

Technogym S.p.A.



The Wellness Company

Procedure for the internal management and external communication of documents and information about Technogym S.p.A.

1. Foreword

1.1 In relation to the indications laid down in:

- (a) The provisions set out in Regulation (EU) no. 596/2014 (the “**MAR**”) on market abuse and which abrogates Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003/124/EC 2003/125/EC and 2004/72/EC of the Commission;
- (b) The provisions set out in the Commission Implementing Regulation no. 1055 of 29 June 2016 (“**Regulation 1055**”);
- (c) The provisions set out in legislative decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the “**TUF**”);
- (d) The provisions set out in the Regulation of the Italian National Commission for Companies and the Stock Exchange (“**CONSOB**”) no. 11971 of 14 May 1999, as subsequently amended and supplemented;
- (e) The provisions of the code of practice for listed companies drawn up by the *Corporate Governance Committee* and last published in July 2015 (the “**Code of Practice**”) and, in particular, its application criterion 1.C.1(j), which requires the adoption of a procedure for the internal management and external communication of documents and information on the issuing body, with particular reference to Privileged Information (as laid down below); and
- (f) Legislative decree no. 231 of 8 June 2001, as subsequently amended and supplemented, which regulates the administrative responsibility of legal persons, companies and associations with or without legal personality (**Decree 231**”);
- (g) The “Management of Privileged Information” guidelines adopted by CONSOB on 13 October 2017 (the “**Guidelines**”) ⁽¹⁾;

the Board of Directors of Technogym S.p.A. (the “**Company**”) adopted this procedure (the “**Procedure**”) to regulate the internal management and external communication of documents and information on the Company and/or Controlled companies in accordance with article 93 of the TUF (the “**Controlled companies**”), with particular reference to Privileged Information (as defined here below), in compliance, more in

⁽¹⁾ The Guidelines – issued in replacement of the communication by Consob on 28 March 2006, no. 602705443 – “constitute an aid in defining the process and consequent implementation procedures aimed at applying the normative and regulatory provisions on market abuse, in particular: - the obligations laid down by the MAR and related implementation provisions; - the indications given by the ESMA [...]. The purpose of these Guidelines is also to offer [...] some detailed operating indications for implementing the European regulations, taking account of the specific features of the national institutional and operational framework. Some indications are a re-elaboration of the clarifications given by Consob within the scope of the existing regulations, suitably re-adapted in the new regulatory setting.” (see par. 1.3 of the Guidelines). The Guidelines are not prescriptive and, if disregarded, they do not constitute a violation of the regulations; they “do not introduce burdens, even of an organizational type, for the issuing body in addition to those laid down by the original European regulations, considering that they simply indicate methods for complying with this regulation, the issuing body remaining responsible for the decision to comply with it (fully or partially).” (see par. 1.3.3. of the Guidelines)

general, with the *pro tempore* legal and regulatory legislation in force on market disclosure and the prevention and repression of market abuse.

2. Scope and field of application

- 2.1 This Procedure is aimed at ensuring compliance with the *pro tempore* applicable legal and regulatory provisions and regulates the internal management and external communication of Confidential Information, Relevant Information and Privileged Information (as defined here below). This Procedure does not regulate the management of advertising and marketing information or communications on the operations concerning bonds and financial instruments (*internal dealing*), which are regulated by a separate procedure (the “**Internal Dealing Procedure**”).
- 2.2 This Procedure is an essential component of the system for the internal control and management of the risks of the Company and its group and is part of the set of crime prevention rules indicated in Decree 231.
- 2.3 This Procedure represents the operating regulation and reference *standard* for all the Controlled companies, which are informed of it and are obliged to comply with the rules of conduct established in it, in accordance with the provisions laid down in article 8 below.
- 2.4 The gravity of the consequences of violations of this Procedure, as laid down in articles 9.2 and 9.3 below, imposes a strict and continuous verification of its respect. If any violations emerge from these checks, they will be promptly reported to the board of auditors, the control and risk committee set up in accordance with article 7 of the code of practice and the supervisory body in accordance with Decree 231 by the manager of the *internal audit* department or the manager of the corporate affairs department.

3. Confidential Information and Privileged Information

- 3.1 In this Procedure, “**Confidential Information**” is intended to mean any information or news that cannot be qualified as Privileged Information, directly or indirectly concerning the Company and/or Controlled companies, which is not in the public domain or which, due to its nature, is confidential or the exclusive property of the Company and/or Controlled companies, acquired by the Recipients (as defined here below) in performing their tasks and/or functions.
- 3.2 In this Procedure, “**Relevant Information**” is intended to mean any information or news that cannot yet be qualified as Privileged Information, which the Company considers to be relevant in that it concerns data, events, projects or circumstances that continuously, repeatedly, periodically or sporadically, occasionally or unexpectedly concern directly the Company itself and which may become privileged later on (2).

(²) Paragraph 3.1.2 of the guidelines supplies a non-exhaustive exemplary list of types of privileged information that could be of interest to an issuing body: “[...] *Information about: ownership structure, composition of the management; management incentive plans; auditing activities; capital operations; issue of financial instruments; characteristics of the financial instruments issued; acquisitions, mergers, demergers, etc.; company restructuring and reorganization; operations on financial instruments, buy-back and accelerated book-building; insolvency proceedings; litigation procedures; revocation of credit authorizations; devaluation/revaluation of*

- 3.3 In accordance with and to the effects of art. 7 of the MAR, in this Procedure, “**Privileged Information**” is intended to mean precise information that has not been made public, directly or indirectly concerning the Company or financial instruments relevant for the purposes of art. 3, subsection 1, par. 1), of the MAR issued by the Company (the “**Financial Instruments**”), which, if made public, could have a significant effect on the prices of the Financial Instruments or the prices of any linked derivative instruments.
- (a) In accordance with and to the effects of article 7, subsection 2, of the MAR, in this Procedure, information is considered precise if:
- (i) It refers to a set of circumstances that already exist or may reasonably be expected to occur or an event that has occurred or that may reasonably be expected to occur;
 - (ii) It is sufficiently specific to allow conclusions to be drawn as to the effect of this set of circumstances or this event on the prices of the Financial Instruments or derivative instrument.
- (b) In accordance with and to the effects of article 7, subsection 4, of the MAR, in this Procedure, information that, if made public, is likely to have a significant effect on the prices of the Financial Instruments or linked derivative instruments is intended to mean information that investors would reasonably use as one of the elements on which to base their investment decisions.
- (c) An intermediate phase of a long process is also considered to be Privileged Information if it satisfies the criteria illustrated in this article. In particular, the MAR specifies that “*if the privileged information concerns a process that is carried out in several phases, each of these phases may constitute an item of privileged information as may the process as a whole. An intermediate phase of a long process may consist of a set of circumstances or an event that has already occurred or that may realistically be expected to occur on the basis of an overall assessment of the existing factors at the right moment. Nevertheless, this notion should not be interpreted in the sense that consideration is to be given to the size of the effect of this set of circumstances or this event on the prices of the financial instruments in question.*” (Considering 16). In this sense, the MAR indicates that the “*information on an event or a set of circumstances that constitute an intermediate phase of a long process may, for example, concern: (i) the state of contractual negotiations; (ii) the provisionally agreed contractual conditions; (iii) the possibility of placing financial instruments; (iv) the conditions under which these instruments are sold; (v) the provisional conditions for the placement of financial instruments; or (vi) the possibility of including a financial instrument in a main index or removing a financial instrument from this index*” (Considering 17).

activities or financial instruments in the portfolio; patents, licences, rights, etc.; insolvency of large debtors; destruction or damaging of uninsured assets; purchase or sale of assets; management progress; variations in the expected periodic accounting results (profit warning and earning surprise); reception or cancellation of large orders; entry to new (or exit from) markets; modification of investment plans; dividend distribution policies; for banks, information that the issuing body receives from the supervisory authority during a Supervisory Review and Evaluation Process (SREP) carried out in accordance with article 97 of Directive 2013/36/EU (CRD IV).

4. Recipients

The recipients of this Procedure (referred to collectively as the “**Recipients**”) are all persons who have access to Confidential Information, Relevant Information or Privileged Information and, in particular:

- (a) Members of the administration, management and control bodies and the committees of the Company and/or Controlled companies;
- (b) Employees of the Company and/or Controlled companies; and
- (c) The natural and legal persons that, due to their working or professional activity, or according to the functions they perform, have access to Relevant Information and must therefore be entered in the RIL (as defined here below) indicated in article 6.53 below.
- (d) The natural and legal persons that, due to their working or professional activity, or according to the functions they perform, have regular or occasional access to Privileged Information and must therefore be entered in the Register (as defined here below) indicated in article 6.5 below.

5. General rules of conduct

5.1 In carrying out all the activities related to the Company and/or Controlled companies, the recipients must know and observe the *pro tempore* legal and regulatory provisions in force and all the principles and rules of *corporate governance*, the procedures and regulations adopted by the Company and/or Controlled companies and, in particular:

- (a) The *pro tempore* articles of association in force;
- (b) The code of practice as applied by the Company;
- (c) The organization, management and control model indicated in Decree 231 adopted by the Company;
- (d) The *Internal Dealing* Procedure adopted by the Company; and
- (e) The Register Procedure (as defined here below).

5.2 Without prejudice to the specific legal and regulatory provisions on the protection and disclosure of qualified categories of information (including, in particular, the information indicated in Legislative decree no. 196 of 30 June 2003, as subsequently amended or supplemented), the use of information regulated by this Procedure complies with the general principles of efficiency in use, protection of the company assets (including its information) and the need to use this information. The use of information regulated by this Procedure for purposes other than the performance of social activities must be considered abusive and, in general, all persons that work in the interest of the Company and/or Controlled companies are subject to a duty of confidentiality on the information acquired or processed as a function of or during the performance of their activities.

5.3 Recipients are expressly obliged to:

- (a) Respect the general right to confidentiality over the activities carried out by the Company and/or Controlled companies and, as far as employees are concerned, the duty of loyalty indicated in article 2105 of the Italian Civil Code;
- (b) Keep confidential the Confidential Information, Relevant Information and Privileged Information, even if delayed, in accordance with article 7.4 below and therefore not to disclose it to anyone except in the cases laid down by the law;
- (c) Treat the Privileged Information, even if delayed, with all the necessary care to ensure that it circulates inside and outside the Company and/or Controlled companies without jeopardizing its confidentiality and in compliance with the specific company procedures, until it is made public using the methods laid down by the *pro tempore* legal and regulatory provisions in force and this Procedure. In particular, the Recipients must use the Privileged Information, even if delayed, exclusively in the interest of the Company and Controlled companies and cannot be used for any reason for personal purposes or to the detriment of the Company and/or Controlled companies. Similar obligations are applicable to the Confidential Information and Relevant Information until it is made public using the methods laid down by the *pro tempore* legal and regulatory provisions in force and this Procedure (if considered necessary or appropriate by the competent bodies of the Company or if it has become Privileged Information), or until it loses its confidentiality and/or relevance in accordance with this Procedure; and
- (d) Promptly inform the manager of the *internal audit* department and the manager of the corporate affairs department of any act, fact or omission that may represent a violation of this Procedure that they have come to know.

6. Management of Relevant Information and Privileged Information

6.1 Employees and members of the administrative body of the Company or Controlled companies give the Company the information that they believe to be Relevant Information or Privileged Information, in compliance with the rules set out below.

- (a) Employees of the Company or Controlled companies are obliged to inform their direct boss of information concerning the Company and/or Controlled companies that they believe to be Relevant Information or Privileged Information, that they come to know.
- (b) Managers of the departments of the Company and the executive directors (or their delegates) of the Controlled companies must inform the Company's managing director (or, in his absence or impediment, the chairman of the Company's board of directors or in the absence of the latter, the vice-chairman of the Company's board of directors) without delay of all information on the Company and/or Controlled companies that they believe to be Relevant Information or Privileged Information that comes into their possession.

6.2 The assessment of whether the information on the Company and/or Controlled companies can be qualified as Relevant Information or Privileged Information, and

whether there is need to proceed, for Relevant Information, to open a section of the RIL (as defined here below) or, for Privileged Information, to activate the delay procedure indicated in article 7.4 below or, alternatively, to make a market communication, is to be made by the following parties:

- (a) information emerging at meetings of the Company's board of directors: it is the responsibility of the board of directors;
- (b) information emerging at the Company's shareholders' meetings: it is the responsibility of the chairman of the board of directors;
- (c) other information: it is the responsibility of the Company's managing director (or, in his absence or impediment, the person delegated by the managing director or, in his absence or impediment, the chairman of the Company's board of directors or in the absence or impediment of the latter, the vice-president of the Company's board of directors) or the person delegated by the Company's managing director (the "**Top Executive**").

6.3 Where the information is judged to be Relevant Information, it must be entered in a relevant section of the Relevant Information register ("**Relevant Information Register**" or, in accordance with the definition of the Guidelines, "**Relevant Information List**" or "**RIL**"), set up and updated by the Company, in accordance with the *pro tempore* legal and regulatory provisions in force containing an indication of the persons who, due to the working or professional activities or functions they perform, have access to the Relevant Information. The method of setting up, managing and updating the RIL are regulated by the procedure for keeping the Register and the RIL linked to this procedure (the "**Register Procedure**").

6.4 Where the information is judged to be Privileged Information in accordance with article 7 of the MAR, it must be made public as soon as possible, using the methods set out in article 7 below and in compliance with the *pro tempore* legal and regulatory provisions in force.

6.5 In accordance with the *pro tempore* legal and regulatory provisions in force, the Company has set up and must keep up to date a register (the "**Register**") indicating the persons, who, due to the working or professional activities or functions they perform, have access to Privileged Information, even if delayed. The methods for setting up, managing and updating the Register are regulated in the Register Procedure.

6.6 The internal management of Relevant Information and Privileged Information, even if delayed, must be performed in compliance with the rules set out below.

- (a) The Top executive and managers of the company departments concerned must constantly monitor the progress of the qualified information as Relevant Information and, where the conditions exist, make new assessments as indicated in article 6.2 above with regard to the decisions to be made if the aforesaid information becomes privileged.
- (b) The managers of each company department must make sure that the Relevant Information and Privileged Information, even if delayed, is only known to the

workers of the organizational unit for whom this knowledge is necessary to perform their working tasks; these workers must be entered in the RIL or Register indicated in articles 6.3 and 6.5 above.

- (c) Persons that receive Relevant Information or Privileged Information, even if delayed, must be informed, using the methods set out in the Register Procedure, of its confidential nature and the obligations that such knowledge entails, and the penalties for the crimes indicated in the applicable primary and secondary legislation.

7. Communication of Privileged Information to the public

7.1 The Top Executive is responsible for the promptness of the communication of Privileged Information to the public.

7.2 Privileged Information is communicated to the public in compliance with the *pro tempore* legal and regulatory provisions in force and the following provisions.

- (a) The *investor relator*, with the support of the manager of the corporate affairs function, draws up a draft communication as laid down in the *pro tempore* legal and regulatory provisions in force, and the provisions set out in this Procedure. The draft communication is sent to the Top Executive and the managers of the company departments concerned to check responsibilities. If the draft contains references to data concerning the economic, asset or financial situation of the Company and/or Controlled companies, these data must be checked in advance by the manager responsible for drawing up the company's account documents indicated in article 154-*bis* of the TUF, who must also sign the statement indicated in article 154-*bis*, subsection 2, of the TUF in the cases requested. If the communication concerns Privileged Information for a Controlled company, the draft is sent to the executive director of the company concerned. If considered necessary or appropriate by the Top Executive, the board of directors will also be responsible for examining the draft communication.
- (b) Having completed the consultations with the internal bodies of the Company (and, if appropriate, of the Controlled companies), in compliance with the provisions set out in this article and with the support of the person responsible for the corporate affairs function, the *investor relator* draws up the final version of the communication and submits it for final approval prior to diffusion by the Top Executive.
- (c) If the Top Executive makes changes to the draft communication thus received, the modified draft must be subjected again to checking by the competent functions of the Company and/or Controlled companies indicated under (a). If there are any discrepancies between the indications of the Top Executive and the functions responsible for the check, the communication is only diffused following a joint assessment by the Top Executive, the manager of the corporate affairs department and the manager of the finance department, reporting immediately to the Company's board of auditors or otherwise following an assessment by the Company's board of directors.

- (d) The communication approved in this way must be diffused as soon as possible in accordance with article 17 of the MAR. These communications must also be published on the Company's web site www.technogym.com.
- 7.3 If Privileged Information, even if delayed, is inadvertently diffused, it must be communicated as soon as possible to the market.
- 7.4 In accordance with article 17, subsection 4, of the MAR, under its own responsibility, the Company can delay the communication of Privileged Information to the public, providing all the following conditions are satisfied: (i) immediate communication would be likely to be detrimental to the Company's legitimate interests; (ii) the delay in communication would not have the effect of misleading the public and (iii) the Company can guarantee the confidentiality of the information in question (the "**Delay conditions**").
- 7.5 With reference to the "legitimate interests" set out in article 7.4 (i) above, the MAR specifies that the "legitimate interests may refer, in particular, to the following circumstances, which do not constitute an exhaustive list:
- Negotiations in progress, or associated elements, if the communication to the public may jeopardize the outcome or normal progress. In particular, in the case of a serious, imminent threat to the financial solidity of the issuing body, even if outside the scope of the applicable insolvency provisions, the communication to the public of information can be delayed for a limited period of time if it risks seriously damaging the interests of the existing or potential shareholders, in that it would jeopardize the conclusion of the negotiations aimed at ensuring the issuing body's long-term financial turnaround;
 - decisions adopted or contracts concluded by the governing department of an issuing body, the efficacy of which is subject to the approval of another department of the issuing body, if the structure of the issuing body is made up of separate departments, providing the communication of the information to the public prior to approval, combined with the simultaneous announcement that approval is still in progress, risks jeopardizing the correct assessment of the information by the public".
- 7.6 If it intends to exercise the right of delaying the communication of Privileged Information to the market, the following rules must be respected.
- (a) The occurrence of the Delay Conditions is assessed by the Top Executive, if the Top Executive does not delegate this assessment to the Company's board of directors.
 - (b) It must be assessed in compliance with the *pro tempore* legal and regulatory provisions in force and on the basis of all the available information, data and circumstances and a careful, in-depth assessment so as to limit its use to the strictly necessary cases, even using the support of the managers of the various company departments concerned, according to the specific responsibilities.
 - (c) The Privileged Information must be subjected to the utmost confidentiality; no delay is allowed for the communication of the Privileged Information for which

the Company and/or Controlled companies cannot guarantee confidentiality, and in particular:

- (i) Access to this Privileged Information shall be denied to persons other than those who need it to perform their functions at the Company and/or Controlled companies;
 - (ii) It must be ensured that the persons who have access to such Privileged Information recognize the resulting legal and regulatory obligations and are aware of the possible penalties for the crimes laid down in the applicable primary and secondary legislation, by sending the relevant statement upon entry in the Register, as laid down in the Register Procedure.
- (d) If the Company, the Controlled companies or the persons knowing the Privileged Information cannot guarantee its confidentiality, the Company must immediately communicate it to the public using the methods laid down by the *pro tempore* legal and regulatory provisions in force and this Procedure. This is true also if a *rumour* expressly refers to a delayed item of Privileged Information and is sufficiently accurate to indicate that the confidentiality of this information is no longer guaranteed, irrespective of the impact that this rumour has had on the price of the Financial Instruments.
- (e) Immediately after the Privileged Information has been communicated to the public or in the terms or by the methods laid down by the legislation in force, the Company notifies this delay to CONSOB (in accordance with the times and methods established by it) providing a written explanation of the methods used to satisfy the Delay Conditions. As established by Regulation 1055, the delay notification must contain the following information: (a) date and time: (i) of the initial existence of the Privileged Information at the Company or Controlled companies; (ii) of the decision to delay the divulgation of the Privileged Information; (iii) of the probable divulgation of the Privileged Information by the Company; (b) identity of the persons at the Company responsible for: (i) making the decision to delay the divulgation and the decision that establishes the start and probable end of the delay period; (ii) continuously monitoring the Delay Conditions; (iii) making the decision to communicate the Privileged Information to the public; (iv) communicating to CONSOB the information requested for the delay and the explanation in writing; (c) proof of the initial satisfaction of the Delay Conditions and any related change that may arise during the delay period, including: (i) protective barriers of the information either inside or outside the Company to prevent access to the delayed Privileged Information by persons different from those at the Company who need to access it in order to carry out their professional activity or function; (ii) methods elaborated to divulge the delayed Privileged Information as soon as its confidentiality is no longer guaranteed.

8. Controlled companies

- 8.1 The Controlled companies are informed of this Procedure through the submission, by the chairman of the Company's board of directors or managing director, of a copy of this Procedure to the administrative body of each Controlled company.

- 8.2 The governing body of each Controlled company must:
- (a) Acknowledge the communication of the Company and obey the rules of conduct for the management of Confidential Information, Relevant Information and Privileged Information established in this Procedure; and
 - (b) Identify the person or persons delegated to communicate the aforesaid information to the Company.
- 8.3 The Controlled companies ensure compliance with the *pro tempore* legal and regulatory provisions in force and the provisions of this Procedure.

9. Final provisions

- 9.1 This Procedure is provided on the company *intranet* system and possibly on the company's internet web site and will be made known to all the Recipients by the manager of the corporate affairs function, which will send a copy to all the Recipients promptly and upon communication of their entry in the Register.
- 9.2 Without prejudice to the Company's right to claim compensation for any damages and/or responsibilities that may result from any violation of this Procedure by the Recipients, failure to fulfil the obligations and prohibitions laid down in this Procedure by the Recipients will entail the responsibilities laid down in the *pro tempore* legal and regulatory provisions in force ⁽³⁾.
- 9.3 Failure to fulfil the obligations and prohibitions laid down in this Procedure by the Recipients will also entail the application of disciplinary measures, in accordance with the collective agreement, and the obligation to pay the Company and Controlled companies any damages suffered due to the violation of this Procedure, to be intended as an integral part of the labour contract and/or other contractual or fiduciary relationship between the Recipients and the Company and/or Controlled companies.
- 9.4 This Procedure can be modified and/or supplemented by the Company's board of directors, also on the basis of the application experience gained, in order to improve the transparency *standards* towards the market. If it is necessary to update and/or supplement single provisions of the Procedure as a consequence of amendments made to the applicable legal or regulatory provisions, or specific requests coming from Supervisory authorities and in cases of ascertained urgency, this Procedure can be amended and/or supplemented by the chairman of the board of directors or the managing director, with subsequent ratification of the amendments and/or additions made by the board of directors at the next meeting. The updated text of the Procedure must, in any case, be made known to all the Recipients, using the methods laid down in article 9.1 above.
- 9.5 This Procedure is applicable starting from the date of its approval by the Company's board of directors.

³ With regard to this, see also the Register Procedure.