

Technogym S.p.A.



The Wellness Company

*Procedure for related-party transactions of
Technogym S.p.A*

Approved by the Board of Directors on 30 June 2021

1. Foreword

In relation to the provisions of:

- (a) Article 2391-*bis* of the Italian Civil Code, which requires the administration bodies of companies that use the risk capital market to adopt rules that ensure the transparency and substantive and procedural correctness of transactions with related parties, according to the general principles indicated by the National Commission for Companies and the Stock Exchange ("**CONSOB**");
- (b) CONSOB regulation no. 17221 of 12 March 2010, as subsequently amended and supplemented, containing provisions governing transactions with related parties (the "**OPC (RPT) Regulation**"), which implements Article 2391-*bis* of the Italian Civil Code and Art. 4 of which requires, inter alia, the adoption of procedures that ensure the transparency and substantive and procedural correctness of transactions with related parties (as defined herein);

the Board of Directors of Technogym S.p.A. (the "**Company**") adopted and subsequently amended this related parties transaction procedure (the "**Procedure**") in compliance with the provisions of Article 4, paragraph 3 of the RPT Regulation.

In applying this Procedure, the Company takes into account the indications and guidelines for the application of the RPT Regulation provided by CONSOB from time to time.

2. Definitions

The following definitions have been adopted in this Procedure:

- 2.1 **Directors Involved in the Transaction:** the Company's directors who have an interest in the Transaction with Related Parties, on their own behalf or on behalf of third parties, in conflict with that of the Company.
- 2.2 **Independent Directors:** the Company's directors who meet the independence requirements pursuant to Article 148, paragraph 3, of Legislative Decree no. 58 of 24 February 1998 (the "**TUF - Consolidated Finance Law-**") and the Code of *Corporate Governance*, which the Company declares that it complies with.
- 2.3 **Unrelated Independent Directors:** the independent directors other than the counterparty of a given Transaction with Related Parties and the related parties of the counterparty.
- 2.4 **Code of Corporate Governance:** the Code of Corporate Governance of Listed Companies approved and published by the Corporate Governance Committee of Borsa Italiana S.p.A.
- 2.5 **Committee for Related Party Transactions (or RPT Committee):** the committee established by the Board of Directors, composed exclusively of independent directors and by at least 3 (three) independent directors or, alternatively, the already existing committee to which the Board of Directors has attributed the relevant powers, provided composed exclusively of independent directors and by at least 3 (three) independent directors, without prejudice to the provisions of subsequent article 4.9.
- 2.6 **Conditions Equivalent to Market or Standard Conditions(or Equivalent Conditions):** conditions similar to those usually applied to entities other than related parties in

transactions of a corresponding nature, size and risk, or based on regulated tariffs or prices imposed or applied to entities with which the Company (or a subsidiary) is obligated by law to contract at a given consideration.

- 2.7 **Responsible Function:** function responsible for the individual Transaction with the Related Parties of the company or its subsidiaries, including other than the Competent Body for approval of the individual Transaction with Related Parties, according to the provisions of the system of proxies and rules of internal organisation, respectively, of the Company or its subsidiaries.
- 2.8 **Transactions with Related Parties:** the transactions defined as such by the international accounting standards adopted according to the procedure set forth in article 6 of (EC) Regulation no. 1606/2002 in force from time to time.
- 2.9 **Transactions of Subsidiaries:** the Transactions with Related Parties carried out by the Italian or foreign subsidiaries of the Company (for said purposes, the concept of control established by Art. 93 of the Consolidated Finance Law is relevant).
- 2.10 **Transactions of Greater Significance:** the Transactions with Related Parties in which at least one of the indicators of relevance indicated in annex 3 of the RPT Regulation, applicable depending on the specific transaction, is greater than the 5% threshold (five percent) envisaged respectively therein.
- 2.11 **Transactions of Lesser Significance:** the Transactions with Related Parties other than Transactions of Greater Significance and Small Transactions.
- 2.12 **Excluded Transactions:** Transactions with Related Parties excluded in accordance with Art. 13 of the RPT Regulation and Transactions with Related Parties set forth in subsequent Art. 3.
- 2.13 **Small Transactions:** Transactions with Related Parties which, considered individually, have a value not exceeding Euro 150,000 (one hundred and fifty thousand) if the Related Party is a natural person or not exceeding Euro 300,000 (three hundred thousand) if the Related Party is an entity other than a natural person.
- 2.14 **Ordinary Transactions:** the Transactions with Related Parties that fall under the ordinary performance of operating activities and related financial activities of the Company or of the subsidiary that carries out the transaction.
- 2.15 **Competent Body:**
- in relation to Transactions of Greater Significance, the Competent Body is, in every case, the Board of Directors;
 - in relation to Transactions of Lesser Significance, the Competent Body is:
 - (a) a Company director vested with the necessary powers to carry out the transaction and who is not a related party in the transaction;
 - (b) the Board of Directors if (b.1) all Company directors vested with the necessary powers to carry out the transaction are related parties in the transaction, and/or if (b.2) the RPT Committee has issued a negative opinion on the transaction.

- 2.16 **Related Parties:** the entities defined as such by the international accounting standards adopted according to the procedure set forth in article 6 of (EC) Regulation no. 1606/2002 in force from time to time.
- 2.17 **Equivalent Controls:** the controls indicated in Annex 1 to this Procedure.
- 2.18 **Related Parties Operating Control Unit (or RPOC Unit):** the company function, **established by the *chief financial officer***, where appointed, or alternatively, by the *chief corporate officer*, and by the manager of the corporate affairs function, responsible for identifying the Related Parties, the evaluation of Transactions with Related Parties according to the provisions of this Procedure and governance of the information flows with the Responsible Functions, the Competent Body and the corporate bodies.
- 2.19 **Unrelated Shareholders:** the entities entitled to the voting right other than the counterparty of a given transaction or the entities related both to the counterparty of a given transaction and the Company.
- 2.20 **TUF (Consolidated Finance Law):** Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.
- 2.21 The definitions functional to those of Related Parties and Transactions with Related Parties of "**control**", "**joint control**", "**significant influence**", "**key managers**", "**close relatives**" and "**joint ventures**" are those identified in accordance with the international accounting standards adopted according to the procedure set forth in article 6 of (EC) Regulation no. 1606/2002.
- 2.22 The Appendix to this Procedure shows, for ease of interpretation, an extract of the definitions of Transactions with Related Parties and Related Parties in accordance with the accounting standards adopted according to the procedure set forth in article 6 of (EC) Regulation no. 1606/2002 currently in force as well as the additional definitions functional to them set forth in the international accounting standards referred to in previous article 2.21. The Appendix will be updated automatically to reflect the changes to the accounting standards of reference, without the application of the provisions set forth for the modification of this Procedure.

3. Cases of exemption

- 3.1 This Procedure does not apply to the resolutions and transactions pursuant to article 13, paragraphs 1 and 1-bis, of the RPT Regulation as well as to Small Transactions in accordance with article 13, paragraph 2, of the RPT Regulation.
- 3.2 Without prejudice to the periodic accounting disclosure obligations pursuant to article 5, paragraph 8, of the RPT Regulation, where applicable, this Procedure also does not apply:
- (a) to payment plans based on financial instruments approved by the shareholders' meeting pursuant to article 114-*bis* of the TUF and the associated executive transactions;
 - (b) to the resolutions, other than those already excluded pursuant to article 13, paragraph 1, of the RPT Regulation, regarding the remuneration of directors and advisors vested with particular offices as well as other Key Managers, provided that the provisions set forth in article 13, paragraph 3, letter b) of the RPT

Regulation are observed;

- (c) to Ordinary Transactions concluded under Equivalent Conditions, except where provided for in article 13, paragraph 3, letter c) of the RPT Regulation;
 - (d) to transactions carried out by the Company with its subsidiaries or by the Company itself or to transactions carried out between subsidiaries of the Company, except where provided for in subsequent article 3.5;
 - (e) to transactions carried out by the Company with its associates, except where provided for in subsequent article 3.5.
- 3.3 Without prejudice to the disclosure obligations, where applicable, set forth in subsequent article 9 and 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 associated 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 need to be authorised by the latter, provided that the provisions of article 13, paragraph 6 of the RPT Regulation are observed. This is without prejudice to the Board of Directors' competence to decide in accordance with the provisions of article 8 of the RPT Regulation and the associated article 6 of this Procedure.
- 3.4 In the cases mentioned in previous article 3.2, letter (c), if relating to Transactions of Greater Significance, without prejudice to the provisions of article 5, paragraph 8 of the RPT Regulation and the provisions of article 17 of (EU) Regulation no. 596/2014, the RPT Committee, at the next meeting following receipt of the communication of the information received by the Company pursuant to article 13, paragraph 3, letter c) of the RPT Regulation, and in any case on a quarterly basis, verifies the correct application of the conditions of exemption to the Ordinary Transactions of Greater Significance concluded under Equivalent Conditions and notifies the Chairperson of the Board of Directors and the Chairperson of the Board of Statutory Auditors of the outcomes of the verification.
- 3.5 In the cases mentioned in previous article 3.2, letters (d) and (e), this Procedure applies if the counterparties in the transactions are subsidiaries or associates of the Company, in which other Related Parties have significant interests, meaning, by way of an example, a situation in which:
- (a) one or more directors, or Key Managers, of the Company benefit from incentive plans based on financial instruments (or
 - (b) in any case variable remuneration) based on the results achieved by the subsidiaries or the associates with which the transaction is carried out: in this case, the evaluation of significance is conducted in light of the weight of the remuneration dependant on the performance of the subsidiary or the associate (including therein the aforementioned incentive plans) with respect to the total remuneration of the director or the Key Manager;
 - (c) the subsidiaries or associates with which the transaction is carried out are investees (including indirectly, through entities other than the Company) of the entity that controls the Company or exercises significant influence over the Company and this shareholding exceeds the actual weight (calculated according to CONSOB guidelines) of the shareholding held by said entity in the Company.
- 3.6 the RPOC Unit informs the RPT Committee, on a quarterly basis, of Transactions of Greater Significance deemed exempt pursuant to Consob Regulations and this article 3,

by indicating the nature of the transaction and providing the objective evidence of the reasons for the exclusion.

4. Verification of the applicability of this Procedure

4.1 As soon as possible based on the characteristics of the transaction and the information available and also with the support of the RPOC Unit, the Responsible Function:

- (a) verifies whether the counterparty is a Related Party;
- (b) if the counterparty is a Related Party, it immediately informs the RPOC Unit in writing of all the information relating to the transaction, including therein the name of the counterparty, the nature of the relationship, the description of the transaction and the conditions considered at the current state of play.

4.2 the RPOC Unit ascertains:

- (a) whether the transaction is a Transaction with a Related Party;
- (b) whether the transaction falls under one of the cases of exclusion set forth in the RPT Regulation or previous article 3;
- (c) whether the transaction is carried out in implementation of a framework resolution pursuant to subsequent article 7;
- (d) whether the transaction qualifies as a Transaction of Greater Significance or a Transaction of Lesser Significance;

and informs the Responsible Function, the Chairperson of the Board of Directors, the Chairperson of the Board of Statutory Auditors and the Chairperson of the RPT Committee immediately in writing of the result of the check pursuant to this article 4.2. the RPOC Unit may ask the Responsible Function at any time to supplement and/or clarify the information and documentation already provided.

4.3 The activities described in the preceding paragraphs are adequately documented and traceable.

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

4.5 For the purposes of the activities set out in previous article 4.2, the RPOC Unit may consult with the Responsible Function and the Competent Body for approval of the transaction. In the event in which, also following said consultation, the evaluation of the transaction is controversial, the evaluation is referred to the RPT Committee. the RPT Committee may ask the RPOC Unit and the Responsible Function at any time to supplement and/or clarify the information and documentation already provided.

4.6 If the value of a Transaction with a Related Party is unspecified or cannot be determined, the RPT Committee establishes whether it needs to be subject to the *procedure* set out in subsequent article 5 or 6.

4.7 If the transaction qualifies as a Transaction of Greater Significance or Transaction of Lesser Significance and is not an Excluded Transaction or carried out in implementation of a framework resolution pursuant to subsequent article 7, the RPOC Unit initiates the

procedure governed by subsequent articles 5 and 6, informing the Responsible Function, the Chairperson of the Board of Directors and the Chairperson of the RPT Committee.

- 4.8 The RPOC Unit, based on the appropriate complete disclosure prepared by the Responsible Function, informs the RPT Committee on a quarterly basis of the Excluded Transactions and the transactions carried out in implementation of framework resolutions pursuant to subsequent article 7, indicating the transaction category and providing evidence of the reasons for the exclusion in writing.
- 4.9 The RPC Committee, following receipt of the communication pursuant to article 5.2, promptly ascertains whether and to what degree the members of the committee are Unrelated Independent Directors. Each member of the RPT Committee must notify the other members of the committee and the Chairperson of the Board of Directors of any circumstances in which said member may not be qualified as an Unrelated Independent Director. If, with respect to a given transaction, there is a relationship with a member of the RPT Committee or, through it, a Related Party, said party refrains from participating in the works and activities relating to the transaction in question and, with reference to said transaction, the RPT Committee shall be understood to be composed of the other Unrelated Independent Directors that are members of said committee. In that case, the Board of Directors may also add an Unrelated Independent Director to the RPT Committee, also on an *ad hoc* basis to carry out the works and activities relating to the transaction in question.
- 4.10 If the RPT Committee ascertains that there are at least 2 (two) Unrelated Independent Directors or, in the case of Transactions of Greater Significance, 3 (three) Unrelated Independent Directors, the RPT Committee immediately informs the RPOC Unit of this, which notifies the Company's Responsible Function and Board of Directors, and in said eventuality, the Equivalent Controls pursuant to Annex 1 to this Procedure apply, without prejudice to the Board of Directors' right to supplement the RPT Committee according to the provisions of the previous paragraph.
- 4.11 The Board of Directors has the power to subject to the regulation pursuant to articles 5 and 6 of this Procedure, the transactions carried out by the Company or its subsidiaries or associates, to which said regulation, in itself, shall not apply.
- 4.12 Where the RPT Committee does not correspond with another committee already established by the Board of Directors, the latter can approve an appropriate organisational regulation that governs the operation of the RPT Committee.

5. Management of Transactions of Lesser Significance

- 5.1 The approval of Transactions of Lesser Significance, which are not within the competence of the shareholders' meeting, rests with the Competent Body, subject to the receipt of a justified non-binding opinion of the RPT Committee on the interest of the Company (or, if applicable, the subsidiary) in completing the transaction as well as on the convenience and substantive correctness of the relevant conditions. If the Company is subject to management and coordination activities, in the case of Transactions with Related Parties influenced by the management and coordination activities to which the Company is subject, said opinion must contain accurate details of the reasons and convenience of the transaction, if applicable also in light of the overall management and coordination activities or the transactions aimed at fully eliminating the damage deriving

from an individual Transaction with a Related Party.

- 5.2 For the purposes of the previous article 5.1, the Responsible Function asks the RPOC Unit to inform the Chairperson of the RPT Committee so that he/she can call a meeting of said Committee for Related Party Transactions.
- 5.3 The Responsible Function provides complete and adequate information regarding the transaction to the RPT Committee, also through the RPOC Unit, including therein an indication of the counterparty, the nature of the relationship, the objective, the terms, conditions and time-frame of the transaction and the reasons relating to the interest of the Company (or, if applicable, the subsidiary) in completing the transaction and the convenience and substantive correctness of the conditions as well as any risks for the Company (or, if applicable, the subsidiary). the RPT Committee may ask the RPOC Unit and the Responsible Function at any time to supplement and/or clarify the information and documentation already provided.

If the RPT Committee deems it necessary or appropriate, that committee can, at the Company's expense, obtain assistance from one or more independent experts of its choosing. In choosing these experts, the RPT Committee will seek assistance from persons with recognised professionalism and competence on the matters of interest, for whom it will conduct a prior assessment of independence and the absence of conflicts of interest also based on the criteria indicated in annex 4 of the RPT Regulation. Except in the case of an express exemption issued on a case-by-case basis by the Board of Directors or the Chief Executive Officer, any activities of the independent experts selected by the RPT Committee must not involve, for the Company and per individual transaction, an expense exceeding the higher of (i) Euro 100,000 (hundred thousand) per individual transaction and (ii) 2% (two percent) of the value of the individual transaction.

- 5.4 The RPT Committee issues its opinion pursuant to the previous article 5.1 in time for approval of the Transaction of Lesser Significance, by sending it to the Responsible Function, with a copy sent to the RPOC Unit and the Chairperson of the Board of Directors, together with any opinion of the independent experts pursuant to previous article 5.4.
- 5.5 The Responsible Function sends the following to the Competent Body, also via the RPT Committee, in the time needed for approval:
- (a) a copy of the opinion of the RPT Committee, pursuant to previous article 5.1;
 - (b) the other opinions issued, if necessary, in relation to the transaction;
 - (c) complete and adequate information on the Transaction of Lesser Significance to be carried out, including therein an indication of the outcome of the preliminary assessment, the counterparty, the nature of the relationship, the objective, the terms, conditions and time-frame of the evaluation procedure applied, the reasons underlying the interest of the Company (or, if applicable, the subsidiary) in completing the transaction and the convenience and substantive correctness of the conditions as well as any risks for the Company (or, if applicable, the subsidiary).
- 5.6 The Competent Body approves the Transactions of Lesser Significance by means of a written deed. The report or, in the case of a single body, the determination of the decision must contain an adequate reason in relation to the interest of the Company (or, if

applicable, of the subsidiary) in completing the transaction and the convenience and substantive correctness of the relevant conditions.

- 5.7 If the Competent Body is the Board of Directors, without prejudice to article 2391 of the Italian Civil Code, any Directors Involved in the Transaction are required to refrain from voting on the relevant decisions, albeit their presence is calculated for the purposes of reaching the quorum to convene set forth by law or the Articles of Association.
- 5.8 The delegated bodies, based on the appropriate complete disclosure prepared by the Responsible Function, provide comprehensive information to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, on the methods of performance of Transactions of Lesser Significance and, in particular, on the counterparties, on the consideration and the other financial conditions and the time-frames.
- 5.9 The RPOC unit stores the documentation relating to each individual Transaction of Lesser Significance, including therein the opinion of the RPT Committee, any opinion of the independent experts, as well as copy of the report or the decision of the Competent Body and the disclosure sent in accordance with the previous paragraphs and, more generally speaking, pursuant to this Procedure.
- 5.10 In the event in which the Equivalent Controls apply, the provisions pursuant to this article 5 relating to the RPT Committee apply, *with the necessary changes having been made*, to said controls.
- 5.11 In the case of Transactions of Lesser Significance within the competence of the shareholders' meeting or that need to be authorised by the latter, the provisions of this article 5 shall apply *with the necessary changes having been made*, in the preliminary assessment phase and in the phase of approval of the proposed resolution to be submitted to the shareholders' meeting.

6. Management of Transactions of Greater Significance

- 6.1 The Board of Directors holds exclusive competence for approving Transactions of Greater Significance Without prejudice to article 2391 of the Italian Civil Code, any Directors Involved in the Transaction are required to refrain from voting on the decisions relating to the Transaction, albeit their presence is calculated for the purposes of reaching the quorum to convene set forth by law or the Articles of Association and without prejudice to the fact that said persons can participate in the discussion during the course of the meeting.
- 6.2 The RPT Committee is promptly involved, following the communication by the RPOC Unit, in the negotiation and the preliminary assessment phases, through the receipt of complete and updated information regarding the Transaction of Greater Significance, in compliance with the provisions of previous article 5.3, with the right to request information and formulate observations to the delegated bodies and the entities appointed to conduct negotiations or the preliminary assessment. The RPT Committee can delegate one or more its members for said purpose. Previous articles 5. 4 to 5.11 apply, *with the necessary changes having been made*, and except where provided otherwise in this article 6.
- 6.3 The Board of Directors decides on Transactions of Greater Significance:
 - (i) based on a prior justified, binding and favourable opinion of the RPT Committee

on the Company's interest in carrying out the transaction as well as on the convenience and substantive correctness of the relevant conditions; or

- (ii) with the favourable vote of the majority of Unrelated Independent Directors present in the Board (notwithstanding the majorities in any case required for the board resolutions to be passed in accordance with the law and the articles of association).

6.4 In relation to Transactions of Greater Significance for which the shareholders' meeting is competent, the Competent Body can approve the proposed resolution to be submitted to the shareholders' meeting of the Company, also in the presence of a negative opinion of the RPT Committee. If, in relation to a Transaction of Greater Significance, the proposed resolution to be submitted to the shareholders' meeting is approved in the presence of a negative opinion of the RPT Committee, without prejudice to respect for the quorum to convene and pass resolutions required by law or the articles of association for the adoption of the shareholders' meeting resolution in question and the legal provisions governing conflicts of interest and the statutory provisions set forth by law, the transaction cannot be carried out if the majority of unrelated voting shareholders vote against the transaction provided, however, that the unrelated shareholders present at the shareholders' meeting represent at least 10% (ten percent) of the share capital with voting right. To that end, before the meeting begins, those entitled to vote are required to disclose the existence of any relationship with respect to the specific transaction on the agenda. If the unrelated shareholders present at the shareholders' meeting do not represent at least 10% (ten percent) of the share capital with voting right, to approve the transaction, respect for the quorum to convene the shareholders' meeting and pass resolutions required by law or the articles of association will be sufficient for the adoption of the shareholders' resolution in question.

6.5 According to the terms and methods established in article 5 of the RPT Regulation, the Company provides the public with an information document drafted in compliance with Annex 4 to said RPT Regulation.

7. Framework resolutions

7.1 Framework resolutions are permitted for the performance, by the Company (or one of its subsidiaries) of a series of homogeneous transactions with given categories of Related Parties identified by the Board of Directors.

7.2 The framework resolutions must be effective for no more than one year and must indicate, with the sufficient level of certainty, the transactions forming the object of said resolutions, showing the foreseeable maximum amount of the transactions to be carried out in the reference period and the reason for the conditions set forth in relation to said transactions.

7.3 The provisions set forth in previous articles 5 and 6 apply to the framework resolutions, depending on the foreseeable maximum amount of transactions forming the object of the specific framework resolution, considered cumulatively.

7.4 The delegated bodies, based on the appropriate disclosure prepared by the Responsible Function, provide comprehensive 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 Chairperson of the Board of Directors as well as the Chief Executive Officer are

responsible for adopting the framework resolutions, each of which, having acknowledged the opportunity to adopt framework resolutions, will draft a proposal by expressly indicating:

- (a) the type of category of transactions for which the adoption of the framework resolution is required;
- (b) the Related Party or type of counterparty Related Party of the transactions involved in the framework resolution;
- (c) the duration of effectiveness of the framework resolution;
- (d) the foreseeable maximum amount of the transactions to be carried out in the reference period;
- (e) the reason for the conditions of the framework resolution.

7.6 The proposed framework resolution is sent by the entities that exercise the initiative in relation to said resolutions in accordance with previous article 7.5 to the Responsible Function and to the RPOC Unit which, having verified the greater or lesser significance of the framework resolution according to the above provisions, send the proposal to the Chairperson of the RPT Committee for the appropriate resolutions of said committee.

7.7 The provisions of the previous articles 5 and 6 do not apply to the individual transactions concluded in implementation of the framework resolution.

8. Management of the Transactions of Subsidiaries

The Transactions of the Subsidiaries are subject to the methods of verification of the applicability of this Procedure pursuant to the previous article 4 and the preliminary assessment and approval methods pursuant to the previous articles 5 and 6, depending on the case, only if they are subject to prior approval by the Company or an examination - conducted by the Company itself, also through a company representative - able to impact, including in a non-binding manner, the procedure of approval of the transaction by the subsidiary, without prejudice to the cases of exclusion of this Procedure pursuant to the RPT Regulation or previous article 3, *with the necessary changes having been made*.

9. Disclosure

9.1 At the time Transactions of Greater Significance are carried out, or Transactions of Subsidiaries that qualify as Transactions of Greater Significance, the Company, with the support of the RPOC Unit and the company functions involved, must prepare an information document and make it available to the public pursuant to and in accordance with article 5 of the RPT Regulation.

9.2 The Company, with the support of the RPOC Unit and the company functions involved, must prepare an information document and make it available to the public pursuant to and in accordance with article 5 of the RPT Regulation also in the case in which, during the financial year, transactions are concluded with a Related Party, or with entities related to both the latter and the Company, that are homogeneous or realised in execution of a single objective which, despite not qualifying as Transactions of Greater Significance on an individual basis, exceed, where considered cumulatively, the relevance thresholds in annex 3 of the RPT Regulation, according to the provisions of article 5, paragraph 2, of the RPT Regulation. For the purposes of this article

9.2, the Transactions of Subsidiaries are relevant, and neither Excluded Transactions nor transactions concluded in implementation of a framework resolution forming the object of an information document published in accordance with subsequent article 9.4 are considered.

- 9.3 In the case of Transactions of Lesser Significance, approved in the presence of a negative opinion of the RPT Committee, the Company, with the support of the RPOC Unit and the company functions involved, must prepare an information document and make it available to the public pursuant to and in accordance with article 7, paragraph 1, letter g) of the RPT Regulation.
- 9.4 At the time of approval of a framework resolution, the Company, with the support of the RPOC Unit and the company functions involved, must prepare an information document and make it available to the public pursuant to article 12, paragraph 2, of the RPT Regulation, if the foreseeable maximum amount of transactions forming the object of said resolution exceeds the relevance threshold indicated in annex 3 of the RPT Regulation.
- 9.5 If a Transaction with Related Parties is also subject to the communication obligations set forth in article 17 of (EU) Regulation no. 596/2014, the press release to be disseminated to the public includes, in addition to the information to be published pursuant to the aforementioned provision, the information pursuant to article 6, paragraph 1, of the RPT Regulation.
- 9.6 The Company also provides the accounting disclosure on Transactions with Related Parties in compliance with the provisions set out in article 5, paragraph 8, of the RPT Regulation.
- 9.7 In order to ensure the coordination with the procedures pursuant to article 154-*bis* of the Consolidated Finance Law, the RPOC Unit and the delegated bodies ensure that all Transactions with Related Parties (including those carried out by subsidiaries) are promptly communicated to the Financial Reporting Manager and provide the latter with any other information and document requested by said Financial Reporting Manager in this regard.
- 9.8 The Responsible Function of the Company or of the subsidiary that carried out the transaction is required to promptly send to the RPOC Unit and the other functions involved the information and documents needed for the fulfilment of the obligations pursuant to this article, as well as the necessary information and documents for complying with the mandatory disclosure obligations envisaged, also for Excluded Transactions, the framework resolutions and the associated implementing transactions, by the RPT Regulation.

10. Register of Transactions with Related Parties

- 10.1 The RPOC Unit keeps and updates an appropriate register in which Related Parties are registered and all Transactions with Related Parties are archived, including Excluded Transactions, carried out by the Company also through its subsidiaries. The personal data collected for that purpose will be processed according to the terms and for the purposes of fulfilling the obligations provided in this Procedure and the currently applicable legislation *and regulations* .
- 10.2 All the functions concerned of the Company and its subsidiaries can access said register if needed. Members of the Board of Directors and the standing auditors of the Company, as

well as the manager of the *internal audit* function and the members of the supervisory body can also access the register, pursuant to Legislative Decree no. 231 of 8 June 2001, as subsequently amended and supplemented

- 10.3 The list of Related Parties is adequately disseminated within the Company and its subsidiaries.
- 10.4 The RPOC Unit informs each director and standing auditor in writing of registrations in the register, as well as the other Key Managers, of the Company or of the entities that control the Company, the Parent Companies of the Company, the entities with significant influence over the Company and the other direct Related Parties, simultaneously asking each interested party for the initial transmission of all necessary information to allow the correct evaluation of their classification as Related Parties and regarding the identification of other entities that qualify as Related Parties based on the various types of links with them relevant for the purposes of the definition of Related Party in force from time to time.
- 10.5 The directors and standing auditors, as well as the other Key Managers, of the Company or of the entities that control the Company, the Parent Companies of the Company, the entities with significant influence over the Company and the other direct Related Parties are required to promptly inform the RPOC Unit of any significant change for the purposes of identifying the entities related to them. In any case, the RPOC Unit updates the register whenever necessary and, nonetheless, at least annually also through a request to direct Related Parties to confirm the information provided in the previous year or to communicate any changes, also with reference to indirect Related Parties.
- 10.6 Without prejudice to the above provisions, the entities that control the Company and the other entities that hold a significant shareholding in the Company pursuant to article 120 of the Consolidated Finance Law or that participate in a pact provided for in article 122 of the Consolidated Finance Law relating to the Company, the members of the administration and control bodies and managers of the Company, if they are Related Parties, provide the Company with the necessary information to allow the Related Parties and the transactions with them to be identified.

11. Publication, monitoring, amendment and updating of this Procedure

- 11.1 This Procedure and its subsequent amendments are published immediately on the Company's *website* by the RPOC Unit, without prejudice to the obligation of publication, also through reference to said site, in the annual report on operations.
- 11.2 The Company's Board of Directors monitors the compliance of this Procedure with the applicable regulation, as well as its observance, and reports on it to the shareholders' meeting in accordance with article 2429, paragraph 2, of the Italian Civil Code or pursuant to article 153 of the Consolidated Finance Law.
- 11.3 Each amendment to this Procedure will be subject to approval by the Board of Directors, based on the prior favourable opinion of the Committee for Related Party Transactions, pursuant to article 4, paragraph 3, of the RPT Regulation.
- 11.4 The Board of Directors periodically evaluates, and in any case at least on a quarterly basis, whether to promote a review of this Procedure by taking into account, among other things, any changes to the ownership structures as well as its effectiveness.
- 11.5 For matters not expressly regulated in this Procedure, express reference is made to the

provisions of the RPT Regulation.

12. Confidentiality

The information received or, in any case, acquired by all entities involved in Transactions with Related Parties must be kept strictly reserved and confidential and managed according to the provisions of the procedure in force for the internal management and external communication of documents and information regarding the Company.

13. Entry into force

This Procedure was approved by resolution of the Board of Directors of 11 May 2016 and entered into force on that date. This Procedure was updated by resolution of the Board of Directors of 14 May 2019 and, subsequently, by resolution of the Board of Directors of 30 June 2021. The amendments made following that last resolution enter into force on 1 July 2021.

Annex 1
Equivalent Controls

- 1) If there are not at least 2 (two) members of the RPT Committee who qualify as Unrelated Independent Directors, the opinion is issued by the member of the RPT Committee who does qualify as an Unrelated Independent Director together with the oldest Unrelated Independent Director belonging to the RPT Committee.
- 2) If none of the members of the RPT Committee qualify as an Unrelated Independent Director or, nonetheless, the provisions of previous paragraph 1) do not apply, the activities *pursuant to point 1)* are carried out by the Board of Statutory Auditors. In that case, the members of the Board of Statutory Auditors, where they have an interest in the transaction, on their own behalf or on behalf of third parties, must notify the other statutory auditors of this, specifying its nature, terms, origin and scope. If, with respect to a given transaction, there is a relationship with a member of the Board of Statutory Auditors, or with a Related Party through said Board, the statutory auditor concerned abstains from taking part in the works and the activities relating to the transaction in question.
- 3) If the controls pursuant to the previous paragraphs 1) and 2) do not apply, the activities *pursuant to point 1)* are carried out by an independent expert, identified by the Board of Directors from persons with recognised professionalism and competence on the matters of interest, for whom an assessment of independence and the absence of conflicts of interest is conducted.

Appendix

DEFINITIONS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES AND DEFINITIONS FUNCTIONAL TO THEM ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS

1. Definitions of related parties and transactions with related parties according to international accounting standards

Related Parties

A Related Party is a person or an entity related to the entity that drafts the financial statements.

- (a) A person or a close relative of that person are related to an entity that drafts the financial statements if said person:
 - (i) has control or joint control over the entity that drafts the financial statements;
 - (ii) has significant influence over the entity that drafts the financial statements; or
 - (iii) is one of the key managers of the entity that drafts the financial statements or one of its parent companies.
- (b) An entity is related to an entity that drafts the financial statements if one of the following conditions applies:
 - (i) the entity and the entity that drafts the financial statements are part of the same group (which means that each parent company, subsidiary and group company is related to the others);
 - (ii) an entity is an associate or a joint venture of the other entity (or an associate or a joint venture forming part of the group to which the other entity belongs);
 - (iii) both entities are joint ventures of the same third party counterparty;
 - (iv) an entity is a joint venture of a third party entity and the other entity is an associate of the third party entity;
 - (v) the entity is represented by a post-employment benefit plan in favour of employees of the entity that drafts the financial statements or an entity related to it;
 - (vi) the entity is controlled or jointly controlled by a person identified in point (a);
 - (vii) a person identified in point (a)(i) has significant influence over the entity or is one of the key managers of the entity (or one of its parent companies);
 - (viii) the entity, or any member of a group to which it belongs, provides management services with strategic responsibilities to the entity that drafts the financial statements or to the parent company of the entity that drafts the financial statements [IAS 24, paragraph 9].

In the definition of related party, an associated company includes the subsidiaries of the associated

company and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associated company and the investor that has significant influence over the associated company are related [IAS 24, paragraph 12].

Related party transactions

A transaction with a related party is a transfer of resources, services or obligations between a company and a related party, regardless of the fact that a consideration has been agreed [IAS 24, paragraph 9]

2. Definitions functional to those of "Related Parties" and "Transactions with Related Parties" according to international accounting standards

The terms "control", "joint control" and "significant influence" are defined in IFRS 10, in IFRS 11 (Joint arrangements) and in IAS 28 (Investments in associates and joint ventures) and are used with the meanings specified in said IFRS [IAS 24, paragraph 9].

Key Managers

The key managers are those persons who have the power and responsibility, directly or indirectly, for the planning, management and control of the company's activities, including the directors (executive or not) of the company itself [IAS 24, paragraph 9].

Close Relatives

The close relatives of a person are those relatives who are expected to be able to influence, or be influenced by said person in the relations with the company, including:

- (a) the children and the spouse or cohabitant of that person;
- (b) the children of the spouse or of the cohabitant of that person;
- (c) the dependants of that person or of the spouse or the cohabitant [IAS 24, paragraph 9].