

**Technogym S.p.A.**



**The Wellness Company**

*Technogym S.p.A.*

*Procedure for related party transactions*

## 1. Introduction

With regard to the provisions of:

- (a) article 2391-*bis* of the Civil Code, that requires governing bodies of companies having recourse to the venture capital market to adopt rules ensuring the transparency and substantial and procedural correctness of related party transactions, according to general principles indicated by the Commissione Nazionale per le Società e la Borsa [*Italian Securities and Exchange Commission*] (“**CONSOB**”);
- (b) CONSOB Regulation no. 17221 of 12 March 2010, as subsequently amended and supplemented, containing provisions on related party transactions (the “**RPT Regulation**”), implementing article 2391-*bis* of the Civil Code and whose article 4 requires, *inter alia*, the adoption of procedures ensuring the transparency and substantial and procedural correctness of related party transactions (as defined herein);
- (c) CONSOB Notice no. DEM/10078683 of 24 September 2010, containing indications and guidelines for the application of the RPT Regulation;

the board of directors of Technogym S.p.A. (the “**Company**”) has adopted this procedure for related party transactions (the “**Procedure**”), pursuant to article 4, section 3, of the RPT Regulation, following favourable opinion given by the control and risks committee, as provided for by article 4, section 3, of the RPT Regulation, and following the assessment made by the Company’s board of statutory auditors of the compliance of this Procedure with the principles indicated in the RPT Regulation.

## 2. Definitions

The following definitions are adopted in this Procedure:

- 21 **Independent Directors:** the Company’s directors meeting the requirements of independence provided for by the corporate governance code for listed companies drawn up by the Corporate Governance Committee and finally published in July 2015, which the Company had declared it accepts.
- 22 **Unrelated Independent Parties:** the Independent Directors other than the counterparty to a specific Related Party Transaction and its related parties.
- 23 **Related Party Transaction Committee (or RPT Committee):** the committee formed by the board of directors composed solely of Independent Directors and of at least 3 (three) Independent Directors or, alternatively, the committee already existing to which the board of directors has attributed the relative competence provided it is formed solely of Independent Directors and at least 3 (three) Independent Directors, save as provided for in article 4.9 below.

- 24 **Conditions Equivalent to Standard Market Conditions (or Equivalent Conditions):** conditions similar to those usually applied to persons other than Related Parties for transactions of a corresponding nature, amount and risk, or based on regulated tariffs or prices imposed on or applied to persons with which the Company (or companies controlled by it) is required by law to contract at a specific fee.
- 25 **Managers with strategic responsibilities:** directors and auditors and persons identified by the Company's board of directors pursuant to Annex 1 to the RPT Regulation.
- 26 **Office Responsible:** office responsible for the individual Related Party Transaction performed by the Company or by its subsidiary companies, even if different from the body competent ("**Relevant Corporate Body**") to approve the individual Related Party Transaction, as provided for by the system of delegations and by the rules on internal organization, respectively, of the Company or its subsidiary companies.
- 27 **Related Party Transactions:** any transfer of resources, services or obligations between the Company and one or more Related Parties, irrespective of whether or not a fee has been agreed. Related Party Transactions must be deemed to include the following: (i) merger, demerger by incorporation or demerger in the strict non-proportional sense, if performed with Related Parties, and (ii) any decision relating to the allocation of remuneration and financial benefits, in any form, to members of the governing and supervisory bodies and to the Managers with strategic responsibilities. Related Party Transactions do not include those aimed at all shareholders indifferently, under equal conditions, such as increases in capital at the shareholders' option and demergers in the strict non-proportional sense.
- 28 **Transactions performed by Subsidiaries:** Related Party Transactions performed by companies, whether Italian or foreign, controlled by the Company (for these purposes, the concept of control established by article 93 of the Consolidated Finance Act (TUF) is noted).
- 29 **More Significant Transactions:** Related Party Transactions in which at least one of the significance indices indicated in Annex 3 to the RPT Regulation, applicable depending on the specific transaction, is higher than the threshold of 5% (five per cent) provided for therein, respectively.
- 2.10 **Less Significant Transactions:** Related Party Transactions other than the More Significant Transactions and Minor Transactions.
- 2.11 **Excluded Transactions:** Related Party Transactions excluded pursuant to article 13 of the RPT Regulation and the Related Party Transactions referred to in article 3.
- 2.12 **Minor Transactions:** Related Party Transactions which, considered individually, have a value not exceeding €150,000 (one hundred and fifty thousand) if the Related Party is a natural person or not exceeding €300,000 (three hundred) if the Related Party is a person other than a natural person.
- 2.13 **Ordinary Transactions:** Related Party Transactions falling within the ordinary practice of the operating business and the related financial activities of the Company or subsidiary companies performing the transaction.

## 2.14 **Relevant Corporate Body**

It means:

- in respect of the More Significant Transactions, the Board of Directors of the Company;
- in respect of the Less Significant Transactions,:

(a) any of the directors of the Company, who has the authority to carry out the relevant transaction, provided that he/she is not a Related Party himself/herself;

(b) the Board of Directors, if all the directors vested with powers to carry out the relevant transaction may be regarded as Related Party with respect to the transaction at stake; and/or (b.2) when the RPT Committee have expressed a negative opinion on a given transaction.

## 2.15 **Related Parties:** a party is related to the Company if:

- (a) directly or indirectly, even through subsidiary companies, trustees or intermediaries:
  - (i) it controls the Company, is controlled by it or is subject to joint control;
  - (ii) holds an interest in the Company such as to be able to exercise considerable influence thereover;
  - (iii) exercises control over the Company jointly with other parties;
- (b) is a company associated with the Company;
- (c) is a joint venture of which the Company is a member;
- (d) is one of the managers with strategic responsibilities of the Company or of one of its subsidiary companies;
- (e) is a close relative of one of the persons referred to in letters (a) or (d);
- (f) is an entity in which one of the persons referred to in letters (d) or (e) exercises control, joint control or considerable influence or holds, either directly or indirectly, a significant share, and in any event not less than 20% (twenty per cent), of the voting rights;
- (g) is an Italian or foreign, group or individual, supplementary pension fund, set up for employees of the Company or any other entity related thereto.

For the purposes of this definition, the concepts of “control”, “joint control”, “considerable influence”, “close relatives”, “managers with strategic responsibilities”, “subsidiary company”, “associated company” and “joint venture” contained in Annex 1 to the RPT Regulation apply.

## 2.16 **Equivalent Offices:** the offices indicated in Annex 1 to this Procedure.

## 2.17 **Related Parties Operating Office (or RPT Office):** the company office, formed by the chief financial officer and by the corporate affairs office manager, responsible for identifying Related Parties, assessing Related Party Transactions as provided for in this Procedure and controlling information flows with the Officers Responsible, the Competent Corporate Body and with the company bodies.

## 2.18 **Unrelated Shareholders:** the parties holding voting rights other than the counterparty to a specific transaction and related parties either of the counterparty to a specific transaction or of the Company.

219 **TUF:** Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

### **3. Cases of exemption**

3.1 This Procedure does not apply to Minor Transactions.

3.2 Without prejudice to the obligations to provide periodic accounting information referred to in article 5, section 8, of the RPT Regulation, where applicable, this Procedure does not apply either to:

- (a) fee plans based on financial instruments approved by the shareholders' meeting pursuant to article 114-*bis* of the TUF and relative executive transactions;
- (b) decisions, other than those already excluded pursuant to article 13, section 1, of the RPT Regulation, on the remuneration of directors and board members holding particular offices and of the other Managers with strategic responsibilities, provided the provisions of article 13, section 3, letter b), of the RPT Regulation are observed;
- (c) Ordinary Transactions concluded under Equivalent Conditions, save as provided for by article 13, section 3, letter c), of the RPT Regulation;
- (d) transactions performed by the Company with companies controlled by the Company itself or transactions performed between companies controlled by the Company, save as provided for by article 3.4 below;
- (e) transactions performed by the Company with the Company's associated companies, save as provided for by article 3.4 below.

3.3 Without prejudice to the obligations to provide information, where applicable, referred to in article 9 below and in article 5 of the RPT Regulation, where expressly permitted by the Company's articles of association, articles 7 and 8 of the RPT Regulation and the relative articles 5 and 6 of this Procedure do not apply to urgent transactions that do not fall within the competence of the shareholders' meeting and do not have to be authorized by it, provided the provisions of article 13, section 6, of the RPT Regulation are observed.

3.4 In the cases provided for in article 3.2, letters (d) and (e) above, this Procedure applies if counterparties to the transactions are companies controlled by the Company, or associated with the Company, in which other Related Parties have significant interests, being deemed to mean, by way of example, that:

- (a) one or more directors, or other Managers with strategic responsibilities, of the Company benefit from incentive plans based on financial instruments (or in any event variable remuneration) dependent on the results achieved by the subsidiary or associated companies with which the transaction is performed: in this case, the assessment of significance should be made in the light of the weight assumed by the remuneration dependent on the trend of the subsidiary or associated company (including the aforesaid incentive plans) compared to the overall remuneration of the director or Manager with strategic responsibilities;
- (b) the party controlling the Company or exercising considerable influence over the Company has an interest in the subsidiary or associated companies with which the transaction is performed (even indirectly, through parties other than the Company), and that interest exceeds the actual weight (calculated according to the indications supplied by CONSOB) of the interest held by that same party in the Company.

#### **4. Check on the applicability of this Procedure**

4.1 The Office Responsible, as soon as possible depending on the characteristics of the transaction and the information available and even receiving the support of the RPT Office:

- (a) checks whether the counterparty is a Related Party;
- (b) if the counterparty is a Related Party, provides the RPT Office, without delay, in writing, with all information on the transaction, including the name of the counterparty, the nature of the relationship, a description of the transaction and the conditions thereof as contemplated.

4.2 The RPT Office assesses:

- (a) whether the transaction is a Related Party Transaction;
- (b) whether the transaction falls under one of the cases of exclusion provided for by the RPT Regulation or by article 3 above;
- (c) whether the transaction is performed implementing a framework resolution referred to in article 7 below;
- (d) whether the transaction is classified as a More Significant Transaction or as a Less Significant Transaction;

and informs the Office Responsible, the chairman of the board of directors and the chairman of the RPT Committee without delay, in writing, of the outcome of the assessment referred to in this article 4.2. The RPT Office may ask the Office Responsible to supplement and/or clarify the information and documentation already made available at any time.

4.3 The activities described in the foregoing sections are suitably documented and rendered traceable.

4.4 If the conditions of the transaction are defined as Equivalent Conditions, the documentation prepared contains objective elements of comparison.

4.5 For the purposes of the activities referred to in article 4.2 above, the RPT Office may consult the Office Responsible and the Relevant Corporate Body, to approve the transaction. If, even following such consultation, the assessment of the transaction proves controversial, the assessment is referred to the Related Party Transactions Committee. The Related Party Transactions Committee may ask the RPT Office and the Office Responsible to supplement and/or clarify the information and documentation already made available at any time.

- 4.6 If a Related Party Transaction is for an indeterminate or indeterminable value, the RPT Committee establishes whether it should be subjected to the procedural route provided for by article 5 below or by article 6 below.
- 4.7 If the transaction is classified as a More Significant Transaction or as a Less Significant Transaction and not as an Excluded Transaction or performed implementing a framework resolution pursuant to article 7, below, the RPT Office takes the procedural route governed by articles 5 and 6 below, informing the Office Responsible, the chairman of the board of directors and the chairman of the RPT Committee thereof.
- 4.8 The RPT Office, based on appropriate full information prepared by the Office Responsible, informs the RPT Committee quarterly of the Excluded Transactions and the transactions implementing framework resolutions pursuant to article 7 below, indicating the category of transactions in question and providing, in writing, objective elements providing reasons for the exclusion.
- 4.9 The RPT Committee, following receipt of the notice referred to in article 5.2 below, duly assesses whether and to what extent the members of the committee are Unrelated Independent Directors. Each member of the RPT Committee must inform the other members of the committee and the chairman of the board of directors of any reason why that member may not be classified as an Unrelated Independent Director. If a relationship exists with a member of the RPT Committee or with a Related Party through it in relation to a specific transaction, that member may not participate in the work or activities relating to the transaction in question and with regard to that transaction the RPT Committee shall be deemed to be formed of the other Unrelated Independent Directors who are members thereof. In such event, the board of directors may also supplement the RPT Committee with an Unrelated Independent Director even simply *ad hoc* to perform the work and carry out the activities relating to the transaction in question.
- 4.10 If the RPT Committee finds that there are not at least 2 (two) Unrelated Independent Directors, the RPT Committee informs the RPT Office without delay, which informs the Office Responsible and the Company's board of directors and, in that event, the Equivalent Offices referred to in Annex 1 to this Procedure apply, without prejudice to the board of directors' right to supplement the RPT Committee as provided for in the foregoing section.
- 4.11 The board of directors has the power to subject transactions performed by the Company, or by its subsidiary or associated companies, to the provisions of articles 5 and 6 of this Procedure, when such provisions would not in themselves apply.
- 4.12 If the RPT Committee does not correspond to another committee already formed by the board of directors, the board of directors may approve a suitable organizational regulation governing the functioning of the RPT Committee.

## **5. Management of Less Significant Transactions**

- 5.1 The approval of Less Significant Transactions, that do not fall within the competence of the shareholders' meeting, is given by the Relevant Corporate Body subject to receipt of a non-binding reasoned opinion from the RPT Committee on the interest of the Company (or, where appropriate, of the subsidiary company) in performing the transaction and on the advisability and substantial correctness of the relative conditions.



If the Company is subject to management and coordination activities, in the event of Related Party Transactions affected by the management and coordination activities to which the Company is subject, that opinion must contain a specific indication of the reasons for and advisability of the transaction, where appropriate in the light of the overall result of the management and coordination activities or transactions aimed at totally eliminating the loss resulting from the individual Related Party Transaction.

- 52 For the purposes of article 5.1 above, the Office Responsible asks the RPT Office to inform the chairman of the Related Party Transactions Committee to call a meeting of the Related Party Transactions Committee.
- 53 The Office Responsible provides the Related Party Transactions Committee, in advance, even through the RPT Office, with full and adequate information on the transaction, including an indication of the counterparty, the nature of the relationship, the object, terms, conditions and timing of the transaction and the reasons for the interest of the Company (or, where appropriate, the subsidiary company) in the performance of the transaction and the advisability and substantial correctness of the conditions and of any risks to the Company (or where, appropriate, to the subsidiary company). The Related Party Transactions Committee may ask the RPT Office and the Office Responsible to supplement and/or clarify the information and documentation already made available at any time.
- 54 If the Related Party Transactions Committee considers it necessary or advisable, it may, at the Company's expense, make use of the assistance of one or more independent experts of its choice. In selecting the experts, the RPT Committee shall have recourse to persons of recognized professionalism and competence on the matters of interest, who shall assess the independence and the absence of conflicts of interest based on the criteria indicated in Annex 4 to the RPT Regulation as well. Unless specific exemption is issued in each individual case by the board of directors or managing director, the possible participation of the independent experts selected by the RPT Committee may not involve for the Company, per individual transaction, an expense exceeding (i) €100,000 (one hundred thousand) per individual transaction and (ii) 2% (two per cent) of the equivalent value of the individual transaction.
- 55 The Related Party Transactions Committee issues its opinion referred to in article 5.1 above in good time for the approval of the Less Significant Transaction, forwarding it to the Office Responsible and, for information, to the RPT Office and to the chairman of the board of directors, together with the possible opinion of the independent experts referred to in article 4 above.
- 56 The Office Responsible sends the following to the relevant Corporate Body, via the RPT Office, if the case may be, in time for approval:
- (a) a copy of the opinion of the Related Party Transactions Committee referred to in article 5.1 above;

- (b) any other opinions issued in relation to the transaction;
- (c) full and adequate information on the Less Significant Transaction to be performed, including an indication of the outcome of the examination, the counterparty, the nature of the relationship, the object, terms, conditions and timing of the transaction, the assessment procedure followed, the reasons underlying the interest of the Company (or, where appropriate, of the subsidiary company) in the performance of the transaction and the advisability and substantial correctness of the conditions and any risks to the Company (or, where appropriate, to the subsidiary company).

5.7 The relevant Corporate Body approves the Less Significant Transactions with a written document. The record or, in the event of a body comprising a single person, the establishment of the decision must contain adequate grounds on the interest of the Company (or, where appropriate, of the subsidiary company) in the performance of the transaction and the advisability and substantial correctness of the relative conditions.

5.8 The delegated bodies, based on suitable complete information prepared by the Office Responsible, provide full information for the board of directors and the board of statutory auditors, at least once a quarter, on the procedure for execution of Less Significant Transactions and, in particular, on the counterparties, fee and other financial and timing conditions.

5.9 The RPT Office keeps the documentation relating to each individual Less Significant Transaction, including the opinion of the Related Party Transactions Committee, the possible opinion of the independent experts and a copy of the record or decision of the Relevant Corporate Body and of the information sent pursuant to the foregoing paragraphs and, more generally, pursuant to this Procedure.

5.10 If the Equivalent Offices apply, the provisions of this article 5 on the Related Party Transactions Committee will apply, *mutatis mutandis*, to those offices.

5.11 In the event of Less Significant Transactions falling within the competence of the shareholders' meeting or having to be authorized by it, the provisions of this article 5 will apply, *mutatis mutandis*, at the examination stage and approval stage of the proposed decision to be submitted to the shareholders' meeting.

## **6. Management of More Significant Transactions**

6.1 Without prejudice to the obligations set out in article 9 below and in article 5 of the RPT Regulation and without prejudice to article 11.4 below, pursuant to and for the purposes of article 10, section 1, of the RPT Regulation, the provisions of article 5 also apply to the examination and approval of More Significant Transactions.

6.2 The Relevant Corporate Body approves the More Significant Transactions, except in the event of transactions falling within the competence of the shareholders' meeting.

63 With regard to More Significant Transactions for which the shareholders' meeting holds competence, the Relevant Corporate Body may approve the proposed decision to be submitted to the Company's shareholders' meeting even in the presence of a negative opinion of the RPT Committee. If, in relation to a More Significant Transaction, the proposed decision to be submitted to the shareholders' meeting is approved by the board of directors in the presence of a negative opinion of the RPT Committee, without prejudice to observance of the quorums for holding meetings and passing resolutions required by law or the articles of association for the adoption of the resolution of the shareholders' meeting in question and the legal provisions on conflicts of interest and without prejudice to any statutory provisions required by law, the transaction may not be performed if the majority of Unrelated Shareholders voting vote against the transaction, provided, however, that the Unrelated Shareholders present at the shareholders' meeting represent a percentage at least equal to 10% (ten per cent) of the share capital with voting rights. To that end, prior to commencement of the work of the shareholders' meeting, those entitled to vote are required to report the possible existence of a relationship with the specific transaction placed on the agenda. If the Unrelated Shareholders present at the shareholders' meeting do not represent a percentage at least equal to 10% (ten per cent) of the share capital with voting rights, observance of the quorums for holding meetings and passing resolutions required by law or the articles of association for the adoption of the resolution of the shareholders' meeting in question will be sufficient.

## **7. Framework resolutions**

- 7.1 Framework resolutions are permitted for the performance by the Company (or companies controlled by it) of a series of uniform transactions with specific categories of Related Parties identified by the board of directors.
- 7.2 Framework resolutions will apply for not more than one year and must indicate, with sufficient certainty, the transactions forming the subject of the resolutions themselves, indicating the foreseeable maximum amount of the transactions to be performed during the reference periods and the reason for the conditions stipulated in relation to such transactions.
- 7.3 The provisions of articles 5 and 6 above apply to framework resolutions, depending on the foreseeable maximum amount of the transactions forming the subject of the specific framework resolution, considered overall.
- 7.4 The delegated bodies, based on suitable information prepared by the Office Responsible, provide full information on the implementation of each framework resolution to the board of directors and to the board of statutory auditors at least on a quarterly basis.
- 7.5 The initiative on the adoption of framework resolutions is held by the chairman of the board of directors and by the managing director, each of whom, seeking the advisability of adopting framework resolutions, will draw up a proposal expressly indicating:
- (a) the type of category of transactions for which the adoption of the framework resolution is requested;

- (b) the Related Party or type of Related Party that is the counterparty to the transactions forming the subject of a framework resolution;
- (c) the period of efficacy of the framework resolution;
- (d) the foreseeable maximum amount of the transactions to be performed during the reference period;
- (e) the reason for the conditions of the framework resolution.

- 7.6 The proposed framework resolution is sent by the parties taking the initiative in relation to such resolutions pursuant to article 7.5 above to the Office Responsible and to the RPT Office, which, after checking the greater or lesser significance of the framework resolution as provided for above, send the proposal to the chairman of the RPT Committee for the relevant deliberations of that committee.
- 7.7 The provisions of articles 5 and 6 above do not apply to individual transactions concluded implementing the framework resolution.

## **8. Management of Subsidiaries' Transactions**

The Subsidiaries' Transactions are only subject to the procedure for checking the applicability of this Procedure referred to in article 4 above and to the procedure for examination and approval referred to in articles 5 and 6 above, as appropriate, if they are subject to the Company's preliminary approval or to an examination, conducted by the Company itself, even through one of its representatives, that may affect, even in a non-binding way, the procedure for approval of the transaction by the subsidiary company, without prejudice to those cases of exclusion of this Procedure pursuant to the RPT Regulation or article 3 above, *mutatis mutandis*.

## **9. Information**

- 9.1 In the event of More Significant Transactions, or Subsidiaries' Transactions classified as More Significant Transactions, the Company, with the support of the RPT Office and the company offices involved, must prepare an information document and make it available to the public pursuant to and for the purposes of article 5 of the RPT Regulation.
- 9.2 The Company, with the support of the RPT Office and the company offices involved, must prepare an information document and make it available to the public pursuant to and for the purposes of article 5 of the RPT Regulation even if, during the course of the Company's financial year, transactions are concluded with a Related Party, or with parties related either to the latter or to the Company, that are uniform or performed for a single purpose which, while not classifiable individually as More Significant Transactions, if considered overall, exceed the significance thresholds indicated in Annex 3 to the RPT Regulation, as provided for by article 5, section 2, of the RPT Regulation. For the purposes of this article 9.2, this also includes Subsidiaries' Transactions but does not consider Excluded Transactions or transactions concluded implementing a framework resolution forming the subject of an information document published pursuant to article 9.4 below.

- 9.2 In the event of Less Significant Transactions, approved in the presence of a negative opinion of the Related Party Transactions Committee, the Company, with the support of the RPT Office and the company offices involved, must prepare an information document and make it available to the public pursuant to and for the purposes of article 7, section 1, letter g), of the RPT Regulation.
- 9.3 In the event of the approval of a framework resolution, the Company, with the support of the RPT Office and the company offices involved, must prepare an information document and make it available to the public pursuant to article 12, section 2, of the RPT Regulation, if the foreseeable maximum amount of the transactions forming the subject of that resolution exceeds the significance threshold indicated in Annex 3 to the RPT Resolution.
- 9.4 If a Related Party Transaction is also subject to the obligations of disclosure provided for by article 114, section 1, of the TUF, the notice to be circulated to the public must include, in addition to the information to be published pursuant to the aforesaid provision, the information referred to in article 6, section 1, of the RPT Regulation.
- 9.5 The Company also provides accounting information on Related Party Transactions observing the provisions of article 5, section 8, of the RPT Regulation.
- 9.6 In order to guarantee coordination with the procedures referred to in article 154-*bis* of the TUF, the RPT Office and the delegated bodies ensure that all Related Party Transactions (including those performed by the subsidiary companies) are duly reported to the manager responsible for preparing the company's accounting documents and provide the latter with any other information and document requested by him in that respect.
- 9.7 The Office Responsible of the Company or of the subsidiary company performing the transaction is required to duly send the RPT Office and the other offices involved the information and documents necessary to fulfil the obligations referred to in this article and the information and documents necessary to fulfil the binding obligations to provide information stipulated by the RPT Regulation, for Excluded Transactions, the framework resolutions and the relative implementing transactions as well.

## **10. Register of Related Party Transactions**

- 10.1 The RPT Office must keep and update a suitable register in which the Related Parties must be entered and all Related Party Transactions filed, including Excluded Transactions, performed by the Company even through its subsidiaries. The personal data collected to that end will be handled under the terms and for the purposes of fulfilling the obligations stipulated by this Procedure and by the legislation, including regulations, in force at the time.
- 10.2 All interested offices of the Company and of the subsidiary companies have access to this register, if they need to. Members of the Company's board of directors and statutory auditors and the person responsible for the internal audit office and the members of the supervisory body referred to in Legislative Decree no. 231 of 8 June 2001, as subsequently amended and supplemented, also have access to the register.

- 103 The list of Related Parties is adequately circulated within the Company and the companies controlled by it.
- 104 The RPT Office informs each director and statutory auditor, and the other Managers with strategic responsibilities, of the Company or of parties controlling the Company, parties controlling the Company, parties having considerable influence of the Company and other Related Parties directly in writing of their entry in the register, simultaneously asking any interested party initially to send data on close relatives, the entities in which they or their close relatives exercise control, joint control or considerable influence or in which they directly or indirectly hold a significant interest, in any event of not less than 20% (twenty per cent) of the voting rights, all identified in article 2.14 above, or other Related Parties through them.
- 105 The directors and statutory auditors, and the other Managers with strategic responsibilities, of the Company or of parties controlling the Company, parties controlling the Company, parties having considerable influence of the Company and other Related Parties directly are required to duly inform the RPT Office of any significant change for the purposes of identifying parties related thereto. In any event, the RPT Office updates the register whenever necessary and in any event at least once a year, even by asking the Related Parties directly to confirm the information supplied in the previous year or to report any changes, even with regard to indirectly Related Parties.
- 106 Without prejudice to the foregoing, the parties controlling the Company and the other parties holding a significant interest in the Company pursuant to article 120 of the TUF or participating in an agreement provided for by article 122 of the TUF relating to the Company and the Company managers, if they are Related Parties, provide the Company with the necessary information to allow the identification of the Related Parties and the transactions performed with them.

## **11. Publication, supervision, amendment and update of this Procedure**

- 11.1 This Procedure and any subsequent amendments will be published on the Company's website by the RPT Office without delay, without prejudice to the obligation to indicate it in the annual management report, even with reference to the website.
- 11.2 The Company's board of statutory auditors ensures that this Procedure complies with the applicable provisions and that it is observed, and reports to the shareholders' meeting thereon, pursuant to article 2429, section 2, of the Civil Code or pursuant to article 153 of the TUR.
- 11.3 Any amendment to this Procedure will be subject to the approval of the board of directors, following the favourable opinion of the Related Party Transactions Committee, pursuant to article 4, section 3, of the RPT Regulation.

- 114 Article 6.1 of this Procedure and the other provisions referring thereto will be adapted to the provisions departed from therein pursuant to article 10, section 1, of the RPT Regulation, by the date of approval of the financial statements relating to the financial year ending 31 December 2018.
- 115 The board of directors periodically assesses and at least once every three years reviews this Procedure, taking into account, *inter alia*, any changes made in the ownership structure and the efficacy thereof.
- 116 With regard to anything not expressly stipulated by this Procedure, reference is expressly made to the provisions of the RPT Regulation.

## **12. Confidentiality**

The information received or howsoever acquired by all parties involved in Related Party Transactions must be kept strictly confidential and managed as provided for by the current procedure for the internal management and external disclosure of documents and information concerning the Company.

## **13. Entry into force**

This Procedure was approved by resolution of the board of directors dated May 11, 2016, and entered into force as from the date thereof.

**Annex 1**  
***Equivalent Offices***

- 1) If there are not at least 2 (due) members of the RPT Committee classified as Unrelated Independent Parties, the opinion shall be given by the member of the RPT Committee classified as an Unrelated Independent Director together with the oldest Unrelated Independent Director not belonging to the RPT Committee.
- 2) If no members of the RPT Committee are classified as Unrelated Independent Directors or in any event the provisions of paragraph 1) above cannot apply, the activities indicated in point 1) are carried by the board of statutory auditors. In such event, the members of the board of statutory auditors, if they have an interest therein, on their own behalf or on behalf of third parties, must inform the other auditors thereof, indicating the nature, terms, origin and scope thereof. If the relationship relating to a specific transaction exists with a member of the board of statutory auditors, or with a Related Party through him, the auditor concerned must refrain from participating in the works and other activities relating to the transaction in question.
- 3) If the offices referred to in paragraphs 1) and 2) above cannot apply, the activities referred to in point 1) are carried out by an independent expert, identified by the board of directors from parties of recognized professionalism and competence on the matters of interest, whose independence and absence of conflicts of interest is established.