate S.p.A. in its meeting of 18th May 2023 and subsequently amended in the meeting of 12th September 2024.

1. PREAMBLE

This Procedure (henceforth, the “**Procedure**”) was adopted on 18th May 2023 by resolution of the Board of Directors of CY4Gate S.p.A. (the “**Company**” or “**CY4**”), subject to the favourable opinion of the Independent Directors of the Company, and subsequently amended on 12th September 2024 by resolution of the Board of Directors of the Company, subject to the favourable opinion of the Independent Committee, as defined below, in implementation of the provisions pursuant to Article 2391-*bis* of the Italian Civil Code and the Regulation containing provisions on Related-Party Transactions adopted by CONSOB with Resolution no. 17221 of 12th March 2010 and subsequent amendments and additions (the “**Related-Party Transaction Regulation**”) and, in particular:

- (a) Regulates the procedures for identifying Related Parties, defining the procedures and timeframes for preparing and updating the list of Related Parties and identifying the relevant corporate functions;
- (b) Establishes the rules for identifying Related-Party Transactions in advance of their signing;
- (c) Governs the procedures for carrying out Related-Party Transactions by the Company, including through subsidiaries pursuant to Article 2359 of the Italian Civil Code, as referred to in Article 93 of Legislative Decree no. 58/1998 (the “Consolidated Law on Finance” or “**TUF**”) or otherwise subject to management and coordination activities;
- (d) Establishes the modalities and timing for fulfilling obligations for disclosure to corporate bodies and the market.

It should be noted that the Company applies the Procedure by also taking into account CONSOB Communication no. DEM/10078683, published on 24th September 2010, containing “*Indications and Guidelines for the Application of the Related-Party Transaction Regulation adopted by Resolution no. 17221 of 12th March 2010 as subsequently amended*” (the “**Applicative Communication**”).

The Procedure enters into force as of the date of commencement of trading of the Company’s ordinary shares on Euronext Milan, a market organised and managed by Borsa Italiana S.p.A., Euronext STAR Milan segment.

The currently-applicable text of the Procedure is published on the Company’s website www.cy4gate.com under the “*Governance*” section.

For all matters not expressly set out in the Procedure, reference is made to the legislation and regulations in force and, unless otherwise specified, the definitions apply as set forth in the Related-Party Transaction Regulation and in the Self-Regulatory Code of Listed Companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (the “**Corporate Governance Code**”).

2. DEFINITIONS

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

Independent Directors: Refers to Directors who meet the independence requirements set forth in Article 148(3) of the Consolidated Law on Finance and the Corporate Governance Code, to which the Company adheres.

Non-Related Directors: Any Directors other than the counterparty to a given Related-Party Transaction and its related parties.

Functional Manager: The corporate function of the Company, appointed by the Board of Directors at the proposal of its Chair, responsible for Related-Party Transactions, who assists the Board of Directors in the fulfilments related to compliance with and implementation of the Procedure. As at the date of the Procedure, the Functional Manager coincides with the role of Chief Financial Officer (CFO) of the Company, who may rely on the Company's "Group Accounting, Finance, Controlling" and "Legal" functions for the purposes of the provisions of the Procedure. For Transactions effected through subsidiaries (if any), the Functional Manager is the person in the Company responsible for the prior examination or approval of the individual transaction that the subsidiary intends to carry out.

Related-Party Transactions or Transactions: Transactions defined as such by the international accounting standards currently in force,¹ adopted according to the procedure set forth in Article 6 of EC Regulation no. 1606/2002. Not considered Related-Party Transactions are those addressed indifferently to all Shareholders on equal terms, such as, for example, transaction to increase the Company's capital as an option to its Shareholders and demerger operations in the strict sense of the term, along with reductions in share capital through reimbursement to Shareholders pursuant to Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the Consolidated Law on Finance.subsidiariessubsidiaries

Significant Transaction: Transactions in which at least one of the following materiality indexes, applicable depending on the specific Transaction, is higher than the 5% threshold, as better indicated in Annex 3 to the Related-Party Transaction Regulation and in the Applicative Communication, to which reference is made:

- (i) Value materiality index: the ratio between the value of the Transaction and the shareholders' equity as recorded in the most recent consolidated balance sheet published by the Company or, if higher, the capitalisation of the Company recorded at the close of the last trading day included in the reference period of the most recent published periodic accounting document;
- (ii) Asset materiality index: the ratio between the total assets of the entity involved in the Transaction and the total assets as recorded in the most recent consolidated balance sheet published by the Company;
- (iii) Liabilities materiality index: the ratio between the total liabilities of the acquired entity and the total assets as recorded in the most recent consolidated balance sheet published by the Company.

¹ An excerpt of the definitions of "Related-Party Transactions" and "Related Parties" under IAS 24 is given in the Appendix. The Appendix shall be deemed to be automatically updated to reflect changes in the relevant accounting standards, without application of the provisions for amending this Procedure.

Non-Significant Transaction: All Related-Party Transactions other than Significant Transactions and Limited Value Transactions (the latter within the meaning of Paragraph 9.1 of the Procedure).

Related Parties: parties defined as such by the international accounting standards in force at the time.

For the purposes of the Procedure, the Functional Manager, with the support of any other corporate functions:

- (i) Draws up a list of Related Parties, updating the list whenever deemed necessary;
- (ii) Makes available to:
 - (A) The Company's Administrative Body;
 - (B) The Company's main corporate functions; as well as,
 - (C) The Directors and principal corporate functions of the Parent Company, subsidiaries, entities that directly or indirectly exercise control over the Company and associated companies insofar as they relate or are relevant to those companies and entities,

a list of the Company's Related Parties (the "**Related Parties List**").

The Functional Manager shall notify in writing (*i*) each Director and standing Statutory Auditor of the Company, as well as executives with strategic responsibilities of the Company or the entity controlling the Company, as well as (*ii*) any entity that exercises control, including jointly, or significant influence on the Company, of the registration in the Related Parties List, simultaneously requesting that each party concerned initially send the information relating to their close family members, and entities in which they or their close family members exercise control, including jointly, or significant influence, or where (or in their respective parent companies) they hold a position as executives with strategic responsibilities, for the purposes of defining the scope of the Related Parties.

The Directors and standing Statutory Auditors of the Company, as well as executives with strategic responsibilities of the Company or the entity controlling the Company, as well as the entity that exercises control, including jointly, or significant influence on the Company, are required to promptly notify the Functional Manager of any material changes in the entities related to them. The Functional Manager shall promptly update the Related Parties List.

In any event, the Functional Manager shall update the Related Parties List at least once a year.

Non-Related Shareholders: Parties with voting rights other than (a) the counterparty to a given Transaction and (b) parties related to both the counterparty to a given Transaction and the Company.

3. APPROVAL, DISSEMINATION AND PUBLICATION OF THE PROCEDURE

3.1 Approval and Amendments to the Procedure

The Procedure and any amendments thereto are approved by the Company's Board of Directors, subject to the favourable opinion of a Committee, even specially constituted, consisting exclusively of Independent Directors (the "**Independent Committee**").

In good time, the Independence Committee meets in view of the meeting of the Board of Directors called to approve the Procedure or the amendments thereto. The opinion of the Independent Committee is forwarded to the Board of Directors prior to the meeting.

On an annual basis, the Board of Directors evaluates whether or not to revise the Procedure, taking into account, amongst other things, any changes in laws and regulations, any changes in the ownership structure as well as the effectiveness thereof in practice.

3.2 Dissemination, Entry into Force and Publication of the Procedure

The Functional Manager transmits the Procedure, together with the Related Parties List, to the main corporate functions of the Company, including the Appointed Executive in charge of drawing up the accounting documents *ex* Article 154-*bis* of the Consolidated Law on Finance – in order to ensure its coordination with the administrative and accounting procedures set out by the aforesaid standard – as well as the functions that must oversee compliance with the Procedure (by way of example: Head of the Internal Audit Function and Board of Auditors).

Also pursuant to Article 114(2) of the Consolidated Law on Finance, the Procedure is likewise forwarded by the Functional Manager to the members of the administrative body and (where present) the control body of the subsidiaries and to the main corporate functions of the subsidiaries, so that such persons may examine and observe the document, to the extent of their competence or responsibility. To this end, a communication signed by the Chair of the Board of Directors or the Chief Executive Officer containing instructions concerning the main duties to be performed by the subsidiaries in order to ensure the effectiveness of the processes governed by the Procedure within the group must be sent to the administrative body of the subsidiaries. The administrative bodies of the subsidiary companies shall sign and send for acceptance to the Company (for the attention of the Chair of the Board of Directors and the Functional Manager) a communication in which they accept the instructions received, also undertaking to fulfil, to the extent of their respective competences, the obligations set out in the Procedure as well as to disseminate the Procedure itself within the corporate structures and to any companies over which the subsidiary companies exercise control.

4. IDENTIFICATION OF RELATED-PARTY TRANSACTIONS

Before starting negotiations, the persons who, on behalf of the Company or its subsidiaries, are responsible in relation to the approval and/or execution of a given Transaction shall verify whether the potential transaction qualifies as a Related-Party Transaction by referring, *inter alia*, to the Related Parties List and availing of the support of the Functional Manager.

In the event that the potential transaction qualifies as a Related-Party Transaction and does not fall within any of the exemptions set forth in Article 9 below, such persons shall promptly involve the Company's committee for Related-Party Transactions (the "**RPT Committee**") and send – possibly with the support of the Functional Manager – a communication to the Chair of the RPT Committee, containing at least the following information:

- (a) Counterparty identification data and nature of the relationship;
- (b) Type and object of the Transaction;

- (c) An assessment of the Company's interest in carrying out the Transaction;
- (d) Any other useful information that may enable the RPT Committee to assess the nature and value of the Transaction.

Together with the aforementioned communication, any available documents relating to the Transaction are also to be transmitted.

Where the terms of the Transaction are defined as equivalent to market or standard terms (within the meaning of Article 9.4 below), the documentation prepared contains objective evidence.

Without delay and in any case within two days from receipt of the notice, the Chair of the RPT Committee convenes the RPT Committee to carry out any appropriate preliminary verification on the Transaction.

The Related Parties Committee issues its opinion sufficiently in advance for the approval of the Transaction, generally at least 1 day before the date scheduled for the approval of the Transaction.

The Chair of the Board of Directors or the Chief Executive Officer, with the support of the Functional Manager and the competent corporate function, shall also ascertain whether the information relating to the Transaction is likely to have a significant effect on the prices of the Financial Instruments issued by the Company and admitted to trading on the Euronext Milan market, pursuant to EU Regulation 596/2014 (“**MAR**”) and whether the prerequisites persist for application of the “*Procedure for Public Disclosure of Inside Information*” adopted by the Company pursuant to Articles 17 and 18 MAR respectively.

The Functional Manager of the Company prepares and maintains an archive (the “**Related-Party Transactions Archive**”), by means of a special electronic register of:

- (A) Related-Party Transactions, also carried out through subsidiaries (including those subject to framework resolutions pursuant to Article 8 below); and
- (B) Related-Party Transactions, also carried out through subsidiaries, falling within one of the cases of exemption set out in Article 9 below.

5. GENERAL PRINCIPLES FOR APPROVING RELATED-PARTY TRANSACTIONS

As long as the prerequisites established pursuant to the applicable legislation and regulations in force remain, the Company, as a recently-listed enterprise, pursuant to Article 10 of the Related-Party Transaction Regulation, applies to Related-Party Transactions that are both “Significant” and “Non-Significant”, by way of derogation from Article 8 of the RPT Regulation, a procedure identified according to the principles and rules pursuant to Article 7 of the RPT Regulation itself, without prejudice to the exclusive competence of the Board of Directors in relation to the Transactions indicated below.²

In particular, Related-Party Transactions are approved through the involvement of the RPT Committee, composed of Non-Executive Directors who are for the most part independent in accordance with the independence requirements set forth in the

² Pursuant to Article 3 of the RPT Regulation, “newly listed companies” means companies with shares listed in the period between the date of commencement of trading and the date of approval of the Financial Statements for the second financial year following the listing. Companies resulting from the merger or division of one or more companies with listed shares that are not themselves newly-listed cannot be defined as newly-listed companies.

Corporate Governance Code and who must also be Non-Related Directors with respect to the Transaction being examined on each occasion.

Whereby, with reference to a specific Transaction on the Agenda, a member of the Committee detects their own correlation, they shall be promptly replaced, if deemed necessary. In such a case, if the Board of Directors includes one or more Independent Directors who are themselves Non-Related Directors, the Committee is integrated by the Independent Director who is also the oldest Non-Related Director. Outside this scenario, if there are at least two Non-Related Independent Directors remaining on the Committee, the Committee shall act unanimously. In the event that only one Non-Related Independent Director remains on the Committee, the Transaction is approved by the Non-Related Independent Director who may be in office jointly with the Chair of the Board of Statutory Auditors (if they can be considered non-related similarly to the assessment of no relationship underlying the identification of the Non-Related Directors). If not even one Non-Related Independent Director remains, the Transaction is approved by the Board of Statutory Auditors (if its members can be similarly considered Non-Related in the assessment of no relationship underlying the identification of Non-Related Directors) or, alternatively, by an Independent Expert specifically appointed for the purpose, at the Company's expense, respecting the maximum spending limit of 1% of the Transaction's countervalue.

Whereby, pursuant to the pro-tempore rules in force, the Committee must be composed exclusively of Independent Directors until the conclusion of the Transaction and limited thereto, if the Board of Directors includes one or more Independent Directors who are themselves Non-Related Directors, then the RPT Committee is integrated by the Independent Director who is also the oldest Non-Related Director. Where this supervision is not applicable, the Transaction is approved by the Board of Statutory Auditors (if its members can be considered Non-Related in the same way as the assessment of non-relationship underlying the identification of Non-Related Directors) or, alternatively, by an Independent Expert specifically appointed for this purpose, at the Company's expense, respecting the maximum limit of 1% of the Transaction's countervalue.

An "**Independent Expert**" is a natural or legal person meeting the requirements of professionalism, honourableness and independence required by the nature of the assignment conferred. Such independence is verified by the RPT Committee before the appointment is made, taking into account the relationships indicated in Annex 4 to the RPT Regulation and having regards in particular to any economic, equity and financial relationships between the expert and: (i) the Related Party, the companies controlled by them, the subjects that control them, the companies subject to common control, as well as the Directors of the aforementioned companies; (ii) the Company, its subsidiaries, entities that control it, companies subject to joint control, as well as the Directors of the aforementioned companies, being attested by a declaration that the Independent Expert issues when assigning the appointment.

In any case, in the exercise of its functions, the Related-Party Transaction Committee may rely on the assistance of one or more Independent Experts, within the maximum expenditure limits as identified above.

It is understood that, in the above cases, if the members of the Board of Statutory Auditors have an interest in the Transaction on their own behalf or on behalf of third parties, they shall inform the other Statutory Auditors, specifying the nature, terms, origin and scope thereof.

If the Transaction is within the competence of the Board of Directors, the Directors involved in the Transaction shall abstain from voting in this regard. The presence of these Directors will thus be counted for the purposes of determining only the constitutive *quorum* required to pass the resolution.

In any event, the Company's Board of Directors (with the abstention of any Directors involved in the Transaction) reserves the right to make all decisions and/or resolutions concerning:

- (a) Transactions carried out on non-market terms;
- (b) Significant Transactions.

6. RELATED-PARTY TRANSACTION PROCEDURE

6.1 Non-Significant Transactions

Non-Significant Transactions that do not fall within the purview of the Shareholders' Meeting are approved by the competent person in accordance with the Company's internal governance rules and the provisions of Article 5 above, subject to the non-binding opinion of the Related-Party Transaction Committee. This opinion is annexed to the Minutes of the Related-Party Transaction Committee Meeting.

To this end, having identified the relationship with the counterparty pursuant to Article 4 and ascertained the relevance of the transaction pursuant to the Related-Party Transaction Regulation and the Procedure, the Functional Manager promptly notifies the party responsible for its approval and/or execution. Through the Functional Manager, the latter duly informs the members of the Related-Party Transaction Committee so that they may declare the absence of any related status with respect to the specific Related-Party Transaction (also, if applicable, in regards to the counterparty of the subsidiary).

For the purpose of issuing its opinion, the Related-Party Transaction Committee is to receive complete, adequate and up-to-date information. The Committee shall issue, in due time for adoption of the appropriate resolutions concerning the Related-Party Transaction, the relevant reasoned opinion on the matter, promptly providing the party responsible for the approval with adequate information on the preliminary investigation conducted. Upon the outcome of the preliminary investigation, should the economic conditions of the Related-Party Transaction be defined as equivalent to market or standard terms, the documentation prepared by the Committee is to contain objective evidence. The Committee must also forward any other opinions acquired in connection with the Transaction to the competent body for approval.

In the event of a negative opinion of the Related-Party Transaction Committee, the Non-Significant Transaction may only be approved by the Board of Directors. For a Non-Significant Transaction falling within the Board's competence or, in any case, submitted to the Board of Directors for approval, during the meeting of the Board of Directors convened to approve the Non-Significant Transaction, each member of the Board of Directors may ask the Related-Party Transaction Committee for clarifications on the opinion expressed. The Related-Party Transaction Committee (in the person of its Chair) will respond during the meeting, also with the assistance of the Independent Expert who may have provided support to the Related-Party Transaction Committee, if the latter has been invited to attend the Board of Directors meeting.

In the event of a negative opinion of the Related-Party Transaction Committee, without prejudice to the provisions of Article 17 MAR, the Board of Director with the support of the Functional Manager prepares a document and makes it available to the public within fifteen days of the end of each quarter of the financial year at the Company's registered office and in the manner indicated in Part III, Title II, Chapter I of CONSOB Regulation 11971/1999. This document is to contain details of the counterparty, the object of such Transactions as well as the reasons why it was decided not to share the opinion of the Committee. Within the same period, the opinion is made available to the public as an annex to the aforementioned document or on the Company's website.

In the event of approval of the Transaction by the Board of Directors, the Minutes shall contain adequate justification of the Company's interest in carrying out the Transaction as well as the benefit and substantive fairness of the relevant conditions.

6.2 Significant Transactions

Significant Transactions that do not fall within the purview of the Shareholders' Meeting are reserved to the exclusive competence and approval of the Company's Board of Directors, subject to a reasoned favourable opinion of the Related-Party Transaction Committee.

The Committee is promptly involved in the negotiation and preliminary phase of the Significant Transaction through the receipt of a complete, timely and, on each occasion, updated stream of information, with the power to request information from and make observations to the delegated bodies and the persons in charge of conducting the negotiations or preliminary investigation. Where ordinary Transactions are involved and the terms of the Transaction are defined as equivalent to market or standard terms, the documentation prepared will contain objective evidence.

At the end of the preliminary investigation and, in any case, before the meeting of the Board of Directors called for the approval of the Significant Transaction, the Related-Party Transaction Committee issues a reasoned opinion on: (i) the existence of an interest of the Company in the completion of the Transaction; and (ii) the benefit and substantive fairness of the relevant conditions. The opinion contains a clear indication as to whether or not the Committee is in favour of carrying out the Transaction. This opinion is annexed to the Minutes of the Related-Party Transaction Committee Meeting.

During the Board of Directors Meeting convened for approval of the Significant Transaction, each member of the Board of Directors may ask the Related-Party Transaction Committee for clarifications on the opinion expressed. The Committee (in the person of the Chair) shall reply during the meeting, also with the assistance of the Independent Expert who may have provided support to the Committee, if the latter has been invited to attend this Board Meeting.

In the event of approval, the Minutes of the resolution of the Board of Directors shall contain an adequate explanation of the Company's interest in carrying out the Transaction as well as the benefit and substantive fairness of the relevant conditions.

6.3 Transactions within the competence of the Shareholders' Meeting

When a Related-Party Transaction falls within the purview of the Shareholders' Meeting or has to be authorised by it, the provisions of Articles 6.1 and 6.2 above shall apply *mutatis mutandis* for the phase of the preliminary investigation and approval of the resolution proposal by the Board of Directors to be submitted to the Shareholders' Meeting.

7. TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES

Related-Party Transactions carried out through subsidiaries are Transactions carried out by CY4's subsidiaries pursuant to Article 2359 of the Italian Civil Code with CY4's Related Parties which have been examined in advance by CY4 (e.g. by the Board of Directors, by a Board's delegated body, or by an Executive with Strategic Responsibilities), concluded with the approval of the Transaction in question or with the issuing of an opinion, which may also be non-binding, addressed to the corporate bodies of the subsidiary that are competent to resolve on the Transaction³.

In case of Related-Party Transactions carried out through CY4's subsidiaries, the subsidiary transmits a communication to the Functional Manager of the Company containing all the necessary information and documents on the Transaction and, in particular, on the nature of the relationship (with details of the Related Party) on the object, economic conditions and timing of the Transaction, as well as on the interests and motivations underlying the Transaction.

The provisions of Article 4 and, with the necessary adaptations and as necessary, the provisions of Articles 6.1, 6.2 and 6.3 shall apply.

8. FRAMEWORK RESOLUTIONS

Pursuant to Article 12 of the Related-Party Transaction Regulation, Transactions that fall within certain categories of Related Parties identified on each occasion by the Board of Directors, to be carried out also through subsidiaries, may be approved by means of framework resolutions.

Without prejudice to the provisions of the Related-Party Transaction Regulation and subject to the disclosure obligations provided for in Article 10 below, within the terms and according to the procedures indicated therein, the principles illustrated in Article 5 above and the provisions of Articles 6.1 and 6.2 above shall apply to resolutions concerning the adoption of framework resolutions, depending on the foreseeable maximum amount of the Transactions subject to the resolution, considered cumulatively.

Framework resolutions adopted in accordance with this Section 8 may not be effective for more than one year and must relate to sufficiently determined transactions, stating at least the foreseeable maximum amount of the Transactions to be carried out in the period at hand and the reasons for the conditions envisaged.

³ In other words, these are Transactions that are attributable to the Company as a consequence, for example, of provisions issued in the exercise of the management and coordination activity by the Company, internal decision-making processes or delegated powers granted to the Company's corporate representatives.

On the occasion of the approval of a framework resolution, the Company publishes a disclosure document if the expected maximum amount of the Transactions subject to said resolution exceeds the materiality threshold identified for Significant Transaction.

The provisions of Articles 6.1 and 6.2 above do not apply to the individual Transactions concluded in implementation of the framework resolutions. Transactions concluded in implementation of a framework resolution that is the subject of a disclosure document published pursuant to Article 10.2 are not counted for the purposes of the cumulation provided for in Article 5(2) of the Related-Party Transaction Regulation.

9. EXEMPTIONS UNDER ARTICLE 13 OF THE RPT REGULATION

Without prejudice to the cases of exclusion given in Article 13(1) and (4) of the Related-Party Transaction Regulation and subject to the disclosure obligations set out in Article 10 below, within the terms and in the manner indicated therein, the provisions of the Procedure do not apply to:

- (a) Limited Value Transactions (see Paragraph 9.1 below);
- (b) The share-based compensation plans approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the Consolidated Law on Finance and the related executive transactions (see Section 9.2 below);
- (c) Shareholders' Meeting resolutions, other than those indicated in Article 13(1) of the Related-Party Transaction Regulation, concerning the remuneration of Executives holding special offices as well as of other Executives with strategic responsibilities, in compliance with the terms set forth in Article 13(3)(b) of the RPT Regulation (see Paragraph 9.3 below);
- (d) The resolutions, addressed to all Shareholders on equal terms, set forth in Article 13(1-*bis*) of the Related-Party Transaction Regulation;
- (e) The urgent Transactions referred to in Article 13(6) of the Related-Party Transaction Regulation;
- (f) Ordinary Transactions that are concluded on terms equivalent to market or standard terms (see Article 9.4 below);
- (g) Transactions with or between subsidiaries and Transactions with associated companies, if no interest qualifies as "significant" in those companies (see Article 9.5 below).

The aforesaid exclusions also apply to Transactions effectuated through the subsidiaries referred to in the above Article 7.

However, it is understood that the periodic reporting requirements set forth in Article 10.3 below and in Article 5.8 of the Related-Party Transaction Regulation apply to the resolutions referred to in Points (b), (c), (d) and (e) above.

Any information received or otherwise obtained by the parties involved in the Related-Party Transactions must be kept strictly private and confidential and managed in accordance with the provisions of the procedure for internal management and external communication of documents and information adopted by the Company.

9.1 Limited Value Transactions

Limited Value Transactions are excluded from the scope of application of the Related-Party Transaction Regulation and of the Procedure (without prejudice to the disclosure obligations set out in Article 10 below, in the terms and manner indicated therein) and, in accordance with the powers granted to them, may be carried out by the Company's competent person on each occasion or by the Executive Directors and Executives with delegated powers of the subsidiaries.

For the purposes of the Procedure, "Limited Value Transactions" means Related-Party Transactions, whether pertaining to legal or natural persons, the value of which does not exceed 200,000 euro (if the counterparty is a legal person) or 50,000 euro (if the counterparty is a natural person).

This exclusion does not apply in the case of several Limited Value Transactions, whereby homogeneous or carried out by virtue of a unitary design, concluded with the same Related Party or with parties related both to the latter and to the Company which, taken together, exceed the amounts indicated above.

9.2 Compensation plans pursuant to Article 114-bis of the Consolidated Law on Finance

Pursuant to Article 13(3)(a) of the Related-Party Transaction Regulation, compensation plans based on Financial Instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Finance and related executive transactions are excluded from application of the provisions of the RPT Regulation and the Procedure.

Compensation plans pursuant to Article 114-bis of the Consolidated Law on Finance and the relative implementing operations, the obligations regarding transparency and substantive and procedural correctness established by the pro tempore provisions in force apply.

9.3 Resolutions on the remuneration of Directors holding special offices and other Executives with strategic responsibilities

Pursuant to Article 13(3)(b) of the Related-Party Transaction Regulation, resolutions on the remuneration of Executives, other than those indicated in Article 13(1) of the RPT Regulation, as well as of key management personnel are excluded from application of the RPT Regulation.

For the purposes of exclusion, it is necessary that:

- (a) The Company has adopted a Remuneration Policy;
- (b) A committee consisting exclusively of Non-Executive Directors, the majority of whom were independent, was involved in defining the Remuneration Policy;
- (d) The remuneration awarded is in accordance with the Remuneration Policy, determined in the absence of any discretionary assessment.

9.4 Ordinary transactions concluded on market-equivalent or standard terms

9.4.1 Identification of ordinary transactions at market or standard terms

"Ordinary" transactions are defined as those Transactions that fall within the ordinary course of the Company's business and related financial activities (see Article 3[1][d] of the RPT Regulation). For the Transaction to qualification as

“Ordinary”, reference is to be made to the criteria set out in Paragraph 3 of the Applicative Communication.

Transactions “concluded on terms equivalent to market or standard terms” are understood to mean Transactions completed under conditions similar to those usually applied to Non-Related Parties for transactions of a corresponding nature, size and risk or based on regulated tariffs or imposed prices or those applied to persons with whom the Company is obliged by law to contract for a specific amount (see Article 3[1][e] of the Related-Party Transaction Regulation).

The identification of ordinary Transactions concluded on market-equivalent or standard terms, as referred to in this Article 9.4, is left to the assessment of the Functional Manager, which may avail of the Related-Party Transaction Committee for this purpose and which reports in any case to the delegated bodies on the outcome of the assessment carried out.

9.4.2 Applicable regulations

Ordinary Transactions that are concluded on market-equivalent or standard terms are excluded from the scope of application of any provision of this Procedure and of the Related-Party Transaction Regulation, subject to the provisions of this Article 9.4 and without prejudice to the disclosure requirements given in Article 10 below, under the terms and according to the procedures indicated therein.

The body authorised to resolve and/or execute the Transaction must in any case be given, in good time before approval of the Transaction, complete and adequate information on the Transaction, including documentation containing evidence of the existence of market or *standard* terms.

In the event that the Transactions benefiting from the exemption under this paragraph are Significant Transactions within the meaning of Article 6.2, without prejudice to the provisions of Article 17 MAR, the Company shall:

- (i) Involve the Related-Party Transaction Committee in the assessment of the applicability of this exemption in a timely manner;
- (ii) Inform CONSOB and the independent Directors or advisors who express opinions on Related-Party Transactions, within seven days of approval of the Transaction, of the counterparty, the object, the amount of the Transactions that have benefited from the exclusion as well as the reasons why the Transaction is deemed to be ordinary and concluded under market-equivalent or standard terms, providing objective evidence;
- (iii) Indicate in the Interim Management Report and in the Annual Management Report, as part of the information required by Article 5(8) of the Related-Party Transaction Regulation, which of the Transactions subject to disclosure were concluded by availing of the exemption referred to in this paragraph.

For each ordinary Transaction subject to exemption, the Functional Manager keeps records in the Related-Party Transaction Archive of elements relating to:
(i) the ordinary nature of the Transaction, in relation to its object, occurrence

and size; *(ii)* the nature of the relationship; *(iii)* the contractual documentation; and *(iv)* the extent and type of the counterparty.

9.5 Transactions with and between subsidiaries and/or associated companies

Transactions with or between subsidiaries, even jointly, as well as Transactions with associated companies are excluded from the scope of this Procedure whereby there are no significant interests of other Related Parties of the Company in the subsidiaries or associated companies that are counterparties to the Transaction, yet without prejudice to the obligations for disclosure set forth in Article 10 below.

The materiality of interests of other Related Parties in the subsidiary or associated company is referred to the evaluation of the Chair of the Board of Directors and the Chief Executive Officer, with the support of the Functional Manager, or, if the same evaluation of the materiality of interest concerns the Chair of the Board of Directors and/or the Chief Executive Officer, to the Board of Directors. Without prejudice to the foregoing, the Chair of the Board of Directors and the Chief Executive Officer refer the assessment to the Related-Party Transaction Committee and/or the Board of Directors if deemed appropriate, taking into account, inter alia, the Transaction's economic value and/or relevant specific characteristics.

The Board of Directors and/or the Related-Party Transaction Committee (as the case may be), assesses the significance of interests by:

- (a) Taking into account, inter alia, the existence of any shareholding relationship between the subsidiary or associated company of the Company and other related parties of the Company or any capital relationship between the subsidiary or associated company of the Company and other related parties of the Company;
- (b) Taking into account in Paragraph 21 of the Applicative Communication to which reference is made;
- (c) Significant interests are not considered to be those arising from the mere sharing of one or more Directors or, if any, other Executives with strategic responsibilities between the Company and the subsidiary or associated company (see Article 14[2] Related-Party Transaction Regulation).

More specifically, for the purposes of the Procedure significant interests are interests resulting from relationships of a shareholding or capital nature between companies controlled by, or associated with, the Company and other related parties of the Company which are counterparties in a specific Transaction, where these relationships are such as to be able to exclusively or primarily direct the management choices of the Company, the subsidiary or the associated company towards satisfying an interest held by another party related to the Company.

For example, and subject to appropriate checks to be carried out in each specific case, a significant interest (as defined above) may be deemed to exist if: (i) one or more Company Directors or Executives with strategic responsibilities benefit from incentive plans based on Financial Instruments (or, in any case, variable remuneration) dependent on the results achieved by the subsidiaries or associated companies with which the Transaction is carried out; or (ii) the subsidiary or associated company with which the Transaction is carried out is held (even indirectly, through entities other than the Company) by an entity that controls the Company or exercises significant influence over the Company, and such shareholding exceeds the actual weight of the shareholding held by the same entity in the Company.

10. RELATED-PARTY TRANSACTIONS POLICY

10.1 Internal Policy on Related-Party Transactions

With the support of the Functional Manager and the persons involved in the Transactions and/or with the support of the Directors or competent corporate functions of the subsidiaries, the Managing Director provides adequate guidelines:

- (A) To the Company's Board of Directors and Board of Auditors:
 - (i) On a quarterly basis, upon the execution of Significant Transactions pursuant to the Procedure and the Related-Party Transaction Regulation as well as transactions subject to exemption pursuant to Article 13(2) and (3)(c) and Article 14(2) of the RPT Regulation itself approved during the quarter, with particular reference to the nature of the correlation, the executive modalities of the Transaction, the terms and conditions. The report also concerns Related-Party Transactions carried out through subsidiaries that have been examined or approved by the Company's Board of Directors and for which the non-binding opinion of the RPT Committee has been rendered;
 - (ii) On a quarterly basis, upon implementation of the framework resolutions referred to in Article 8 above; and
- (B) To the Board of Directors, the Board of Statutory Auditors of the Company and the Related-Party Transaction Committee containing suitable information on at least a half-yearly basis, upon application of the cases of exemption set forth in Article 9 above, at least with reference to Significant Transactions.

Documentation supporting transactions carried out with Related Parties is retained by the Functional Manager.

10.2 Public Disclosure of Significant Related-Party Transactions

Upon any Significant Transaction, also carried out through subsidiaries, the Company prepares a policy document drawn up in accordance with the template in Annex 4 of the Related-Party Transaction Regulation.

The obligation to publish the policy document also arises if several Transactions are carried out during the same financial year, with the same Related Party or with parties related both to the latter and to the Company, which are homogeneous or carried out in execution of a unitary design and which – although not qualifying individually as Significant Transactions – exceed (when considered cumulatively) at least one of the thresholds of significance referred to above (“Cumulative Transactions”). Transactions carried out by Italian or foreign subsidiaries also count for the purposes of the aforementioned cumulation, while any Transactions that may be exempt pursuant to Article 9 of the Procedure are not considered.

The information document is published within the terms and in the manner indicated in Article 5 of the Related-Party Transaction Regulation.

10.3 Periodic accounting information

The Interim Management Report and the Annual Management Report provide information regarding:

- (a) Individual Significant Transactions concluded during the reporting period also through subsidiaries;
- (b) Other individual Related-Party Transactions, if any, concluded during the reporting period that have materially affected the Company's financial position or results;
- (c) Any change to or development of the Related-Party Transactions described in the last Annual Report that had a material effect on the Company's financial position or results during the reporting period.

10.4 Related-Party Transactions and public disclosures pursuant to Article 17 MAR

If a Related-Party Transaction is disclosed by means of a Press Release pursuant to Article 17 MAR, the latter shall contain – in addition to the other information to be published per the aforementioned provision – at least the following information:

- (a) A description of the Transaction;
- (b) Whether or not the counterparty to the Transaction is a Related Party, along with a description of the nature of the relationship;
- (c) The legal or operating name of the counterparty to the Transaction;
- (d) If the Transaction exceeds the materiality thresholds identified pursuant to this Procedure and an indication as to whether or not a disclosure document will be published pursuant to Article 5 of the Related-Party Transaction Regulation;
- (e) The procedure that has been or will be followed for approval of the Transaction and, in particular, whether the Company has availed of any exclusion provided for in the Procedure;
- (f) Any approval of the Transaction despite the Related-Party Transaction Committee's advice to the contrary.

This is in addition to the information set out in the Instructions under the Regulations for markets organised and managed by Borsa Italiana.⁴

⁴ According to the Applicative Communication, with regard to the cases in which the issuer does not publish the disclosure document pursuant to Article 10.2 above, either because the Transaction does not exceed the materiality thresholds identified pursuant to the Procedure or because the cases and exemption options set out in Article 9, the components of information that may be relevant for the purposes of compliance with Article 17 MAR, on the subject of Related-Party Transactions, which normally constitute a parameter of reference for the purposes of CONSOB's requests for the publication of supplementary information on disclosures concerning such Transactions include, by way of example, the following: (i) the basic characteristics of the Transaction (such as the price, execution conditions, payment terms, etcetera); (ii) the economic reasons for the Transaction; (iii) an illustration of the economic, equity and financial effects of the Transaction in question; (iv) the methods for determining the amount due for the Transaction, as well as an assessments of its adequacy with respect to the market values of similar transactions; (v) in the event that the economic conditions of the Transaction are defined as equivalent to those of the market or standard, in addition to the declaration to that effect, an indication of the objective elements of confirmation; (vi) the possible use of Independent Experts to evaluate the Transaction and, in this case, details of the evaluation methods adopted in relation to the adequacy of the amount due, as well as a description of any critical issues reported by the Independent Experts in relation to the specific Transaction.

APPENDIX

Definitions of Related Parties and Related-Party Transactions under International Accounting Standards

Related Party: A person or entity that is connected to the reporting entity (or, the Company).

A person is a Related Party of the Company:

- (a) In the case of a natural person or a close relative of that person, if that person:
 - (i) Also jointly controls the Company;
 - (ii) Has significant influence over the Company;
 - (iii) Is one of the key Executives of the Company or its Parent Company;
 - (b) In the case of other entities, if any of the following conditions apply:
 - (i) The entity and Company are part of the same group;
 - (ii) The entity is an associated company of the Company;
 - (iii) The entity is a joint venture in which the Company is a participant;
 - (iv) The entity is an associated company or a joint venture forming part of a group of which the Company is a member;
 - (v) The entity is a joint venture of a third party and the Company is an associated company of the third party;
 - (vi) The entity is a post-employment benefit plan for employees of the Company or a related entity;
 - (vii) The entity is controlled or jointly controls a person referred to in (a);
 - (viii) A person identified in (a)(i) has significant influence over the entity or is a member of the key Executives of the entity (or of a Parent of the entity);
 - (ix) The entity or any member of a group to which it belongs provides key management services to the reporting entity or the parent of the reporting entity
- IAS 24(9).

In the definition of a Related Party, an associated company includes subsidiaries of the Affiliate and a joint venture includes subsidiaries of the *joint venture*.

For the purposes of this definition, the notions of “control”, “joint control”, “significant influence”, “close family members” and “key Executives” set out in the International Accounting Standards and also contained in the Appendix to the Related-Party Transaction Regulation all apply.

Related-Party Transaction: Any transfer of resources, services or obligations between the Company and one or more Related Parties, regardless of whether a fee is agreed upon. In any case to be considered as included under Related-Party Transactions are: (i) mergers, demergers by incorporation or demergers in the strict non-proportional sense, if carried out with Related Parties; and (ii) any decision relating to the allocation of remuneration and economic benefits, in any form whatsoever, to members of the administration and control bodies and to Executives with strategic responsibilities.