

MASSIMO ZANETTI BEVERAGE GROUP S.P.A.

PROCEDURE GOVERNING TRANSACTIONS WITH RELATED PARTIES

Art. 1

Scope and effectiveness

- 1.1 This Procedure (the "**Procedure**") was approved by the Board of Directors of Massimo Zanetti Beverage Group S.p.A. ("**Issuer**" or the "**Company**") at a meeting held on July 15, 2014 (and amended during the meetings held on February 27 and August 28, 2015 and June 18, 2018) as per Article 2391-*bis* of the Italian Civil Code and OPC Consob Regulation (as defined below), taking also into consideration the indications and explanations required by Consob communication DEM/10078683 of September 24, 2010, and identifies the rules governing the approval and execution of transactions with related parties undertaken by the Issuer directly or through subsidiaries, to ensure transparency and the substantial and procedural correctness of the same.

Art. 2

Definitions

- 2.1 This Procedure is intended for:
- (a) "**Independent Directors**": Issuers' executives in possession of the independence requirements as provided under art. 148, paragraph 3, of the TUF and the Code of Conduct;
 - (b) "**Code of Conduct**": the Code of Conduct for listed companies approved in July 2015 by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., as amended from time to time, to which the Company adheres;
 - (c) "**Related Parties Committee**" or "**Committee**": the committee referred to in Article 5 of this Procedure;
 - (d) "**Conditions Equivalent to those of the Market or Standard**": conditions similar to those usually applied against parties not related to corresponding operations by nature, extent and risk, based on regulated tariffs or fixed price, and applied to subjects with which the Issuer (or the Subsidiaries) is required by law to contract a certain remuneration;
 - (e) "**Manager in charge of the preparation of corporate accounting documents**": the manager in charge of the preparation of corporate accounting documents pursuant to article 154-*bis* of the TUF.
 - (f) "**Prospectus**": the prospectus prepared in accordance with Annex 4 to OPC Consob Regulation;
 - (g) "**Issuer Group**": all companies falling within the scope of consolidation of the financial statements of the Issuer;
 - (h) "**Indices of Relevance**": the indices of relevance set out in Annex 3 to OPC Consob Regulation to identify Transactions of Greater Relevance;
 - (i) "**Significant Interest**": the interest of a Related Party of the Company such as to indicate to an independent party, acting with professional diligence, that the Related Party could obtain, directly or indirectly, an advantage or disadvantage of any kind from a transaction with Related Parties of the Company. An interest arising from the mere sharing of one or more directors or

other board members with strategic responsibilities between the Company and its Subsidiaries and associates is not considered to be a "Significant Interest";

- (j) "**MAR**": Regulation (EU) No. 596/2014;
- (k) "**Transaction(s) with Related Party (s)**" or "**Transaction(s)**": in accordance with the provisions of Annex 1 to the OPC Consob Regulation, any transfer, both incoming and outgoing, of resources, services or obligations between the Issuer (or the Subsidiaries) and one or more Related Parties, regardless of whether a payment has been agreed on.
- (l) "**Small Amount Transactions**": a Transaction with an amount or a unit value of not more than 150,000 Euros;
- (m) "**Transactions of Greater Relevance**": Transactions – including homogeneous transaction and transactions executed as one with the same Related Party, or with parties related to the latter as well as to the Company – which include at least one of the Indices of Relevance;
- (n) "**Transactions of Lesser Relevance**": Transactions other than the Transactions of Greater Relevance and the Small Amount Transactions;
- (o) "**Ordinary Transactions**": the Transactions that fall within the ordinary exercise of the operational activity and associated financial activities of the Company and/or of the companies of the Issuer Group;
- (p) "**Related Parties**": the parties referred to in Article 3 of this Procedure;
- (q) "**Issuers Regulation**": regulation adopted by Consob resolution No. 11971 of May 14, 1999 and subsequent amendments and additions;
- (r) "**OPC Consob Regulation**": regulation containing regulations regarding transactions with Related Parties adopted by Consob in resolution No. 17221 of March 12, 2010 and subsequent amendments and additions;
- (s) "**Unrelated Shareholders**": the persons entitled to vote, and not being from the counterpart to a particular Transaction or from the Related Parties and the Company;
- (t) "**Subsidiaries**": the companies controlled directly or indirectly by the Issuer;
- (u) "**Italian Consolidated Law on Finance**" or "**TUF**": Legislative Decree No. 58 of February 24, 1998 and subsequent amendments and additions;

2.2 The terms not specifically defined in this Procedure shall have the meaning assigned to them in the OPC Consob Regulation to which reference should be made.

Art. 3
Identification of Related Parties

3.1 The following are considered Related Parties of the Issuer in compliance with Annex 1 to the OPC Consob Regulation for the purposes of this Procedure:

- (a) persons who directly or indirectly, through subsidiaries, trust companies or proxy (which in turn will have to be considered as Related Parties):
 - (i) control¹ the Issuer;
 - (ii) are controlled by the Issuer;
 - (iii) share with the Issuer the same controlling entity;
 - (iv) have a stake in the Issuer such that it can exert a significant influence² on the latter;
 - (v) jointly control³ the Issuer;
- (b) the associates⁴ of the Issuer;
- (c) *joint ventures*⁵ involving the Issuer;
- (d) the Directors and the Standing Auditors of the Issuer, as well as the board members with strategic responsibilities of the Issuer or the person who controls the Issuer⁶;
- (e) close family⁷ members of persons specified in the foregoing paragraphs (a) or (d);
- (f) entities subject to supervision, even jointly, or subject to the significant influence of one of the persons specified in the preceding paragraphs (d) or (e), which is where these subjects with significant influence hold, directly or indirectly, a substantial ratio of the share capital, however not less than 20% of the voting rights;
- (g) supplementary pension funds, whether individual or collective or Italian or foreign, made for the benefit of employees and managers of the Issuer, or of any person related to the Issuer.

3.2 The Chairman of the Board of Directors and the Manager in charge of the preparation of corporate accounting documents of the Issuer, possibly assisted by an Independent Director, shall resolve cases

¹ Pursuant to Annex 1 of the OPC Consob Regulation, "control" "is the power to determine the financial and operating policies of an entity so as to obtain benefits from its activities". The control is presumed when a person owns, directly and/or indirectly, more than half of the voting rights of an entity, unless it can be clearly demonstrated otherwise.

² Pursuant to Annex 1 of the OPC Consob Regulation, "*significant influence*" shall mean "*the power to participate in the determination of the financial and operating policies of an entity without having control*". Significant influence may be achieved through the possession of shares or through statutory provisions or agreements, and is presumed to exist when a person owns, directly or indirectly, at least 20% of the voting power of the investee, unless it can be clearly demonstrated otherwise.

³ Pursuant to Annex 1 of the OPC Consob Regulation, "*joint control*" means "*sharing, contractually, of control over an economic activity*".

⁴ Pursuant to Annex 1 of the OPC Consob Regulation, "*associate*" means "*an entity, even without separate legal entity existence, as in the case of an unincorporated partnership, in which a shareholder exercises a substantial influence but not control or joint control*".

⁵ Pursuant to Annex 1 of the OPC Consob Regulation, "*joint venture*" means "*a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control*".

⁶ Pursuant to Annex 1 of the OPC Consob Regulation, "*board members with strategic responsibilities*" means "*those who have the power and responsibility, directly or indirectly, for the planning, direction and control of the activities*" of the Issuer.

⁷ Pursuant to Annex 1 of the OPC Consob Regulation, "*close family*" of a subject are considered to be "*those family members who are expected to influence, or be influenced by, the interested party in their dealings with the company*". They may include: *i) a spouse not legally separated or a common-law partner, and (ii) his/her children or other dependants, and children and/or dependants of a spouse not yet legally separated or of the common-law partner*".

where identifying a Related Party is questionable based on the definition contained in Article 3.1 of this Procedure.

- 3.3 Should the Chairman of the Board of Directors or the Manager in charge of the preparation of corporate accounting documents be a Related Party in a given transaction, the verifications and decisions under this Article shall be adopted by the unrelated party (among the two above) together with an Independent Director that does not qualify as Related Party.
- 3.4 Pursuant to article 4.2 of the OPC Consob Regulation, the Company decided not to extend the scope of the Procedure to parties other than the Related Parties identified as per Article 3.1 above.

Art. 4

Related Parties Registry, collection of information and identification of Transactions of Greater Relevance

- 4.1 The Company shall establish a special registry in which shall be entered the identified Related Parties pursuant to Article 3 (the "**Related Parties Registry**").
- 4.2 The preparation and updating of the Related Parties Registry is done by the Legal and Corporate Affairs of the Issuer together with the Manager in charge of the preparation of corporate accounting documents of the Issuer, assisted by other competent corporate functions.
- 4.3 The Legal and Corporate Affairs sends (i) the Procedure to the Manager in charge of the preparation of corporate accounting documents of the Issuer and the main corporate functions of the Company and the functions that monitor compliance with the Procedure (e.g., the Internal Audit function); and (ii) the list of the persons enrolled in the Related Parties Registry to the Manager in charge of the preparation of corporate accounting documents.
- 4.4 The Legal and Corporate Affairs of the Issuer shall also send a copy of this Procedure to the following parties (the "**Interested Parties**"):
- (i) the members of the Company's Board of Directors;
 - (ii) the members of the Company's Board of Statutory Auditors;
 - (iii) the board members with strategic responsibilities of the Company and of the person who controls the Company;
 - (iv) persons who exercise, directly or indirectly, individually or jointly, control of the Company;
 - (v) the Subsidiaries; and
 - (vi) the associates.
- 4.5 In case of modification or integration of this Procedure, the Legal and Corporate Affairs of the Company shall transmit an updated copy of this Procedure to the parties listed in Article 4.3 and the Interested Parties.
- 4.6 In addition to sending the Procedure to the Interested Parties, the Legal and Corporate Affairs of the Issuer shall communicate in writing to each Interested Party its enrollment in the Related Parties Registry, while requesting that each Interested Party initially transmits the information on the close family members, entities in which they themselves or their close family members exercise control, even jointly, or significant influence or rather hold, directly or indirectly, a significant share, however not less than 20% of the voting rights, as identified previously under Article 3.1 of this Procedure.

- 4.7 Following the communication to the Subsidiaries as per Article 4.6 of this Procedure, the related administrative bodies shall be provided with instructions about the main obligations for the Subsidiaries to ensure the effectiveness of the processes governed by this Procedure. The administrative bodies of the Subsidiaries shall sign and send for acceptance to the Legal and Corporate Affairs of the Company, a communication in which they accept the instructions received and also commit to fulfil, to the extent of their remit, all the requirements set out in the Procedure and to disseminate the Procedure within the Company's structures.
- 4.8 The Interested Parties shall promptly notify the Legal and Corporate Affairs of the Company whether there have been changes to or whether it is necessary to supplement the information previously provided to the Company, (including, without limitation, any disposal or acquisition of shareholdings in other companies that cause a change in their respective scope of consolidation and/or the acquisition or loss of significant influence), in which case, supplying the respective information. In any case, the Legal and Corporate Affairs of the Company shall update the Related Parties Registry at least every six months.
- 4.9 For the purposes of identifying the Transactions of Greater Relevance, the Manager in charge of the preparation of corporate accounting documents shall:
- (i) identify the capitalization values periodically, on the basis of the data published by Borsa Italiana S.p.A, and the Group's consolidated equity, according to the latest published periodical accounting document, on the basis of which the Relevance Indices are calculated; and
 - (ii) record and update the value of Transactions having homogeneous nature or which fall under a unified plan that are carried out with the same Related Party of the Company or with subjects related to the Related Party and to the Company, without prejudice to the application of an exemption possibility referred to in Article 13 of this Procedure.

Art. 5 ***Related Parties Committee***

- 5.1 The Board of Directors of the Company shall establish a Committee for Transactions with Related Parties (hereinafter "**Related Parties Committee**") exclusively composed of three Independent Directors.
- 5.2 The members of the Related Parties Committee are appointed and may be removed with a motivated resolution of the Board of Directors. Unless otherwise resolved by the Board of Directors upon appointment, the term of office of the members of the Related Parties Committee shall be equivalent to that of the Board of Directors of which they are members. Early removal, for any reason, of the members of the Board of Directors shall result in their immediate removal from the Related Parties Committee. If, for any reason, a member of the Related Parties Committee ceases their office, the Board of Directors shall appoint the new member in accordance with the provisions of this Article.
- 5.3 The Board of Directors may also decide that the functions of the Related Parties Committee be carried out by one of the other board committees already in place, provided that this committee is exclusively composed of three Independent Directors.
- 5.4 When there are not three Independent Directors in charge, the resolutions regarding the adoption of and the amendments to this Procedure shall be approved by the Board of Directors, following a favorable vote of at least two Independent Directors in charge or, in absence thereof, subject to the non-binding opinion of an independent expert.
- 5.5 When there are not three Independent Directors in charge or, if (including based on the information provided pursuant to Article 7.4 hereof), one or more members of the Related Parties Committee declare that they are Related Parties in relation to a specific Transaction, the related member or members shall promptly inform the Chairman of the Board of Directors and the opinion on such

specific Transaction, to protect the substantive fairness of the Transaction, shall be issued by the unrelated Independent Director or the Independent Directors or, in their absence, by the Board of Statutory Auditors or, in the further alternative, by an independent expert. The same parties called to express an opinion on the Transaction replacing the Related Parties Committee shall perform the functions and the activities set out in this Procedure and attributed to the Committee.

- 5.6 Should the Board of Directors decide to request the Board of Statutory Auditors' opinion, the members of the latter board, if they 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 extent.
- 5.7 The Related Parties Committee shall perform the duties provided by law and by this Procedure, specifically, it shall:
- (i) express its favourable opinion on the approval of and amendments to the Procedure, and the proposed changes to the by-laws to be submitted to the Company's Shareholders' meetings identified as necessary by the Board of Directors while defining the Procedure;
 - (ii) express its binding reasoned opinion on the Transactions of Greater Relevance and its non-binding reasoned opinion on the Transactions of Lesser Relevance;
 - (iii) participate in the negotiations and the preliminary stages of the Transactions of Greater Relevance, receiving exhaustive and prompt information flows and with the power to request information and made comments to the delegated bodies and the parties entrusted with the carrying out the negotiations or the preliminary stage; and
 - (iv) assist the competent corporate functions with the preliminary checks to identify Related Parties and Transactions with Related Parties in accordance with the Procedure and the regulation in force from time to time.
- 5.8 Where required by the nature, extent and characteristics of the Transaction, the Related Parties Committee or, as the case may be, the persons replacing it in accordance with Articles 5.4 or 5.5 acting, as such, as equivalent alternative principals under the OPC Consob Regulation (the "**Equivalent Alternative Principals**")⁸, can be assisted, at the Company's expense, by one or more independent experts of their choice (from among persons of recognized competence and professionalism on the matters concerned, of whom they check the independence and the absence of conflicts of interest), including through specific appraisals and/or fairness and/or legal opinions. The fairness and/or legal opinions shall be transmitted to the Related Parties Committee (or, as the case may be, to the persons replacing the Related Parties Committee, acting as Equivalent Alternative Principals) in the days prior to the meeting of the Related Parties Committee, in good time before said meeting.
- 5.9 The engagement of independent expert shall not be assigned to persons who are counterparties to the Transaction or Related Parties of the Company or the counterparty to the Transaction. The selected independent expert shall declare their independence upon appointment, stating the reasons why any financial transactions with the Company, the parties controlling the Company, the Subsidiaries or those subject to the joint control of the Company and/or the directors of such companies do not affect the judgement on independence.

Art. 6

Reservation of jurisdiction and the limits of delegated authority

- 6.1 Transactions with Related Parties which do not pertain to the Shareholders' meeting are approved and/or carried out by the Board of Directors or the delegated bodies or other competent persons for their approval and/or performance in accordance with the proxies and governance rules adopted by the Company.

⁸ See Article 7.1, letter (d) and 8.1, letter (d) of the OPC Consob Regulation.

- 6.2 Where there is an association with the delegated body or other competent bodies, or rather with a Related Party through the latter, the delegated body shall abstain from executing the Transaction and shall appoint the Board of Directors to complete the Transaction.
- 6.3 The Transactions of Greater Relevance are the exclusive domain of the Board of Directors of the Company except for matters reserved by law and/or the by-laws to the Shareholders' meeting.

Art. 7
***Examination of the Transaction and
Disclosure to the Related Parties Committee***

- 7.1 Before commencing the negotiations, the person who intends to carry out a Transaction (the "**Person responsible for the Transaction**") shall preliminarily check whether the counterparty to such transaction is enrolled in the Related Parties Registry, assisted by the Company's Legal and Corporate Affairs. To this end, should the direct counterparty to the transaction be a person who acts on behalf of third parties, the Chairman of the Board of Directors of the Company (or, alternatively, the persons entrusted with the powers to perform said transaction) shall check whether the ultimate beneficiary of the transaction is enrolled in the Related Parties Registry.
- 7.2 If, based on the above checks, the counterparty to the transaction is enrolled in the Related Parties Registry (therefore the transaction qualifies as a Transaction with a Related Party), the Person responsible for the Transaction shall promptly inform the Chairman of the Board of Directors of the Company, notifying the following:
- (i) the intention to commence the negotiations to perform the Transaction;
 - (ii) the identification data of the counterparty and the nature of the association, checked based on that set out in the Related Parties Registry;
 - (iii) the type, subject and economic conditions, also on a general basis, and the timing of the Transaction;
 - (iv) the reasons for the Transaction; and
 - (v) any other Transactions carried out with the same Related Party or with parties related to it.

Should the conditions of the Transaction be defined as Conditions Equivalent to those of the Market or Standard, the documentation prepared shall include objective evidence of the above. The information to be provided by the Person responsible for the Transaction shall be provided in subsequent stages where the progress of the negotiations prevents the prompt and exhaustive communication of all necessary information. That person shall promptly reply to all requests for additional information and clarifications from the parties involved in the preliminary procedures and the approval of the Transaction.

- 7.3 After receiving the communication, the Chairman of the Board of Directors, assisted by the Manager in charge of the preparation of corporate accounting documents of the Company, also after consulting the Related Parties Committee, shall perform the necessary checks and establish whether:
- (a) the proposed Transaction is relevant to the OPC Consob Regulation and the Procedure, also by checking whether it meets the definition of Transactions of Greater Relevance (based on the Indices of Relevance calculated by the Manager in charge of the preparation of corporate accounting documents pursuant to Article 4) above or of Transactions of Lesser Relevance; or
 - (b) the Transaction falls under the exemptions to this Procedure covered by Article 13.

- 7.4 If, based on the checks carried out in accordance with Article 7.3, the proposed Transaction does not fall under any exemption, the Chairman of the Board of Directors of the Company, assisted by the Manager in charge of the preparation of corporate accounting documents of the Company, shall promptly begin the fulfilments required by the Procedure and ruling legislation and promptly deliver a written report containing a summary of the Transaction to the Related Parties Committee together with all the elements necessary to assess the reasons, terms and conditions of the Transaction, indicating, in particular:
- (i) the Related Party of the Company's counterparty to the transaction;
 - (ii) the nature of the relation;
 - (iii) whether it is a Transaction of Greater Relevance or a Transaction of Lesser Relevance;
 - (iv) the terms and conditions of the Transaction, including the execution details, the financial conditions and the methods of determination and payment of the consideration;
 - (v) the interest of the Company to perform the Transaction;
 - (vi) the reasons behind the transaction and any risks that may arise from its implementation; and
 - (vii) all the available documentation about the Transaction.
- 7.5 For the purposes referred to in this Article and, in general, for the proper fulfilment of this procedure, the administrative bodies of the Company and the Subsidiaries, as they case may be, shall ensure that a copy of this Procedure is provided also to the parties to which the Company or a Subsidiary has assigned the powers to perform the related Transaction (the "**Attorneys**") and that such Attorneys comply with the relevant requirements.

Art. 8

Procedures relative to the Transactions of Greater Relevance and Transactions of Minor Relevance, under the jurisdiction of the Board of Directors or of the delegated bodies

- 8.1 The Transactions of Greater Relevance shall be approved solely by the Board of Directors which shall resolve thereon in accordance with the Procedure, the OPC Consob Regulation and the regulation applicable from time to time, subject to the favourable and binding reasoned opinion of the Related Parties Committee – which participates in the negotiation stage and during the preliminary stage of the Transactions of Greater Relevance pursuant to Article 5.7 (iii) – on the Company's interest in performing the Transaction and the advantages and substantial correctness of the related conditions.
- 8.2 The Transactions of Minor Relevance shall be approved by the competent body which shall resolve thereon in accordance with the Procedure, the OPC Consob Regulation and the regulation applicable from time to time, subject to the non-binding reasoned opinion of the Related Parties Committee on the Company's interest in performing the Transaction and the advantages and substantial correctness of the related conditions.
- 8.3 In any case, the body responsible for approving the Transaction shall be provided with exhaustive and appropriate information about the Transaction well in advance.
- 8.4 The opinions on the Transactions of Greater Relevance and the Transactions of Minor Relevance shall accurately indicate, in the case of Transactions with Related Parties affected by any management and coordination activities carried out by the Company, the reasons and the advantages of the Transaction, where necessary also in the light of the overall results of the management and coordination activities or the transactions aimed at fully eliminating the damage arising from each Transaction with a Related Party.

- 8.5 Where the Related Parties Committee issued a negative opinion on Transactions of Minor Relevance, the Company (within fifteen days of the reporting date of each quarter of the year) shall made available to the public (at its registered office and in accordance with the methods described in Part III, Title II, Chapter I of the Issuer Regulation), a document describing the counterparty, the subject and the consideration of the Transactions of Minor Relevance approved during the quarter, despite the above negative opinion, and the reasons for which it disagrees with said opinion. The opinion of the Related Parties Committee shall be made available to the public within the same period and attached to the prospectus or posted on the Company's website.
- 8.6 The opinion covered by Articles 8.1 and 8.2 shall be transmitted by the Related Parties Committee, unless supported by specific reasons (including any requests for additional information and clarifications made by the Related Parties Committee), within three days prior to the date set for the approval or the performance of the Transaction. The Related Parties Committee shall meet in good time in view of the date set for the approval or the performance of the Transaction. The members of the Board of Statutory Auditors shall always be invited to participate in the meetings. Where proposed by the Chairman, other members of the Board of Directors, the head of the supervisory body set up pursuant to Legislative decree no. 231/2001, the managers and the heads of the corporate functions of the Company and the Subsidiaries may also be invited to participate, as well as other members of the corporate functions or third parties whose presence is deemed necessary or useful by the Related Parties Committee in relation to the Transaction.
- 8.7 Where the Transaction pertains to the Board of Directors, the minutes of the resolutions of approval shall appropriately describe the reason behind the Company's interest in performing the Transaction and the advantages and substantial correctness of the related conditions. Where the Transaction pertains to the Chief Executive Officer or other directors or parties entrusted with proxies, the information about the Company's interest in performing the Transaction and the advantages and the substantial correctness of the related conditions shall be provided by the Chief Executive Officer to the Board of Directors and the Board of Statutory Auditors, in accordance with the methods and the terms set out in Article 12.2.
- 8.8 Where a Transaction with Related Parties, carried out through Subsidiaries, is also subject to the communication requirements of article 17 of the MAR, in addition to the other information to be provided under the above regulation, the notice to be disclosed to the public shall include:
- (a) the fact that the counterparty to the transaction is a Related Party and the description of the nature of the association;
 - (b) the name or the business name of the counterparty to the transaction;
 - (c) whether the transaction is above or below the Indices of Relevance and any subsequent publication of the prospectus pursuant to article 5 of the OPC Consob Regulation;
 - (d) the fact that the procedure was or will be carried out for the purposes of the approval of the transaction and, in particular, whether the Company availed itself of one of the exemptions permitted by articles 13 and 14 of the OPC Consob Regulation;
 - (e) the fact that the transaction was approved despite the contrary opinion of the Related Parties Committee.

Art. 9

Transactions pertaining to the Shareholders' Meeting

- 9.1 If the Transaction to be performed falls within the Shareholders meeting's domain or should be by the same authorized, they will have to abide, *mutatis mutandis*, by the same procedures mentioned in the foregoing Articles 7 and 8, distinguishing whether it is a Transaction of Greater Relevance or a Transaction of Lesser Relevance. In this case, the Related Parties Committee shall issue its opinion in accordance with Articles 8.1 and 8.2, as the case may be, during the approval process by the Board of Directors of the Company of the draft resolution to be submitted to the Shareholders' meeting.
- 9.2 The opinions of the Committee and of the independent experts, if appointed, shall be attached to the draft resolution approved by the Board of Directors of the Company.
- 9.3 If, in a Transaction of Greater Relevance, the draft resolution to be submitted to the Shareholders' meeting is approved by the Board of Directors but has a negative opinion of the Related Parties Committee, the Transaction – subject to compliance with the constitutive and deliberative *quorums* required for adopting shareholders' meeting resolutions in ordinary or extraordinary nature – shall not be performed if it is not approved also with the favorable vote of the majority of non-Related Members provided that the latter represent in the Shareholders' meeting at least 10% of the share capital with voting rights. For this purpose, before the start of the Shareholders' meeting, those persons with voting rights are required to disclose the existence of a relationship of correlation with respect to the specific transaction on the agenda.

Art. 10

Transactions through Subsidiaries

- 10.1 The procedures set out in the foregoing Articles 7 and 8 shall also apply where a Related Parties Transaction is accomplished by a Subsidiary and the Company's Board of Directors or rather the Chairman of the Board of Directors of the Company (or other individual to whom powers have been granted for carrying out specific transactions) shall examine and approve the transaction to be performed in advance, according to the regular procedure adopted by the Company with its Subsidiaries.
- 10.2 The Chairman of the Board of Directors (and/or the individual who has been granted powers to carry out specific transactions), after consulting with the Related Parties Committee, may from time to time recommend to the Board of Directors of the Company that the procedures described in the foregoing Articles 7 and 8 be applied by the Company also for Transactions with Related Parties which are carried out independently by the Subsidiaries.

Art. 11

Framework resolutions

- 11.1 For the purposes of this Procedure, the adoption of framework resolutions relating to a series of Transactions that are homogeneous in nature, to be performed by the Company, directly or through companies directly or indirectly controlled by the Company, with certain categories of Related Parties, which will be identified by the Board of Directors of the Issuer are permitted. In such case, the framework resolutions shall:
- (a) have a term not exceeding 1 year;
 - (b) refer to Transactions with Related Parties sufficiently defined, indicating at least the foreseeable maximum amount of the Transactions to be carried out during the reference period and the explanation behind the forecasted conditions.

- 11.2 The framework resolutions shall be adopted in compliance with the provisions of the preceding Article 8, depending on the expected maximum amount of the Transactions covered by the framework resolution, considered cumulatively.
- 11.3 Upon approval of a framework resolution by the Board of Directors, the Issuer shall publish a Prospectus pursuant to article 5 of the OPC Consob Regulation if the predictable maximum amount of Transactions to be carried out during the reference period identified in the framework resolution exceeds any of the Indices of Relevance.
- 11.4 For the individual Transactions with Related Parties concluded within the implementation of a framework resolution, the provisions of the foregoing Articles 7 and 8 shall not apply.

Article 12

Obligations subsequent to the execution of Transactions and disclosure for the public and to CONSOB

- 12.1 In accordance with the provisions of article 5 of the OPC Consob Regulation; in the case of Transactions of Greater Relevance, the Company shall prepare a Prospectus under article 114.5 of the TUF. Without prejudice to that set out in article 17 of Regulation (UE) 596/2014, the Prospectus shall be made available to the public, at the registered office of the Company and in the manner specified in Title II, Chapter I, of the Issuers Regulation, within seven days of the approval of the transaction by the competent body or, where the latter resolves to put forward a contract proposal, from the moment the contract, including in a preliminary basis, is agreed in accordance with applicable legislation. Where the Shareholders' meeting is responsible for or where its authorisation is required, the Prospectus shall be made available within seven days of the approval of the proposal to be submitted to the Shareholders' meeting.
- 12.2 The Chief Executive Officer shall submit to the Related Parties Committee, the Board of Directors and the Board of Statutory Auditors, at least quarterly, detailed disclosure about the Transactions previously approved by the Board of Directors and/or carried out by delegated bodies (or rather by other person appointed by the Company to carry out specific transactions), including individual transactions carried out in implementation of the framework resolutions previously approved by the Board of Directors pursuant to Article 11, and those carried out through Subsidiaries or in the case of application of the exemptions covered by Article 13.
- 12.3 In particular, the terms and conditions under which the Transactions were carried out and the specific variations introduced to ensure compliance with the conditions set out by the Related Parties Committee in its opinion about the transaction shall be communicated to the Related Parties Committee and to the Board of Directors.
- 12.4 In order to ensure the coordination with the administrative and accounting procedures under article 154-*bis* of the TUF, the periodic information about the Transactions of Greater Relevance, the Transactions of Minor Relevance and the Transactions carried out through the Subsidiaries as per the above articles, shall also be provided to the Manager in charge of the preparation of corporate accounting documents of the Company.
- 12.5 The parties who, after meeting the requirements set out in the Procedure, entered into Transactions with Related Parties, shall promptly communicate the executed Transactions to the Chairman of the Board of Directors and the Manager in charge of the preparation of corporate accounting documents of the Company. The Manager in charge of the preparation of corporate accounting documents shall take care of the communication to the Legal and Corporate Affairs to update the Related Parties Registry.
- 12.6 The Manager in charge of the preparation of corporate accounting documents of the Company shall be responsible for collecting the necessary information for the fulfilment of reporting obligations to the public and to Consob as referred to in articles 5, 6, 12, paragraph 2, and 13, paragraph 3, letter. c) of

the OPC Consob Regulation, if applicable, in the manner and in accordance with the timetable laid out therein.

- 12.7 The Subsidiaries shall promptly send all of the information required by articles 5 and 6 of the OPC Consob Regulation, to help the Company carry out its disclosure obligations. In particular, the Subsidiaries shall send the following to the Manager in charge of the preparation of corporate accounting documents of the Company:
- (i) by the 10th day following the end of each calendar quarter, a note on the Related Parties Transactions carried out during the reference period;
 - (ii) within 5 days following the transaction's approval or after the conclusion of the contract that determines the overcoming of at least one of the Indices of Relevance, information, including on an aggregate basis for transactions of a homogeneous nature, relative to Transactions with Related Parties which, when considered cumulatively, exceed at least one of the Indices of Relevance.

Art. 13

Transactions excluded from the scope of the Procedure

- 13.1 The provisions referred to in this Procedure shall not apply to the Shareholders' meeting resolutions under article 2389, first paragraph, of the Italian Civil Code relative to the remuneration of members of the Board of Directors of the Issuer, nor to the resolutions on the remuneration of directors vested with special offices, that are within the total amount which is determined by the Shareholders' meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code and the Company's by-laws, nor to Shareholders' meeting resolutions under article 2402 of the Italian Civil Code, concerning remuneration to the members of the Board of Statutory Auditors of the Issuer.
- 13.2 The provisions referred to in this Procedure shall not apply to Small Amount Transactions.
- 13.3 Without prejudice to the obligations of periodic accounting reporting requirements under article 5, paragraph 8, of the OPC Consob Regulation, the provisions under this Procedure shall not apply to:
- (a) payment plans based on financial instruments approved by the Issuer's shareholders' meeting pursuant to article 114-*bis* of the TUF and their respective executive transactions;
 - (b) the resolutions, other than those referred to in paragraph 13.1, on remuneration of Directors of the Issuer holding special offices and board members with strategic responsibilities, provided that:
 - (i) the Issuer has adopted a policy of remuneration;
 - (ii) an independent majority of a Committee made up exclusively of non-executive directors has been involved in the definition of the remuneration policy;
 - (iii) a report setting out the remuneration policy has been submitted for approval or for an advisory vote to the Shareholders' meeting of the Issuer;
 - (iv) the remuneration allocated is consistent with such policy;
 - (c) Ordinary Transactions that are concluded under Conditions Equivalent to those of the Market or Standard. In the case of applicability of such exclusion cases, the Company is required only to make the periodic disclosure obligations referred to in article 5, paragraph 8 and article 13, paragraph 3, letter c) of the OPC Consob Regulation, however, without prejudice to the requirement to publish a notice where the conditions covered by article 17 of the MAR are met;

- (d) Transactions with or between subsidiaries, including jointly, by the Issuer as well as to Transactions with associates of the Issuer, provided that in the subsidiaries or the associate counterparties to the Transaction there are no Significant Interests.
- 13.4 In urgent cases and where this is provided for by the Company by-laws, the Transactions with Related Parties which are not attributed to the Issuer's Shareholders' meeting by law or by the by-laws, may be concluded by the Board of Directors or rather delegated to a competent body (except, for the case referred to in Article 6.2 of this Procedure) notwithstanding the foregoing provisions of Articles 7 and 8 - with the requirements for disclosure referred to in article Article 5 of the OPC Consob Regulation where applicable - provided that:
- (a) where Transactions that fall within the competence of directors equipped with specific mandates, the Chairman of the Board of Directors, or the Vice-Chairman of the Board of Directors, shall be informed of the reasons of urgency prior to the finalization of the same;
 - (b) said Transactions will subsequently be the object of a non-binding resolution adopted by the first ordinary Shareholders' meeting of the Issuer, without prejudice to their effectiveness;
 - (c) the Board of Directors of the Issuer, in convening the Shareholders' meeting referred to in point (b), prepares a report containing a detailed indication of the reasons for urgency. The Board of Statutory Auditors of the Issuer reports to the Shareholders' meeting as referred to under the foregoing letter (b) on its assessments regarding the existence of reasons of urgency;
 - (d) the report and the evaluations referred to in the foregoing letter (c) are made available to the public at least 21 days before the date set for the Shareholders' meeting at the registered office of the Issuer and in the manner specified in Title II, Chapter I, of the Issuers Regulation; or are made available through inclusion in the prospectus related to Transactions of Greater Relevance to be published pursuant to article 5 of the OPC Consob Regulation;
 - (e) no later than the day following the Issuers' Shareholders' meeting, the Issuer makes available to the public in the manner laid out in Title II, Chapter I, of the Issuers Regulation the information on the outcome of the vote, with particular regard to the total number of votes cast by the Unrelated Shareholders.
- 13.5 In urgent cases related to company crises and where this is covered by the by-laws, Transactions with Related Parties pertaining to the Shareholders' meeting may be completed also by way of derogation from the foregoing Articles 9.1, 9.2 and 9.3 - without prejudice, where applicable, to the disclosure obligations set out in articles 5 and 6 of the OPC Consob Regulation - provided that article 11.5 of the OPC Consob Regulation is complied with.
- 13.6 The basis for exclusion provided for in this Article shall also apply to Transactions through Subsidiaries referred to in Article 10 of this Procedure.

Art. 14 ***Final provisions***

- 14.1 The Procedure and the related amendments shall be approved by the Board of Directors of the Company, subject to the favourable opinion of the Related Parties Committee pursuant to Article 5 of the Procedure and article 4 of the OPC Consob Regulation.
- 14.2 The Board of Directors of the Issuer shall periodically evaluate and, in any case, at least once every three years, decide whether to revise this Procedure by taking into account, inter alia, any changes to regulations and the law, the effectiveness demonstrated in practice and any changes that may have occurred in the ownership structure of the Company.

- 14.3 The Board of Statutory Auditors of the Issuer shall ensure compliance with this Procedure, the general principles set out in the OPC Consob Regulation, and shall report to the Company's Shareholders' meeting pursuant to article 153 of the TUF.
- 14.4 This Procedure is available to the public on the Company's website under "Investor Relations" and is included, by reference to the same site, in the annual report on operations which also provides information about Transactions with Related Parties carried out during the reference year and any change to or development in the Transactions with Related Parties described in the most recent annual report which had a significant effect on the Company's financial position and results of operations of the reference year.
- 14.5 Although not expressly provided for in this Procedure, the legal and regulatory framework in force from time to time shall be applicable.

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