



Industrie De Nora S.p.A.

RELATED PARTIES TRANSACTIONS PROCEDURE

Text effective as of 31 July 2025.

1. INTRODUCTION

This procedure (the “**Procedure**”), adopted by Industrie De Nora S.p.A. (“**Industrie De Nora**” or the “**Company**” or the “**Issuer**”) in compliance with the provisions of Article 2391-*bis* of the Italian Civil Code and Article 4 of the “*Regulations containing provisions on transactions with related parties*”, adopted by Consob with Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented (the “**RPT Regulations**”):

- (a) governs the procedures for identifying related parties, defining the procedures and timing for preparing and updating the list of related parties and identifying the relevant corporate functions;
- (b) establishes the rules for identifying related party transactions prior to their conclusion;
- (c) governs the procedures for the carry out of transactions with related parties by the Company, including through subsidiaries pursuant to Article 93 of Legislative Decree No. 58/1998 (“**Consolidated Law on Finance**”) or otherwise subject to management and coordination activities ⁽¹⁾;
- (d) establishes the methods and timing for the fulfilment of disclosure obligations vis-à-vis corporate bodies and the market.

The Company also applies the Procedure taking into account the guidelines contained in Consob Communication no. DEM/10078683, published on 24 September 2010, containing “*Guidelines and recommendations for the application of the Regulation on related party transactions adopted by resolution no. 17221 of 12 March 2010, as subsequently amended*” (the “**Implementing Communication**”).

This Procedure shall be considered as an instruction given by the Issuer to its subsidiaries, as defined in the RPT Regulations (the “**Subsidiaries**” or, individually, the “**Subsidiary**”) pursuant to and for the purposes of Article 114, paragraph 2, of the Consolidated Law on Finance.

This Procedure was adopted, on a preliminary basis, by Industrie De Nora with a resolution of the Board of Directors dated 18 February 2022, as subsequently amended, in view of the admission to listing of the Issuer's ordinary shares on the Euronext Milan market, organised and managed by Borsa Italiana S.p.A. Following the listing of the Issuer's shares, the Procedure was adopted, pursuant to Article 4, paragraph 3, of the RPT Regulations, by resolution of the Board of Directors on 5 July 2022, subject to the opinion of the Related Parties Committee issued on 5 July 2022 and after the assessment by the Company's Board of Statutory Auditors of the compliance of the Procedure with the principles set out in the RPT Regulations. The Procedure was subsequently amended, pursuant to Article 4, paragraph 3, of the RPT Regulations, by resolution of the Board of Directors on 10 May 2023, subject to the opinion of the Related Parties Committee issued on 20 March 2023 and subject to assessment, carried out by the Company's Board of Statutory Auditors, of the compliance of the Procedure with the principles set out in the RPT Regulations. The Procedure was last amended by resolution of the Board of Directors on 31 July 2025, following the opinion of the Related Parties Committee issued on 28 July 2025 and

⁽¹⁾ For the purposes of this Procedure, where it governs transactions with related parties carried out through Subsidiaries, it should be noted that the latter are to be understood as companies controlled, directly or indirectly, by the Issuer, pursuant to Article 2359 of the Italian Civil Code.

following assessment by the Company's Board of Statutory Auditors of the compliance of the Procedure with the principles set out in the RPT Regulations. The provisions of this Procedure are effective as of 31 July 2025.

The Procedure, in the text in force from time to time, is published on the Company's *website* www.denora.com in the “Governance” section and, also by reference to the same *website*, in the annual Directors' Report, pursuant to Article 2391-bis of the Italian Civil Code, where information on transactions with related parties is also provided.

For anything not expressly provided for in the Procedure, reference shall be made to the laws and regulations in force and, unless otherwise specified, the definitions contained in the RPT Regulations and the corporate governance code for listed companies drawn up by the *Corporate Governance* Committee - 2020 Edition (the “**Corporate Governance Code**”), to which the Company adheres, shall apply.

2. KEY DEFINITIONS

2.1 Definition of “Related Party”

2.1.1 “**Related Party**” means a person defined as such by the international accounting standards in force from time to time, ⁽²⁾, adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002.

2.1.2 The Responsible Function (as defined *below*), with the support of any other corporate functions and, where necessary, also through specific information tools, prepares, updates at least every six months and makes available:

- (a) to the Company’s administrative body,
- (b) the main corporate functions of the Company, as well as
- (c) the directors and main corporate functions of the parent company, the subsidiaries, the entities that exercise, directly or indirectly, control over the Company and the affiliated companies pursuant to Article 2359, paragraph 3, of the Italian Civil Code (the “**Affiliates**”), insofar as it relates to or is relevant to such companies and entities

a list of the Company’s related parties (the “**Related Parties List**”).

2.2 Definition of “Related Party Transaction”

2.2.1 “**Related Party Transaction**” means a transaction defined as such by the international accounting standards in force at the time ⁽³⁾, adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002.

⁽²⁾ An extract of the definitions of “transactions with related parties” and “related parties” pursuant to IAS 24 is provided in the Appendix. The Appendix shall be automatically updated to reflect changes in the applicable accounting standards, without applying the provisions for amending this Procedure.

⁽³⁾ See note 2.

2.2. Transactions with Related Parties do not include those aimed indiscriminately at all shareholders on equal terms, such as, for example, capital increases of the Company with pre-emptive rights for its shareholders, proportional demergers, reductions in share capital through redemption to shareholders as provided for in Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the Consolidated Law on Finance.

2.2.3 The Procedure also governs:

- (a) Transactions with Related Parties which, although carried out by Subsidiaries, are attributable to the Company itself by virtue of a prior review or approval by the latter, as indicated in paragraph 7 of the Implementing Communication, to which reference should be made; and
- (b) the disclosure requirements relating to Related Party Transactions carried out through Subsidiaries as governed by Article 7 below of this Procedure.

2.3 Definition of "Independent Directors", "Non-Related Directors", "Responsible Function", "Directors Involved" and "Alternative Control"

For the purposes of the Procedure:

- (a) "**Directors Involved**" means directors who have an interest in the Transaction with a Related Party, on their own behalf or on behalf of third parties, that conflicts with that of the Company;
- (b) "**Independent Directors**" means directors who meet the independence requirements set forth in Article 148, paragraph 3 of the Consolidated Law and in the *Corporate Governance Code*;
- (c) "**Non-Related Directors**" means directors other than the counterparty to a given Related Party Transaction and its Related Parties;
- (d) "**Responsible Function**" means the Finance and Control Department or, in the absence or in any case where no internal structure is used, the body or person delegated;
- (e) "**Alternative Control**" means one of the controls indicated in Article 6.3 of this Procedure.

2.4 Definition of "Independent Expert"

For the purposes of the Procedure, "**Independent Expert**" means a natural or legal person who meets the requirements of professionalism, integrity and independence required by the nature and scope of the assignment. Independence is verified by the Committee (as defined in Article 3.1.1 below) prior to the appointment, with particular regard to any economic, equity and financial relationships between the Independent Expert and (i) the Related Party, its subsidiaries, its parent companies, companies subject to joint control, and the directors of the aforementioned companies; (ii) the Company, its subsidiaries, the entities that control it, companies subject to joint control, and the directors of the aforementioned companies. Independence is certified by a statement issued by the Independent Expert upon appointment.

3. APPROVAL, DISCLOSURE AND PUBLICATION OF THE PROCEDURE

3.1 Approval and amendments to the Procedure

3.1. The Procedure and any amendments thereto shall be approved by the Company's Board of Directors, subject to the favourable opinion of a committee appointed by the Board of Directors and composed exclusively of Independent Directors (the "**Related Parties Committee**" or the "**Committee**").

3.1.2 The Committee shall meet in good time prior to each meeting of the Board of Directors called to approve the Procedure or amendments thereto. The Committee's opinion shall be forwarded to the Board of Directors prior to the meeting.

3.1.3 The Board of Directors shall periodically, at least every three years, assess whether to revise the Procedure, taking into account, among other things, any changes in legislation and regulations, any changes in the ownership structure and the effectiveness of the Procedure in practice.

3.2 Dissemination, entry into force and publication of the Procedure

3.2.1 The Responsible Function shall send the Procedure, together with the List of Related Parties, to the main corporate functions of the Company, including the Manager in charge of financial reporting – in order to ensure coordination with the administrative and accounting procedures provided for by the aforementioned regulation – as well as to the functions responsible for ensuring compliance with the Procedure (for example, *Internal Audit* and the Head of the *Internal Audit* Function, and the Board of Statutory Auditors).

3.2.2 Also pursuant to Article 114, paragraph 2, of the Consolidated Law, the Procedure shall also be sent by the Responsible Function to the members of the administrative body and (where applicable) the control body of the Subsidiaries and to the main corporate functions of the same, so that these persons may review it and, to the extent of their competence or responsibility, comply with it.

4. IDENTIFICATION OF TRANSACTIONS WITH RELATED PARTIES

4.1 Persons who, on behalf of the Company or, within the limits of the provisions of Article 7 of this Procedure, of the Subsidiaries, are responsible for the approval and/or execution of a specific transaction, shall, before entering into negotiations, verify whether the counterparty to the transaction is to be considered a Related Party, referring, among other things, the List of Related Parties and, where necessary, with the support of the Responsible Function. If it is established that the counterparty to the transaction is a Related Party, the Responsible Function, having been duly informed, shall notify the Chief Executive Officer and *the Chief Legal Officer* of its intention to commence negotiations relating to the Transaction with Related Parties.

4.2 The communication, which may also be drawn up using IT tools, must contain at least the following information:

- (a) identification details of the counterparty and nature of the relationship;
- (b) type and subject matter of the Related Party Transaction;
- (c) economic conditions of the Related Party Transaction;

- (d) expected timing;
- (e) reasons for the Related Party Transaction, critical issues and any risks that could arise from its implementation;
- (f) any other transactions entered into with the same Related Party or with parties related to it.

If the conditions of the Related Party Transaction are defined as equivalent to market or standard conditions (in accordance with the criteria set out in Article 9.5.2 below), the documentation shall contain objective evidence to support this.

4.3 Upon receipt of the communication referred to in point 4.2 above and verification of the existence of a related party relationship with the counterparty to the Related Party Transaction, the Responsible Function, after consulting with the Chairman of the Board of Directors and the Chief Executive Officer, with the support of the relevant company department, shall promptly assess whether:

- (i) one or more of the exemptions referred to in Article 9 below are applicable;
- (ii) whether to activate the procedure referred to in Article 6 below.

In the case referred to in *subparagraph (i)* above, the Responsible Function shall describe the verification activities carried out and implement (or give instructions to other company functions to implement) any measures necessary pursuant to Article 9 below. The documentation relating to the performance of these activities shall be kept by the relevant company departments and shall be made available to the Responsible Department upon request.

In the case referred to *in (ii)* above, the Responsible Function, after consulting the Chief Executive Officer, shall initiate the procedure referred to in Article 6 below.

5. GENERAL PRINCIPLES FOR THE APPROVAL OF TRANSACTIONS WITH RELATED PARTIES

Transactions with Related Parties shall comply with criteria of transparency and substantive and procedural fairness and shall be carried out in the exclusive interest of the Company ⁽⁴⁾.

⁽⁴⁾ Substantial correctness means the correctness of the transaction from an economic point of view, when, for example, the transfer price of an asset is in line with market prices and, more generally, when the transaction has not been influenced by the related party relationship or, at least, that relationship has not led to the acceptance of conditions that are unjustifiably disadvantageous to the Company. Procedural fairness refers to compliance with procedures aimed at ensuring the substantive fairness of the transaction and, therefore, compliance with those rules which exclude, at least potentially, that Related Party Transactions cause unjustified damage to the interests of the Company and its investors. In particular, the essential elements of procedural fairness are: (i) compliance with the rules laid down for the approval of Related Party Transactions; (ii) the information provided to those called upon to decide on its execution, who must be promptly informed of the existence of a related party relationship (nature, origin and scope) and of any influence it may have had on the decision to carry out the transaction and on the definition of the terms and conditions of the Related Party Transaction; (iii) the reasons why the transaction is in the Issuer's interest – in accordance with Articles 2391 and 2497-ter of the Italian Civil Code on transactions concluded in the presence of an interested director or in the event of management and coordination of companies – in order to allow the influence of the related party relationship on the definition of the terms and conditions of the Related Party Transaction to be assessed.

Without prejudice to the provisions of this Procedure for the application of the Alternative Controls referred to in Article 6.3 below, the following shall in any case be reserved to the competence of the Company's Board of Directors (with the abstention of any Director involved in the Related Party Transaction, as defined below) any decision and/or resolution regarding Related Party Transactions of greater significance, as identified in accordance with Annex 3 of the RPT Regulations (the "**Transactions of Greater Significance**").

6. PROCEDURE FOR RELATED PARTY TRANSACTIONS

6.1 Transactions with Related Parties of minor significance that do not fall within the competence of the Shareholders' Meeting

6.1.1 Without prejudice to the exclusive competence of the Board of Directors in relation to the examination and approval of the transactions indicated in Article 5 above, as well as the provisions of Article 2391 of the Italian Civil Code, Transactions with Related Parties of minor significance (the "**Transactions of Minor Significance**") that do not fall within the competence of the Shareholders' Meeting are approved and/or executed by the person responsible for their approval and/or execution in accordance with the Company's *governance* rules, subject to the non-binding opinion of the Committee.

6.1.2 Once the transaction has been classified as a Related Party Transaction in accordance with the provisions of Article 4 above and the application of one of the exemptions referred to in Article 9 below has been excluded, the Responsible Function shall promptly notify the person responsible for approving and/or executing the Related Party Transaction; the latter, having positively assessed the feasibility of the Related Party Transaction, shall, through the Responsible Function, provide the Committee with complete and adequate written information on the Related Party Transaction in a timely manner and sufficiently in advance of the date of approval of the Related Party Transaction.

6.1.3 The information referred to in Article 6.1.2 above must at least include:

- (a) the nature of the relationship, indicating the Related Party;
- (b) the subject matter of the Related Party Transaction and the manner in which it is to be carried out;
- (c) the timing and economic conditions of the Related Party Transaction, including the countervalue of the Related Party Transaction;
- (d) an illustration of the economic, equity and financial effects of the Transaction with Related Parties, including the impact on the interests of the parties involved, providing at least the applicable relevance indices;
- (e) the methods used to determine the economic conditions of the Related Party Transaction and the assessments of the fairness of the consideration/value compared to market values for similar transactions;
- (f) the interests and reasons underlying the Related Party Transaction, as well as any critical issues and risks that may arise from its implementation.

- 6.1.4 If the conditions of a Related Party Transaction are defined as equivalent to market or *standard* conditions, the documentation prepared shall contain objective evidence to support this.
- 6.1. The above disclosure may be made in several stages if the progress of negotiations does not allow for the timely disclosure of all the necessary information. The Committee may in any case request additional information.
- 6.1.6 Where required by the nature, size and characteristics of the Related Party Transaction, the Committee may seek assistance, at the Company's expense, from one or more Independent Experts of its choice, through the acquisition of specific expert reports and/or *fairness* and/or *legal opinions*. To this end, the Committee may indicate to the Company's Board of Directors the Independent Expert or Independent Experts to be appointed for the purposes of the Related Party Transaction, and the appointment must expressly provide that the Independent Expert or Independent Experts shall specifically assist the Committee in the performance of its duties. The expert reports and/or *fairness opinions* and/or *legal opinions* shall be sent to the Committee by the Independent Experts in the days prior to the Committee meeting, with sufficient time before the meeting.
- 6.1.7 In formulating its opinion, the Committee shall also consider the Company's interest in completing the Related Party Transaction and the appropriateness and fairness of the relevant terms and conditions.
- 6.1.8 The Committee's reasoned opinion, indicating any conditions to which the conclusion and/or execution of the Related Party Transaction is subject, must be delivered in good time together with any expert reports and/or *fairness* and/or *legal opinions* requested from Independent Experts and all information sent to the Board of Directors.
- 6.1. The Director involved is required to abstain from voting on the Related Party Transaction.
- 6.1. During any meeting of the Board of Directors called to approve the Related Party Transaction, the Committee shall present its reasoned opinion to the Board of Directors.
- 6.1.11 The minutes of the resolution approving the Related Party Transaction (by the Board of Directors or other internal collegiate body or the determination or decision of the Chief Executive Officer) shall provide adequate reasons for the Company's interest in carrying out the Related Party Transaction and the appropriateness and fairness of the relevant terms and conditions, as well as highlighting the main elements of the opinion drawn up by the Committee.
- 6.1.12 If approval of the Transactions of Minor Significance falls within the competence of the Company's Chief Executive Officers (if appointed), the Executive Committee (if established) of executive directors or managers with delegated powers, the reasons relating to the Company's interest in carrying out the Transactions of Minor Significance and the appropriateness and fairness of the related terms and conditions, as well as an illustration of the main elements of the Committee's opinion, shall be included in the resolution or decision of the Chief Executive Officer and provided to the Board of Directors and the Board of Statutory Auditors at the first available meeting.
- 6.1.13 If the Transactions of Minor Significance is approved, complete information on the Transactions of Minor Significance shall be provided to the Board of Directors and the Board of Statutory Auditors at least once every quarter.

- 6.1. Without prejudice to the provisions of Article 17 of the MAR, in the event of one or more Transactions with Related Parties being approved despite a negative opinion expressed by the Committee, the Company's Board of Directors, with the support of the Responsible Function and the persons involved in the transactions, shall prepare and make available to the public within 15 days of the end of each quarter of the financial year at the registered office and in the manner indicated in Title II, Chapter I, of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14 May 1999, as subsequently supplemented and amended (the "**Issuers' Regulations**"), a document indicating the counterparty, the subject matter and the consideration of such Related Party Transactions, as well as the reasons why the Committee's opinion was not accepted.
- 6.1.15 Within the same deadline referred to in point 6.1.14 above, the Committee's opinion shall be made available to the public as an annex to the above document or on the Company's *website* www.denora.com, in the "*Governance*" section.
- 6.2 Transactions of Greater Significance that do not fall within the competence of the shareholders' meeting**
- 6.2.1 The body responsible for approving the Transaction of Greater Significance is the Board of Directors (except in the case of transactions falling within the remit of the Shareholders' Meeting), which resolves after receiving a binding opinion from the Committee on the Company's interest in carrying out the Transaction of Greater Significance, as well as on the substantial fairness and appropriateness of the related conditions.
- 6.2.2 Transactions of Greater Significance are subject to the provisions of this Article 6.2, as well as the provisions of Articles 6.1 to 6.11 and Articles 6.14 and 6.15 above.
- 6.2.3 The Committee or one or more of its members delegated for this purpose shall be involved in a timely manner in the negotiation and preliminary investigation phases through the receipt of a complete and updated flow of information that must contain the significant information required for the publication of the information document in accordance with the instructions set out in Annex 4 of the RPT Regulations. The Committee, through its chair or its delegates, has the right to request information and make comments to the bodies delegated and the persons responsible for conducting the negotiations and/or preliminary investigations.
- 6.2.4. The Board of Directors shall decide on the basis of the preliminary documentation and the binding opinion of the Committee. The resolution shall state the reasons for the Company's interest in completing the Transactions of Greater Significance and the substantial appropriateness and fairness of the related conditions. The opinion of the Committee shall form an integral part of the minutes of the meeting at which the Committee expressed its opinion or shall be attached to those minutes.
- 6.2.5 The provisions of this Article 6.2 shall also apply to the negotiation phase, the preliminary investigation phase and the approval phase of the proposals to be submitted to the Shareholders' Meeting in relation to Transactions of Greater Significance falling within the competence of the Shareholders' Meeting.
- 6.2.6 The provisions of Article 5 of the RPT Regulations ("*Public disclosure of related party transactions*") shall apply to Transactions of Greater Significance.

6.3 Alternative Controls in the event of a relationship between one or more Independent Directors and a specific Related Party Transaction

- 6.3.1 If, in relation to a specific Related Party Transaction, one (or more) of the members of the Committee declares that they are an Involved Director with regard to the specific Related Party Transaction, the reasoned opinion of the Committee shall be issued by the non-related Independent Director or by the non-related Independent Directors members of the Committee or, in their absence, by the Board of Statutory Auditors (where its members can be considered unrelated in accordance with the assessment of unrelatedness underlying the identification of the Non-Related Directors). This is without prejudice to the right to appoint an Independent Expert.
- 6.3.2 If the Board of Directors seeks the opinion of the Board of Statutory Auditors, the members of the Board of Statutory Auditors who have an interest, on their own behalf or on behalf of third parties, in the transaction shall inform the other Statutory Auditors, specifying the nature, terms, origin and scope of such interest.
- 6.3.3 If the Board of Directors seeks the opinion of an Independent Expert, the role of Independent Expert cannot be assigned to persons who are counterparties to the Related Party Transaction or Related Parties of the Company or of the counterparty to the Related Party Transaction. Upon appointment, the Independent Expert must declare his independence, which must be verified by the Board of Directors; if there are (or have been in the past) economic, financial or capital relations between the Independent Expert and the Company, the Independent Expert must declare their existence and explain why they are not suitable to compromise his independence.
- 6.3.4 For the purposes of this assessment, any of the above relationships (existing or past) between the Independent Expert and (i) the Related Party, its subsidiaries, the entities that control it, the companies subject to joint control and the Directors of the aforementioned companies; (ii) the Company, its Subsidiaries, the entities that control it, companies subject to joint control and the Directors of the aforementioned companies.
- 6.3.5 The provisions contained in this Article 6.3 shall apply, *mutatis mutandis*, in the event that the opinion is expressed by the Independent Director.

6.4 Transactions with Related Parties falling within the competence of the Shareholders' Meeting

When a Related Party Transaction falls within the competence of the Shareholders' Meeting or must be authorised by the latter, the provisions of Article 6.2 above shall apply, *mutatis mutandis*, to the preliminary investigation and approval of the resolution proposal by the Board of Directors to be submitted to the Shareholders' Meeting.

7. TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES

Without prejudice to the cases of exclusion referred to in Article 9 of this Procedure and the applicable disclosure requirements, Related Party Transactions carried out by the Company through a Subsidiary (meaning Transactions with Related Parties which, although carried out by the Subsidiary, are attributable to the Company by virtue of a prior review or approval by the latter) shall be investigated and approved in accordance with the investigation and approval procedures set out in Articles 6.1 and 6.2 above.

In this regard, and without prejudice to the interpretative guidelines issued from time to time by Consob:

- ✓ any Related Party Transaction carried out by Italian or foreign Subsidiaries that has been previously reviewed or approved by the Board of Directors, a delegated body or a company representative of the Company by virtue of the powers conferred upon them, even in the absence of express resolutions by the Company's bodies or internal regulations, shall be considered subject to the "review" or "approval" of the Company.
- ✓ "examination" does not mean the mere receipt of information on the Related Party Transaction carried out by the Subsidiary (for example, for control purposes or for the purpose of preparing the company's financial statements) but any assessment of the Related Party Transaction that could lead to an intervention – even in the form of a non-binding opinion – capable of affecting the approval process of the Related Party Transaction by the Subsidiary. The Subsidiaries shall provide the Company with all the information necessary for the purposes set out in this Procedure and in the RPT Regulations.

8. FRAMEWORK RESOLUTIONS

Pursuant to Article 12 of the RPT Regulations, Related Party Transactions that are homogeneous with certain categories of Related Parties, to be carried out also through Subsidiaries, may be approved by means of framework resolutions.

Without prejudice to the provisions of the RPT Regulations, including with regard to public disclosure, the provisions of Article 6 above shall apply to framework resolutions, without prejudice to the decision-making powers of the Company's Board of Directors if the maximum foreseeable amount of the Related Party Transactions covered by the resolution, considered cumulatively, exceeds the thresholds set out in Article 10.2.2 below (or, if the transaction is carried out by the Subsidiary, by its administrative body acting as a collegiate body, if any).

The framework resolutions adopted in accordance with this Article 8 may not be effective for more than one year and must refer to sufficiently specific Related Party Transactions, indicating at least the maximum expected amount of Related Party Transactions to be carried out during the reference period and the reasons for the conditions set.

The Chief Executive Officer, with the support of the Responsible Function, shall provide the Board of Directors with a complete report, at least quarterly, on the implementation of the framework resolutions.

Upon approval of a framework resolution, the Company shall publish an information document pursuant to Article 10.2 below if the maximum foreseeable amount of Related Party Transactions covered by the resolution exceeds one of the materiality thresholds identified in Article 10.2.2 below.

The provisions of Articles 6 and 7 above shall not apply to individual Related Party Transactions entered into in implementation of the framework resolution. Related Party Transactions entered into in implementation of a framework resolution subject to an information document published in accordance with the previous paragraph shall not be included in the aggregate amount referred to in Article 10.2 below.

9. EXEMPTIONS *PURSUANT TO ARTICLE 13 OF THE RPT REGULATION*

9.1 Excluded transactions

Without prejudice to the cases of exclusion referred to in Article 13, paragraphs 1 and 4 of the RPT Regulation, the provisions of the Procedure shall not apply:

- (a) to Transactions with Related Parties of Negligible Amount referred to in Article 9.2 below;
- (b) to compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article *114-bis* of the Consolidated Law on Finance and to the related executive transactions (*see* Article 9.3 below);
- (c) shareholders' resolutions other than those indicated in Article 13, paragraph 1, of the RPT Regulation, concerning the remuneration of directors with specific duties and other executives with strategic responsibilities, in compliance with the conditions set out in Article 13, paragraph 3, letter b), of the RPT Regulation (*see* Article 9.4 below);
- (d) resolutions addressed to all shareholders on equal terms, as indicated in Article 13, paragraph *1-bis*, of the RPT Regulation, including capital increases with option rights, proportional demergers, capital reductions and share buybacks;
- (e) ordinary Related Party Transactions concluded on terms equivalent to market or *standard* terms as referred to in Article 9.5 below;
- (f) Transactions with Related Parties involving or between Subsidiaries and transactions with Affiliates, provided that the aforementioned companies do not have interests classified as "significant" as defined in Article 9.7 below;
- (g) Transactions with Related Parties entered into in implementation of other Transactions with Related Parties that have already been examined and approved by the Board of Directors, subject to the opinion of the Committee.

With regard to Related Party Transactions to which the provisions of this Procedure do not apply, as referred to in points (b), (c), (d), (e), (f) and (g) above. The periodic disclosure requirements set out in Article 10.3 below and Article 5, paragraph 8, of the RPT Regulations shall apply in any case.

9.2 Transactions of Negligible Amount

9.2.1 Transactions of Negligible Amount (as defined below) are excluded from the scope of application of the RPT Regulation and this Procedure and may be carried out, within the limits of the powers respectively assigned to them, by the person responsible within the Company or by the executive directors and managers with delegated powers of the Subsidiaries, without prejudice to the disclosure requirements set out in Article 10.1 below.

9.2.2 For the purposes of the Procedure, "**Transactions of Negligible Amount**" means Transactions with Related Parties, whether natural persons or legal entities, whose value does not exceed the annual amount of €300,000 (if the counterparty is a legal entity) or €100,000 (if the counterparty is a natural person).

9.2.3 The exclusion referred to in Article 9.2.1 above does not apply in the case of multiple Transactions of Negligible Amount carried out as part of a single plan, concluded with the same Related Party or with parties related to both the latter and the Company, which, when considered cumulatively, exceed the amounts indicated above.

9.3 Remuneration plans pursuant to Article 114-bis of the Consolidated Law

In accordance with the provisions of Article 13, paragraph 3, letter a) of the RPT Regulation, compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law and the related executive transactions are excluded from the application of the provisions of the RPT Regulation and this Procedure.

The remuneration plans pursuant to Article 114-bis of the Consolidated Law and the related executive transactions are subject to the transparency and substantive and procedural fairness requirements set forth in the provisions in force *at the time*.

9.4 Resolutions on the remuneration of directors with specific duties and other executives with strategic responsibilities

In accordance with the provisions of Article 13, paragraph 3, letter b) of the RPT Regulation, resolutions on the remuneration of Directors, other than those indicated in Article 13, paragraph 1 of the RPT Regulation, and of managers with strategic responsibilities are excluded from the application of the provisions of the RPT Regulation and this Procedure.

For the purposes of exclusion, it is necessary that:

- (a) the Company has adopted a remuneration policy;
- (b) a committee composed exclusively of non-executive directors, the majority of whom are independent, has been involved in defining the remuneration policy;
- (c) a report illustrating the remuneration policy has been submitted for approval or vote to the Company's Shareholders' Meeting;
- (d) the remuneration awarded complies with the remuneration policy and is quantified on the basis of criteria that do not involve discretionary assessments.

9.5 Transactions with Related Parties concluded on terms equivalent to market or *standard* terms

9.5.1 "Ordinary **Transactions**" means transactions that fall within the ordinary course of the Company's operating activities and related financial activities, pursuant to Article 3, paragraph 1, letter d) of the RPT Regulation.

For the classification of a Related Party Transaction as an "Ordinary Transaction," the criteria set out in paragraph 3 of the Implementing Communication are taken into account, and, in any case, the following transactions are considered Ordinary Transactions: contracts for the provision of services (including contracts for the provision of IT services), financial contracts related to ordinary operations and any other Related Party Transaction falling within the ordinary operations of the Company or its Subsidiaries and/or related to the related financial activities (including *cash pooling* transactions).

Transactions with Related Parties that meet the following conditions also fall within the scope of ordinary business operations:

- (a) the size, structure, purpose and frequency of the Related Party Transaction do not present any anomalies and are consistent with those that usually characterise similar transactions carried out by the company concerned;
- (b) the terms and conditions of the contract do not differ from the company's usual business practices;
- (c) the consideration is monetary;
- (d) the Related Party Transaction is not anomalous with regard to the characteristics of the counterparty; and
- (e) the Related Party Transaction is not anomalous in relation to the time at which it is approved or executed.

9.5.2 Ordinary Transactions "**concluded on terms equivalent to market or *standard terms***" means:

- (a) Transactions with Related Parties concluded on terms similar to those usually applied to unrelated parties for transactions of a similar nature, size and risk;
- (b) Transactions with Related Parties based on regulated tariffs or imposed prices;
- (c) Transactions with Related Parties entered into with parties with whom the Company is required by law to contract at a specific price pursuant to Article 3, paragraph 1, letter e) of the RPT Regulation); and
- (d) Transactions with Related Parties concluded following, or in the context of, competitive procedures governed by public law; and
- (e) Transactions with Related Parties concluded following direct award in accordance with public law;
- (f) Transactions with Related Parties whose terms and conditions are defined in a competitive and transparent procedure, adequately documented and verifiable, governed by general company rules or rules consistent with the legal procedures for the acquisition of goods and services.

The identification of ordinary transactions concluded on terms equivalent to market or *standard terms* as referred to in this Article 9.5 is left to the discretion of the Responsible Function, which may avail itself of the Committee for this purpose and shall in any case report to the Chief Executive Officers on the outcome of the assessment carried out.

9.6 Applicable rules

Ordinary Transactions concluded on terms equivalent to market or *standard terms* are excluded from the scope of application of all provisions of this Procedure and the RPT Regulations (the "**Exempt Ordinary Transactions**"), except as provided for in Article 5, paragraph 8 of the RPT Regulations on periodic financial reporting.

The body responsible for approving and/or executing the Exempt Ordinary Transaction must, in any case, be provided, in good time prior to the approval of the Exempt Ordinary Transaction, with complete and adequate information on the Exempt Ordinary Transaction, including documentation containing evidence of the existence of market conditions or *standards*.

If the Exempt Ordinary Transactions are Transactions of Greater Significance pursuant to Article 10.2 below, without prejudice to the provisions of Article 17 of the MAR, the Company shall:

- (a) promptly involve the Committee in assessing the applicability of this exemption;
- (b) notify Consob and the Independent Directors who express opinions on Related Party Transactions, within seven days of the approval of the Exempt Ordinary Transaction, of the counterparty, the subject matter, the consideration of the Exempt Ordinary Transactions and the reasons why the Exempt Ordinary Transaction is considered to be ordinary and concluded on terms equivalent to market or *standard* terms, providing objective evidence;
- (c) indicate in the interim management report and in the annual management report, as part of the information required by Article 5, paragraph 8, of the RPT Regulations, which of the transactions disclosed are Exempt Ordinary Transactions referred to in this article.

9.7 Transactions with Related Parties with and between Subsidiaries and/or Affiliates

Transactions with Related Parties with or between Subsidiaries, including jointly, as well as Transactions with Related Parties of Affiliates are excluded from the scope of this Procedure if the Subsidiaries or Affiliates that are counterparties to the Transaction with Related Parties do not have significant interests in other Related Parties of the Company, without prejudice, however, to the disclosure requirements set out in Article 10 below.

The significance of interests held by other related parties in the Subsidiary or Associate is assessed by the Chairman of the Board of Directors and the Chief Executive Officer, with the support of the Responsible Function, or by the Board of Directors if the assessment of the significance of the interest concerns the Chairman of the Board of Directors and/or the Chief Executive Officer. Without prejudice to the above, the Chairman of the Board of Directors and the Chief Executive Officer refer the assessment to the Committee and/or the Board of Directors if they deem it appropriate, taking into account, among other things, the economic value of the Related Party Transaction and/or the specific characteristics of the Related Party Transaction.

The assessment of the significance of interests, by the Board of Directors and/or the Committee (as applicable), shall be carried out:

- (a) taking into account, among other things, the existence of any shareholding relationships between the Subsidiary or the Issuer's associate and other Parties Related to the Company or any financial relationships between the Subsidiary or the Associate, on the one hand, and other Parties Related to the Company, on the other;
- (b) in accordance with the provisions of paragraph 21 of the Implementing Communication, to which reference is made, and, in particular, considering significant the interests of the entity that controls the Company, where the shareholding held by it (including indirectly) in the counterparty to the Related Party Transaction, controlled by or associated with the Company, has a greater effective weight than the shareholding held by it in the Company;

- (c) not considering significant the interests deriving from the mere sharing of one or more directors or, if any, other managers with strategic responsibilities between the Company and the Subsidiary or Associated Company (*see* Article 14, paragraph 2, of the RPT Regulation);
- (d) considering interests to be significant if, in addition to the mere sharing of one or more directors or other managers with strategic responsibilities, such persons benefit from incentive plans based on financial instruments (or in any case variable remuneration) dependent on the results achieved by the Subsidiary or Associate with which the Related Party Transaction is carried out.

10 DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

10.1 Internal disclosure on Related Party Transactions

10.1 The Chief Executive Officer, with the support of the Responsible Function and the persons involved in Related Party Transactions, provides the Board of Directors, the Committee and the Board of Statutory Auditors of the Company with adequate information on a quarterly basis:

- (a) on the execution of Related Party Transactions that are significant pursuant to the Procedure and the RPT Regulations, as well as Related Party Transactions that are exempt pursuant to Article 13, paragraph 3, letter c), approved during the quarter and on their main characteristics and conditions;

- (b) on the implementation of the framework resolutions referred to in Article 8 above.

10.1.2 The same periodic disclosure requirements also apply to Related Party Transactions approved by Subsidiaries during the quarter in question, to the main characteristics and conditions of such transactions and to Related Party Transactions carried out by Subsidiaries (other than intra-group activities) under exemption. For such Related Party Transactions, the Chief Executive Officer shall be assisted by the Responsible Function and the relevant corporate functions of the Subsidiary concerned.

10.1.3 In any case, the disclosure requirements for Significant Transactions referred to in Article 5 of the RPT Regulations and in Article 10.2 below shall remain unaffected.

10.2 Public disclosure of Transactions of Greater Significance

10.2.1 In the event of Significant Transactions, including those carried out through Subsidiaries, the Company shall prepare an information document drawn up in accordance with the format set out in Annex 4 of the RPT Regulations.

10.2.2 Transactions with Related Parties carried out by the Company directly or through Subsidiaries shall be considered "**Transactions of Greater Significance**" if:

- (a) the significance ratio of the countervalue, i.e. the ratio between the countervalue of the Transaction with Related Parties and the Company's net equity, or, if higher, the Company's market capitalisation, as recorded at the end of the last trading day included in the reference period of the most recent periodic financial report published (annual or half-yearly financial report or additional periodic financial information, if prepared); or

- (b) the asset significance ratio, i.e. the ratio between the total assets of the entity involved in the Related Party Transaction and the total assets of the Company; or
- (c) the liability ratio, i.e. the ratio between the total liabilities of the company involved in the Related Party Transaction and the total assets of the Company,

is greater than the 5% threshold, as better defined and detailed in Annex 3 to the RPT Regulations and in the Implementing Communication, to which reference should be made.

10.2.3 The obligation to publish the information document also arises if several Related Party Transactions are carried out during the same financial year, with the same Related Party, or with parties related to both the latter and the Company, which are homogeneous or carried out in execution of a single plan, which - although not individually qualifying as Significant Transactions - exceed – when considered cumulatively – at least one of the above thresholds (so-called "cumulative transactions"). For the purposes of the above cumulation, transactions carried out by Italian or foreign subsidiaries are also relevant, and any transactions exempt under Article 9 of this Procedure are not taken into account.

10.2.4 The disclosure document is published in accordance with the terms and conditions set out in Article 5 of the RPT Regulations.

10.3 Periodic accounting information

The interim management report and the annual management report provide information on:

- (a) Transactions of Greater Significance concluded during the reporting period, including those carried out through Subsidiaries;
- (b) any other individual Related Party Transaction, as defined in Article 2426, paragraph 2, of the Italian Civil Code, concluded during the reporting period that have had a significant impact on the Company's financial position or results;
- (c) any changes or developments in Related Party Transactions described in the last annual report that have had a significant effect on the Company's financial position or results in the reporting period.

10.4 Transactions with related parties and public disclosures pursuant to Article 17 of the MAR

If a Related Party Transaction is disclosed in a press release pursuant to Article 17 of the MAR, the press release shall include, in addition to the other information to be disclosed pursuant to the aforementioned provision, at least the following information:

- (a) a description of the Related Party Transaction;
- (b) an indication that the counterparty to the Related Party Transaction is a Related Party and a description of the nature of the relationship;
- (c) the name or designation of the counterparty to the Related Party Transaction;

- (d) whether or not the Related Party Transaction exceeds the materiality thresholds identified pursuant to Article 10.2.2 of this Procedure and an indication of any subsequent publication of an information document pursuant to Article 5 of the RPT Regulation;
- (e) the procedure that has been or will be followed for the approval of the Related Party Transaction and, in particular, whether the Company has availed itself of an exemption provided for in this Procedure pursuant to Articles 13 and 14 of the RPT Regulation;
- (f) any approval of the Related Party Transaction despite the contrary opinion of the Independent Directors.

Pursuant to the Implementing Communication, with regard to cases in which the issuer does not publish the information document pursuant to Article 10.2 above, either because the transaction does not exceed the materiality thresholds identified in Article 10.2.2 above, or because the cases and exemptions provided for in Article 9 above apply, the information that may be relevant for the purposes of compliance with Article 17 of the MAR, concerning Related Party Transactions, which normally constitute a benchmark for the purposes of requests by Consob for the publication of additional information in relation to press releases concerning such transactions, includes, by way of example, the following: (i) the essential characteristics and details of the Related Party Transaction (price, terms of execution, payment schedules, etc.); (ii) the economic reasons for the Transaction; (iii) an explanation of the economic, equity and financial effects of the Related Party Transaction in question; (iv) the methods used to determine the consideration for the Related Party Transaction, as well as assessments of its fairness compared to the market values of similar transactions; (v) if the economic conditions of the Related Party Transaction are considered equivalent to market or *standard* conditions, in addition to a statement to that effect, an indication of the objective evidence supporting this conclusion; (vi) any use of experts to evaluate the Related Party Transaction and, in this case, an indication of the valuation methods adopted in relation to the fairness of the consideration, as well as a description of any critical issues reported by the experts in relation to the specific Related Party Transaction.

APPENDIX

Definitions of related parties and related party transactions in accordance with international accounting standards

Related party: a person or entity that is related to the entity preparing the financial statements (*i.e.* the Company).

A person is related to the Company:

- (a) in the case of a natural person or a close family member of that person, if that person:
 - i. controls, even jointly, the Company;
 - ii. has significant influence over the Company;
 - iii. is one of the key management personnel of the Company or its parent;
- (b) in the case of other entities, if any of the following conditions apply:
 - i. the entity and the Company are part of the same group;
 - ii. the entity is an associate of the Company;
 - iii. the entity is a *joint venture* in which the Company is a participant;
 - iv. the entity is an associate or *joint venture* that is part of a group of which the Company is a member;
 - v. the entity is a *joint venture* of a third party and the Company is an associate of the third party;
 - vi. the entity is represented by a plan for benefits subsequent to the termination of employment in favour of employees of the Company or an entity related to it;
 - vii. the entity is controlled by or jointly controls a person referred to in point (a);
 - viii. a person identified in point (a)(i) has significant influence over the entity or is one of the key management personnel of the entity (or of its parent)
 - ix. the entity, or any member of a group to which it belongs, provides management services with strategic responsibility to the entity preparing the financial statements or to the parent of the entity preparing the financial statements [IAS 24, paragraph 9].

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of *the joint venture*.

For the purposes of this definition, the concepts of "control", "joint control", "significant influence", "close family members" and "key management personnel" as set out in International Accounting Standards and also contained in the Appendix to the RPT Regulation apply.

Related party transaction: any transfer of resources, services or obligations between the Company and one or more Related Parties, regardless of whether consideration has been agreed. The following shall also be considered Related Party Transactions: (i) mergers, demergers by incorporation or demergers in the strict sense that are not proportional, where carried out with Related Parties; and (ii) any decision relating to the allocation of remuneration and economic benefits, in any form, to members of the administrative and control bodies and to Executives with strategic responsibilities.