



**POLICY  
FOR THE MANAGEMENT OF  
RELATED PARTY TRANSACTIONS  
AND OF TRANSACTIONS IN CONFLICT OF INTEREST  
OF THE DOVALUE GROUP**

(IN ACCORDANCE WITH THE CONSOB REGULATION ADOPTED WITH RESOLUTION  
NO. 17221/2010, UPDATED WITH THE CHANGES MADE BY RESOLUTION NO. 21624  
OF 10 DECEMBER 2020)

**Approved by the Board of Directors  
On 26 February 2026**

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## DOCUMENT MANAGEMENT METHODS

<b>Issuing company</b>	doValue S.p.A.
<b>Recipient company/companies</b>	All Group Companies
<b>Title</b>	Group policy for the management of related party transactions and of transactions in conflict of interest of the doValue Group
<b>Issue Date</b>	24/03/2026
<b>Start Date</b>	Immediate
<b>Classification</b>	EXTERNAL
<b>Document identification code</b>	PLG05-2026-R01
<b>Type of document</b>	Policy
<b>Group Directive</b>	Yes
<b>Drafted by (Owner)</b>	Group Compliance & DPO
<b>Approved by (Accountable) on</b>	Board of Directors of the Parent Company on 26/02/2026
<b>Repealed or replaced norms</b>	PLG03-2021-R01 Group Policy for the management of related party transactions and of transactions in conflict of interest of the doValue Group

## GLOSSARY

<b>Independent Director</b>	Directors with the independence requirements established by law and by the regulatory provisions in force <i>pro tem</i> .
<b>Directors involved in the transaction and board directors involved in the transaction</b>	According to the CONSOB Regulation "the directors, management or supervisory board members who have an interest in the transaction, on their own behalf or that of third parties, in conflict with that of the company".
<b>Unrelated Directors</b>	Directors other than the counterparty in a certain transaction and the related parties of the counterparty
<b>List of Related Parties</b>	Database in which the identified Related Parties are entered, as better described in § 2.1.
<b>Parent Company or doValue or Company</b>	doValue S.p.A.
<b>Corporate Governance Code</b>	Document prepared by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., in compliance with the provisions of Article 89-ter, paragraph 2, of the Consob Issuers' Regulation, and aimed at defining the principles of good corporate governance and the related application criteria, which issuers of listed securities are required to comply with through total or partial voluntary compliance with the Code itself.
<b>Board of Statutory Auditors</b>	The Body responsible for overseeing compliance with the provisions of law, regulations and Articles of Association, the proper administration and the suitability of the Company's organisational and accounting structures.
<b>Committee</b>	Risk and Related Party Transactions Committee, set up within the Board of Directors, the majority of the members of which meet the independence requirements envisaged by Art. 148, paragraph 3 of the Consolidated Law on Finance and the Corporate Governance Code.
<b>Terms Equivalent to Market or Standard Terms</b>	Terms similar to those usually applied to unrelated parties for transactions of a similar nature, size and risk, or based on regulated rates or on controlled prices or those applied to subjects with whom doValue (or companies directly and/or indirectly controlled by it) is obliged by law to contract at a certain fee.
<b>Board of Directors</b>	The Body in which the functions of guidance and/or supervision of company management are concentrated.
<b>CONSOB</b>	Commissione Nazionale per le Società e la Borsa (Italian securities and exchange commission).

<b>Subsidiaries or Subsidiary companies</b>	See Appendix <sup>1</sup> As part of the Group, these are Italian and foreign financial and/or instrumental companies directly and indirectly controlled by the Parent Company and included in doValue Group's perimeter of consolidation.
<b>Supervised subsidiaries</b>	Subsidiaries subject to supervisory activities performed by the Bank of Italy or by another Supervisory Authority.
<b>Control</b>	See Appendix
<b>Joint Control</b>	See Appendix
<b>Financial Reporting Officer</b>	Financial Reporting Officer of preparing the company's accounting documents pursuant to Art. 154-bis of the Consolidated Law of Provisions on financial intermediation.
<b>Key Management Personnel, in short "KMP"</b>	See Appendix
<b>Company Representatives</b>	Members of the Board of Directors and of the Board of Statutory Auditors.
<b>Corporate Department</b>	First- or second-level structure responsible for monitoring and coordinating company activities. They are divided into Support, Control and Business Functions.
<b>Proponent Company Function</b>	Company Function responsible for the Transaction, in particular for the carrying-out of the preliminary investigation phase, in charge of both the collection of specific information on the transaction and the carrying-out of the required checks and assessments on it. In the Subsidiaries, it coincides with the Managing Director or other delegated internal function.
<b>Company Control Functions</b>	The group consisting of the following Company Functions present in the Parent Company and/or in the supervised subsidiary: Group Internal Audit Function, Group AML Function and Financial Reporting Officer pursuant to Law 262/205. With regard to the supervised subsidiary Italfondinario, reference is also made to the Risk Management, Compliance and AML Functions.
<b>Group</b>	The economic Group consisting of the Parent Company doValue and the subsidiary companies (both supervised and not).

<sup>1</sup> In line with the approach pursued by the CONSOB Regulation for the definitions of "Related party transactions" and "Related parties" as well as for all definitions functional to it, a mobile reference is inserted into the definitions contained in the international accounting standards in force at the time. The Appendix to this Policy contains, for ease of reading, an extract of the definitions of related parties and related party transactions in accordance with IAS 24 as well as a reference to the further definitions functional to the same envisaged by international accounting standards.

<b>Significant influence</b>	See Appendix
<b>Significant Interest</b>	The interest of a related party of the Company such that an independent subject acting with professional diligence can believe that such related party can obtain, directly or indirectly, an advantage or disadvantage of any kind from the carrying-out of a Related Party Transaction of the Company.
<b>Joint venture</b>	See Appendix
<b>Related Party Transaction</b>	[...] The transactions defined as such by the international accounting standards adopted according to the procedure indicated in Article 6 of Regulation (EC) no. 1606/2002 See Appendix
<b>Intercompany transactions</b>	Transactions carried out between the Parent Company and the Subsidiaries or among Subsidiaries (also jointly), as well as Transactions with Associated Companies of the Parent Company.
<b>Ordinary Market/Standard Transactions</b>	Transactions: <ul style="list-style-type: none"> <li>- part of the company's operating activity or of its related financial activity,</li> <li>- carried out in the ordinary course of business, and</li> <li>- concluded at Terms Equivalent to Market or Standard Terms, as better described in § 3.2.2.</li> </ul>
<b>Governing Bodies</b>	The group consisting of the Board of Directors, Managing Director and Board of Statutory Auditors.
<b>Corporate Bodies</b>	The group consisting of the Shareholders' meeting and the Governing bodies.
<b>Control Body or Board of Statutory Auditors</b>	The Governing Body responsible for overseeing compliance with the provisions of law, regulations and Articles of Association, the proper administration and the suitability of organisational and accounting structures.
<b>Management Body</b>	The Governing Body or members thereof responsible for management tasks or to which they have been delegated, i.e. the implementation of the guidelines approved in the performance of the strategic supervision function. In the Parent Company, that body is made up of the Managing Director who exercises his/her management duties within the limits of the powers delegated by the Board of Directors.
<b>Related Parties</b>	The Persons [...] defined as such by the international accounting standards adopted according to the procedure indicated in Article 6 of Regulation (EC) no. 1606/2002. See Appendix
<b>Related party perimeter</b>	The group consisting of the Related Parties with reference to the entire Group.
<b>CONSOB Regulation</b>	CONSOB Regulation on related party transactions (adopted with resolution of 12 March 2010, no. 17221, updated with the amendments made by resolution no. 21624 of 10 December 2020).

<b>Issuers' Regulation</b>	Regulation adopted with CONSOB resolution no. 11971 of 14 May 1999, as subsequently supplemented and amended.
<b>Unrelated Shareholders</b>	According to the CONSOB Regulation, "subjects with voting rights other than the counterparty to a given transaction and the subjects related both to the counterparty to a given transaction and to the company".
<b>Associated company</b>	See Appendix
<b>Subjects Concerned</b>	The group consisting of the members of the Related party perimeter.
<b>Close Members of the Family of a Person</b>	See Appendix
<b>Italian Consolidated Law on Finance (TUF)</b>	Legislative Decree 24 February 1998 no. 58, as subsequently amended and supplemented.

## INTRODUCTION

### I. PURPOSE OF THE POLICY

doValue, as the parent company of the doValue Group, as well as the company issuing shares listed on the Mercato Telematico Azionario (Electronic stock exchange) organised and managed by Borsa Italiana S.p.A., must guarantee the impartiality and substantial and procedural correctness of the transactions carried out by the Parent Company or by the Subsidiaries with the Subjects Concerned, as well as ensure their transparency, through:

- (i) the adoption of specific procedures consisting of a preliminary investigation process and a decision-making process;
- (ii) the presentation of adequate disclosure to the Corporate Bodies, as well as to the shareholders and the market on the transactions carried out with Subjects Concerned;
- (iii) the identification of internal control units.

The purpose of this Policy is to define, as part of the operations of the Parent Company and of the Subsidiaries, the principles and rules to be observed to ensure transparency and substantial and procedural correctness of related party transactions, carried out directly by the Parent Company or by means of its Subsidiaries.

In this regard, it establishes for the entire Group, among other things:

- the criteria for identifying Related Parties (see §§ **2**);
- the cases of total or partial exemption from the application of the rules of preliminary investigation, resolution and disclosure to the Corporate Bodies and from the rules of market disclosure (see § **3.3**);
- the preliminary investigation, proposal and resolution procedures with Related Party Transactions (see § **4**);
- the subsequent disclosure obligations to the Corporate Bodies of the Parent Company concerning Related Party transactions (see § **5.2**);
- the control units required to ensure the disclosure on related party transactions to the market (see § **5.1**).

Therefore, this Policy aims to implement the above regulations by introducing, for the entire Group, rules on the methods of preliminary investigation, decision-making, reporting and information powers. Therefore, the indications contained in this Policy are valid for the entire structure of the Parent Company and the Subsidiaries.

All Subsidiaries are required to implement this Policy, which is adopted by the Parent Company as a Group regulation upon resolution of their respective competent bodies, without prejudice to the application, at the time of implementation, of local and/or sector regulations applicable from time to time, in line with the principles established by this Policy.

Periodically and at least every three years, the Board of Directors, subject to the opinion of the Committee, assesses whether to revise the Policy, taking into account, among other things, any changes in the ownership structure and its effectiveness.

There is a duty of disclosure without delay, including by referring to the Parent Company's website, in the annual report on operations, pursuant to Art. 2391-*bis* of the Italian Civil Code.

## II. REFERENCE REGULATIONS

### CONSOB regulation (Related Party Transactions)

The CONSOB regulation:

- establishes the principles with which listed Italian companies must comply in order to ensure transparency and substantial and procedural correctness in related party transactions, directly or through subsidiaries;
- requires, for the management of related party transactions, the adoption of specific procedures and assigns tasks to the Committee (prior assessment of procedures and related party transactions and issue of relevant opinions);
- indicates the minimum content of the procedures: they must identify, among other things, the significant related-party transaction, the exemption cases, the requirements for independence of directors, the manner whereby transactions are executed and approved, the manner/timing with which information on transactions is provided to Independent Directors required to issue opinions and to the management and supervisory bodies before resolution, during and after execution thereof;
- requires, among other things, approval of the procedures by the Board of Directors, subject to the favourable opinion of the Committee;
- requires the Board of Statutory Auditors to monitor the compliance of the procedures adopted by the issuer with the CONSOB Regulation as well as its observance, reporting in this sense to the shareholders' meeting.

### Other applicable regulations

In any case, the following elements remain unaffected:

- the provisions of the Italian Civil Code on companies which monitor conflicts of interests relating to relationships with some specific related parties such as, for example, members of the management bodies (see Art. 2391 of the Italian Civil Code and the related provisions on criminal offences indicated in Articles 2629-*bis* and 2634 of the Italian Civil Code), companies that exercise management and coordination (Art. 2497 of the Italian Civil Code) and shareholders in conflict of interest (Art. 2373 of the Italian Civil Code);
- the provisions of law and international accounting standards for the purposes of preparing the annual and half-yearly financial statements (in compliance with IAS 24), which require specific reporting of related party transactions, as defined by the standards themselves. All Group companies that use IAS are required to apply these accounting rules, since to this end they must report on the transactions carried out by each of these companies also with their own related parties, as well as with the related parties identified at Group level within the Related party perimeter;
- CONSOB communications no. DEM/10078683 of 24 September 2010 and no. DEM/10094530 of 15 November 2010.

## III. APPROVAL OF THE POLICY

This Policy was approved by the Board of Directors at its meeting on 17 June 2021, with the

favourable opinion of the Committee, pursuant to Article 4 of the Related Party Regulation<sup>2</sup> and is effective from the same date.

Should it be necessary to update and/or supplement individual provisions of the Policy as a result of amendments to directly applicable laws or regulations, or of specific requests from the Supervisory Authorities, as well as in cases of organizational changes in the Company, or concerning the Annexes and in cases of proven urgency, the Managing Director may amend and/or supplement the Policy, with subsequent ratification of the amendments and/or additions by the Board of Directors, subject to the favorable opinion of the Committee, at the first available meeting.

This Policy updates and replaces the previous "Policy for the management of related party transactions and of transactions in conflict of interest of the doValue Group" approved by the Board of Directors of 17.06.2021.

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<sup>2</sup> Pursuant to Article 4, paragraph 3 of Consob Regulation, resolutions on procedures and related amendments are approved subject to the favorable opinion of a committee, also specifically set up, composed exclusively of independent directors (...). If there are not at least three independent directors in office, resolutions are approved subject to the favourable opinion of any independent directors present or, in their absence, subject to the non-binding opinion of an independent expert.

## **1. DIVISION OF RESPONSIBILITIES BETWEEN THE PARENT COMPANY AND THE SUBSIDIARIES, GUIDELINES AND COORDINATION MEASURES OF THE SUBSIDIARIES**

In order to ensure the actual carrying-out of activities and its consistency in the management of Transactions throughout the Group, the Policy envisages a clear division of responsibilities between the Parent Company and the Subsidiaries.

### **1.1. Responsibility of the Parent Company**

#### **1.1.1. Responsibility of the Corporate Bodies**

The duties and responsibilities assigned to the Corporate Bodies in relation to the management of Related Party Transactions are described below.

The **doValue Board of Directors** resolves on this Policy and its revisions subject to the favourable opinions of the Committee; specifically:

- appoints the members of the Committee in compliance with the designation criteria established by the regulations in force and this Policy; moreover, the Chairman of the Board of Directors sees to the temporary replacement of the Committee member(s) in the cases envisaged by this Policy (for further details, see § 4);
- resolves on the Significant Related Party Transactions of the Parent Company (and, if any, the Non-Significant Related Party Transactions of the Parent Company), with the exception of Transactions that fall within the competence of the shareholders' meeting of the Parent Company;
- resolves on Parent Company Transactions that fall under article 2391 of the Italian Civil Code, in cases of conflicts of interest of directors;
- authorises the Significant Related-party Transactions of Subsidiaries, subject to the binding opinion of the Committee;
- receives disclosure on Non-significant Related-party Transactions of the Parent Company and its Subsidiaries approved by the competent decision-making bodies, despite the fact that the Committee or the Control Body of the Subsidiary (as the case may be) has issued a negative or qualified opinion;
- receives periodic disclosure in accordance with the criteria indicated in this Policy on Transactions of the Parent Company and the Subsidiaries, as well as on significant issues concerning the Related party perimeter.

The **Committee**:

- issues prior, reasoned and binding opinions, for the purposes of the Board of Directors' resolution, on the overall suitability of this Policy and the procedures contained therein, as well as subsequent updates, to achieve the objectives established by the CONSOB Regulation;
- is involved, either collectively or through its own independent member who may be delegated, already in the stages of negotiation and preliminary investigation of Significant Related-party Transactions of the Parent Company and of the Subsidiaries, by receiving a complete and timely information flow and with the right to request information as well as to formulate observations to the delegated bodies and to the subjects in charge of carrying out the negotiations and preliminary investigation;

- issues, where applicable, prior and reasoned opinions on the Transactions of the Parent Company and of the Subsidiaries with regard to the interest in carrying out such Transactions as well as on the advantage and substantial correctness of the relevant terms;
- expresses its opinion, on the basis of the information made available by Group Compliance & DPO, on important issues concerning the Related party perimeter;
- monitors the Transactions excluded pursuant to paragraph 3.3, also in order to identify any corrective interventions;
- may assist in the issuance of opinions on the cited Transactions, at the expense of the Parent Company, by independent experts of its own choice, subject to verifying the respective independence, as indicated in more detail in par. 4;
- verifies the correct application of the exemption conditions applied to Significant Related Party Transactions defined as ordinary and concluded at market or standard conditions, communicated to the same as envisaged in par. 5.1.3 and 5.2.3 (i) of this Policy.

The **Board of Statutory Auditors of doValue**:

- oversees the compliance of this policy and the procedures adopted pursuant to the CONSOB Regulation, as well as their observance, and reports to the shareholders' meeting pursuant to Article 2429, second paragraph, of the Italian Civil Code or Article 153 of the Consolidated Law;
- receives disclosure on Significant Related-party Transactions of the Parent Company and of the Subsidiaries for which the decision-making process has been interrupted as a result of the negative or conditional opinion issued by the Committee or, where applicable, failure to obtain authorisation from the Board of Directors;
- receives disclosure on Non-significant Related-party Transactions of the Parent Company and its Subsidiaries approved by the competent decision-making bodies, despite the fact that the Committee has issued a negative or qualified opinion;
- oversees the compliance of this policy with the principles indicated by the reference regulations as well as its observance. To this end, the Board of Statutory Auditors may avail itself of the audit activity carried out by the Group *Internal Audit* Function and/or request specific in-depth analysis and feedback from it.

The opinions issued by the Committee (as the case may be) must be reasoned, formalised and supported by suitable documentation accompanying the audits and observations made; finally, they are filed by Group Compliance & DPO which relies on the support of the Group Corporate Affairs & Legal Function for the formalization of the opinion.

## **1.1.2. Responsibility of the Company Functions**

For the purposes of this Policy, the Company Functions concerned, each in relation to its own duties, carry out an in-depth preliminary investigation on the correspondence of the solutions proposed to the various profiles of the regulation contained in it.

The Company Functions also participate, each to the extent of its duty, in the management of Transactions in order to ensure the activation of all the controls envisaged in this Policy. In particular, the responsibilities of the organizational structures that oversee the overall activity are defined and subdivided below.

The Group Compliance & DPO **Function** is responsible for:

- coordinating and monitoring the Related party transactions at Group level;

- supporting the Committee and the Control Body of the Subsidiary (as the case may be) in the activities aimed at assessing the Transactions;
- monitoring the implementation of this Policy and identifying, also with the support of other structures, any need for updating, submitting the proposed amendments to the prior assessment and approval of the competent governance bodies;
- monitoring the process of assessing Transactions; in this area, the Function - which does not have an operational involvement in the decision-making stages - coordinates the various procedural phases of the assessing process of the Transactions in the Parent Company and with regard to the Subsidiaries, also ensuring that the Proponent Company Function provides adequate information (the latter being responsible for the timely notification of the Transaction and the completeness of the contents for the purposes of a full assessment);
- carrying out formal and procedural checks on the correct qualification of the transactions proposed by the Proponent Company Functions.

For the purposes of involving the Governing Bodies involved in the management of Related Party Transactions and the management of information and documentation flows from and to the aforementioned Bodies, the Group Compliance & DPO Function obtains support from the Group Corporate Affairs & Legal Function.

The **Proponent Company Function** is responsible for:

- without prejudice to the observance of the management processes envisaged within each entity of the Group (Parent Company and Subsidiaries) and in the relations between Subsidiaries and Parent Company, verifying in advance the possibility of referring the case to the application of this Policy and therefore, where applicable, collecting - already in the negotiation and preliminary investigation phases - the main information concerning the Transaction and carrying out in advance the required checks (including completeness checks) and assessments, with a special focus on the terms applied to the Transaction, its profitability and the company's interest in finalising it;
- communicating and reporting the Transaction to the Group Compliance & DPO Function after completing the checks and assessments;
- confirming that the Transaction has been carried out (or has not been carried out) to the Group Compliance & DPO Function.

For the purposes of managing the Transactions governed by this Policy, within the Subsidiaries the Proponent Company Function shall coincide with the Chief Executive Officer, or with another internal function delegated thereby.

The **Group Financial Reporting Function** is responsible for:

- preparing the Parent Company's individual and consolidated financial statement disclosures on Related Party transactions, following the acquisition by the Group Compliance & DPO Function of the annual report on completed transactions, prepared in accordance with paragraph 5.2 of this policy;
- preparing disclosures in the interim report on operations.

With regard to process responsibilities, each Company Function is responsible for the correctness, completeness and regulatory consistency of the information pertaining to it with respect to the reference regulatory provisions in force from time to time. The final responsibility lies with the Financial Reporting Officer.

The **Strategic Finance & IR Function** is responsible for:

- supporting the preparation of the Information Document;
- seeing to the notification and dissemination to the public (e.g. Information Document);
- managing communications to Consob regarding transactions;
- preparing the disclosures on Transactions subject also to the disclosure obligations set out

in Art. 17 of Reg. (EU) no. 596/2014.

The **Group People Function** is responsible for:

- supporting the updating of the List of Related Parties with reference to the identification of KMPs within the Group and the assignment of new tasks to KMPs;
- supporting the assessment of Significant Interests.

The **Financial Reporting Officer** guarantees the necessary coordination of the Policy with the administrative and accounting procedures for the preparation of the separate and consolidated financial statements as well as any other financial reporting.

The **Group Internal Audit Function**, within the three-year planning cycle and from a *risk-based* perspective, ensures adequate coverage of the process of managing related parties transactions, assessing both the compliance with the external regulations of reference and the adequacy of the related operating process. Additionally, it may support the Committee and/or the Board of Statutory Auditors in their reviews based on a formal assignment

## 1.2. Responsibility of the Subsidiaries

This Policy and the procedures described therein also apply to the Subsidiaries.

The Subsidiaries comply with the guideline and coordination measures set out below and, when implementing and applying this Policy, assess its possible implementation also in view of particular and/or specific operational requirements as well as with regard to internal information flows for their management and supervisory bodies. The information contained in the flows must be sent to the Group Compliance & DPO Function in order to allow the preparation of periodic disclosures to be sent to the governance bodies of the Parent Company.

The Subsidiaries submit this Policy for the approval of their competent corporate governance bodies with a request to adopt and implement it, applying controls consistent with those of this Policy, in proportion to the actual importance of potential conflicts of interest, without prejudice to the application, at the time of implementation, of local and/or sector regulations applicable from time to time, consistent with the principles set out in this Policy, in any case in compliance with the following measures of guidance and coordination:

- the tasks that the regulations assign to independent directors are carried out by the Committee, since no specific committees are to be set up at the Subsidiaries;
- the Subsidiaries implement adequate flows to supply the Related party perimeter made available by the Parent Company, also with subsequent updates;
- the Subsidiaries, with the support of the Group Compliance & DPO Function, enter data into and update periodically the files of their related parties in accordance with IAS 24;
- the Subsidiaries adopt the criteria established by this Policy for the identification of related-party transactions and the assessment of their materiality, including the provisions relating to the 'exclusion cases';
- The Subsidiaries shall autonomously manage and record, in compliance with the provisions of this Policy, the transactions falling within the following 'exclusion' cases;
  - The Subsidiaries independently manage and track, in compliance with the provisions of this Policy, transactions falling under the following exclusion categories:
  - (i) Intragroup Transactions, where there are no Significant Interests of other members of the Related Party Perimeter referred to in paragraph 3.3 (b) (v) and
  - (ii) Transactions of small amounts, pursuant to paragraph 3.3 (a) (iv) of this Policy;they provide quarterly reports on these transactions to the Group Compliance & DPO

function;

- the Subsidiaries involve, where applicable, the Committee, by means of the Group Compliance & DPO Function, in order to obtain a prior and reasoned opinion on the Transactions, in compliance with the decision-making procedures set out in this Policy, without prejudice to the decision-making powers of the respective corporate governance bodies/company functions;
- the Subsidiaries represent in the decision-making stages the information relating to the Transactions, pointing out the interest of the Subsidiary to conclude the Transaction, the economic advantage and the correct application of the terms;
- in addition to having to apply this Policy, the Subsidiaries adopt internal procedures that ensure the correct management representation of the transactions and preparation of internal information flows for the Parent Company (sent to the Group Compliance & DPO Function) on the transactions relevant for periodic disclosures, pursuant to paragraph 5.2 below.

Also note that, for the purposes of managing the Transactions referred to in this policy, the Proponent Company Function coincides, for the Subsidiaries, with the position of the Managing Director or other internal function delegated by him/her.

Finally, in compliance with the provisions of Art. 114 of the Consolidated Law on Finance, the Subsidiaries promptly provide the information indicated in this Policy, which is necessary in order to comply with the public disclosure obligations envisaged by the external regulations of reference.

The Subsidiary shall identify the internal structure responsible for the adoption and implementation of this Policy. This structure—usually coinciding with the local Compliance function, where applicable—coordinates the application of the procedure within the Subsidiary, manages the necessary information flows towards the Group Compliance & DPO Function, and ensure the proper management and traceability of the Transaction at the local level.

## 2. RELATED PARTY PERIMETER

In compliance with the provisions of the CONSOB Regulation, the Parent Company determined the Related party perimeter to which the decision-making procedures set out in this Policy apply.

Consequently, in compliance with applicable law and regulatory provisions, the companies belonging to the Group refer to the same identified Related party perimeter, within the limits of ordinary diligence, referring:

- to information in the possession of the Parent Company and/or Subsidiaries;
- to the declarations that the Subjects Concerned of the companies of the Group belonging to the Area are required to make, as well as to the updates that they must send without delay if changes occur with respect to the previous declaration;
- to the information provided by the counterparty of the transaction to the Proponent Company Functions during the structuring of the individual transactions.

The results of the analysis of any specific operations that recommend the activation of specific controls to guarantee the impartiality and objectivity of the decisions taken are also relevant.

### 2.1. Operational provisions for managing the Related party perimeter

The Parent Company identifies and records the Subjects Concerned in a specific database.

The continuous recording and updating of the Related party perimeter and the information contained therein ("**List of Related Parties**") is carried out by the Group Compliance & DPO Function, also with support provided by the Company Functions of the Parent Company and of the Subsidiaries competent from time to time, in compliance with the provisions of this Policy.

The persons identified as Related Parties are responsible for providing to the Company the necessary information to allow for the identification of the Related Parties and the Transactions with the same and communicating any updates promptly.

The procedure for recording the subjects falling within the Related party perimeter provides that at the time of appointment or task assignment to a Key Manager, information on the KMP and on the KMP's Close Members of the Family is collected. The acquisition of the above information is carried out by filling in a specific form by the Key Manager.

At least once a year, Key Management Personnel are required to confirm and/or update their information.

For the correct fulfilment of the regulatory obligations and for the efficient application of this Policy, it is necessary to keep the Related party perimeter continuously updated. In this regard, it is the responsibility of the individual Key Manager to promptly notify any circumstances that occurred of which he/she is aware that may result in changes in the declarations made during the appointment phase. The notification of the change can be made by filling in a new certification form, duly signed by the Key Manager.

The List of Related Parties is also fed with information relating to legal entities pursuant to IAS 24. To this end, the Company carries out, on a case-by-case basis, a careful review of shareholding relationships involving control, joint control, or the exercise of significant influence, as well as any factual circumstances in which a shareholder benefits (also by virtue of shareholders' agreements) from specific rights or prerogatives that entail the participation in determining the Company's financial and management policies.

To identify the Italian and foreign companies/entities related to the Company and in particular attributable to the shareholders, the Parent Company will request the issue of a specific declaration from controlling shareholders or shareholders with significant influence; that

declaration will be updated at least once a year, as well as, at the Company's request, where necessary by the shareholder, in the event of changes in the relevant shareholding relationships and related entities. In order to ensure the regular updating of the Related party perimeter with the inclusion of shareholders, account will also be taken of the communications received by the Parent Company pursuant to Article 120 of the TUF (Significant Shareholdings) and pursuant to Art. 122 of the Consolidated Law on Finance (*Shareholder agreements*) made available by Strategic Finance & IR Function **or** Group Corporate Affairs & Legal Function.

The List of Related Parties is made available for consultation by the Company Functions concerned, both of the Parent Company and of the Subsidiaries, so that they can consult <sup>3</sup>it at the time of the preliminary investigation into the Transaction (see § **4.1**), so as to ensure the fulfilment of the obligations set out in this Policy.

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<sup>3</sup> It is still possible for the information contained in the List of Related Parties to be further increased by the Compliance & Global DPO Function on the recommendation of the Proponent Company Function, based on the results of the further analyses that it is required to carry out pursuant to this Policy.

## 3. TRANSACTIONS WITH MEMBERS OF THE RELATED PARTY PERIMETER

### 3.1. Mapping of the transactions with members of the Related party perimeter

When carrying out transactions with members of the Related party perimeter, the Parent Company and the Subsidiaries comply with the procedure set out in this Policy, which has been prepared in order to ensure that such transactions are carried out in compliance with the principles of impartiality and correctness, both from a substantial and procedural point of view.

In the light of the method underlying this Policy, all transactions carried out with entities included in the Perimeter (the "Transactions") are considered related party transactions Related party perimeter whenever they involve the transfer of resources or services or the assumption of obligations, regardless of whether a price is charged (including mergers, demergers through incorporation or demergers in the strict non-proportional sense, as well as any decision relating to the allocation of remuneration and economic benefits, in any form, to the members of the management and supervisory bodies and key management personnel).

This category of transactions includes, by way of example but not by way of limitation:

- due diligence on loan portfolios;
- the transfer of human resources, including secondment;
- signing of contracts with suppliers;
- the signing of new servicing mandates.

### 3.2. Breakdown of Transactions

Transactions are classified into different types on the basis of (i) their size and (ii) the nature and terms applied. This classification determines the modulated application or total or partial non-application, as the case may be, of the decision-making and reporting procedures described in this Policy.

#### 3.2.1. Classification by size

Based on size, Transactions can be divided into:

- (a) Significant Related-party Transactions;
- (b) Non-significant Related-party Transactions;
- (c) Transactions for small amounts.

Significant Related-party Transactions and Non-significant Related-party Transactions, where not falling under the exclusion or exemption cases, are subject to the authorisation procedure set out in this Policy.

Transactions referable to cases of exclusion and exemption, as per § 3.3 below, are regulated by the ordinary decision-making procedures.

#### (a) **Significant Related-party Transactions**

"Significant Related-party Transactions" are Transactions in which at least one of the

following relevance ratios to be used as reference for the classification of the Transaction (the "**Relevance Ratios**"), applicable depending on the specific Transaction, is higher than the threshold of relevance indicated therein.

For the purposes of identifying Significant Related-party Transactions, in order to determine the Relevance Ratios, the companies of the Group must refer, depending on the type of transaction, to the criteria set out in **Annex 3.2**<sup>4</sup>.

In case of Homogeneous transactions or transactions carried out in performance of a business plan, concluded during the financial year with the same member of the Related party perimeter, their value is accumulated for calculating the threshold of relevance set out in **Annex 3.2**.

The possibility of identifying from time to time Transactions to which the regulations laid down for Significant Related-party Transactions are to be applied remains unchanged, even in the case of indicators below the aforesaid thresholds of relevance.

(b) **Non-significant Related-party Transactions**

"Non-significant Related-party Transactions" are Transactions other than Significant Related-party Transactions and Transactions for small amounts.

(c) **Transactions for Small Amounts**

"**Transactions for Small Amounts**" are Transactions whose equivalent value:

- does not exceed Euro 300,000 (or the equivalent value expressed in different currency) in the case of Legal Persons;
- does not exceed Euro 150,000 (or the equivalent value expressed in different currency), in the case of Natural Persons.

### **3.2.2. Classification by Nature and Terms**

Based on the nature and terms applied, Transactions can be divided into "ordinary" and "non-ordinary" and carried out or not carried out at Terms Equivalent to Market or Standard Terms.

#### **Ordinary Market/Standard Transactions**

"**Ordinary Market/Standard Transactions**" are:

- I. part of the company's operating activity or of its related financial activity,
- II. carried out in the ordinary course of business, and
- III. concluded at Terms Equivalent to Market or Standard Terms.

The parameters for identifying Transactions that qualify as Ordinary Market/Standard Transactions are set out below.

#### **I. Operating and related financial activity**

"Operating activity" means all:

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<sup>4</sup> In case of regulatory changes that modify all or part of the Relevance Ratios or the significant reporting threshold, such changes will be automatically included in Annex 3.2

- a) the main revenue-producing activities of the company carrying out the transaction, and
- b) other management activities that are not "investing" or "financing" activities.

"Financial activity related to the operating activity" refers to transactions that, although theoretically qualified as financial, are mainly ancillary to the carrying-out of operating activities. Therefore, the notion of operating activity includes both transactions that fall within the typical activities of the company and those that contribute to generating the main components of current operations (including instrumental and/or ancillary activities).

In assessing whether a Transaction can qualify as an Ordinary Market/Standard Transaction, account must be taken of the activity carried out by the company (Parent Company or Group company) that carries out the Transaction. Therefore, in the event that the Transaction is carried out by a Subsidiary, the activity carried out by the Subsidiary will be important. If, on the other hand, the company carrying out the Transaction with the member of the Related party perimeter is a special purpose vehicle set up for the purpose of carrying out this Transaction, at least one of the activities carried out by the Group must be "ordinary".

## **II. Ordinary course of business**

Transactions are considered "ordinary" if they are part of the ordinary course of business of the operating activity or of the related financial activity, as described above. In order to assess this additional criterion, the following elements, among others, can be considered:

- *subject-matter of the transaction*: the "non-relevance of the subject-matter of the transaction to the activity typically carried out by the company considered from time to time is indicative of anomaly and may show that it is not "ordinary";
- *recurrence of the type of transaction as part of the activity*: the regular repetition of a transaction indicates significantly that it is an ordinary activity in the absence of other signs to the contrary;
- *size of the transaction*: what matters is that the transaction must not be significantly greater than those that usually characterise similar transactions carried out by the company;
- *contractual terms and conditions*, including the characteristics of the fee: transactions for which a non-monetary fee is envisaged do not fall within the ordinary course of business of the operating activity, even if they are the subject of appraisals by third parties; similarly, transactions that present economic and contractual schemes that are more complex than the standards generally used for these types of transactions in compliance with internal policies and governance documents that specifically regulate the operations carried out by the Group's structures do not fall within the ordinary course of business;
- *nature of the counterparty*: transactions carried out with a counterparty that have anomalous characteristics compared to the type of "ordinary" transaction carried out do not fall within the ordinary course of business.

## **III. Terms Equivalent to Market or Standard Terms**

"Ordinary" Transactions, identified on the basis of the above parameters, are considered to have been carried out under "**Terms Equivalent to Market or Standard Terms**" (and, therefore, qualify as Ordinary Market/Standard Transactions), if at least one of the following circumstances occurs:

- The conditions are substantially aligned with those applied to third parties not included in the Related party perimeter with reference to transactions with similar characteristics in terms of size, nature, type, risk, etc;
- The conditions can be inferred from reference books, price lists, product tables, framework agreements, etc., or applied on the basis of terms defined and imposed by law;

- The conditions are carried out by third parties operating in the same sector of reference in transactions with similar characteristics in terms of size, nature, type, risk, etc.

In the case of an Ordinary Market/Standard Transaction, the resolution must contain elements that prove its "ordinary" nature, with reference to the criteria indicated in the Policy, as may be specified.

### 3.3. Cases of exclusion

The following cases of exclusion from the application of the authorization or information control units regulated in this Policy are expressly envisaged:

#### **a. Transactions for which the provisions of the Consob Regulation do not apply**

For the following types of Transactions, the provisions of the Consob Regulation do not apply:

- i. resolutions of the shareholders' meeting relating to the **remuneration of the members of the Board of Directors** (see Art. 2389 of the Italian Civil Code, par. 1);
- ii. resolutions concerning the **remuneration of directors** holding particular offices falling within the total amount previously determined by the shareholders' meeting (see Art. 2389 of the Italian Civil Code, par. 3);
- iii. resolutions of the shareholders' meeting relating to the **remuneration of the members of the Board of Statutory Auditors** (see Art. 2402 of the Italian Civil Code);
- iv. transactions for **small amounts**, identified in accordance with par. 3.2.1 of this Policy;
- v. the transactions resolved by the companies and **aimed at all shareholders under the same conditions**, therein including:
  - a. capital increases on option, also in service of convertible bond loans, and free capital increases envisaged by Article 2442 of the Italian Civil Code;
  - b. demergers in the strict sense, total or partial, with criterion of proportional attribution of shares;
  - c. share capital reductions by reimbursement to the shareholders envisaged by Article 2445 of the Italian Civil Code and purchases of treasury shares in accordance with Article 132 of the Consolidated Law.

#### **b. Cases of exclusion (in whole or in part) envisaged by the Policy**

- i. **remuneration plans** based upon financial instruments approved by the shareholders' meeting in accordance with Art. 114-*bis* of the Consolidated Law on Finance and respective executive transactions;
- ii. resolutions, other than those already indicated in point a) Roman numerals i), ii) and iii), concerning the **remuneration** of directors holding particular offices, as well as of other Key Management Personnel, provided that:
  - the Parent Company has adopted a remuneration policy approved by the Shareholders' Meeting;
  - a committee made up exclusively of non-executive directors, the majority of whom are independent, was involved in defining the remuneration policy;
  - the assigned remuneration is coherent with that policy and quantified on the basis of criteria that do not involve discretionary assessments;
- iii. **ordinary transactions that are concluded at conditions equivalent to those of**

**the market or standard**, in respect of the provisions indicated below:

○ **Non-significant Related-party Transactions that are Ordinary Market/Standard Transactions**

The management and information control units (§ 4.2 - 5) envisaged by this Policy do not apply to Non-Significant Related Party Transactions that are Ordinary Market/Standard Transactions.

○ **Significant Related-party Transactions that are Ordinary Market/Standard Transactions**

In derogation from § 4.1, the ordinary decision-making procedure, without prior opinion from the Committee, the authorization procedures and the information procedures provided for by this Policy (for further details, see **§ 5.1.3**) as well as the control procedures provided for by this Policy (for further details, see **§ 5.2.3**) apply to Transactions of Greater Importance that are Ordinary Market/Standard Transactions.

**iv.** Urgent transactions (the "**Urgent Transactions**") – where expressly permitted in accordance with the articles of association of the Parent Company and without prejudice to the provisions of Art. 5 (*Public disclosure on related party transactions*) of the CONSOB Regulation, where applicable - do not apply the authorisation controls envisaged by this Policy, provided that the conditions indicated below are in place:

(a) *Urgent Transactions not falling within the competence of the shareholders' meeting or subject to authorisation by the shareholders' meeting, without prejudice to the reserve of competence to resolve for the BoD:*

- if the Transaction to be carried out falls within the competence of a managing director, the Chairman of the Board of Directors must be informed of the urgent reasons promptly and, in any case, before the Transaction is carried out;
- Transactions must be subsequently the subject matter, without prejudice to their effectiveness, of a non-binding resolution of the first Ordinary Shareholders' Meeting available;
- the body calling the shareholders' meeting held to approve pursuant to point (ii) above must prepare a report containing an adequate explanation of the urgent reasons;
- the Control Body must report to the shareholders' meeting its assessment on the existence of the urgent reasons;
- the report and assessments referred to in points (iii) and (iv) above must be made available to the public (at least 21 days before the date set for the shareholders' meeting referred to in point (ii) above) at the registered office and as indicated in Title II, Chapter I of the Issuers' Regulation by the *Investor Relations* Function, with the support of the Legal & Group Corporate Affairs & Legal Function. Those documents may be contained in the Information Document (indicated in Art. 5, paragraph 1 of the CONSOB Regulation);
- within the day following that of the shareholders' meeting referred to in point (ii) above, information on the results of the vote must be made available to the public (as indicated in Title II, Chapter I, of the Issuers' Regulation), with a special attention to the number of total votes cast by unrelated shareholders.

(b) *Urgent Transactions falling within the competence of the shareholders' meeting or subject to authorization by the shareholders' meeting:*

- only urgent cases related to situations of company crisis fall within this case, namely, by way of example:
  - cases of significant losses pursuant to Articles 2446 and 2447 of the Italian Civil Code;
  - situations in which the Parent Company is subject to bankruptcy proceedings or situations in which there are uncertainties as to the status as a going

- concern of the Parent Company or its independent auditors;
- situations of financial distress that are likely to result, in the short term, in a significant reduction in capital pursuant to the aforementioned Articles 2446 and 2447 of the Italian Civil Code;
- o the body calling the shareholders' meeting must prepare a report containing an adequate explanation of the urgent reasons;
- o the Control Body must report to the shareholders' meeting its assessment on the existence of the urgent reasons;
- o the report and assessments referred to in points (ii) and (iii) above must be made available to the public (at least 21 days before the date set for the shareholders' meeting referred to in point (ii) above) at the registered office and as indicated in Title II, Chapter I of the Issuers' Regulation by the Strategic Finance & IR Function, with the support of the Group Compliance & DPO Function. Those documents may be contained in the Information Document (indicated in Art. 5, paragraph 1 of the CONSOB Regulation);
- o if the assessments of the Control Body referred to in point (iii) above are negative, the shareholders' meeting must resolve in accordance with the Whitewash procedure;
- o if the assessments of the Control Body referred to in point (iii) above are positive, within the day following that of the shareholders' meeting, information on the results of the vote must be made available to the public (as indicated in Title II, Chapter I, of the Issuers' Regulation), with a special attention to the number of total votes cast by unrelated shareholders.

#### **v. Intercompany Transactions, if there are no Significant Interests of other members of the Related party perimeter**

With regard to Transactions carried out between the Parent Company and the Subsidiaries or between Subsidiaries (also jointly), as well as to Transactions with Associated Companies of the Parent Company (the "**Intercompany Transactions**") - and provided that they do not fall under other cases of exemption or exclusion - it is possible to avail oneself of the exemption from the authorisation control units when in the Transaction or in the Subsidiary or Associated Company of the Parent Company, counterparty of the Transaction, there are no Significant Interests of other members of the Related party perimeter, to be assessed on a case-by-case basis.

However, quarterly information flows are provided to the Board of Directors, the Committee and the Board of Statutory Auditors, to allow adequate monitoring of these Transactions, also for any corrective interventions.

The above exemption applies only in the case of:

- (i) absence of Significant Interests of other members of the Related party perimeter;
- (ii) the possibility of referring the transaction, directly and/or indirectly, to the carrying-out of the overall strategic plan of the Group; these are transactions approved in the interest of each contracting Company based on the Articles of Association and current regulations on operating powers.

"**Significant Interest**" means the interest of a member of the Related party perimeter such that an independent subject acting with professional diligence can believe that such subject can obtain, directly or indirectly, an advantage or disadvantage of any kind from the carrying-out of a Transaction with members of the Related party perimeter.

- Remunerations of the Key Management Personnel of doValue S.p.A. that depend to a significant extent on the results achieved by the company with which the Transaction is

carried out. The interest deriving from the mere sharing of one or more Directors or other Key management personnel between the Company and the Subsidiary Companies and Associated Companies with which the transaction is carried out is not considered significant. The assessment of significance must be carried out in the light of the weight of the remuneration that depends on the performance of the subsidiary (including the aforementioned incentive plans) compared to the total remuneration of the director or Key Manager. To this end, the presence of Significant Interests of other Related Parties occurs in cases of incentive plans based on financial instruments (or, in any case, variable remuneration) of the Key Management Personnel of doValue S.p.A. that depend to a significant extent on the results for the period achieved by the companies with which the transaction is carried out. The assessment is therefore carried out in light of the weight assumed by the remuneration depending on the performance of the subsidiary compared to the overall remuneration.

- Participation in the share capital of the company with which the Transaction is carried out. The assessment of significance is carried out by the Company even if the Subsidiary or Associate with which the Transaction is carried out is also indirectly owned by a Related Party. In this case, there is a significant interest if the effective weight of the aforementioned equity investment involves the exercise of significant influence or, in any case, the direct or indirect ownership of a significant share.
- The presence of significant interests may also be identified in case of: (i) significant financial relationships between the Subsidiary/Associate and other related parties; (ii) specific contractual obligations of the Subsidiary/Associate with the related party stipulated in any form; (v) significant credits, financing or guarantees not proportional to the shareholdings of the related party's shareholders in the Subsidiary/Associate.

In the case of an Intragroup Transaction that benefits a third related party (for example, an intragroup service agreement benefiting principals falling within the related-party perimeter), the exclusion condition still applies if the subject matter of the service falls within the Ordinary Course of Business of the providing company and the related cost is passed on to the third related party under Market/Standard conditions.

Intragroup Transactions are managed and recorded exclusively by the company that provides the service or the goods.

#### **vi. Operations implementing framework resolutions**

Without prejudice to the periodic reporting obligations indicated below, Transactions carried out to implement Framework Resolutions (as defined below) are excluded from the application of the authorisation control units provided for by this Policy.

### **3.4. Framework Resolutions**

In order to ensure the best and transparent carrying-out of current operations with subjects included in the list of members of the Related party perimeter, "framework resolutions" may be adopted, as provided for by the CONSOB Regulation, as well as in compliance with this Policy, regulating a number of homogeneous and recurring Transactions with certain subjects included in the Related party perimeter (the "**Framework Resolutions**") concerning, by way of example:

- (i) Transactions with which duration contracts are performed for the supply of goods and/or the provision of services (e.g. IT services) at pre-established economic conditions;
- (ii) Transactions falling within the scope of other "framework agreements", i.e. agreements within the scope of which a number of Transactions are to be carried out, already in place at the time of approval of this Policy, or approved by the Board of Directors after

approval of this Policy.

In both cases referred to in points (i) and (ii) above, where contracts have a multi-year duration, the Framework Resolution must be renewed year by year.

The Framework Resolutions, which must not be effective for more than one year, concern sufficiently determined Transactions and indicate the expected maximum amount of Transactions to be carried out in the period of reference, the reasons for the conditions envisaged, as well as their effects on the financial and economic situation of the company and/or the Group.

The adoption of the Framework Resolutions must be subject to the relevant rules of preliminary investigation, resolution and disclosure established by this Policy for Non-significant Related-party Transactions and for Significant Related-party Transactions, depending on the expected maximum amount of the Transactions subject matter of the Framework Resolution, considered cumulatively.

The Framework Resolutions, upon approval, must be published (for transparency purposes) by way of an Information Document (in accordance with Art. 5 of the CONSOB Regulation), if the foreseeable maximum amount of the Transactions subject to the Framework Resolution, considered overall, exceeds the threshold of significance envisaged for the Significant Related Party Transactions.

In the case of Framework Resolutions, the Board of Directors must be fully informed, at least on a quarterly basis, of their implementation.

Transactions concluded in implementation of a Framework Resolution which is the subject matter of an Information Document published pursuant to the above are not considered "cumulative" transactions.

A Transaction cannot be carried out in implementation of a Framework Resolution if, although initially referable to the latter, it does not comply with the requirements of specificity, homogeneity and determination at the basis of the Framework Resolution itself. Therefore, the rules established in general by this Policy for each Transaction, apply to this Transaction.

## **4. CONTROL UNITS FOR THE MANAGEMENT OF TRANSACTIONS WITH MEMBERS OF THE RELATED PARTY PERIMETER**

### **Introduction**

The following paragraphs of this Policy describe the measures applicable to the cases mapped out in the previous § 3. For the purposes of applying the regulations set out in this § 4, the Parent Company and each Subsidiary must refer to the Related party perimeter, as outlined pursuant to § 2 above.

In the case of Transactions carried out by Subsidiaries, the Parent Company provides all appropriate support in the application of the control units envisaged by this Policy, in proportion to the actual importance of conflicts of interest.

The Group, in implementation of the provisions of the CONSOB Regulation, adopts the authorisation procedure for Transactions described in the following paragraphs of this Policy.

### **The Committee**

In accordance with the CONSOB Regulation, the Parent Company set up a Committee composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from among the non-executive members of the Board of Directors, the majority of whom meet the independence requirements.

Non-significant Related-party Transactions and Significant Related-party Transactions are approved, subject to the issue of an opinion by the Committee, as better indicated in the following § 4.2.

If the Committee is called upon to give an opinion on a:

- (i) Transaction of Greater Importance, it meets and resolves only on the composition of Independent Directors and not related to the Transaction, in any case a number of not less than 3 (three);
- (ii) Transaction of Lesser Importance (which is not an Ordinary Market/Standard Transaction), it meets and resolves on the composition, for the majority, of Independent Directors and not related to the Transaction, in any case a number of not less than 2 (two).

If the composition of the Committee does not meet the requirements of (i) or (ii) above (as the case may be), it shall be supplemented from time to time on the proposal of the Chairman of the Board of Directors in order to meet those requirements.

### **Equivalent Control Units**

If it is not possible to integrate the Committee due to the absence of a sufficient number of Independent Directors not related to the Transaction, the opinion will be given by the Board of Statutory Auditors, or by an independent expert. Should the Board of Statutory Auditors issue an opinion, the equivalence of the control unit may be considered to exist only if the members of the said body, if they have an interest in the Transaction, on their own behalf or on behalf of third parties, inform the other statutory auditors by specifying the nature, terms, origin and scope.

The documentation and opinions collected by the Committee, or within the framework of equivalent control units, may be sent by computer and/or fax. The opinions must be reasoned, formalized and supported by suitable documentation accompanying the audits and observations made.

The Committee and those who work in place of the Committee when the latter cannot work may

be assisted by one or more independent experts of their own choice at the expense of the Parent Company on the basis of an annual expenditure budget approved by the Board of Directors, with the opinion of the Board of Statutory Auditors, in accordance with Art. 7, paragraph 2 of the CONSOB Regulation. In that case, the Committee itself verifies in advance the independence of the selected experts taking account of the relationships indicated in paragraph 2.4 of Annex 4 to the CONSOB Regulation ("Information Document on Significant Related Party Transactions")<sup>5</sup>.

The Committee meets and operates in compliance with the provisions contained in the relevant Regulations and in accordance with the provisions of this Policy.

## **4.1. Preliminary investigation**

### **Introduction**

The preliminary investigation of the Transactions must meet the requirements of formal and substantial correctness underlying the regulations in force on the matter and referred to in this Policy at whatever level they are dealt with and regardless of the decision-making powers of the Corporate Bodies or of the other organisational units of the Parent Company or of the other companies of the Group.

In particular, the reasons and interests of the Transaction, its advantage for the Group's contracting company, the substantial correctness of the terms as well as the effects of the Transaction itself in financial and economic terms must be examined in detail.

### **Start of the preliminary investigation**

The Transaction management process begins when the Company Function proposing the Transaction of the Parent Company or of the Subsidiaries (as the case may be) starts negotiations, followed by the preliminary investigation phase and ends with the resolution of the Transaction, which may take place in different ways based on the characteristics or qualification of the Transaction itself.

The Proponent Company Function is responsible for collecting the main information concerning the Transaction and carrying out in advance the necessary checks and assessments. Specifically, it identifies the counterparty and the conditions applied to the Transaction and gathers all the information necessary to define the type of Transaction, determine its significance, verify its possible "ordinary" nature, and verify the presence of Market Equivalent or Standard Conditions.

, Moreover, the Proponent Company Function must provide indications concerning the interest in carrying out the Transaction as well as the advantage and substantial correctness of the relevant terms. This information is, among other things, considered necessary to allow the Committee to express its opinion, if any, when required by this Policy. This information is

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<sup>5</sup> In particular, indicate any economic, capital and financial relationships between the independent experts and:

- the related party, the companies controlled by it, the entities that control it, the companies subject to common control as well as the directors of the aforementioned companies;
- the company, the companies controlled by it, the entities that control it, the companies subject to common control as well as the directors of the aforementioned companies, taken into consideration for the purposes of qualifying the expert as independent and the reasons why those relationships were considered irrelevant for the purposes of the judgment on independence. The information on any relationships may be provided by attaching a declaration of the independent experts themselves.

promptly shared with the Group Compliance & DPO function.

Moreover, as part of the preliminary investigation process, the Proponent Company Function carries out, with the support of the Group Compliance & DPO Function, an assessment of:

- the possibility of referring the counterparty to the Related party perimeter; where the counterparty is not included in the List of Related Parties, the Proponent Company Function requests from the counterparties the information required for checking their non-relevance to the Related party perimeter, and, if necessary, informs the Group Compliance & DPO of the need to supplement the List of Related Parties Area;
- the possibility of referring the Transaction to one of the relevant cases for the purposes of this Policy and, in particular, whether the Transaction is "ordinary" and whether the terms applied are Conditions Equivalent to Market or Standard Conditions (and, therefore, whether it can be qualified as an Ordinary Market/Standard Transaction);
- the possibility of referring the Transaction to any cases of exclusion or exemption regulated by this Policy (see § 3.3).

In the event that the Proponent Company Function, as a result of the above analysis, considers that the Transaction is relevant for the purposes of the Policy, it fills in a special report (known as *Preliminary Investigation Report*), according to a defined model in which, in correspondence with specific previously defined fields, it enters the following information (depending on the availability of the information itself):

- the reasons why the Transaction was deemed to be relevant for the purposes of the Policy and that there are no cases of exemption or exclusion;
- the counterparty/ies of the Transaction and the nature of the correlation with it;
- the general characteristics and terms of the Transaction;
- the reasons and interests of the Transaction.

The Proponent Company Functions must inform the Compliance & Global DPO Function by sending the Report for all Transactions and therefore also for those Transactions that, owing to amounts and/or powers, determined by the system of proxies from time to time in force, would not be approved by the Board of Directors.

The Group Compliance & DPO Function, after formal and procedural review of accuracy of the analyses carried out and the actual classification of the transaction as a Transaction relevant for the purposes of this Policy, enters the information contained in the Report into a database that will contain, in consolidated form, all the specifications of the Transactions started by the Parent Company and the Subsidiaries (known as "*Related Party Transaction Register*", or in short "Register").

Note that this Register is continuously fed with the information obtained from the Proponent Company Function both in the preliminary investigation phase and with that concerning the conclusion of the Transaction. Based on what is present in the above-mentioned database, the Group Compliance & DPO Function prepares the periodic information flows that are brought to the attention of the Committee and the Governing Bodies of the Parent Company and of the Subsidiaries (for more details on the subject, please refer to § 5.2).

The Report formalised by the Proponent Company Function is to Group Compliance & DPO Function with supporting documentation. If the Transaction is submitted to the Committee for prior approval, the Proposing Function also compiles a more detailed descriptive memo of the Transaction, to be submitted to the Committee so that the latter can start the required assessments. The Proposing Function also provides the Committee with all additional information and documentation requested by the Committee.

The responsibility for confirming the correct classification of Transactions based on size is assigned to the Proponent Company Function, supported, as regards the collection of the

information required for this purpose, by the other Company Functions and under the supervision of the Group Compliance & DPO Function.

The Group Compliance & DPO Function supports the Proponent Company Functions in the assessment of Transactions in accordance with this Policy, making use of the other Company Functions for their respective duties.

With regard to Transactions that, as a result of the above assessments, have been exempted from the deliberative procedure, the head of the Proponent Company Function keeps specific evidence of the reasons underlying the non-activation of the procedure itself and sends the Report (duly completed as indicated above) to the Group Compliance & DPO Function.

If the terms of the Transaction are defined as Terms Equivalent to Market or Standard Terms, the documentation prepared must contain the evidence supporting the conclusion. The alignment of the Transaction with Conditions Equivalent to Market or Standard Conditions must be adequately justified and the relative documentation must contain objective elements of suitable evidence, in application of the CONSOB Regulation and IAS 24. On the other hand, in the event that the preliminary investigation carried out concludes that the Transaction shows deviations in terms of economic and contractual conditions and/or other characteristic profiles compared to Terms Equivalent to Market or Standard Terms, the Proponent Company Function must indicate the reasons for such deviations and acquire in the documentation suitable elements supporting them and the interest in carrying out the Transaction.

## **4.2. Decision-making procedure**

The Parent Company and its Subsidiaries are required to observe different decision-making procedures for the resolution of Transactions according to the importance of the Transaction and its characteristics with regard to the terms applied.

The procedures that both the Parent Company and the Subsidiaries must follow are described below, depending on whether they are Significant Related Party Transactions or Non-Significant Related Party Transactions (i.e. they are not Ordinary Market/Standard Transactions).

These procedures do not apply to Transactions that fall within the cases of exclusion and exemption referred to in the previous paragraph § 3.3.

**Annex 4.2** contains a summary description of the procedures outlined below.

### **4.2.1. Procedures for Significant Related-party Transactions**

- ***Procedures for Significant Related-party Transactions carried out by the Parent Company***

Significant Related-party Transactions carried out by the Parent Company are approved exclusively by the Board of Directors - with the exception (i) of those falling within the competence of the shareholders' meeting pursuant to the law or the Articles of Association and (ii) those falling within the exclusion and exemption cases under Article 3.3, for which the

ordinary decision-making procedure applies<sup>6</sup> - after the Committee has issued a reasoned and favourable opinion on the Parent Company's interest in carrying out the Transaction as well as the advantage and substantial correctness of the relevant terms.

To this end:

- a) the Committee receives timely notice of the start of the negotiations/preliminary investigation from the Group Compliance & DPO Function;
- b) the Committee, if considered necessary by it also through one or more delegated members, receives timely information from the Group Compliance & DPO Function on the Transaction, with a special reference to the nature of the Transaction (including any qualification of the Transaction as a Significant Related Party Transactions) and the correlation, the methods for carrying out the Transaction and the conditions, including economic conditions, for its implementation, the valuation procedure followed, the underlying interest and reasons and any risks for the Parent Company, as well as the references of the subjects responsible for carrying out the negotiation/preliminary investigation.
- c) the Group Compliance & DPO Function is required to send promptly all information required to allow the Committee to be effectively and promptly involved from the negotiation and preliminary investigation phases; the involvement of the Independent Directors in the negotiations and preliminary investigation is ensured at least in the following ways: (i) receiving, by email or by other means that ensure the ex-post traceability of notifications, a complete and updated flow of information by the subjects in charge of carrying out the negotiation or preliminary investigation; and (ii) recognising the right to request information and to make observations to the delegated bodies and to the subjects in charge of carrying out the negotiations or preliminary investigation;
- d) the Group Compliance & DPO takes steps to ensure that the Committee is promptly convened through its secretary's office for the purpose of issuing a prior and reasoned opinion, and at the same time collects the necessary information documents, also making use of the structures of the Parent Company, which must be made available to the Committee in time for the expression of an informed assessment of the Transaction;
- e) once the analysis has been completed, the Committee formulates its opinion in compliance with the schedule established by the normal decision-making procedures of the Parent Company, taking into account the schedule required for the completion of the Transaction:
  - i. *if the Committee expresses a favourable opinion*<sup>7</sup>, the Transaction is submitted to the approval of the Board of Directors;
  - ii. *if the Committee expresses an adverse opinion*, the Transaction is submitted to the approval of the Board of Directors and, if approved by the Board of Directors, it may be

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<sup>6</sup> Such Transactions are approved by the competent decision-making body, on the basis of applicable laws or the existing delegation framework, without the prior opinion of the Committee. In the case of Major Transactions carried out under Market/Standard conditions, the information and ex-post control requirements set out in paragraphs 5.1.3 and 5.2.3 of the Policy shall remain applicable.

<sup>7</sup> According to CONSOB (CONSOB communication no. DEM/10078683 of 24 September 2010), in order for the opinion to be considered "favourable", it is necessary for it to agree fully with the Transaction so that the expression of a negative opinion on even just one aspect of the Transactions is sufficient, in the absence of any other indication in the same opinion by the Committee, to consider the opinion to be contrary. If the opinion is defined as favorable and, therefore, allows to conclude the Transaction despite the presence of some elements of disapproval, an indication should be given of the reasons why these elements are considered not to affect the overall opinion on the company's interest in carrying out the Transaction as well as the substantial correctness of the relevant terms. Moreover, a positive opinion issued under the condition that the Transaction is concluded or carried out in accordance with one or more indications is considered "favourable" provided that the conditions laid down are actually met: in this case, evidence of compliance with the indications is provided in the report on the carrying-out of the Transactions to be returned to the board of directors and control bodies.

completed only with the prior authorisation of the Shareholders' Meeting, which passes the resolutions with the majorities required by law, provided that the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the share capital with voting rights, the aforesaid majorities required by law are reached with the favourable vote of the majority of the unrelated shareholders voting at the Shareholders' Meeting (the "**Whitewash** Procedure").

The resolution approving the Transaction must always adequately justify the reasons concerning the opportunity and economic advantage of the Transaction, the reasons of any deviations in terms of economic and contractual conditions and of other characteristic profiles of the Transaction compared to the Terms Equivalent to Market or Standard Terms. Evidence in support of this reason must be shown in the documents accompanying the resolution.

If one or more Directors are involved in the Transaction, they are obliged to abstain from voting, as described in chap. 6 of this Policy.

The Board of Statutory Auditors receives disclosure prepared by the Compliance & Global DPO Function on Significant Related Party Transactions of the Parent Company for which the decision-making process has been interrupted as a result of the negative or conditional opinion issued by the Committee.

- **Procedures for Significant Related-party Transactions carried out by the Subsidiaries**

Except for the cases of exclusion and exemption referred to in paragraph 3.3, to which the ordinary decision<sup>8</sup>-making procedure applies, significant Related-party Transactions carried out by the Subsidiaries are approved by the Board of Directors of each Subsidiary and submitted for authorization to the Board of Directors of the Parent Company, subject to the binding opinion of the Committee. Points (a) to (d) of § 4.2.1 above apply mutatis mutandis.

- if the Board of Directors gives its authorisation and the Committee expresses a favourable opinion, the Transaction is submitted for approval to the Board of Directors of the Subsidiary;*
- if the Board of Directors does not give its authorisation and/or the Committee expresses an adverse opinion, the process is interrupted.*

The resolution approving the Transaction must always adequately justify the reasons concerning the opportunity and economic advantage of the Transaction, the reasons of any deviations in terms of economic and contractual conditions and of other characteristic profiles of the Transaction compared to the Terms Equivalent to Market or Standard Terms. Evidence in support of this reason must be shown in the documents accompanying the resolution.

If one or more Directors are involved in the Transaction, they are obliged to abstain from voting, as described in chap. 6 of this Policy.

After approval, the Proponent Company Function of the Subsidiary informs the Group Compliance & DPO Function of the outcome of the resolution of the decision-making body.

The Board of Statutory Auditors of the Subsidiary, if any, receives disclosure prepared by the Group Compliance & DPO Function on the Significant Related Party Transactions of the Subsidiaries for which the decision-making process has been interrupted as a result of the

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<sup>8</sup> Such Transactions will, in any case, be subject to disclosure requirements and ex-post controls pursuant to paragraphs 5.1.3 and 5.2.3 of the Policy.

negative or conditional opinion issued by the Committee or failure to obtain authorisation from the Board of Directors.

## 4.2.2. Procedures for Non-Significant Related Party Transactions

- **Procedures for Non-significant Related-party Transactions carried out by the Parent Company**

Non-significant Related-party Transactions carried out by the Parent Company are approved by the competent decision-making body of the Parent Company based on the regulatory provisions in force or the structure of the delegation of powers defined by the Board of Directors<sup>9</sup>, and where not ordinary in nature and/or terms, subject to the issue of a reasoned opinion by the (non-binding) Committee on the Parent Company's interest in carrying out the Transaction as well as the advantage and substantial correctness of the relevant terms. To this end:

a) the Committee receives timely information from the Group Compliance & DPO Function on the Transaction and has the right to request further information and make comments to the delegated bodies, with a special reference to the nature of the Transaction and the correlation, the methods for carrying out the Transaction and the conditions, including economic conditions, for its implementation, the valuation procedure followed, the underlying interest and reasons and any risks for the Parent Company;

b) the Proponent Company Function is required to timely send all useful information to allow the effective involvement of the Committee;

c) the Group Compliance & DPO Function takes steps to ensure that the Committee is promptly convened through its secretary's office for the purpose of issuing a prior and reasoned opinion, and at the same time collects the necessary information documents, also making use of the structures of the Parent Company, which must be made available to the Committee in time for the expression of an informed assessment of the Transaction;

d) once the analysis has been completed, the Committee formulates its opinion in compliance with the schedule established by the normal decision-making procedures of the Parent Company, taking into account the schedule required for the completion of the Transaction:

- if the Committee expresses a favourable opinion*, the Transaction is submitted for approval to the competent decision-making body;
- if the Committee expresses a contrary opinion*, the Transaction is submitted for approval to the competent decision-making body and the contrary opinion has no binding effect on the competent decision-making body, it being understood that the minutes of the decision must provide adequate justification on the reasons that led to the resolution of the Transaction despite the contrary opinion of the Committee and timely response to the observations made in the opinion.

That opinion must be attached to the minutes of the Committee meeting.

In the case of Non-Significant Related Party Transactions under the remit of the BoD, if one or more Directors are involved in the Transaction, they are obliged to abstain from voting, as described in chap. 6 of this Policy.

The Proponent Company Function promptly informs the Group Compliance & DPO Function of the outcome of the resolution of the decision-making body.

The resolution approving the Transaction must always adequately justify the reasons concerning

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<sup>9</sup> It is understood that the delegated subjects can always submit the Non-significant Related-party Transactions for which they would be competent for the approval of the Board of Directors.

the opportunity and economic advantage of the Transaction, the reasons of any deviations in terms of economic and contractual conditions and of other characteristic profiles of the Transaction compared to the Terms Equivalent to Market or Standard Terms. Evidence in support of this reason must be shown in the documents accompanying the resolution.

The Board of Directors and the Board of Statutory Auditors receive disclosure prepared by the Group Compliance & DPO Function on the Non-Significant Related Party Transactions in question approved by the competent bodies despite the negative or conditional opinion issued by the Committee.

- **Procedures for Non-significant Related-party Transactions carried out by the Subsidiaries**

Non-Significant Related Party Transactions implemented by the Subsidiaries are approved by the competent decision-making body of the Subsidiary and, if they are not ordinary by nature and/or conditions, subject to the issuance of a non-binding opinion of the Committee. Consequently:

- i. *if the Committee expresses a favourable opinion*, the Transaction is submitted for approval to the decision-making body of the Subsidiary;
- ii. *if the Committee expresses a contrary opinion*, the Transaction is submitted for approval to the decision-making body of the Subsidiary and the contrary opinion has no binding effect on the decision-making body of the Subsidiary, it being understood that the minutes of the decision must provide adequate justification on the reasons that led to the resolution of the Transaction despite the contrary opinion of the control body of the Subsidiary and timely response to the observations made in the opinion.

That opinion must be attached to the minutes of the Committee meeting.

If the Subsidiary is subject to management and coordination, in related party transactions affected by such activity, the opinion of the Committee indicates precisely the reasons and advantage of the transaction, if necessary also in the light of the overall result of the management and coordination activity or of transactions aimed at fully eliminating the damage resulting from the individual transaction with related parties.

In the case of Non-Significant Related Party Transactions under the remit of the BoD, if one or more Directors are involved in the Transaction, they are obliged to abstain from voting, as described in chap. 6 of this Policy.

After approval, the Proponent Company Function of the Subsidiary informs the Group Compliance & DPO Function of the outcome of the resolution of the decision-making body.

The resolution approving the Transaction must always adequately justify the reasons concerning the opportunity and economic advantage of the Transaction, the reasons of any deviations in terms of economic and contractual conditions and of other characteristic profiles of the Transaction compared to the Terms Equivalent to Market or Standard Terms. Evidence in support of this reason must be shown in the documents accompanying the resolution.

The Board of Directors of the Subsidiaries and the Board of Statutory Auditors, where existing, receive disclosure prepared by the Local Compliance Function on Non-Significant Related Party Transactions approved by their competent decision-making bodies despite the negative or conditional opinion issued by the Committee.

### **4.3. Transactions pertaining to the shareholders' meeting or subject to its authorisation**

For Significant Related-party Transactions and for Non-significant Related-party Transactions of

the Parent Company and the Subsidiaries falling within the competence of the shareholders' meeting or subject to its authorisation, the negotiation phase (with regard to Significant Related-party Transactions only), the preliminary investigation phase and the approval phase of the draft resolution to be submitted to the shareholders' meeting are carried out in accordance with the procedural provisions set out in this Policy preceding and applicable to the specific Transaction. The draft resolution submitted to the shareholders' meeting must be accompanied by the reasoned opinion of the competent body.

With reference to Significant Related-party Transactions of the Parent Company, the draft resolution to be submitted to the shareholders' meeting can be approved even in the presence of a contrary opinion of the Committee provided that, in this case, the shareholders' meeting resolves according to the Whitewash Procedure.

#### **4.4. Conclusion of management procedures**

At the end of the management procedures, once the transaction is approved, the Proponent Function sends to the Group Compliance & DPO Function a conclusive report summarising the authorisation procedure followed; consequently, the Group Compliance & DPO concludes the registration of the transaction in the Register.

## 5. DISCLOSURE CONTROLS ON RELATED PARTY TRANSACTIONS

### 5.1. Disclosure obligations on Related Party Transactions

#### 5.1.1. Disclosure on Significant Related-party Transactions

In accordance with the provisions of Art. 5, paragraphs 1 to 7 of the CONSOB Regulation, for

- i. each Significant Related Party Transaction, and
- ii. several homogeneous Transactions or Transactions carried out in performance of a business plan, concluded during the financial year with the same CONSOB Related Party, or with subjects related both to the latter and to the Parent Company, which cumulatively exceed the Relevance Ratios<sup>10</sup>,

the Parent Company is required to prepare an information document in compliance with the provisions of the CONSOB Regulation (the "**Information Document**"). In both cases referred to in points (i) and (ii) above, the Transactions carried out by the Subsidiaries are also relevant.

In particular, the Information Document is prepared by the Proponent Company Function - of the Parent Company or the Subsidiary - with the support of the Group Compliance & DPO Function and the Strategic Finance & IR Function, in compliance with Annex 4 of the CONSOB Regulation and contains at least the information indicated therein. The Information Document is accompanied by the opinions of the Committee and any independent experts<sup>11</sup> used by the BoD, in the event that the Parent Company does not decide to publish them on its website within the same period of time.

If independent experts are used, the Information Document also sets out the assessments made to select those experts and the checks on their independence<sup>12</sup>.

The information on any relationships may be provided by attaching a declaration of the independent experts themselves.

In relation to the information contained in the Information Document relating to the bodies or directors that have carried out or participated in negotiations and/or investigated and/or approved the transaction, with reference to resolutions of approval of the transaction, the names of those who voted in favour or against the transaction, or abstained, must be specified, identifying in detail the reasons for any dissents or abstentions.

The Information Document must be made available to the public, by the Strategic Finance & IR Function and with the support of the Communication & Sustainability Function, at the registered office and on the website of the Parent Company, by the methods set out in Title II, Chapter I of the Issuers' Regulation, within 7 days:

- of the approval by the competent body of the Transaction; or

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10 To that end, transactions completed by Italian or foreign subsidiary companies are counted, while transactions for which the cases of exemption have been applied are not considered.

11 In accordance with Art. 5, paragraph 5, of the CONSOB Regulation, with reference to the opinions of independent experts, the Parent Company can publish only the elements indicated in Annex 4, giving the reasons for this decision.

12 See the note at the bottom of page 7.

- of the approval by the competent body of the proposal to be submitted to the shareholders' meeting, in case of Transactions falling within the competence or authorisation of the shareholders' meeting; or
- of the conclusion of the contract, including preliminary contracts, in the event that the competent body has resolved to submit a draft contract.

In the event that the exceeding of the thresholds of relevance is determined by the accumulation of the Transactions indicated above, the Information Document is made available to the public within 15 days of the approval of the Transaction or of the conclusion of the contract that determines the exceeding of the threshold of relevance and contains information, also on an aggregate basis for homogeneous Transactions, on all the Transactions considered for the purposes of the accumulation.

If the Transactions that determine the exceeding of the thresholds of relevance are carried out by the Subsidiaries, the Information Document is made available to the public within 15 days from the time when the Parent Company was informed of the approval of the Transaction or of the conclusion of the contract that determines the importance. In order to prepare the Information Document, the Parent Company issues the provisions necessary for the Subsidiaries to provide the information required for the preparation of the Information Document itself. The Subsidiaries transmit such information without delay.

Together with the disclosure to the public, the Parent Company, through the Strategic Finance & IR Function with the support of the Group Compliance & DPO Function, sends the Information Document and the opinions to CONSOB by means of a link with the storage mechanism authorised pursuant to Art. 65-*septies*, paragraph 3 of the Issuers' Regulation.

The Group Compliance & DPO Function sends also to the Financial Reporting Officer, upon his/her specific request, any useful element in its possession, so that the latter can provide appropriate information on the individual Significant Related Party Transactions in the interim report on operations and in the annual report on operations pursuant to Art. 154-ter of the Consolidated Law on Finance.

In accordance with Art. 8, paragraph 1, of the Consob Regulation, the Committee, the Board of Directors and the Board of Statutory Auditors are informed on a quarterly basis of the Significant Related Party Transactions carried out, in accordance with the procedures set out in § 5.2 below.

### **5.1.2. Disclosure on Non-significant Related-party Transactions**

In compliance with Art. 7, paragraph 1, letter g) of the CONSOB Regulation, there is no obligation to disclose to the market Non-Significant Related Party Transactions, with the exception of Non-Significant Related Party Transactions concluded despite the contrary opinion of the Committee.

The Group Compliance & DPO Function sends quarterly or based upon specific request to the Financial Reporting Officer and to the Group Financial Reporting Function, every useful element in its possession, so that the latter may provide pursuant to Art. 154-ter of the Consolidated Law on Finance appropriate disclosure in the interim report on operations and in the annual report on operations, of the individual Transactions that have significantly affected the financial situation or results of the Parent Company<sup>13</sup> and on any change or development of the Transactions described in the last annual report that has had a significant effect on the financial situation or on the results of the Parent Company in the period of reference.

Without prejudice to the provisions of Art. 17 of Regulation (EU) no. 596/2014, the Parent Company makes available to the public, through the Strategic Finance & IRFunction, within 15

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<sup>13</sup> The criteria for identifying the aforementioned transactions are defined by the internal Procedures of the Company

days of the end of each quarter of the financial year, at the registered office and as envisaged by the Issuers' Regulation, an information document containing the indication of (i) the counterparty, (ii) the subject matter and (iii) the fee of the Non-Significant Related Party Transactions approved in the quarter of reference in the presence of a negative opinion of the Committee, as well as (iv) the reasons why it was decided to go against that opinion. Within the same period, the opinion is made available to the public either as an annex to the information document or on the website of the Parent Company.

In accordance with Art. 7, paragraph 1, letter e) of the Consob Regulation, the Committee, the Board of Directors and the Board of Statutory Auditors are informed on a quarterly basis of the Non-Significant Related Party Transactions carried out, in accordance with § 5.2 below.

### **5.1.3. Disclosure on Non-significant Related-party Transactions that are Ordinary Market/Standard Transactions**

In the case of Major Transactions qualified as Ordinary Market/Standard Transactions, the CONSOB Regulation envisages simplified disclosure obligations.

In particular, in derogation (and in replacement) of the transparency obligations envisaged by Art. 5, paragraphs 1 to 7 of the CONSOB Regulation (on the Information Document, see § 5.1.1 above), for Significant Related Party Transactions that are Ordinary Market/Standard Transactions, the following communications must be made,

- i. by the Group Compliance & DPO Function without prejudice to the provisions of Art. 17 of Regulation (EU) no. 596/2014, a communication to CONSOB and to the Committee - who express opinions on that type of transaction, within the term indicated in Art. 5, paragraph 3 of the CONSOB Regulation (*i.e.* the same term for making available to the public the Information Document) in relation to (i) the counterparty, (ii) the subject matter, and (iii) the fee for the Transactions that benefitted from the exclusion, as well as the reasons why it is decided that the transaction is ordinary and concluded at conditions equivalent to those of the market or standard, providing objective evidence;
- ii. By the Group Financial Reporting Function, specific disclosure in the interim report on operations and on the annual report on operations on Transactions concluded using the cited simplification.

### **5.1.4. Disclosure on Transactions subject also to the disclosure obligations set out in Article 17 of Regulation (EU) no. 596/2014.**

In accordance with Art. 6 of the CONSOB Regulation, if a Transaction is also subject to the disclosure obligations envisaged by Article 17 of Regulation (EU) no. 596/2014, the disclosure to the public contains, in addition to the other information to be published in accordance with the aforementioned rule, the following information:

- The description of the transaction;
- an indication that the counterparty to the Transaction is a related party and a description of the nature of the correlation;
- the name of the counterparty to the Transaction;
- if the Transaction is to be qualified as a Transaction of Greater Importance and an indication of any subsequent publication of the Information Document;
- the procedure that has been or will be followed for the approval of the Transaction and, in particular, if the Parent Company has availed itself of a case of exclusion envisaged in this

Policy;

- the possible approval of the Transaction notwithstanding the contrary opinion of the Independent Directors.

Based on the information received from the Group Compliance & DPO Function, the *Strategic Finance & IR* Function assesses the need to carry out the obligations described above.

## **5.2. Monitoring and Disclosure to Corporate Bodies**

### **5.2.1. Monitoring and preparation of information flows within the individual Group Companies**

Transactions concluded during the period by the Parent Company and Subsidiaries:

- are disclosed to the respective Corporate Bodies according to the frequency indicated in **Section 1** of **Annex 5.2.1** to this Policy, and
- are disclosed to the Financial Reporting Officer and to the Group Administration & Control Function according to the frequency indicated in **Section 2** of **Annex 5.2.1** to this Policy.

To this end, the Proponent Company Function, once the Transaction has been approved by the decision-making bodies, must formalise a final summary report, according to a defined model, to be sent to the Group Compliance & DPO Function, so that the latter can update and integrate the information in the Register. This disclosure obligation for the benefit of the Group Compliance & DPO Function is the responsibility of the Proponent Company Function also in case of a Transaction that, owing to amount and/or powers, in compliance with the provisions of the system of proxies in force from time to time, has not been approved by the Board of Directors. This sheet must contain at least the following information:

- a brief description of the characteristics, methods, terms and conditions under which the Transaction was approved, if they differ - even only in part - from what was envisaged and indicated during the preliminary investigation;
- the reasons that led to the approval of the Transaction;
- mention of the circumstance for which the Transaction was decided despite the negative opinion of the Committee;
- in the case of Transactions considered exempt from the application of the decision-making rules, an explanation of the elements of evidence considered relevant for the exemption.

The Group Compliance & DPO Function prepares the information flows on the basis of the information received from time to time, and in compliance with the deadlines set out in **Annex 5.2.1**.

The disclosure must be renewed in the event of any situations of anomaly found in Transactions already notified.

### **5.2.2. Periodic information flows**

On a quarterly basis, the Group Compliance & DPO Function produces - through the Register, which it constantly updates and maintains - specific information flows containing a summary of all Related Party transactions carried out by the Parent Company and by each Subsidiary during the period of reference (including those for which criteria for exemption or simplification of decision-making procedures have been applied). The cited information flow is sent through the Group Corporate Affairs & Legal Function to the Committee, the Board of Directors and the Board

of Statutory Auditors (if any), and the Parent Company (in consolidated form).

Furthermore, on an annual basis, the same Function produces an aggregate information flow by type/technical form of transaction containing a summary of all Related Party transactions carried out by the Parent Company and by the Subsidiaries during the period of reference (including those for which criteria for exemption or simplification of decision-making procedures have been applied). The cited information flow is brought, through the Group Corporate Affairs & Legal Function, to the attention of the Committee, the Board of Statutory Auditors and the Board of Directors.

The periodic extract of the Transactions of each Subsidiary centrally managed by Group Compliance & DPO is shared with the structure responsible for the adoption and implementation of this Policy, as identified by the Subsidiary, which shall in turn inform the internal bodies in accordance with the procedures and obligations in force at the local level.

### **5.2.3. Exemption verification procedure**

(i) With reference to the Significant Related Party Transactions, concluded in ordinary business and at normal market or standard conditions (and therefore exempt) the Committee is given the task of verifying the correctness of application of the condition of exemption of the Transaction, without the related parties participating in that verification.

To that end, when completing the Transaction, the Committee receives from the Group Compliance & DPO Function the communication (sent simultaneously also to CONSOB) indicated in par. 5.1.3 above, having the following contents: (i) the counterparty, (ii) the subject matter, and (iii) the fee for Transactions that benefitted from the exclusion, as well as the reasons why it is decided that the transaction is ordinary and concluded at conditions equivalent to those of the market or standard, providing objective evidence.

The Committee analyses the Transaction and verifies the correct application of the exemption conditions, being able to request any necessary further information and evidence from the Group Compliance & DPO Function. If the Committee identifies the incorrect application of the conditions, the Committee reports to the Board of Directors for it to adopt the necessary measures.

(ii) At least annually, the Committee performs an ex post check on the excluded transactions in accordance with par. 3.3. To that end, based upon the annual information flow received from the Group Compliance & DPO Function in accordance with paragraph 5.2.1 above, it carries out an ex post check on the application of the cases of exemption in accordance with Article 3.3 on the exempted transactions during the year and assesses the adequacy of the exemption procedures, also for the purpose of their periodic revision. To that end, it may perform random checks also with the support of the Internal Audit or external consultants, based on a formal assignment. The Committee reports to the Board of Directors on the checks performed so that it may take the necessary measures.

## **6. CONTROLS FOR THE MANAGEMENT OF TRANSACTIONS HAVING AS THE COUNTERPARTY OR THAT INVOLVE A COMPANY REPRESENTATIVE**

With reference to Transactions under the exclusive decision-making remit of the Board of Directors, the Director (or Company Representative) who is the counterparty or who is in any case involved in the transaction, who has an interest in the transaction, on his/her own behalf or that of third parties, in conflict with that of the company, is obliged to abstain from voting.

In that context, the Director involved and who must abstain is calculated for the purposes of reaching the constitutive quorum of the Board of Directors but is excluded from the calculation of the decision-making quorum.

This is without prejudice to the application of the controls indicated in Art. 2391 of the Italian Civil Code, and therefore:

- Disclosure of the Director concerned to the other directors and the Board of Statutory Auditors on the interest he/she has, on his/her own behalf or on behalf of third parties, in the Transaction, pointing out the scope, nature and terms of the interest;
- in the resolution, the Board of Directors must give adequate reasons why the transaction is considered not to damage the interests of the company;
- For the purposes of abstention from the vote by the Director, the conflict of interest, on his/her own behalf or on behalf of third parties, must be ascertained, without prejudice to: (i) the case of Intercompany Transactions, where the mere sharing of Company Representatives or Key Management Personnel between Group Companies does not in itself imply the presence of personal interests; in this regard, refer to the relevant specific regulations (see § **3.3**);
- If he/she is the Managing Director, he/she must refrain from carrying out the Transaction and invest the Board with the decision;
- If he/she is the Sole Director, he/she must also give notice of this at the first available meeting.

It is specified that in the case of obligations referring "indirectly" to the Director, for which there may be an interest on behalf of third parties, the Director involved is required to inform the Board of Directors of the same, providing all clarifications necessary to allow the Board of Directors to assess whether or not the planned operation falls within the circumstance of conflict of interest of the same.

## 7. OTHER SPECIAL TRANSACTIONS SUBJECT MATTER OF THE POLICY

### 7.1. Transactions in which a member of the Related party perimeter or a servicing beneficiary has a personal interest in conflict with that of another member of the Related party perimeter or another servicing beneficiary.

The servicing beneficiaries include those who are beneficiaries of the credit management activity carried out mainly by the Parent Company and its subsidiaries, and therefore the "**Principals**", meaning banks, other financial intermediaries or even other entities holding loans, including securitisation vehicles.

These transactions include the management of receivables relating to debtor positions in common between different members of the Related party perimeter and/or different servicing beneficiaries carried out as part of the servicing activity (e.g. the signing in the name and on behalf of third parties of settlement agreements, provision of consent to composition agreements, start of legal proceedings, conclusion of credit assignment transactions, assumption of debt and other economically similar transactions, as well as any other credit enacting clause).

The following control units are adopted for the management of the transactions in question:

#### 1) Mapping of debtors in common with several Principals

The IT procedures for the credit management currently in use within both the Parent Company and the Subsidiaries make it possible to intercept debtors in common with several Principals by providing, on the basis of public information and information available within the individual company, special alerts that allow asset managers in charge of credit management relating to common debtors mapped by the procedure to activate the processes described below, culminating with the possible approval of the management deed by the bodies responsible for approving the transaction, identified on the basis of the system of proxies in force from time to time.

#### 2) Criteria to be met by the credit management deed

The processes adopted by the Group are aimed at ensuring that, in principle, the credit management deed relating to common debtors does not compromise or give preference to the interests of any of the members of the Related party perimeter and/or the servicing beneficiaries who claim receivables from the same debtor in common with more than one member of the Related party perimeter and/or servicing beneficiaries.

All this consistently and in compliance with the contractual provisions laid down in each management mandate and servicing contract.

To this end, note that the agreements entered into with the Principals for the loans managed by the Parent Group and by the Subsidiary which is a Supervised Intermediary usually envisage specific control units for the management of the loans shared by several servicing beneficiaries. Consequently, the credit management deeds relating to any debtors common to more than one servicing beneficiary are carried out in compliance with the provisions of their mandates, which, as a rule, envisage, for specific types of deeds, the assumption of the opinion/waiver of the relative principal or, if contractually provided for, of the representative of the noteholders<sup>14</sup>.

Therefore, asset managers are required to seek the opinion of the Principals and the representatives of the noteholders, where contractually envisaged, or, on a voluntary basis, in

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<sup>14</sup> Investors in financial instruments issued as part of securitisation transactions pursuant to Italian Law 130/99 in relation to which the Group carries out the servicing of securitised loan portfolios.

cases where a solution that does not compromise or give preference to the interests of any of the members of the Related party perimeter and/or the servicing beneficiaries who claim receivables from the same debtor in common with more than one member of the Related party perimeter and/or servicing beneficiaries cannot be found.

The opinions are attached by the asset managers to the requests for authorisation of the management deeds, sent for approval to the competent bodies of the Parent Company and of the Subsidiary, which is a Supervised Intermediary, and are filed with the relevant proceedings.

In the specific case of conflict of interest between positions belonging to different principals (managed vs. managed), note that in the presence of conflicting contractual provisions, or in the absence of specific agreements, if the Parent Company (or, as the case may be, the Subsidiary that is a Supervised Intermediary) is not able to obtain a waiver from all Principals and/or have them approve a concerted course of action against adequate disclosure, the Parent Company (or, as the case may be, the Subsidiary that is a Supervised Intermediary) will have to formally notify the Principals concerned and, in the absence of their agreement, shall limit itself to carrying out non-discretionary deeds and offering purely logistical and administrative assistance, so that each Principal may be assisted by its own external lawyer to whom the Parent Company (or, as the case may be, the Subsidiary that is a Supervised Intermediary) shall send the relevant instructions received from the Principal.

The above control units may not be applied in relation to credit management deeds:

- the adoption of which is imposed by specific provisions of the servicing contracts; or
- adopted on behalf of Principals whose interests are entirely referable to the Parent Company or, as the case may be, to the Subsidiary that is a Supervised Intermediary (e.g. conflict between deeds relating to self-securitisation vehicles whose notes are entirely held by Group companies); or
- adopted in implementation of objectively differentiated portfolio management strategies.

### **3) Monitoring**

Note that, through the IT procedures in use by the Parent Company and the Subsidiary that is a Supervised Intermediary, the occurrence of possible situations of conflict of interest is continuously monitored. The information contained in these computer systems can be extracted for analysis and reporting purposes.

## **7.2. Market transactions involving portfolios managed by the Group**

In the course of transactions involving the potential purchase by a member of the Related party perimeter of third-party portfolios managed by Group companies, the Parent Company will adopt specific control units to ensure that access is not allowed to information relating to the portfolio to be potentially acquired by representatives of subjects referable to the said member of the Related party perimeter (i.e., employees, consultants or similar), except in compliance with agreements to be reached with the servicing beneficiary holder of the loans.

Internal regulations must also establish specific control units (known as Chinese Walls) in the case of due diligence activities carried out by the Group on behalf of third parties on portfolios managed by the Group, aimed at ensuring both the involvement of internal teams separate from the managers of the portfolios subject to due diligence, and the separation of information, in compliance with the commitments undertaken with the servicing beneficiary holder of the loans.

## **7.3. Identification of business sectors and relationships that may lead to situations of conflict of interest**

The Group, as part of the regulatory system adopted by it, envisaged organisational measures that, at Group level, identify the business sectors and the types of business relations in respect of which conflicts of interest may arise and in this regard establish both organisational separation control units to prevent the aforementioned situations of conflict and rules of behaviour suitable for managing such situations.

Owing to the above, it is nevertheless necessary that Group companies, in addition to the framework defined at Group level, define detailed organisational measures that take into account the specific operating characteristics of each of them. In particular, these organisational measures are prepared in implementation of the various relevant regulations, including - first and foremost - those relating to servicing and securitisation.

## **8. INTERNAL POLICIES ON RISK MANAGEMENT AND CONTROL**

### **8.1. Management of the personal interests of Company Representatives, Key Management Personnel, employees and company collaborators, even other than Related Parties**

Without prejudice to the rules defined with regard to subjects falling within the Related party perimeter, the opportunity to monitor in more general terms the risk of personal conflicts of interest <sup>15</sup>that may compromise the correctness of transactions carried out by Group companies, even when such interests refer to a wider range of representatives, employees and company collaborators not falling within the definition of Related party perimeter, makes it necessary to apply to Key Management Personnel and to all Company personnel and collaborators (including seconded personnel) of Group companies some substantial rules of "transparency and abstention" in the management of any business activity that may give rise to situations of conflict of personal interest. More penetrating rules may be established for "key personnel" and for certain business sectors.

Therefore, all company representatives, employees and collaborators in the performance of their functions must refrain from making decisions and carrying out activities that conflict with the interests of the company and/or the Group, or are in any case incompatible with their duties.

The Company Representatives of Group companies must also, as far as possible, prevent situations characterized by a conflict (even if only potential) between their interest and the interest of the Company and/or the Group, being in any case required to give notice, in accordance with the provisions applicable to each company, of any interest they may have, on their own behalf or on behalf of third parties, in certain transactions of the company and/or the Group, including in committees set up within the Board of Directors.

Individuals who qualify as "key personnel" (as defined in the company regulations on remuneration) are required to avoid all situations and activities that put them in situations of conflict of interest, even if only potential, on their own behalf or on behalf of third parties, refraining - where the conflict of interest exists - from participating in the transaction to which the conflict refers and giving notice of it to their direct manager.

In any case, the employee or company collaborator who has an investigative, proposing, decision-making or control role in a given transaction, or the direct manager of such subjects, who has a personal interest in the transaction itself <sup>16</sup>- direct or indirect - even if only concurrent and not in conflict with that of the company, must declare the occurrence of the situation of personal interest to his/her direct manager (or, in the case of collaborators, to their company representative), who assesses its relevance and the risk of potential conflict and, if necessary, allocates it to other resources or deals directly with it.

The preventive measures envisaged in this § must also be applied to transactions that already fall within the scope of the special procedures concerning relations with CONSOB Related Parties.

For these purposes, a personal interest is determined by any circumstance or relationship extraneous to the company functions carried out and that, in specific connection with the transaction under discussion, may give rise to (or sacrifice) a benefit directly or indirectly attributable to the Key Manager, the employee or the collaborator.

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<sup>15</sup> This includes both the interests of Key Management Personnel, employees and company collaborators and those of third parties.

<sup>16</sup> Other than that involving participation in any incentive systems approved by the Parent Company in compliance with law and regulatory provisions in force from time to time.

Personal interest is in conflict with the interest of the Parent Company or the Group where this interest may be compromised, even in part, as a result of a potential behavior of the person concerned aimed at protecting or facilitating his/her own personal interest. By way of example, situations of conflict of interest may arise when the personal interest interferes, or may interfere, with the interests of the Parent Company and/or the Group, preventing the objective and effective performance of its functions, or in relation to the pursuit of improper personal benefits as a result of the position held within the Parent Company and/or the Group.

## **9. FINAL PROVISIONS**

Any substantial amendment or integration to this Policy must be approved by the Board of Directors of the Parent Company, subject to binding favorable opinions (analytical and reasoned) of the Committee, on the overall suitability of the Policy to achieve the regulatory objectives.

The Parent Company, through the Group Compliance & DPO Function, continuously assesses whether to revise the Policy, even in the presence of indications to this effect formulated by the Group Internal Audit Function or by the Board of Statutory Auditors.

However, the Board of Directors assesses at intervals set by the law (currently three years) and subject to an analytical and reasoned favorable opinion of the Committee, any revisions to be made to the Policy, taking into account, among other things, any changes that may have occurred in the ownership structure, as well as the effectiveness demonstrated by the Policy in its application.

For anything not expressly envisaged or referred to by this Policy, refer to the laws in force on the matter.

This Policy, which is constantly updated, is published on the Parent Company's website, without prejudice to the obligation to disclose it in the annual report on operations.

## **ANNEX 3.2 – RELEVANCE RATIOS FOR IDENTIFYING SIGNIFICANT RELATED-PARTY TRANSACTIONS**

**Significant Related-party Transactions** are those in which at least one of the following Relevance Ratios, applicable depending on the specific Transaction, is higher than the 5% threshold<sup>17</sup>.

For Transactions that are part of the Group's core business, the 5% threshold is calculated in accordance with the procedures described below as the "Equivalent-value relevance ratio".

For acquisition, merger and demerger transactions, the threshold, always of 5%, must be calculated as indicated below under "*Asset and/or liabilities relevance ratio*".

• **Equivalent-value relevance ratio:** the ratio between the equivalent value of the Transaction and the shareholders' equity drawn from the most recent published balance sheet (consolidated if so prepared) or, if greater, the capitalisation of the Parent Company recorded at the end of the last opening trade day included in the reporting period of the last financial report published.

If the economic conditions of the Transaction are determined, the equivalent value of the Transaction is:

- for cash components, the amount paid/to be paid to/by the contractual counterparty;
- for components consisting of financial instruments, the fair value measured on the date of the Transaction in compliance with the international accounting standards;
- for Loan transactions or granting of guarantees, the maximum amount payable.

If the economic conditions of the Transaction depend totally or partially on quantities not yet known, the equivalent value of the Transaction is the maximum amount receivable or payable pursuant to the agreement and, if it is spread over several years, it is discounted as established by the Parent Company's internal regulations.

• **Asset relevance ratio:** the ratio between the total assets of the entity subject matter of the Transaction and the total assets of the Parent Company. The figures to be used must be obtained from the most recent consolidated balance sheet published by the Parent Company; where possible, similar figures must be used for calculating the total assets of the entity subject matter of the Transaction.

For Transactions involving the acquisition and sale of equity investments in companies that affect the scope of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital subject matter of the disposal.

For Transactions involving the acquisition and sale of equity investments in companies that do not affect the scope of consolidation, the value of the numerator is:

- in case of acquisitions, the equivalent value of the Transaction increased by the liabilities of the acquired company, where necessary, covered by the purchaser;
- in case of sale, the consideration for the transferred asset.

For Transactions involving the acquisition and sale of other assets (other than the acquisition of an equity investment), the value of the numerator is:

- in case of acquisitions, the consideration or the book value that will be assigned to the asset, whichever higher;
- in case of sale, the book value of the asset.

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<sup>17</sup> Pursuant to the CONSOB Regulation, it also records the threshold of 2.5% of one of the same indicators, with reference to transactions carried out with the listed parent company or with subjects related to the latter that are in turn related to the Parent Company.

• **Liabilities relevance ratio:** the ratio between total liabilities of the entity acquired and the total assets of the Parent Company. The figures to be used must be obtained from the most recent consolidated balance sheet published by the Parent Company; where possible, similar figures must be used for calculating the total liabilities of the company or business unit acquired.

## **ANNEX 4.2 – SUMMARY OF THE DECISION-MAKING PROCEDURE**

Summary of the decision-making procedures for Transactions of the Parent Company:

Importance	Nature	Terms	Committee Opinion		Approval
Greater Importance	Ordinary by nature and terms		YES ex post <sup>18</sup>		Board of Directors <sup>19</sup>
Greater Importance	Non-ordinary by nature and/or terms		YES, binding	→ if favourable →	Board of Directors
				→ if adverse →	Board of Directors + Whitewash
Lesser Importance	Ordinary	Market/Standard	NO		Competent body
Lesser Importance	Non-ordinary by nature and/or terms		YES, not binding		Competent body

Summary of the decision-making procedures for Transactions of Subsidiaries:

Importance	Nature	Terms	Committee Opinion	Authorisation of the Board of Directors (of the Parent Company)	Approval
Greater Importance	Ordinary by nature and terms		YES, ex post <sup>20</sup>	NO	Board of directors of the Subsidiary <sup>21</sup>
Greater Importance	Non-ordinary by nature and/or terms		YES, binding	YES	Board of directors of the Subsidiary
Lesser Importance	Ordinary	Market/Standard	NO	NO	Competent body
Lesser Importance	Non-ordinary by nature and/or terms		YES, not binding	NO	Competent body

<sup>18</sup> It is not requested a preliminary opinion of the Committee. The Committee is informed after conclusion of the Transaction and it is requested to ex post control it.

<sup>19</sup> Or other competent body based on the current internal delegation of authority.

<sup>20</sup> It is not requested a preliminary opinion of the Committee. The Committee is informed after conclusion of the Transaction and it is requested to ex post control it.

<sup>21</sup> Or other competent body based on internal delegation of authority.



## **ANNEX 5.2.1 – SUMMARY OF INFORMATION FLOWS**

### **SECTION 1 – SUMMARY OF INFORMATION FLOWS WITHIN THE INDIVIDUAL GROUP COMPANIES**

<b>Type of Transaction</b>	<b>Committee and Board of Statutory Auditors <sup>22</sup></b>	<b>Board of Directors <sup>23</sup></b>	<b>Shareholders' Meeting</b>
Significant Related-party Transactions	Quarterly	Quarterly	Annually, where the competent body has delivered a negative opinion
Non-significant Related-party Transactions	Quarterly	Quarterly	NO
Transactions for Small Amounts	Quarterly	Quarterly	NO
Ordinary Market/Standard Transactions	Quarterly	Quarterly	NO
Intercompany Transactions carried out with wholly-owned subsidiaries, jointly or otherwise, as well as transactions with associated companies, when there are no interests qualified as significant in the subsidiaries or associated companies that are the counterparties to the transaction.	Quarterly	Quarterly	NO
Transactions implementing framework resolutions <sup>24</sup>	Quarterly	Quarterly	NO
Exempt transactions	Quarterly	Quarterly	NO

<sup>22</sup> In the case of a Transaction originating from one of the Subsidiaries, the disclosure is due to the Control Body of the individual Subsidiary concerned, where present.

<sup>23</sup> In the case of a Transaction originating from one of the Subsidiaries, the disclosure is due to the BoD, or to another Management Body of the individual Subsidiary involved, where present.

<sup>24</sup> Note that the Governing Bodies must be made aware of the information elements relating to the framework resolution adopted at the time of the first useful information following the adoption of the resolution.

Type of Transaction	Committee and Board of Statutory Auditors <sup>22</sup>	Board of Directors <sup>23</sup>	Shareholders' Meeting
All transactions <sup>25</sup>	Annually	Annually	NO

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25 Aggregate information flow by type/technical form of transaction containing a summary of all Related Party transactions carried out by the Parent Company and by the Subsidiaries during the period of reference (including those for which criteria for exemption or simplification of decision-making procedures have been applied).

## **SECTION 2 – SUMMARY OF INFORMATION FLOWS TO THE FINANCIAL REPORTING OFFICER AND THE ADMINISTRATION & CONTROL FUNCTION**

<b>Type of Transaction</b>	<b>Frequency</b>	<b>Recipient</b>
All Transactions	Quarterly (and on demand)	Financial Reporting Officer and Group Financial Reporting Function
All Transactions	Annual – for a final completeness check of the effects on the consolidated financial statements	Financial Reporting Officer and Group Financial Reporting Function

## APPENDIX

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

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

For the purposes of Article 3, paragraph 1, letter a) of this regulation, the definitions contained in the international accounting standards apply, as cited below:

##### *Related parties*

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is represented by a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) the entity, or any member of a group of which it is a part, provides key management

personnel services to the reporting entity or to the parent of the reporting entity [IAS 24, paragraph 9].

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].

### *Related Party Transactions*

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged [IAS 24, paragraph 9]<sup>26</sup>.

## **2. Definitions functional to those of “related parties” and “related party transactions” according to international accounting standards**

### *Key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity [IAS 24, paragraph 9].

### *Close Members of the Family of a Person*

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and;
- (c) dependants of that person or that person's spouse or domestic partner [IAS 24, paragraph 9].

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<sup>26</sup> Those transactions include:

- mergers, demergers through incorporation or demergers in the strict non-proportional sense, when carried out with related parties;
- decisions relating to the allocation of remuneration and economic benefits, in any form, to the members of the management and supervisory bodies and key management personnel.

The terms 'control', 'joint control' and 'significant influence' are defined in IFRS 10, IFRS 11 (Joint Arrangements) and IAS 28 (Investments in Associates and Joint Ventures) respectively and are used with the meanings specified in those IFRS [IAS 24, paragraph 9]. For convenience, they are indicated below.

### *Control (IFRS 10):*

An investor, irrespective of the nature of its relationship with an entity (the investee) determines whether it is a parent by assessing whether it controls the investee.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

An investor controls an investee if and only if the investor has all of the following elements:

- a) power over the investee
- b) exposure, or rights, to variable returns from its involvement with the investee and
- c) the ability to use its power over the investee to affect the amount of the investor's returns.

An investor considers all relevant facts and circumstances when assessing whether it controls an investee. An investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed in paragraph 7 (see paragraphs B80–B85).

Two or more investors jointly control an investee when they must operate together to carry out the relevant activities. In those cases, as no investor can carry out the activities without the involvement of the others, no investor individually controls the investee. Each investor should record its interest in the investee in accordance with what is established by the relevant IFRS, such as IFRS 11 Joint arrangements, IAS 28 Investments in associates and joint ventures or IFRS 9 Financial instruments.

### *Joint Control (IAS 28):*

The contractually agreed sharing of control of an economic activity, which exists only when decisions about the relevant activities require the unanimous consent of all parties sharing control.

### *Joint control (IFRS 11):*

The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of all parties sharing control.

Before assessing whether an entity has joint control over an arrangement, an entity first assesses whether the parties, or a group of the parties, control the arrangement (in accordance with the definition of control). All parties, or a group of parties, control the arrangement collectively if they must manage together with activities that significantly affect the returns on the arrangement (namely the relevant activities).

After concluding that all the parties, or a group of the parties, control the arrangement collectively, joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

In a joint arrangement, none of the parties individually controls the arrangement. A party that

holds joint control of an arrangement may prevent any of the other parties, or a group of parties, from controlling the arrangement.

An arrangement may be a joint arrangement even if not all parties have joint control of the arrangement. This IFRS makes a distinction between parties that hold joint control of the arrangements (participants in a joint arrangement or a joint venture) and participants that participate in a joint arrangement but do not hold control.

An entity must exercise its judgment in assessing if all parties, or a group of parties, hold joint control of the arrangement. An entity must make that assessment taking into consideration all facts and circumstances.

If the facts and circumstances change, an entity must assess again if it still holds joint control of the arrangement.

### *Significant influence (IAS 28):*

The significant influence is the power to participate in the financial and operating policy decisions but not control them.

A holding of 20% or more of the voting power (directly or through subsidiaries) will indicate significant influence unless it can be clearly demonstrated otherwise. If the holding is less than 20%, the investor will be presumed not to have significant influence unless such influence can be clearly demonstrated. Even if an entity possesses the absolute or relative majority, this does not necessarily preclude an entity from having a significant influence.

The existence of significant influence by an investor is usually evidenced in one or more of the following ways:

- a. representation on the board of directors or equivalent governing body of the investee;
- b. participation in the decision-making process, including participation in decisions regarding dividends or other types of profit distribution;
- c. material transactions between the investor and the investee;
- d. interchange of managerial personnel;
- e. provision of essential technical information.

An entity may be in possession of share warrants, call options on shares, debt instruments or capital instruments that are convertible into ordinary shares, or similar instruments that have the possibility, if exercised or converted, to give to the entity additional voting rights or to reduce the voting right of third parties on financial and managerial policies of another entity (namely potential voting rights). The existence and effectiveness of potential voting rights that are currently exercisable or convertible, including those owned by other entities, are taken into consideration when assessing if the entity possesses a significant influence. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a certain future date or until the occurrence of a future event.

In assessing if the potential voting rights contribute to determining a significant influence, the entity examines all facts and circumstances (including the clauses of exercise of the potential voting rights and any other contractual arrangement considered both individually and in combination with others) that affect the potential rights, except the intentions of company management and the financial capacity to exercise or to convert those potential voting rights.

The entity loses the significant influence over an investee when it loses the power to participate in decisions on the financial and managerial policies of that investee. The loss of the significant influence may occur with or without changes in the levels of absolute or relative ownership. This may occur, for example, when an associate is subjected to the control of a government body or a court, or a receivership or a regulatory authority. It may also be the result of a contractual arrangement.

*Associate (IAS 28):*

An entity in which an investor has significant influence but not control or joint control.

*Joint venture (IAS 28):*

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A party to a joint venture is one of the parties of the joint venture that has joint control of that joint venture.

### **3. Interpretative principles of definitions**

**3.1 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form [IAS 24, paragraph 10].**

**3.2 The interpretation of the definitions indicated above is carried out with reference to the set of international accounting standards adopted according to the procedure indicated in Article 6 of Regulation (EC) no. 1606/2002.**