

**axélero S.p.A.**

**TRANSACTIONS WITH RELATED PARTIES PROCEDURE**

**Procedure for the governance of transactions with related parties of axélero S.p.A. (the “Company”) in accordance with the AIM Italia - Alternative Capital Market Regulation adopted by Borsa Italiana S.p.A. (“Borsa Italiana”) on September 15, 2014, as amended and supplemented (“AIM Italia Issuers’ Regulation”).**

**INTRODUCTION**

The present procedure (the “**TRP Procedure**”) was adopted by the Board of Directors of the company on December 4, 2014 in accordance with the combined provisions of Article 13 of the AIM Italia Issuers’ Regulation and Article 10 of the Regulation enacting the provisions concerning transactions with related parties, adopted with Consob Resolution No. 17221 of March 12, 2010, as subsequently amended with Resolution No. 17389 of June 23, 2010 (the “**Regulation 17221/2010**”).

**1. OBJECTIVES**

- 1.1 The TRP Procedure establishes the principles which the Company will follow in order to ensure the transparency and procedural and substantial correctness of transactions with related parties carried out by the Company directly or through subsidiary companies.
- 1.2 Any transfer of resources, services or obligations between related parties (as defined by Article 5 below), independently of whether consideration has been paid, are considered transactions with related parties (hereafter “**TRP**”) for the purposes of the TRP Procedure, except for the exemptions at Article 15 below, including:
  - (a) mergers, spin-offs by incorporation or non-proportional spin-offs, where carried out with Related Parties;
  - (b) all decisions relating to the allocation of remuneration or benefits, in any form, to members of the corporate boards and key management personnel.
- 1.3 In order to identify TRP’s in accordance with the TRP Procedure, the bodies involved in the review and approval of the transactions and the bodies charged with supervising compliance with the TRP Procedure, each within their respective remits, give precedence to the substance of the relationship and not simply its legal form.
- 1.4 The Board of Directors of the company, taking account of the advisories and observations of the other corporate boards, periodically assess, at least every three years, the efficacy of the TRP Procedure and the need/possibility for review.

**2 APPLICATION REMIT**

Subject to Article 16 of the TRP Procedure, the principal party responsible for the correct application of the TRP Procedure is the Board of Directors.

### 3. EFFICACY

The TRP Procedure is effective from the initial date of trading of ordinary company shares on the AIM Italia - Alternative Capital Market, a multi-lateral trading facility organised and managed by Borsa Italiana (the “**AIM Italia**”).

### 4 SOURCES

4.1 The main regulatory basis of the TRP Procedure concerns:

- (a) Regulation 17221/2010;
- (b) the AIM Italia Issuers’ Regulation;
- (c) the related party provisions for issuers admitted to trading on the AIM Italia, adopted by Borsa Italiana in May 2012 (the “**AIM Italia TRP Provisions**”).

4.2 For that not expressly governed by the TRP Procedure, the AIM Italia TRP Provisions and Regulation 17221/2010 are applied (as applicable to the company in accordance with the AIM Italia Issuers’ Regulation). Any amendments to be made to the AIM Italia TRP Provisions and/or Regulation 17221/2010 (as applicable to the company in accordance with the AIM Italia Issuers’ Regulation) - in particular with reference to the “Transactions with Related Parties” provisions, “Significant Transactions with Related Parties” and “Related Parties”, - are considered automatically incorporated into the TRP Procedure and the provisions referring to them consequently amended.

### 5. DEFINITIONS

5.1 For the purposes of the TRP Procedure, the terms and expressions capitalised are defined as follows:

“**Independent Directors**” refer to directors of the company considered independent in accordance with the Definitions paragraph, Article 1, letter (f) of the AIM Italia TRP Provisions.

“**Board of Statutory Auditors**” concerns the company’s Board of Statutory Auditors as appointed.

“**Related Parties Committee**”: the Committee appointed, comprising 3 non-executive directors, at least 2 of which independent directors, in accordance with Article 9 of the TRP Procedure; where, for any reason, the Related Parties Committee may not be appointed in accordance with these rules, reference is made to the Equivalent Rules.

“**Market or Standard Conditions**”: these concern “market or standard conditions” as defined by Regulation 17221/2010 as applicable;

“**Competent Function**” concerns the function responsible for each transaction as per the internal rules of the company or the body or appointed party if not concerning any internal structure. With specific reference to TRP’s executed through subsidiaries, the Competent Function is the function of the company responsible for the review or prior approval of each transaction that the subsidiary intends to execute.

“**Group**” concerns the company and the companies included in its consolidated financial statements (therefore the subsidiaries).

“**Significance Thresholds**”: for the identification of Significant TRP’s (as defined below) in accordance with the TRP Procedure, the following Significance Thresholds are applied:

- (a) **value threshold**: the ratio of the TRP value to equity (as reported in the latest consolidated balance sheet prepared and published by the company or, if greater, the capitalisation of the company at the end of the last trading day of the most recent published financial report (annual accounts, half-yearly report or quarterly report).

Should the economic conditions of the TRP be established, the value of the TRP shall be:

- (i) for the cash component, the amount paid to/by the contractual counterparty;
- (ii) for the components comprised of financial instruments, the fair value at the date of the TRP in accordance with international accounting standards adopted under EU Regulation No. 1606/2002;
- (iii) for funding TRP’s or guarantees given, the maximum amount disburseable.

Should the economic conditions of the TRP depend, in whole or in part, upon amounts not yet known, the value of the TRP is the maximum amount receivable or payable under the agreement;

- (b) **asset significance ratio**: the ratio between total assets of the counterparty to the TRP and the total assets of the Company. The figures must be taken from the most recent published financial statements of the Company. Where possible, similar figures must be utilised for the calculation of total assets of the entity involved in the TRP.

For TRP’s involving the acquisition or disposal of investments in entities impacting the consolidation scope, the value of the numerator is the investee’s total assets, regardless of the percentage of capital available.

For TRP’s involving the acquisition or disposal of investments in entities not impacting the consolidation scope, the value of the numerator is:

- (i) in the event of acquisitions, the corresponding value of the TRP plus liabilities of the acquired entity that may be assumed by the acquirer;
- (ii) in the event of disposals, the consideration paid on disposal.

For TRP’s involving the acquisition or disposal of other assets (other than equity interests acquired), the value of the numerator is:

- (i) in the event of acquisitions, the purchase price consideration or, if higher, the carrying amount attributable to the asset;
- (ii) in the event of disposals, the carrying amount of the asset.

- (c) **liabilities significance ratio:** the ratio between the total liabilities of the entity acquired and the total assets of the Company. The figures must be taken from the most recent published financial statements of the Company. Where possible, similar figures must be used for the calculation of the total liabilities of the company or the business unit acquired.

For the purposes of multiple TRP's as per Article 12.2, the company first and foremost establishes the significance of each transaction on the basis of the applicable threshold or thresholds established above. To verify whether the thresholds for Significant TRP's have been exceeded, the results relating to each are accordingly added together.

**“Transactions with Related Parties”** or **“TRP's”** concern any transfer of resources, services or obligations between related parties, independently of whether consideration has been paid. They therefore include:

- (a) mergers, spin-offs by incorporation or non-proportional spin-offs, where carried out with Related Parties;
- (b) all decisions relating to the allocation of remuneration or benefits, in any form, to members of the corporate boards and key management personnel.

**“Significant TRP's”** concern:

- (a) those TRP's where one or more of the Significance Thresholds, applicable depending on the specific transaction, exceeds 5%;
- (b) the TRP's with the listed parent company (if existing) or with related parties to this latter which in turn are related to the company, where at least one of the Significance Thresholds is greater than 2.5%.

**“Less Significant TRP's”:** all TRP's other than Significant Transactions and Minor Transactions.

**“Minor Transactions”** or **“Minor TRP's”:** TRP's whose value is equal to or below Euro 100,000 and in relation to which the following is considered:

- (i) the absence of appreciable risk for investors; and
- (ii) the fact that such TRP's may be of a “negligible amount”, also where compared with the average values of the TRP's concluded over the preceding 3 years.

For the purposes of the TRP Procedure, **“operating activities”** concern the totality of the principal revenue generating activities of the company and all other operating activities not classified as “investments” or as “financial”. “Financial activities” to be considered “ordinary” should be accessory to operating activities (e.g. loans obtained for operations not within the operating activities as connected to investment activities should not be considered Ordinary TRP's).

The company, in order to assess if a transaction should be considered an ordinary operation or a related financial operation, adopts the following general criteria:

- (a) subject of the transaction: the disconnection of the purpose of the transaction from the company's ordinary activities may be considered an indicator of the extraordinary nature of the transaction;
- (b) recurrence of the type of transaction within company operations: the regular repetition of a transaction by the company is considered a significant indicator of an ordinary activity, in the absence of other contrary indicators;
- (c) size of the transaction: an operation initially considered as within the ordinary operations of the company may not be considered as such due to its particularly significant size;
- (d) contractual terms and conditions: in particular, transactions for which non-monetary consideration is provided for, even if subject to third party assessment, are usually considered as not falling within ordinary activities;
- (e) nature of the counterparty: a subset of transactions which are not considered within the ordinary activities of the company (or related financial activities) are considered also as TRP's as executed with a counterparty which may be defined as irregular due to the type of transaction executed (e.g. sale of a key asset, classified as non-current and held-for-sale, to a subsidiary by a director not operating in the sector in which this asset is used or whose organization is clearly unsuitable to use such an asset).

**“Related Party”**: a party is related to a company which:

- (a) directly, or indirectly, also through subsidiary companies, trustees or nominees:
  - (i) controls the company, or is controlled by it or subject to common control;
  - (ii) has an interest in the company that establishes significant influence;
  - (iii) exercises control over the company jointly with other parties;
- (b) is an associated company;
- (c) is a joint venture in which the company has a holding;
- (d) is a member of key management personnel 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 present definitions the terms “**control**”, “**joint control**”, “**significant influence**”, “**key management personnel**”, “**close family members**”, “**subsidiary**” and “**joint venture**” are defined as outlined in Annex 1 of the AIM Italia TRP provisions.

“**Equivalent Rules**”: the provisions indicated at subsequent Article 10 of the present TRP Procedure, to be adopted in protection of the substantial correctness of the TRP where, in relation to a particular TRP, the Related Parties Committee may not be constituted according to the specific composition rules.

“**Unrelated Shareholders**”: parties with voting rights not acting as a counterparty in a specific transaction or related to the counterparty or the Company.

“**Subsidiary**”: an entity, also without legal form, as in the case of a partnership, controlled by another entity.

“**Associate**”: an entity, also without legal form, as in the case of a partnership, on which a shareholder exercises significant influence but not control or joint control.

## 6. AMENDMENTS TO THE TRP PROCEDURE

Amendment motions to the TRP Procedure require the prior approval of any Independent Directors or, in their absence, the non-binding opinion of an independent expert; in establishing any amendments to the TRP Procedures, the Board of Directors of the company identifies which rules require amendments to the company By-Laws and decides with the prior approval of any independent directors or, in their absence, the non-binding opinion of an independent expert.

## 7. IDENTIFICATION OF RELATED PARTIES

7.1 The establishment of Related Parties is made through a self-declaration in which the addressee of the request for information sent by the company declares in good faith as to whether they “are” or “are not” a Related Party of the company.

7.2 Directors, statutory auditors, key management personnel of the company or group companies and parties which, directly or indirectly, through one or more intermediaries:

(a) control - also jointly with other parties - the company, or its subsidiaries and companies subject to common control; or

(b) have an interest in the company that establishes significant influence,

are obliged to communicate in a timely manner, and however by the thirtieth calendar day of each quarter from January 1 of each year, to the Chairman of the Board of Directors any information useful to facilitate a correct assessment of their classification as a Related Party and with regard to the identification of other parties, classifiable as Related Parties on the basis of any link with them.

## 8. PROCEDURE AND APPROVAL OF TRP’S

- 8.1 In accordance with the combined provisions of Article 13 of the AIM Italia Issuers' Regulation and Article 10 of Regulation 17221/2010, the company has opted to apply to Significant TRP's the procedure for Less Significant TRP's outlined in the subsequent paragraphs. Therefore, the present Article 8 is applied both to Significant TRP's and Less Significant TRP's.
- 8.2 TRP's are approved by the appointed boards (hereafter the "**Appointed Boards**") which, on a case by case basis, consider the specific TRP according to the duties allocated to them by the Board of Directors. In the case where an Appointed Board has not been set up, TRP's are considered by the Board of Directors. The Appointed Boards may on any occasion transfer the TRP's for which they are responsible for consideration by the Board of Directors.
- 8.3 In each case, the TRP's are approved with prior non-binding opinion of the Related Parties Committee upon the interest of the company served by the transaction, in addition to the benefit and substantial correctness of the relative conditions.
- 8.4 For the Related Parties Committee to issue a reasoned opinion:
- (i) the Competent Function should provide sufficiently in advance to the Board considering the TRP and to the Related Parties Committee, complete and adequate disclosure with regard to the TRP. In particular, this information should concern the nature of the link, the principal terms and conditions of the TRP, the timing, the reasons underlying the TRP, in addition to any risks for the company and its subsidiaries;
  - (ii) where the Related Parties Committee consider it necessary and beneficial, they may consult with one or more independent experts chosen by it, at the expense of the company, within a maximum budget of Euro 50,000 for each TRP. The experts are to be chosen from among persons of recognized professional experience and competence in the matters concerned, whose independence and the absence of conflicts of interest will be evaluated. Unrelated independent experts may be called to express an opinion and/or an evaluation, on a case by case basis, on the financial conditions and/or technical aspects and/or validity of the TRP.
- 8.5 The Related Parties Committee should issue in sufficient time for the approval of the TRP its opinion and provide in a timely manner to the competent body to approve the TRP adequate disclosure with regards to the investigation conducted upon the TRP to be approved. This disclosure should concern at least the nature of the link, the terms and conditions of the TRP, the timing, the assessment procedure followed and the reasons underlying the TRP, in addition to any risks for the company and its subsidiaries. The Related Parties Committee should also send to the relevant body deciding upon the TRP any other opinions issued in relation to the TRP.
- 8.6 Where the Related Parties Committee expresses a negative opinion on the TRP, the decision with regard to such is reserved to the Board of Directors. A favorable opinion, although amid dissenting contributions, should indicate the reasons for which these contributions did not hinder an overall positive assessment upon the interest of the company served by the TRP, in addition to the substantial correctness of the relative conditions. In this specific case, communication is made to the market through the issue of a press release. Except where otherwise indicated in the opinion, such is considered negative where including an expression of the negative judgment, even if only concerning a single aspect of the TRP.

- 8.7 Where a TRP is within the remit of the Board of Directors, the approval must sufficiently be based on the interests of the company as well as the favorable and substantial correctness of the relative conditions.
- 8.8 In the case in which, on the basis of applicable law or the By-Laws, the TRP is within the remit of the Shareholders' Meeting or requires its authorization, in the negotiations phase, in the investigation phase and in the approval phase of the motion to be submitted to the Shareholders' Meeting, the previous provisions of the present Article 8 are applied. Where the Board of Directors intends to submit to the Shareholders' Meeting a Significant TRP, despite the opposing opinion or however without taking account of the findings of the Related Parties Committee, the TRP may not be executed where the majority of Unrelated Voting Shareholders oppose the TRP, on the condition however that the Unrelated Shareholders present at the Shareholders' Meeting represent at least 10% of the share capital with voting rights.
- 8.9 Following the decision of the competent body upon the TRP, this latter communicates without delay the outcome to the Competent Function.
- 8.10 The Appointed Boards or the Board of Directors (according to the case), at least on a quarterly basis report upon the execution of TRP's, providing all documentation necessary for a clear outlining of the TRP's to the Board of Directors (in the case of the Appointed Boards), to the Board of Statutory Auditors and to the Related Parties Committee with regard to the execution of the TRP's. In particular, for each transaction at least the following information must be provided: (i) the counterparty of each transaction; (ii) a summary of the features, means, terms and conditions of each transaction; (iii) the reasoning behind each transaction and the related interests, in addition to the equity, earnings and financial effects.
- 8.11 Where the company is subject to direction and control, the opinions established by the present Article 8 for TRP's influenced by such require exact indications of the reasons and the benefit of the operation, even where the overall result of the direction and control or the direct operations fully eliminates the damage deriving from each individual TRP.

## **9. RELATED PARTIES COMMITTEE**

- 9.1 The Related Parties Committee meets on the request of the Chairman of the Board of Directors in the cases established by Article 8 above. The request identifies the members of the Related Parties Committee in accordance with the composition rules as per Article 5.1 of the present TRP Procedure.
- 9.2 Those identified as members of the Related Parties Committee are held to declare in a timely manner the existence of any links to the specific TRP, in order to permit application of the Equivalent Rules as per Article 10 below.
- 9.3 The decisions of the Related Parties Committee may also be made through teleconference or written procedures. The written consultation procedure, or the acquisition of express consent in writing, is not subject to particular requirements as each member is assured the right to participate in the decision, in addition to adequate disclosure. The decision is adopted through approval in writing by a majority of the members of the Related Parties Committee, of a single document, or of a number of documents containing the same decision. In the former case, the same document must be submitted for the approval of all members of the Related Parties Committee, while in the latter case the individual members of the Related Parties Committee approve separately the documents containing the same decision.

The process must conclude within 5 days from initiation or within a differing period indicated in the text of the proposal.

## 10. EQUIVALENT RULES

10.1 In the case in which one or more members of the Related Parties Committee are Related Parties to a TRP for which the Related Parties Committee has been called to decide and however in any case in which it is not possible to constitute a Related Parties Committee according to the composition rules as per Article 5.1 of the present TRP Procedure, the following Equivalent Rules must be adopted:

- (i) in the case in which, within the Board of Directors, only one unrelated Independent Director is present, the Related Parties Committee will be comprised of the same unrelated Independent Director, a non-executive director and the Chairman of the Board of Statutory Auditors, or a Statutory Auditor, whose name should be indicated in the call request of the Related Parties Committee;
- (ii) where the non-executive director member of the Related Parties Committee is a Related Party, the opinion of the Related Parties Committee is issued on the unanimous agreement of the remaining unrelated members of the Related Parties Committee; or
- (iii) in the case in which the rules at the previous points may not be applied, and however on each occasion the opinion at the previous Article 8 may not be issued unanimously by at least two unrelated members of the Related Parties Committee (on condition that these latter are all independent directors or an independent director and the Chairman of the Board of Statutory Auditors or a Statutory Auditor), the opinion is issued by an independent expert identified by the Board of Directors from among individuals of recognized professionalism and knowledge with regards to the matter at interest, with assessment of their independence and the absence of conflicts of interest.

## 11. APPROVAL OF STANDARD RESOLUTIONS

11.1 The Board of Directors may adopt standard resolutions for the execution by the company directly or through subsidiaries of a series of similar TRP's with set categories of Related Parties, from time to time identified by the Board of Directors (the "**Standard Resolutions**").

11.2 Standard Resolutions should be approved according to the procedure for the approval of individual Transactions with Related Parties according to the maximum total amount established and should relate to appropriately defined transactions, indicating at least:

- (i) the duration of the Standard Resolution, which in each case must not be greater than one year;
- (ii) the maximum amount in Euro of the totality of TRP's subject to the Standard Resolution;
- (iii) the maximum number of TRP's to be executed in the period and the reasoning behind the conditions established;

- (iv) the commitment to provide to the Board of Directors complete disclosure on the implementation of the Standard Resolution at least on a quarterly basis.
- 11.3 Where the maximum amount of the Transactions with Related Parties may exceed the threshold defining Significant Transactions, the company, on approval of the Standard Resolution, will publish a Disclosure Document in accordance with Article 12 below of this TRP Procedure.
- 11.4 The provisions concerning the investigation, assessment and approval procedure above are not applied to the individual Transactions with Related Parties concluded under a Standard Resolution.
- 11.5 The Competent Function reports to the Board of Directors, at least every three months, on the implementation of Standard Resolutions in the applicable quarter.

## **12. PUBLIC DISCLOSURE UPON SIGNIFICANT TRP's**

- 12.1 For significant TRP's, to be carried out also by subsidiaries of the company, the company prepares, in accordance with Article 13 of the AIM Italia Issuers' Regulation a disclosure document prepared as per Annex 3 of the AIM Italia TRP Provisions (the "**Disclosure Document**").
- 12.2 The Company shall also prepare the Disclosure Document even if, during the period, it conducts with the same Related Party, or related parties to the latter or to the Company itself, transactions that are similar or of similar design which, albeit not qualifying as individual transactions of interest, exceed, when considered cumulatively, the Significance Thresholds identified. For the totality of transactions, transactions carried out by subsidiaries are also considered, while any transactions excluded in accordance with Article 15 are not considered.
- 12.3 Except for that established by Article 11 of the AIM Italia Issuers' Regulation, the Disclosure Document shall be made available to the public at the Company's registered office as established by Article 17 of the AIM Issuers' Regulation, within seven days of the approval of the Significant TRP by the competent body or, where the competent body decides to present a contractual proposal, from the moment in which the contract, whether preliminary or otherwise, is drawn up according to applicable governance. In the case of the Shareholders' Meeting remit or authorization, the Disclosure Document is made available within seven days from approval of the proposal submitted to the Shareholders' Meeting. Where significant updates are to be made to the Disclosure Document published in accordance with the present Article 12, the Company, by the twenty-first day before the Shareholders' Meeting, makes available to the public at the registered office and according to the means indicated in Article 17 of the AIM Italia Issuers' Regulation, a new version of the document. The Company may refer to previously published information.
- 12.4 Should the Significance Threshold and the threshold for cumulative operations as per Article 12.2 above be exceeded, the Disclosure Document shall be made available to the public no later than fifteen days from approval of the transaction or from conclusion of the contract leading to the surpassing of the Significance Threshold, and shall contain information, including aggregated by similar transactions, on all transactions under consideration for the aggregate. Should transactions exceeding the Significance Threshold be carried out by subsidiaries, the Disclosure Document shall be made available to the public no later than fifteen days from the moment in which the Company became aware of the transaction approval or the conclusion of the contract leading to the significance threshold excess.

- 12.5 The company issues the required provisions so that the subsidiaries provide the information necessary for the preparation of the Disclosure Document. The subsidiaries communicate in a timely manner this information.
- 12.6 In accordance with the preceding Articles 12.3 and 12.4, the Company makes available to the public, as an attachment to the Disclosure Document or on the website, any opinions of the Independent Directors and the independent experts. In relation to independent experts' opinions, the company may publish only the elements indicated at Attachment 3 of the AIM Italia TRP Provisions, providing the reasoning for this decision.
- 12.7 Where, in relation to a Significant TRP, the Company also must prepare a disclosure document in accordance with Articles 12, 14 and 15 of the AIM Italia Issuers' Regulation, such may be published in a single document containing the information required by Article 12.1 above and Articles 12, 14 and 15 of the AIM Italia Issuers' Regulation. In this case, the disclosure document is made available to the public at the registered office according to the means indicated at Article 17 of the AIM Italia Issuers' Regulation, in the shorter of the periods indicated by the various applicable provisions. The Company, where the information required by the present Article 12.7 is published in separate documents, may make reference to previously published information.
- 12.8 The company provides in the Interim Report and in the Annual Report:
- (a) the individual Significant TRP's entered into during the reporting period;
  - (b) information regarding 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.
- 12.9 For the purposes of the previous Article 12.8, the disclosure on the individual Significant TRP's may be made through reference to the disclosure documents published in accordance with Articles 12.1, 12.2 and 12.6, reporting also any significant updates.
- 12.10 Where for any reason a press release to the market is not issued concerning TRP's carried out and/or approved amid the issue of a negative opinion by the Related Parties Committee, within 15 days from the closing of each quarter, a document indicating the counterparty, the subject and the consideration concerning the TRP's approved in the quarter amid a negative opinion expressed by the Committee, in addition to the reasons why this opinion was not agreed with, must be made available to the public at the registered office. Within the same time period the opinion is made available to the public as an annex to the document or on the website of the Company.

### **13. TIMELY DISCLOSURE OBLIGATIONS**

- 13.1 Where a TRP is subject to the price sensitive disclosure obligations of Article 11 of the AIM Italia Issuers' Regulation and therefore requiring communication to the markets in accordance with the "Internal Dealing Procedure" the press release to be issued to the market should include the following information:

- (i) indication of the counterparty of the TRP and a description of the nature of the relationship;
- (ii) the company name or the individual name of the Related Party;
- (iii) indication of any surpassing of the Significance Threshold established for Significant TRP's and indication of any subsequent publication of a Disclosure Document;
- (iv) indication of the procedure followed for the approval of the TRP and whether falling within the transactions excluded as per Article 15 below;
- (v) any approval of the TRP despite a contrary opinion expressed by the Related Party Transactions Committee.

#### **14. ITALIAN OR OVERSEAS SUBSIDIARY TRANSACTIONS**

- 14.1 The company receives in a timely manner from Italian and overseas subsidiaries, where existing, all information required to enable identification of the Related Parties and the nature of the transactions carried out by them. This also enables fulfilment of the disclosure obligations of the AIM Italia Issuers' Regulation.
- 14.2 In the case in which the company preliminarily reviews or approves, in any manner and independently of any motion taken, transactions made by Italian or overseas subsidiaries of the Group with related parties of the Company, Article 8 above is applied as far as compatible.

#### **15. EXEMPTIONS**

- 15.1 The TRP Procedure is not applied:
- (a) to Shareholders' Meeting motions pursuant to Article 2389, first paragraph of the civil code, relating to remuneration paid to the members of the Board of Directors and the executive committee (as per Article 2389, paragraph 1 of the Civil Code, where appointed), nor to motions concerning the remuneration of Directors with specific duties within the overall amounts previously determined by the Shareholders' Meeting in accordance with Article 2389, paragraph three, of the civil code;
  - (b) to Shareholders' Meeting motions, as per Article 2402 of the civil code concerning the remuneration of the members of the Board of Statutory Auditors;
  - (c) to Minor TRP's;
  - (d) financial instrument-based remuneration plans approved by the Shareholders' Meeting and the relative executory operations;
  - (e) the decisions concerning remuneration of Directors with specific duties, in addition to other key management personnel, on the condition that:
    - (i) the Company has adopted a remuneration policy;

- (ii) in the drawing up of the remuneration policy a committee exclusively made up of non-executive directors, the majority of whom Independent, was involved;
  - (iii) a report setting out the remuneration policy has been submitted for the approval of the Shareholders' Meeting;
  - (iv) the remuneration awarded was in line with this policy;
- (f) to Ordinary TRP's concluded at Market or Standard Conditions, with the exception of the obligations at the subsequent Article 15.2 in the case of Significant Ordinary TRP's;
- (g) to TRP's with or between subsidiaries (also jointly held) by the company, in addition to TRP's with associates of the company, where no interests (quantified as significant in accordance with the subsequent 15.3) of the other Related Parties of the company are identified in the subsidiary or associate counterparties;
- (h) except for that established by Article 12, transactions to be executed according to instructions issued by the Supervisory Authority or on the basis of provisions issued by the parent company for the execution of instructions given by the Supervisory Authority in the interest of the Group's stability.
- 15.2 For the exemption at Article 15.1 (f) above in relation to Significant Ordinary TRP's, the company fulfils the disclosure obligations of Article 11 of the AIM Italia Issuers' Regulation and indicates in the report the counterparty, the subject and the consideration of the Significant TRP's concluded in the year under the exclusion at the above mentioned letter (f).
- 15.3 For the exemption at Article 15.1 (g) above (i.e. transactions with or between subsidiaries), the significance of the interest of a related party in a transaction is assessed according to its nature, its amount and any other useful assessment considerations. This assessment is usually carried out by the Chief Executive Officer, who may request the opinion of the Committee or, where necessary, of appointed independent experts, also in consideration of the Consob indicated criteria.

## 16. CONTROL REMIT

The Board of Directors of the company has the responsibility to supervise:

- (a) compliance of the TRP Procedure with the principles indicated in Regulation 17221/2010 and the AIM Italia TRP Provisions; and
- (b) the compliance and correct application of the TRP Procedure,

and reports such to the Shareholders' Meeting in accordance with Article 2429, paragraph 2 of the Civil Code.

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