

WIIT S.P.A. RELATED PARTIES TRANSACTIONS POLICY



The Private Cloud

1. Scope of application

This policy (the “**Policy**”) has been adopted by WIIT S.p.A. (“**WIIT**” or the “**Company**”) in implementation of Article 2391-*bis* of the Italian Civil Code and the regulation adopted by Consob by resolution no. 17221 of March 12, 2010, as amended (the “**Consob RPT Regulation**”), while also taking account of Consob communication no. DEM/10078683 of September 24, 2010 and the Self-Governance Code (as defined hereunder).

The Policy lays down the rules for identifying, reviewing, approving and executing Related Party Transactions (as defined hereunder) concluded by the Company directly or through its subsidiaries, as defined in Annex 1 to the Consob RPT Regulation (the “**Subsidiaries**”).

The main aims of the Policy are: (i) to identify the categories of related parties and transactions of significant strategic, economic or financial importance, to which specific authorization and/or disclosure mechanisms apply; (ii) to serve as a helpful guide to be referred to by the functions involved in the process, each within its remit, and (iii) to help safeguard the Company’s financial integrity and operating continuity.

Reference should be made to the Consob RPT Regulation and other applicable laws and regulations for all matters not expressly governed by this Policy.

The Policy was approved by the Company’s Board of Directors on March 18, 2019, with entry into force contingent on the commencement of the trading of WIIT’s ordinary shares on the MTA market. At the first available opportunity after the start date of the trading of WIIT’s shares on the MTA market, the Policy will be subject to an opinion from the Committee and then to final approval by the Board of Directors pursuant to Article 4 of the Consob RPT Regulation.

The Board of Statutory Auditors will monitor this Policy’s compliance with the principles set out in the Consob RPT Regulation and compliance with the Policy, on which it will report to the Shareholders’ Meeting pursuant to Art. 153 of the CFA.

2. Definitions

In addition to the definitions included in other paragraphs, the following definitions apply for the purposes of this Policy:

“**Independent Directors**” means the directors of WIIT meeting the independence requirements ⁽¹⁾ set out in the FCA (Articles 147-*ter*, paragraph 4, and 148, paragraph 3) and in the Self-Governance Code.

“**Self-Governance Code**” means the code for listed companies promoted and prepared by the “*Corporate Governance Committee*” set up by Borsa Italiana and available from the website www.borsaitaliana.it.

“**Board of Directors**” means the board of directors of WIIT.

“**CFO**”: means WIIT’s Chief Financial Officer;

“**Board of Statutory Auditors**” means WIIT’s Board of Statutory Auditors.

“**Committee**” means the committee set out in paragraph 5 (“*Committee*”).

“**Market or Standard Conditions**” are considered conditions similar to those usually undertaken with unrelated parties for transactions of a corresponding nature, size and risk, or based on regulated tariffs or prices set or practiced with parties with whom the interested company is obliged to contract at a fixed price. Market or Standard Conditions must be documented and witnessed by objective corroborating evidence.

“**Senior Executives**” means the individuals identified by the Company’s Board of Directors by specific resolution as having the authority and responsibility, directly or indirectly, for planning, directing and controlling the Company’s activities.

“**Disclosure Document**” means the disclosure document drawn up in accordance with Article 5 of the Consob RPT Regulation.

⁽¹⁾ Satisfaction of the independence requirement is verified by the Board of Directors, considering, in particular, any dealings of a financial nature with: (i) the Company; (ii) the parent company; (iii) subsidiaries or associates of WIIT; and (iv) the directors of the entities set out in points (i) and (ii) above.

“Working Day” means any day (other than Saturdays and Sundays) on which banks are open for normal business in Milan.

“Significance Thresholds” means the significance thresholds set out in Annex 3 to the Consob RPT Regulation for identifying Significant Transactions.

“Related Party Transactions” are considered any transfer of resources, services or obligations between Related Parties, independently of whether consideration has been paid, including:

- (a) mergers, spin-offs by incorporation or non-proportional spin-offs, where carried out with Related Parties;
- (b) all decisions relating to the assignment of remuneration or economic benefits, in any form, to Senior Executives (except where otherwise indicated in the Consob RPT Regulation and without prejudice to the exemptions laid down in paragraph 13 below (*Cases of exclusion*)).

In identifying Related Party Transactions in accordance with this Policy, the bodies involved in the review and approval of the transactions and the bodies charged with supervising compliance with the Policy, each within their respective remits, give precedence to the substance of the relationship and not simply its legal form.

“Significant Transactions” are the following Related Party Transactions:

- (a) those Related Party Transactions where one or more of the Significance Thresholds, applicable depending on the specific transaction, exceeds 5% ⁽²⁾;
- (b) the Related Party Transactions with the listed parent company or with related parties to this latter which in turn are related to WIIT, where at least one of the Significance Thresholds is greater than 2.5%;
- (c) Related Party Transactions that may affect the Company’s operational autonomy (including those involving intangible assets) or that otherwise concern assets or goods of strategic importance to the Company, where at least one of the Significance Thresholds exceeds 2.5%. Determining whether certain of the Company’s assets or goods are of strategic importance is the responsibility, without exception, of the Board of Directors, which decides in each case, at the initiative of one or more of its members, or at the request of the Board of Statutory Auditors.

“Less Significant Transactions” are all Related Party Transactions other than Significant Transactions and Minor Transactions.

“Minor Transactions” are Related Party Transactions the total value of which does not exceed Euro 100,000, where the counterparty is a natural person, or Euro 200,000, where the counterparty is a legal person.

“Appointed Officer” means the Company’s chief executive officer or each of the directors to whom the Board of Directors has delegated its powers in accordance with Article 2381 of the Italian Civil Code.

“Ordinary Transactions” means transactions that fall within the scope of the regular business and related financial activities of the Company and/or the Subsidiaries and all other operating activities that cannot be classified as “Investment” or “Financial Activity” (**“Core Business Activity”**). Ordinary Transactions include, for example, transactions that by their nature, frequency, size, terms and conditions and the nature of the counterparty come within the ordinary scope of Core Business Activity, and in particular: (a) the marketing and production of goods and services within the framework of Core Business Activity; (b) the purchase of goods, work and services associated with Core Business Activity and/or necessary to the functioning, maintenance and preservation of the technological adequacy of the group’s infrastructure and/or of the real-estate assets intended for use in Core Business Activity and generally for the functioning of the business organization in respect of its current size and characteristics, unless it qualifies as Investment or Financial Activity; (c) the acquisition and management of financial resources, with the related hedging activities tied to the conduct of Core Business Activity, but excluding all activities qualifying as Investment or Financial Activity.

⁽²⁾ The Significance Thresholds set out in Annex 3 to the Consob RPT Regulation for identifying Significant Transactions are: (i) the value significance threshold; (ii) the asset significance threshold; and (iii) the liability significance threshold. For further details, reference should be made to Annex 3 of the Consob RPT Regulation.

For the purposes of the Policy, an “Investment” is: (i) any transaction that results in the purchase or sale of non-current assets (for example, purchases and sales of real estate or other intangible assets), with the exception of non-current assets held for sale; and (ii) any financial investment not classified as cash and cash equivalents.

In accordance with the Policy, a “Financial Asset” is any asset that results in change: (i) to the size and composition of paid-in capital; or (ii) the financing obtained by the Company not connected to Core Business Activity.

“**Related Party**” means a party which:

- (a) directly, or indirectly, also through subsidiary companies, trustees or nominees:
 - controls the company, or is controlled by it or subject to common control;
 - has an interest in the company that establishes significant influence;
 - exercises control over the company jointly with other parties;
- (b) is an associate;
- (c) is a joint venture in which the company has a holding;
- (d) is a Senior Executive of the Company or its parent company;
- (e) is a close family member of a party at letters (a) or (d);
- (f) is an entity in which one of the parties at (d) or (e) exercises control, joint control or significant influence or holds, directly or indirectly, a significant holding – in any case not less than 20% of the voting rights;
- (g) is a supplementary, collective or individual pension fund, Italian or overseas, created on behalf of company employees, or any other related entity.

For the above purposes, the notions of “control”, “joint control”, “significant influence”, “associates” and “joint ventures” are those set out in Annex 1 to the RPT Regulation.

“**Issuers’ Regulation**” is the regulation adopted by Consob with motion No. 11971 of May 14, 1999, as subsequently amended and supplemented.

“**Associate**” means an entity that qualifies as an associate pursuant to Annex 1 of the Consob RPT Regulation.

“**CFA**” means Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented.

3. Identification of Related Parties

On the basis of the information and documentation available to the Company, and with the support of the relevant functions, the CFO prepares the mapping of the Company’s Related Parties. This mapping is entered into the Related Parties register prepared by the CFO and made available on an electronic medium by the Company (the “**Related Parties Register**”).

For the purpose of the above mapping, at the CFO’s request, the parties identified as Related Parties in paragraph 2 (*Definitions*) are required to provide the CFO with all information useful to permitting a proper assessment of their qualification as Related Parties and the identification of any other parties that may qualify as Related Parties.

The establishment of Related Parties is made through a declaration in which the person in question declares in good faith whether they are a Related Party of the Company.

The Committee resolves cases in which the identification of a Related Party is disputed on the basis of the relevant definition laid down in paragraph 2 above (*Definitions*).

Where the Company is not aware that a counterparty qualifies as a Related Party and the applicable disclosure obligations have not been fulfilled, the party that failed to fulfil the relevant obligation will be held liable for all financial and non-financial damages sustained by the Company, including those

resulting from measures by the competent authorities, as a result of the undertaking of the Related Party Transaction in breach of this Policy.

Related Parties report changes in the information already provided within five Business Days of the date on which the party becomes aware of the change concerned. In any event, the CFO updates the Related Parties Register at least every six months.

4. Identification of Related Party Transactions

The CFO is responsible for establishing and updating the register of Related Party Transactions (the “**Related Party Transactions Register**”).

The Appointed Officers inform the CFO promptly of the emergence of events or circumstances that may result in the undertaking of Related Parties Transactions. In particular, the Appointed Officers inform the CFO of: (i) the identification details of the counterparty and the nature of the relationship verified on the basis of the Related Parties Register; (ii) the type, nature, general economic conditions and estimated timing of the transaction; (iii) the reasons for the transaction; and (iv) any other transactions concluded with the same Related Party or parties connected to the same Related Party.

Before a transaction is undertaken, the CFO verifies whether the counterparty is a Related Party and, if so, whether the transaction qualifies as a Minor Transaction according to the Policy.

If the transaction is with a Related Party, with support from the relevant functions the CFO verifies:

- (a) whether the transaction is exempt under paragraph 13 (*Exclusions*) of this Policy;
- (b) whether the transaction is an Ordinary Transaction;
- (c) whether the transaction is being undertaken in implementations of a framework motion passed in accordance with paragraph 10 (*Framework motions*) of this Policy; and
- (d) whether the transaction qualifies as a Significant Transaction or a Less Significant Transaction in accordance with the Policy.

If the transaction is exempt under paragraph 13 (*Exclusions*) or is being undertaken in implementation of a framework motion, the CFO records the transaction in a specific section of the List of Related Party Transactions.

If the transaction is not exempt under paragraph 13 (*Exclusions*) and is not being undertaken in implementation of a framework motion, the CFO submits the transaction promptly for review by the Committee, providing the necessary information in a timely manner. In such cases, the provisions on Related Party Transactions laid down in paragraphs 6 (*Less Significant Transactions*) or 7 (*Significant Transactions*) of this Policy will apply.

Where, even after the verification described above, the CFO is unsure (i) whether the transaction is exempt under paragraph 13 (*Exclusions*), (ii) whether the transaction qualifies as an Ordinary Transaction or (iii) of the value of the transaction in order to determine whether it qualifies as a Minor Transaction, Less Significant Transaction or Significant Transaction in accordance with the Policy, the matter will be referred to the Committee.

In order to conduct its evaluation, where the Committee deems it necessary it may (i) request that the CFO or relevant unit of the Company, where applicable, provide additional information and formulate remarks and (ii) secure the assistance of one or more independent experts, in accordance with paragraphs 6.1 (*Examination of the Transaction*) and 7.1 (*Examination of the Transaction*) of this Policy.

5. Committee

The Consob RPT Regulation provides for the formation of a Committee that is involved in assessing transactions from time to time. Pursuant to Article 7 of the Self-Governance Code, the Board of Directors of WIIT has formed a Control, Risks and Related Parties Committee (also tasked with consultative and propositional functions with regard to internal controls and risk management), to which it has assigned responsibility for the matters covered by the Consob RPT Regulation.

Pursuant to the Consob RPT Regulation, the Committee is composed of at least: (i) unrelated non-executive directors, a majority of whom are independent for Less Significant Transactions, or (ii) unrelated Independent Directors for Significant Transactions.

6. Less Significant Transactions

6.1 Examination of the Transaction

Less Significant Transactions are reviewed with the aim of thoroughly establishing and documenting the Company's interest in undertaking them, the reasons for undertaking them and the benefit and substantial correctness of the relevant terms.

The supporting documentation, summarized in a specific report by the CFO that provides a thorough description of the transaction and also indicates the date on which it must be approved, must be made available to the Committee and the Board of Directors (or the appointed officer with approval authority) appropriately in advance of the date on which they are asked to decide.

Suitably in advance of the approval of the transaction, the Committee is required to formulate a reasoned, non-binding opinion on the Company's interest in undertaking the Transaction and the benefit and substantial correctness of the relevant terms and conditions.

The Committee may request the assistance, at the expense of Company, from one or more independent experts of its choice with established professionalism and competence in the relevant subject-matter. In such cases, the maximum spending limit, which must be based on the value of the Related Party Transaction, will be identified in concert with the Committee and the Appointed Officer.

6.2 Approval of the Transaction

Less Significant Transactions are approved following a reasoned, non-binding opinion from the Committee, which is required to submit the opinion to the decision-maker responsible for approving the relevant Related Party Transaction.

The Board of Directors or Appointed Officer decide on the basis of the supporting documentation and the Committee's opinion. The decision must specify the rationale relating to the Company's interest in undertaking the transaction and the essential expedience and fairness of the transaction and the relevant conditions. Where the decision-maker does not agree with the Committee's opinion, the decision must specify the grounds for the disagreement.

The Board of Directors and Board of Statutory Auditors are informed of the execution of Less Significant Transactions by the Appointed Officer with at least quarterly frequency.

7. Significant Transactions

Without prejudice to paragraph 19 of this Policy below (*Transitional Rules*), the following rules of procedure will apply to Significant Transactions.

7.1 Examination of the Transaction

Significant Transactions are reviewed with the aim of thoroughly establishing and documenting the Company's interest in undertaking them, reasons for undertaking them and the benefit and substantial correctness of the relevant terms.

The supporting documentation, summarized in a specific report by the CFO that provides a thorough description of the transaction and also indicates the date on which it must be approved, must be made available to the Committee and the Board of Directors appropriately in advance of the date on which they are asked to decide.

Decisions regarding the undertaking of Significant Transactions are taken by the Company's Board of Directors, since this power cannot be delegated to the Appointed Officer.

The Committee or one or more of its members, assigned by the Committee, are involved in the negotiations and investigation stages by means of a full and prompt flow of information and with the right to request information and issue comments to the Delegated Body and persons appointed to conduct the negotiations or investigations.

The Committee may request the assistance, at the expense of Company, from one or more independent experts of its choice with established professionalism and competence in the relevant subject-matter. In such cases, the maximum spending limit, which must be based on the value of the Related Party Transaction, will be identified in concert with the Committee and the Appointed Officer.

7.2 Approval of the Transaction

Significant Transactions are approved on the basis of a binding, reasoned opinion from the Committee on the interest of the Company with regards to the transaction, in addition to the benefit and substantial correctness. The Committee is required to submit its opinion to the Board of Directors.

The Company's Board of Directors decides whether to undertake the Significant Transaction on the basis of the supporting documentation and the Committee's binding, reasoned opinion. The decision must specify the rationale relating to the Company's interest in undertaking the transaction and the benefit and substantial correctness of the relevant terms and conditions.

The Board of Directors and Board of Statutory Auditors are informed of the execution of Significant Transactions by the Appointed Officer with at least quarterly frequency.

The Board of Directors may approve Significant Transactions despite a contrary opinion from the Committee, provided that the transactions are authorized, pursuant to Article 2364, paragraph 1, number 5) of the Italian Civil Code, by the Shareholders' Meeting acting in accordance with paragraph 11.2 (*Significant Transactions within the remit of the Shareholders' Meeting*) of this Policy.

As a "smaller company" ⁽³⁾, as defined in Article 3 of the Consob RPT Regulation, the Company adopts the exception permitted under Article 10 of the Consob RPT Regulation. Accordingly, Significant Transactions with Related Parties will be approved according to the procedure for the approval of Less Significant Transactions.

8. **Related Party Transactions through Subsidiaries**

Where none of the exclusions under this Policy are applicable, the Subsidiaries submit the Related Party Transactions that they intend to conclude for the Company's prior review and/or approval. In such cases, the provisions of paragraphs 6 (*Less Significant Transactions*), 7 (*Significant Transactions*) and 11 (*Transactions within the remit of the Shareholders' Meeting*).

In particular, the chief executive officer (or, where existing, appointed officer) of the Subsidiary, before undertaking a transaction, verifies whether the counterparty is a related party (possibly with support from the Company's CFO). Where the counterparty to the transaction is found to be a related party and the transaction is not found to qualify for an exemption under paragraph 13 (*Exclusions*), the chief executive officer (or, where existing, appointed officer) refrains from continuing the review and/or negotiations and informs the Company's CFO. Once notified, the Company's CFO informs the Appointed Officer, who provides instructions regarding how to proceed with the transaction in accordance with the Policy. The activities described in the previous paragraphs are adequately documented and traceable.

9 **Urgent transactions**

Where expressly permitted by the By-laws, and without prejudice to Article 5 of the Consob RPT Regulation, in cases of documented urgency, Related Party Transactions not within the remit of the Shareholders' Meeting and not subject to its approval may be concluded notwithstanding the provisions of Articles 6 and 7 of this Policy, provided that:

- (a) the transaction to be concluded falls within the remit of an Appointed Officer, Chairperson of the Board of Directors is informed upon the reasons for its urgency before execution of the Related Party Transaction;
- (b) the Related Party Transactions are subsequently, without prejudice to their effectiveness, subject to non-binding resolution of the first valid ordinary Shareholders' Meeting;

⁽³⁾ Reference should be made to paragraph 19 (*Transitional rules*) of this Policy.

- (c) the Board of Directors prepares a report containing adequate reasoning for the urgency. The Board of Statutory Auditors reports to the Shareholders' Meeting its assessments with regards to the justification for urgency;
- (d) the report and the assessments referred to in paragraph c) are made available to the public at least twenty days before the date fixed for the Meeting at the registered office and as per the formalities set out in Title II, Chapter I of the Issuers' Regulation. These documents may be contained in the Information Document, if any, set out in Article 5 of the Consob RPT Regulation;
- (e) within the day immediately after the Shareholders' Meeting, the company makes available to the public as per the formalities specified in Title II, Chapter I of the Issuers' Regulation on voting results, particularly with regard to the number of votes cast by unrelated shareholders.

10. Framework motions

The Board of Directors may adopt framework motions for series of uniform Related Party Transactions to be concluded by the Company or by Subsidiaries with certain categories of Related Parties. In such cases, the framework motions:

- (a) are not effective for more than one year;
- (b) refer to sufficiently definable Related Party Transactions, specifying at least the expected maximum amount of the Related Party Transactions to be carried out in the period and the reasons behind the established conditions.

Full disclosure is given to the Board of Directors, at least on a quarterly basis, on the implementation of the framework motions.

On the Board of Director's approval of a framework motion, the Company will publish a Disclosure Document if the expected maximum value of the Related Party Transactions to be executed during the reference period identified in the framework motion exceeds any of the Significance Thresholds.

The provisions referred to in the preceding Articles 7 (*Less Significant Transactions*) and 8 (*Significant Transactions*) do not apply to Related Party Transactions concluded in implementation of a framework motion.

Transactions concluded in implementation of a framework motion described in a Disclosure Document published pursuant this paragraph will not be counted for the purpose of Article 5, paragraph 2, of the Consob RPT Regulation.

11. Transactions within the remit of the Shareholders' Meeting

11.1 Less Significant Transactions within the remit of the Shareholders' Meeting

Where a Less Significant Transaction falls within the remit of the Shareholders' Meeting or requires authorization by this latter, during the review and approval phase of the proposal to be presented to the Shareholders' Meeting, the rules governing Less Significant Transactions set out in paragraph 6 (*Less Significant Transactions*) apply.

11.2 Significant Transactions within the remit of the Shareholders' Meeting

Where a Significant Transaction falls within the remit of the Shareholders' Meeting or requires authorization by this latter, during the review and approval phase of the proposal to be presented to the Shareholders' Meeting, the rules governing Significant Transactions set out in paragraph 7 (*Significant Transactions*) apply.

In the case of a Significant Transaction within the remit of, or requiring authorization by, the Shareholders' Meeting pursuant to the By-laws, where the Committee has expressed a negative opinion of the proposed motion to be submitted to the Shareholders' Meeting (even if the opinion is non-binding in nature), without prejudice to the incorporating and deliberative quorum required by law or the By-Laws, where applicable, for the adoption of the Shareholders' Meeting motion in question and the provisions of law concerning conflicts of interest, the Significant Transaction may not be carried out where the majority of voting unrelated shareholders vote against the transaction, on the condition that the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the voting share capital.

11.3 Urgent transactions relating to corporate crisis situations

Where expressly permitted by the By-Laws, and without prejudice to Article 5 of the Consob RPT Regulation, in urgent circumstances relating to corporate crisis situations, Related Party Transactions may be concluded notwithstanding the foregoing provisions, provided that the following provisions apply to the Shareholders' Meeting called to pass motions on the matter:

- (a) the body calling the Shareholders' Meeting prepares a report containing adequate reasoning for the urgency. The Board of Statutory Auditors reports to the Shareholders' Meeting its assessments with regards to the justification for urgency;
- (b) the report and the assessments are made available to the public at least twenty days before the date fixed for the Meeting at the registered office and as per the formalities set out in Title II, Chapter I of the Issuers' Regulation. These documents may be contained in the Disclosure Document, if any, set out in Article 5 of the Consob RPT Regulation.

12. **Equivalent rules**

Where one or more members of the Committee are Related Parties in respect of a given transaction for which the Committee has been called to decide and it is not possible to form a Committee according to the composition rules as per Article 5 (*Committee*), the following equivalent rules must be adopted, in the following order:

- (a) where one of the members of the Committee is a related party, the decision of the Committee is adopted by majority of the remaining unrelated members of the Related Parties Committee, on the condition that they are both Independent Directors;
- (b) the Committee's opinion is rendered by two Independent Directors or, as long as only one member of the Board of Directors qualifies as an Unrelated Independent Director, by the single Unrelated Independent Director, provided that the majority of the Independent Directors or the single Independent Director is not a Related Party in respect of the specific transaction;
- (c) the opinion is rendered by the Board of Statutory Auditors, provided that the majority of the members of the Board of Statutory Auditors are not Related Parties in respect of the specific transaction; or
- (d) the opinion is rendered by an independent expert selected from among individuals of recognized professionalism and knowledge with regards to the particular matters considered, following assessment of the expert's independence and the absence of conflicts of interest.

The members of the Committee are required to disclose promptly any ties to the specific Related Party Transaction concerned, in order to permit the application of the equivalent rules set out in this paragraph.

Where one of the equivalent rules is activated, the provisions cited with regard to the procedure to be adopted by the Committee will apply, to the extent compatible.

13. **Exclusions**

In accordance with Article 13 of the Consob RPT Regulation, the provisions of the said Regulation and this policy do not apply to:

- (a) Shareholders' Meeting motions pursuant to Article 2389, paragraph 1 of the Italian Civil Code, relating to the remuneration of the members of the Board of Directors and the executive committee (where established) and Shareholders' Meeting motions as per Article 2402 of the Italian Civil Code concerning the remuneration of members of the Board of Statutory Auditors;
- (b) any motions concerning the remuneration of Directors with specific duties included within the overall amounts previously determined by the Shareholders' Meeting in accordance with Article 2389, paragraph 3, of the Italian Civil Code.

Without prejudice to the disclosure obligations set out in Article 5, paragraph 8, of the Consob RPT Regulation, the provisions of this Policy will not apply in the following cases:

- (a) financial instrument-based remuneration plans approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the CFA and the relative executory operations;
- (b) motions, other than those indicated above, concerning the remuneration of members of the Board of Directors and directors with specific duties, provided that:
 - (i) the Company has adopted a remuneration policy;
 - (ii) the drawing up of the remuneration policy involved a committee exclusively made up of non-executive directors, the majority of whom independent (e.g. the Appointments and Remuneration Committee of the company);
 - (iii) a report setting out the remuneration policy has been submitted for approval or advisory vote of the Shareholders' Meeting;
 - (iv) the remuneration awarded was in line with this policy;
- (c) Ordinary Transactions at Market or Standard Conditions. The foregoing is without prejudice to the disclosure obligations set out in Article 13, paragraph 3, letter c) of the Consob RPT Regulation;
- (d) transactions with or between Subsidiaries and joint ventures of the Company, in addition to transactions concluded by the Company, or by its Subsidiaries, with the Company's Associates, if there are no significant interests held by other Related Parties of the Company in the Subsidiaries or Associates that are the counterparties to the transaction. Those derived from the mere sharing of one or more directors or other senior executives between the company and its subsidiaries or associates shall not be considered as significant interests ⁽⁴⁾;
- (e) transactions to be executed according to instructions issued by the Supervisory Authority, or on the basis of directives issued by the parent company for the execution of instructions given by the Supervisory Authority in the interest of the Group's stability, without prejudice to Article 5 of the Consob RPT Regulation;
- (f) Minor Transactions. If in the course of a single year a uniform series of transactions, or transactions concluded in execution of a uniform design, are undertaken with the same Related Party, or with parties related to both the same Related Party and the Company, while not individually exceeding Euro 100,000 in value where the counterparty is a natural person, or Euro 200,000 where the counterparty is a legal person, do exceed this same threshold collectively considered, the transaction that results in the said threshold being exceeded is subject to approval in accordance with this Policy.

The grounds for exclusion envisaged in this paragraph 13 also apply to Related Party Transactions undertaken by subsidiaries as set out in Article 8 above.

14. Internal disclosure of Related Party Transactions

With at least quarterly frequency, the Board of Directors and Board of Statutory Auditors receive full disclosure prepared by the Appointed Officer, with the support of the CFO, regarding the execution of the Related Party Transactions undertaken or approved during the quarter of reference (whether the undertaking of the transaction is subject to approval by the Company's Board of Directors or the Shareholders' Meeting or has been approved by another body or party vested with the necessary authority), specifically indicating:

⁽⁴⁾ For example, a significant interest exists where a significant influence is exercised by the related party that is the counterparty in the transaction. A significant interest also exists when one or more of the Company's directors or other Senior Executives benefit from incentive plans based on financial instruments (or in any case with variable remuneration) that depend on results achieved by the Subsidiary with which the transaction is carried out. In this case, the assessment of significance must be carried out in consideration of the importance assumed by the remuneration dependent on the subsidiary's performance (including any incentive plans as referred to above) with respect to the overall remuneration of the director or the Senior Executive.

- (a) the type of transaction; and
- (b) each Related Party Transaction concluded despite a negative opinion expressed by the Committee and the rationale for so doing.

15. Disclosure of Less Significant Transactions

Without prejudice to the provisions of Article 17 of Regulation (EU) No 596/2014 (the “**MAR**”), where a Significant Transaction is approved notwithstanding a negative opinion from the Committee, a specific document (the “**Quarterly Document**”) is made available to the public within 15 days after the close of each quarter, identifying the counterparty, nature and consideration of any Less Significant Transactions approved in the quarter of reference and the reasons for not concurring with the Committee’s opinion, which must be appended to the Quarterly Document.

The Quarterly Document is published in the manner described in Title II, Chapter I, of the Issuers’ Regulations.

16. Disclosure of Significant Transactions

Pursuant to Article 5, paragraphs 1 to 7, of the Consob RPT Regulation, the Company is required to prepare an Information Document for (i) each Significant Transaction and (ii) series of uniform transactions or transactions undertaken in execution of a uniform design that cumulatively exceed the Significance Thresholds. The said Information Document is to be made available to the public at the Company’s registered office and in the manner described in Title II, Chapter I, of the Issuers’ Regulations, within seven days (or within 15 days in the event of cumulative Related Party Transactions) of:

- (a) the approval of the Related Party Transaction or the proposal to be put before the Shareholders’ Meeting, where the Related Party Transaction falls within the remit of the Shareholders’ Meeting;
- (b) the conclusion of the contract, including of the preliminary contract, where the competent body has resolved to present a contractual proposal.

The Information Document is drafted in accordance with Annex 4 to the Consob RPT Regulation. The Committee’s opinion, together with any opinions from independent experts where the Company decides not to publish them on its website, is appended to the Information Document according to the same timescales.

Concurrently with publication, the Company sends Consob the Information Document and the opinions through the authorized storage mechanism in accordance with Article 65-*septies*, paragraph 3, of the Issuers’ Regulations.

If, in relation to a Significant Transaction, the Company is also required to prepare an information document pursuant to Articles 70, paragraphs 4 and 5, and 71 of the Issuers’ Regulations, it may publish a single document containing the information required in Annex 4 to the Consob RPT Regulation and the above Articles 70 and 71. In this case, the document shall be made available to the public at the registered office and in the manner described in Title II, Chapter I of the Issuers’ Regulations, within the shortest period envisaged by all applicable provisions. Where separate documents are published, the Company may refer to previously published information.

17. Periodic disclosure

Pursuant to Article 154-*ter* of the CFA, as referenced in Article 5, paragraph 8, of the Consob RPT Regulation, the Company’s Board of Directors discloses the following in the interim report and the annual report:

- (a) on individual Significant Transactions concluded during the reporting period;
- (b) on any other individual Related Party Transactions, as defined in Article 2427, second paragraph of the civil code, entered into during the reporting period, having a significant impact on the company’s balance sheet or overall performance;

- (c) information regarding any change or development in the Related Party Transactions discussed in the previous Annual Report and having a significant impact on the company's balance sheet and overall performance in the reporting period ⁽⁵⁾.

18. Public disclosure obligations

Should a Related Party Transaction, including through Subsidiaries, be subject also to reporting requirements pursuant to article 17 of the MAR, the communication to be distributed to the public shall contain, in addition to other information to be published pursuant to that rule, the following information:

- (a) an indication that the counterparty to the transaction is a related party and the description of the nature of the relationship;
- (b) the legal or commercial name of the counterparty to the transaction;
- (c) whether the transaction exceeds the significance thresholds established and the timeline within which a Disclosure Document may be made available to the public;
- (d) the Policy which has been or shall be followed for transaction approval and, in particular, whether the company has made recourse to a case of exclusion under this Policy;
- (e) any approval of the transaction despite the opposing view of the Committee.

19. Transitional rules

Without prejudice to the disclosure obligations laid down in Article 5 of the Consob RPT Regulation, the Company adopts the exception provided for in Article 10 of the Consob RPT Regulation, in its capacity as a "smaller company" ⁽⁶⁾ as defined in Article 3 of the Consob RPT Regulation. Accordingly, Significant Transactions with Related Parties are approved according to the procedure for approving Less Significant Transactions.

Within 90 days of the first renewal of the Board of Directors following the end of the year in which the Company can no longer qualify as a "small company", the Policy will be updated to comply with the provisions to which the exception applies in accordance with the foregoing.

20. Amendment and publication of the Policy

At least once a year, the CFO verifies that the provisions of the Policy are consistent with applicable laws and regulations, as well as with other rules applicable to the Company, and informs the Committee and Board of Statutory Auditors thereof.

Updates, amendments and additions to the Policy are approved by the Board of Directors by proposal of the Committee. Where at least three Independent Directors are no longer in office, the equivalent rules laid down in paragraph 12 (*Equivalent rules*) will apply.

The Policy is published on the Company's website and a reference to the Policy is included in the annual report.

⁽⁵⁾ Pursuant to Communication No. DEM/10078683 of September 24, 2010, the relevant related parties' scope is determined, by reference to the information set out in letters b) and c), by citing the definition of the concept provided in international accounting standards. Letter a), on the contrary, refers to Significant Transactions as defined in Article 3, paragraph 1, letter b) of the RPT Regulation.

⁽⁶⁾ Pursuant to Art. 3 of the Consob RPT Regulation, "smaller companies" are companies for which neither their balance sheet assets nor their revenue, as of the latest consolidated financial statements approved, exceed Euro 500 million. Smaller companies shall not qualify as such if any of these requirements is not met for two consecutive years.