

PROCEDURE FOR RELATED PARTY TRANSACTIONS
OF ALTEA GREEN POWER S.P.A.



*Document approved by the Board of Directors of Altea Green Power S.p.A. at its meeting on
20 September 2024.*

1. FOREWORD

This procedure (the "**Procedure**") was adopted on 20 September 2024 by a resolution of the Board of Directors of Altea Green Power S.p.A. (the "**Company**"), subject to the favourable opinion of the Independent Directors of the Company, in implementation of the provisions pursuant to Article 2391-*bis* of the Civil Code and the Regulation containing provisions on related party transactions adopted by CONSOB with Resolution No. 17221 of 12 March 2010, as amended and supplemented (the "**RPT Regulation**") and, in particular:

- (a) governs how related parties are identified, defining the manner and timing for preparing and updating the list of related parties and identifying the relevant corporate functions;
- (b) establishes rules for identifying related party transactions ahead of their conclusion;
- (c) governs the procedures for the execution of related party transactions by the Company, including through subsidiaries pursuant to Article 93 of Legislative Decree No. 58/1998 ("**TUF**") or otherwise subject to direction and coordination activities;
- (d) establishes the manner and timing for fulfilling disclosure requirements to corporate bodies and the market.

It should be noted that the Company also applies the Procedure taking into account CONSOB Notice No. DEM/10078683, published on 24 September 2010, containing "*Directions and Guidelines for the Application of the Regulation on Related Party Transactions adopted by Resolution No. 17221 of 12 March 2010 as subsequently amended*" (the "**Application Notice**").

The Procedure comes into effect from the date of commencement of trading of the Company's ordinary shares on Euronext Milan, a market organized and managed by Borsa Italiana S.p.A., Euronext STAR Milan segment, if the conditions are met.

The Procedure, in its prevailing version, is published on the Company website www.alteagreenpower.it "*Governance*" section.

For all matters not expressly provided for in the Procedure, reference is made to current laws and regulations and, unless otherwise specified, the definitions set forth in the RPT Regulation and the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (the "**Corporate Governance Code**") apply.

2. DEFINITIONS

Directors Involved in the Transaction: the directors who have an interest in the transaction, either on their own behalf or of third parties, that conflicts with the interest of the Company;

Independent Directors: the directors who meet the independence requirements of Article 148, paragraph 3 of the TUF and the Corporate Governance Code, to which the Company adheres;

Unrelated Directors: the directors other than the counterparty to a given related party transaction and its related parties;

Appointed Function: the legal function of the Company, or other function of the Company appointed by the Board of Directors upon the proposal of the Chairman of the Board of Directors, responsible for Related Party Transactions that assists the Board of Directors in the tasks related to compliance with and implementation of the Procedure. In the case of transactions carried out through any subsidiaries, the Appointed Function is that function of the company responsible for the prior review or approval of the individual transaction that the subsidiary intends to carry out.

Related Party Transactions: transactions defined as such by the international accounting standards in force at the time¹, adopted in accordance with the procedure in Article 6 of EC Regulation No. 1606/2002. Related Party Transactions do not include those directed indifferently to all shareholders on equal terms, such as, for example, transactions to increase the Company's share capital under an option to its shareholders, demerger transactions in the strict sense of a proportional type, reductions in the share capital through reimbursement to shareholders as provided for in Article 2445 of the Civil Code, and purchases of treasury shares pursuant to Article 132 of the TUF. Also governed by the Procedure are transactions that, although carried out by subsidiaries, are traceable to the Company itself due to prior review or approval by the Company, as set forth in paragraph 7 of the Application Notice, to which reference is made. Additionally, the disclosure requirements relating to transactions carried out through subsidiaries are governed by Article 7 of the Procedure below.

Transactions of Greater Significance: "*transactions of greater significance*" as defined on the basis of the criteria set out in Annex 3 to the RPT Regulation and the Application Notice, to which reference is made.

Transactions of Lesser Significance: all Related Party Transactions other than Transactions of Greater Significance and Transactions of Small Amount (the latter, in the meaning set forth in Section 9.1 of the Procedure).

Related Parties: the parties defined as such by the international accounting standards in force at the time.

For the purposes of the Procedure, the Appointed Function, with the support of any other corporate functions:

- (i) prepares a special list in which Related Parties are entered, updating it whenever deemed necessary;

¹ An excerpt of the definitions of "related party transactions" and "related parties" under IAS 24 is provided in the Appendix. The Appendix shall be understood to be automatically updated to reflect changes in the relevant accounting standards, without application of the provisions for amending this Procedure.

- (ii) provides:
 - (A) the Company's governing body;
 - (B) the Company's main functions, as well as,
 - (C) the directors and main corporate functions of the parent company, subsidiaries, parties that directly or indirectly exercise control over the Company, and associates insofar as they relate to, or are relevant to, such companies and parties,

with a list of the Company's related parties (the "**Related Parties List**").

Unrelated Shareholders: the parties entitled to voting rights other than the counterparty to a particular transaction and Related Parties to both the counterparty to a particular transaction and the Company.

3. APPROVAL, DISSEMINATION AND PUBLICATION OF THE PROCEDURE

3.1 Approval and amendments to the Procedure

The Procedure and its amendments are approved by the Company's Board of Directors, subject to the favourable opinion of an ad-hoc committee composed exclusively of Independent Directors (the "**Independent Committee**").

The Independent Committee meets well in advance of the Board meeting called to resolve on the approval of the Procedure or any amendments thereto. The opinion of the Independent Committee is forwarded to the Board of Directors before the meeting.

The Board of Directors evaluates, on an annual basis, whether to revise the Procedure, taking into account, *inter alia*, any changes in laws and regulations, any changes in the ownership structure, as well as its effectiveness in application practice.

3.2 Dissemination, entry into force and publication of the Procedure

The Appointed Function forwards the Procedure, together with the List of Related Parties, to the main corporate functions of the Company, including the Financial Reporting Manager pursuant to Article 154-*bis* of the TUF, to ensure its coordination with the administrative and accounting procedures provided for by the aforementioned rule, as well as to the functions responsible for overseeing compliance with the Procedure (by way of example: Head of Internal Audit and Board of Statutory Auditors).

Also pursuant to Article 114, paragraph 2, TUF, the Procedure is forwarded by the Appointed Function to the members of the governing body and (where present) the supervisory body of the subsidiaries, as well as to the main corporate functions of the subsidiaries, so that these parties may read it and, within their remit or responsibility, comply with it.

4. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The parties who, on behalf of the Company or its subsidiaries, are responsible for the approval and/or execution of a given transaction, prior to initiating its negotiation, verify – by referring to, *inter alia*, the Related Parties List and seeking the support of the Appointed Function – whether the potential transaction qualifies as a Related Party Transaction.

In the case that the potential transaction qualifies as a Related Party Transaction and does not fall under any of the exemptions set forth in Article 9 below, such parties promptly involve the Company's Related Party Transactions Committee (the "**RPT Committee**") and, with the support of the Appointed Function if necessary, forward to the Chairman of the RPT Committee a notice containing at least the following information:

- (a) counterparty identification data and nature of the relation;
- (b) type and object of the transaction;
- (c) an assessment about the Company's interest in carrying out the transaction;
- (d) any other useful information that may allow the RPT Committee to assess the nature and value of the transaction.

Together with the above notice, any documents related to the transaction that are available at the time are forwarded.

Where the conditions of the transaction are defined as market equivalent or standard (within the meaning of Article 9.4 below), the documentation prepared contains objective evidence to support this.

Without delay and in any case within two days after receiving the notice, the Chairman of the RPT Committee convenes the RPT Committee to carry out any appropriate and preliminary verification.

The Chairman of the Board of Directors or the Chief Executive Officer, with the support of the Appointed Function and the relevant corporate function, also determine whether the information relating to the transaction is likely to have a significant effect on the prices of financial instruments issued by the Company and admitted to trading on the Euronext Milan market, pursuant to EU Regulation 596/2014 ("**MAR**"), and whether the conditions for the application of the "*Procedure for the Public Disclosure of Inside Information*" adopted by the Company pursuant to Articles 17 and 18 of MAR are met.

The Appointed Function of the Company prepares and keeps a file (the "**Related Party Transaction File**"), using a special electronic register:

- (A) of Related Party Transactions, also carried out through subsidiaries (including those subject to framework resolutions pursuant to Article 8 below); and
- (B) of Related Party Transactions, including those carried out through subsidiaries, falling under one of the cases of exemption under Article 9 below.

5. GENERAL PRINCIPLES FOR THE APPROVAL OF RELATED PARTY TRANSACTIONS

As long as the conditions under the relevant laws and regulations remain in place, the Company, as a newly listed entity², applies, pursuant to Article 10 of the RPT Regulation, a procedure for Related Party Transactions of both "greater significance" and "lesser significance". This procedure, identified in accordance with the principles and rules set forth in Article 7 of the RPT Regulation, serves as an exception to Article 8 of the RPT Regulation. This is without prejudice to the exclusive remit of the Board of Directors regarding the transactions specified below.

Specifically, Related Party Transactions are approved through the involvement of the RPT Committee, composed of non-executive directors who are primarily independent according to the independence requirements of the Corporate Governance Code. These directors must also be Unrelated Directors with respect to the transaction under consideration from time to time.

If, with regard to a specific transaction placed on the agenda, a Committee member becomes aware of their own relatedness, they are promptly replaced if deemed necessary. In such a case, if there are one or more Independent Directors on the Board of Directors who are themselves Unrelated Directors, the Committee is supplemented by the Independent Director who is also the oldest Unrelated Director. If this is not the case, if there are at least two Unrelated Independent Directors remaining on the Committee, the Committee resolves unanimously. In the case that only one Unrelated Independent Director remains on the Committee, the transaction is approved by the Unrelated Independent Director, who may be in office jointly with the Chairman of the Board of Statutory Auditors (provided that the Chairman may be considered unrelated, similar to the assessment of non-relatedness used to identify Unrelated Directors). If no Unrelated Independent Directors remain, the transaction is approved by the Board of Statutory Auditors (if its members can be considered unrelated, similar to the assessment of non-relatedness used to identify Unrelated Directors) or, alternatively, by a specially appointed Independent Expert, at the Company's expense, respecting the maximum expense cap of 1% of the transaction's countervalue.

If, pursuant to the regulations in force at the time, the Committee is to be composed exclusively of Independent Directors, until the conclusion of the transaction and limited to it, in the case that one or more Independent Directors who are also Unrelated Directors sit on the Board of Directors, the RPT Committee is supplemented by the Independent Director who is also the oldest Unrelated Director. Where this condition is not applicable, the transaction is approved by the Board of Statutory Auditors (if its members can be considered unrelated, similar to the assessment of non-relatedness used to identify Unrelated Directors) or, alternatively, by a specially appointed Independent Expert, at the Company's expense, respecting the maximum spending cap of 1% of the transaction's countervalue.

² Pursuant to Article 3 of the RPT Regulation, "newly listed companies" are defined as companies whose shares are listed between the date of commencement of trading and the date of approval of the financial statements for the second year following the year of listing. Companies resulting from the merger or demerger of one or more companies with listed shares that are not themselves newly listed cannot be defined as newly listed companies.

"Independent Expert" means a natural or legal person who meets the requirements of professionalism, integrity, and independence as required by the nature of the assignment granted. Independence is verified by the RPT Committee prior to granting the assignment, taking into account the reports set forth in Annex 4 to the RPT Regulation and considering, in particular, any business, equity, and financial relations between the expert and (i) the Related Party, its subsidiaries, its controlling entities, companies subject to common control, as well as the directors of the above companies; (ii) the Company, its subsidiaries, its controlling entities, companies subject to common control, as well as the directors of the above companies. This independence is certified by a statement provided by the Independent Expert at the time the assignment is granted.

In any case, in the exercise of its functions, the RPT Committee may seek the assistance of one or more Independent Experts, within the maximum spending caps identified above.

It is understood that, in the above cases, the members of the Board of Statutory Auditors, if they have an interest, on their own behalf or of third parties, in the transaction, notify the other Statutory Auditors, specifying the nature, terms, origin, and scope of their interest.

If the Transaction is within the remit of the Board of Directors, the Directors Involved in the Transaction abstain from voting on the Transaction. The presence of these directors shall then be counted to determine only the *quorum* to convene and pass the resolution.

It is in any case reserved to the remit of the Board of Directors of the Company (with the abstention of any Directors Involved in the Transaction) to make any decision and/or resolution regarding:

- (a) transactions made on non-market conditions;
- (b) Transactions of Greater Significance.

6. PROCEDURE FOR RELATED PARTY TRANSACTIONS

6.1 Transactions of Lesser Significance

Transactions of Lesser Significance that do not fall within the remit of the shareholders' meeting are approved by the relevant party in accordance with the Company's internal governance rules and the provisions of Article 5 above, subject to the reasoned non-binding opinion of the RPT Committee. This opinion is attached to the minutes of the RPT Committee meeting.

To this end, having identified the relation with the counterparty pursuant to the provisions of Article 4 and determined the relevance of the transaction pursuant to the RPT Regulation and the Procedure, the Appointed Function promptly notifies the party responsible for approval and/or execution. The latter, through the Appointed Function, promptly informs the members of the RPT Committee so that they may declare the absence of relationships with the specific Related Party Transaction (including, if applicable, in relation to the counterparty of the subsidiary).

For the purpose of issuing its opinion, the RPT Committee receives complete, adequate and up-to-date information. The Committee issues, in time for the adoption of the appropriate resolutions concerning the Related Party Transaction, its reasoned opinion on the matter by promptly providing the party responsible for approval with adequate information on the preliminary activities conducted. If the financial conditions of the Related Party Transaction, following the preliminary activities, are determined to be equivalent to market or standard conditions, the documentation prepared by the Committee must include objective evidence to support this. The Committee must also forward any other opinions acquired in connection with the transaction itself to the competent party for approval.

In the case of a negative opinion of the RPT Committee, the Transaction of Lesser Significance can only be approved by the Board of Directors. In the case of a Transaction of Lesser Significance falling within the Board's remit or, in any case, submitted for approval by the Board of Directors, each member of the Board of Directors may request clarification from the RPT Committee regarding the opinion expressed during the Board meeting convened to approve the Transaction of Lesser Significance. The RPT Committee (in the person of the Chairman) replies during the meeting, also with the assistance of the Independent Expert who may have supported the RPT Committee, if the expert has been invited to attend the Board meeting.

In the case of a negative opinion of the RPT Committee, and without prejudice to the provisions of Article 17 MAR, the Board of Directors, with the support of the Appointed Function, prepares and makes available to the public within fifteen days of the end of each quarter of the year at the registered office and in the manner specified in Part III, Title II, Chapter I, of CONSOB Regulation 11971/1999, a document containing an indication of the counterparty, object, and consideration of such transactions, as well as the reasons for not agreeing with the opinion. Within the same time limit, this opinion is made available to the public as an annex to the above document or on the Company website.

In the case of approval of the transaction by the Board of Directors, the minutes include an adequate explanation of the Company's interest in completing the transaction, as well as the advantage and substantive fairness of its conditions.

6.2 Transactions of Greater Significance

Transactions of Greater Significance that do not fall within the remit of the shareholders' meeting are reserved for the exclusive remit and approval of the Company's Board of Directors, subject to the reasoned favourable opinion of the RPT Committee.

The Committee is promptly involved in the negotiation and preliminary stages of the Transaction of Greater Significance, receiving comprehensive, timely and from time to time updated information, having the authority to demand information and offer feedback to delegated bodies and parties responsible for conducting negotiations or preliminary activities. Where ordinary transactions are involved and the conditions of the Transaction are defined as market equivalent or standard, the documentation prepared shall contain objective evidence to support this.

Following the preliminary activities and, in any case, prior to the meeting of the Board of Directors convened for the approval of the Transaction of Greater Significance, the RPT Committee issues a reasoned opinion on (i) the existence of an interest of the Company in completing the Transaction, as well as (ii) the advantage and substantive fairness of its conditions. The opinion contains a clear indication as to whether the Committee's assessment is favourable or not to the completion of the transaction. This opinion is attached to the minutes of the RPT Committee meeting.

Each member of the Board of Directors may request clarification from the RPT Committee regarding the opinion expressed during the Board meeting convened to approve the Transaction of Greater Significance. The Committee (in the person of its Chairman) replies during the meeting, also with the assistance of the Independent Expert who may have supported the Committee, if the expert has been invited to attend the Board meeting.

In the case of approval, the minutes of the resolution of the Board of Directors include an adequate explanation of the Company's interest in completing the transaction, as well as the advantage and substantive fairness of its conditions.

In the case of a negative opinion of the RPT Committee, the Board of Directors may approve the Transaction of Greater Significance, provided that the completion of such transaction is authorized by the shareholders' meeting pursuant to Article 2364, paragraph 1, No. 5 of the Civil Code. In such a case, the shareholders' meeting passes resolutions with the majorities prescribed by law, provided that, where the unrelated shareholders attending the shareholders' meeting represent at least 10% (ten percent) of the share capital with voting rights, the majority of the unrelated shareholders voting at the shareholders' meeting do not vote against.

6.3 Transactions within the remit of the Shareholders' Meeting

When a Related Party Transaction is within the remit of the shareholders' meeting or must be authorized by it, the provisions of Articles 6.1 and 6.2 above apply *mutatis mutandis* to the stage of preliminary activities and approval of the proposed resolution by the Board of Directors to be submitted to the shareholders' meeting.

7. TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES

Related Party Transactions carried out through subsidiaries pursuant to Article 2359 of the Civil Code are reviewed and approved in advance by the body competent according to the criteria set forth in the Procedure, as if the transactions were carried out by the Company itself. For this purpose, the Chief Executive Officer, or otherwise the governing body of the subsidiary sends a notice to the Appointed Function of the Company containing all the necessary information and documents regarding the transaction. This includes details about the nature of the relation (with an indication of the Related Party), the object, financial conditions, and timing of the transaction, as well as the interests and reasons for the transaction.

The provisions of Article 4 and, with the necessary adjustments and as appropriate, the provisions of Articles 6.1 and 6.2 above, as well as, for transactions within the remit of the subsidiary's shareholders' meeting, Article 6.3 apply.

8. FRAMEWORK RESOLUTIONS

Pursuant to Article 12 of the RPT Regulation, like-for-like transactions with certain categories of related parties, identified by the Board of Directors from time to time, may be approved through the use of framework resolutions, including those to be carried out through subsidiaries.

Without prejudice to the provisions of the RPT Regulation and the disclosure requirements set forth in Article 10 below, within the terms and in the manner specified therein, the principles outlined in Article 5 above and the provisions of Articles 6.1 and 6.2 above apply to resolutions concerning the adoption of framework resolutions, depending on the foreseeable maximum amount of the transactions subject to the resolution, collectively considered.

Framework resolutions adopted in accordance with this Article 8 may not be effective for more than one year and must refer to sufficiently determined transactions, specifying at least the expected maximum amount of transactions to carry out during the relevant period and the reasons for the conditions envisaged.

When approving a framework resolution, the Company publishes a disclosure document if the expected maximum amount of the transactions covered by the resolution exceeds the relevance threshold identified for Transactions of Greater Significance.

The provisions of Articles 6.1 and 6.2 above do not apply to individual transactions concluded in implementation of the framework resolution. Transactions concluded in implementation of a framework resolution subject of a disclosure document published pursuant to Article 10.2 are not counted for the purposes of the aggregate provided for in Article 5.2 of the RPT Regulation.

9. CASES OF EXEMPTION UNDER ARTICLE 13 OF THE RPT REGULATION

Without prejudice to the cases of exclusion set forth in Article 13, paragraphs 1 and 4 of the RPT Regulation, and subject to the disclosure requirements set forth in Article 10 below, within the terms and in the manner specified therein, the provisions of the Procedure do not apply:

- (a) to transactions of a small amount (*see* Section 9.1 below);
- (b) to remuneration plans based on financial instruments approved by the shareholders' meeting pursuant to Article 114-*bis* of the TUF and related executive transactions (*see* Section 9.2 below);
- (c) to resolutions passed by the shareholders' meeting other than those indicated in Article 13, paragraph 1 of the RPT Regulation, regarding the remuneration

of directors holding special offices as well as key management personnel, in compliance with the conditions set forth in Article 13, paragraph 3, letter b) of the RPT Regulation (*see* paragraph 9.3 below);

- (d) to the resolutions, addressed to all shareholders on equal terms, specified in Article 13, Paragraph 1–*bis*, of the RPT Regulation;
- (e) to the urgent transactions referred to in Article 13, paragraph 6 of the RPT Regulation;
- (f) to ordinary transactions that are concluded on market equivalent or standard conditions (*see* Article 9.4 below);
- (g) to transactions with or between subsidiaries and transactions with associates, if there are no interests qualified as "significant" in those companies (*see* Article 9.5 below).

The above cases of exclusion also apply to transactions carried out through subsidiaries referred to in Article 7 above.

However, it is understood that the periodic reporting requirements of Article 10.3 below and Article 5, paragraph 8, of the RPT Regulation apply to the resolutions referred to in (b), (c), (d) and (e) above.

9.1 Transactions of a Small Amount

Transactions of a Small Amount are excluded from the scope of application of the RPT Regulation and this Procedure (subject to the reporting requirements set forth in Article 10 below, in the terms and manner specified therein). These transactions may be carried out, in accordance with the powers granted to them, by the Company's competent party from time to time or by the executive directors and managers with delegated powers of the subsidiaries.

For the purposes of the Procedure, "Transactions of a Small Amount" refer to transactions with related parties, whether legal entities or individuals, whose value does not exceed the amount of €200,000 (if the counterparty is a legal entity) or €100,000 (if the counterparty is an individual).

This exclusion does not apply to several Transactions of a Small Amount, which are homogeneous among themselves or carried out as part of a unitary plan, concluded with the same related party or with parties related both to the latter and to the Company, and which, aggregately considered, exceed the amounts indicated above.

9.2 Remuneration plans under Article 114–*bis* of the TUF

Pursuant to Article 13, paragraph 3, letter a) of the RPT Regulation, remuneration plans based on financial instruments approved by the shareholders' meeting pursuant to Article 114–*bis* of the TUF, and related executive transactions, are excluded from the application of the provisions of the RPT Regulation and this Procedure.

The transparency and substantive and procedural fairness requirements set forth in the provisions in force at the time apply to the remuneration plans under Article 114–*bis* of the TUF and the related executive transactions.

9.3 Resolutions on the remuneration of directors holding special offices and other key management personnel

Pursuant to Article 13, paragraph 3, letter b) of the RPT Regulation, resolutions on the remuneration of directors, other than those specified in Article 13, paragraph 1 of the RPT Regulation, as well as key management personnel, are excluded from the application of the RPT Regulation.

For the exclusion to apply, the following must be met:

- (a) the Company has adopted a remuneration policy;
- (b) a committee consisting exclusively of non-executive directors, for the most part independent, was involved in setting the remuneration policy;
- (d) the remuneration awarded is in accordance with the remuneration policy, determined in the absence of discretionary assessment.

9.4 Ordinary transactions concluded on market equivalent or standard conditions

9.4.1 Identification of ordinary transactions at market or standard conditions

"Ordinary" transactions are defined as those that fall within the ordinary course of the Company's business operations and related financial activities (*see* Article 3, paragraph 1, letter d) of the RPT Regulation). For the qualification of the transaction as "ordinary", the criteria set out in paragraph 3 of the Application Notice, to which reference is made, are taken into account.

Transactions "concluded on market equivalent or standard conditions" refer to transactions concluded on conditions similar to those typically practiced with unrelated parties for transactions of a corresponding nature, size, and risk, or based on regulated tariffs, imposed prices, or those practiced with parties with whom the Company is legally obligated to contract at a specific consideration (*see* Article 3, paragraph 1, letter e) of the RPT Regulations).

The identification of ordinary transactions concluded on market equivalent or standard conditions, as referred to in this Article 9.4, is left to the assessment of the Appointed Function, who may seek the assistance of the RPT Committee for this purpose and, in any case, reports the outcome of the assessment to the managing directors.

9.4.2 Applicable regulations

Ordinary transactions concluded on market equivalent or standard conditions are excluded from the scope of application of any provision of this Procedure and the RPT Regulation, subject to the provisions of this Article 9.4, and without prejudice to the disclosure requirements set forth in Article 10 below, in the terms and manner specified therein.

The body responsible for approving and/or executing the transaction must, in any case, be provided with complete and adequate information on the transaction in good time prior to its approval, including documentation that provides evidence regarding the existence of market or standard conditions.

In the case where the transactions benefiting from the exemption in this paragraph are Transactions of Greater Significance pursuant to Article 6.2, subject to the provisions of Article 17 MAR, the Company shall:

- (i) promptly involve the RPT Committee in assessing the applicability of this exemption;
- (ii) disclose to CONSOB and to the directors or independent directors who express opinions on Related Party Transactions, within seven days of the approval of the transaction, the counterparty, the object, and the consideration of the transactions that benefited from the exclusion, as well as the reasons why the transaction is deemed to be ordinary and concluded at market equivalent or standard conditions, providing objective evidence to support the assessment;
- (iii) indicate in the interim report and the annual report, as part of the information required by Article 5, paragraph 8, of the RPT Regulation, which of the reportable transactions were concluded by taking advantage of the exemption referred to in this paragraph.

For each ordinary transaction subject to exemption, the Appointed Function keeps evidence within the Related Party Transaction File of elements related to: (i) the ordinary nature of the transaction, in relation to the object, recurrence, and size of the transaction; (ii) the nature of the relation; (iii) contractual documentation; and (iv) the size and type of the counterparty.

9.5 Transactions with and between subsidiaries and/or associates

Transactions with or between subsidiaries, including jointly, as well as transactions with associates, are excluded from the scope of this Procedure if there are no significant interests of other Related Parties to the Company in the subsidiaries or associates that are counterparties to the transaction. This is subject, however, to the disclosure requirements set forth 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 Appointed Function, or is referred to the Board of Directors if the assessment of the significance of interest concerns the Chairman of the Board of Directors and/or the Chief Executive Officer. Notwithstanding the above, the Chairman of the Board of Directors and the Chief Executive Officer refer the assessment to the RPT Committee and/or the Board of Directors when deemed appropriate, taking into account, *inter alia*, the financial value of the transaction and/or the specific characteristics of the transaction.

The assessment of the significance of interests, by the Board of Directors and/or the RPT Committee (as the case may be), is carried out according to the following:

- (a) consideration is given, *inter alia*, to the existence of any ownership relationships between the Company's subsidiary or associate and other related parties of the Company, or to any financial relationships between the subsidiary

or associate, on the one hand, and other related parties of the Company, on the other;

- (b) consideration is given to paragraph 21 of the Application Notice to which reference is made, and in particular, the interests of the party who controls the Company are considered significant interests, where the stake held by them (even indirectly) in the company counterparty to the Related Party Transaction, controlled by or related to the Company, has an effective weight greater than the stake they hold in the Company;
- (c) significant interests are not considered to be those arising from the mere sharing of one or more directors or, if applicable, other key management personnel between the Company and the subsidiary or associate (*see* Article 14, paragraph 2, RPT Regulation);
- (d) there is, on the other hand, a significant interest if, in addition to the mere sharing of one or more directors or key management personnel, these parties benefit from incentive plans based on financial instruments (or otherwise variable remuneration) dependent on the results achieved by the subsidiary or associate with which the transaction is carried out.

10. DISCLOSURE OF RELATED PARTY TRANSACTIONS

10.1 Internal disclosure of Related Party Transactions

The Chief Executive Officer, with the support of the Appointed Function and parties involved in the transactions and/or with the support of the directors or competent corporate functions of the subsidiaries, provides:

- (A) the Company's Board of Directors and Board of Statutory Auditors with adequate disclosure:
 - (i) on a quarterly basis on the execution of relevant transactions pursuant to the Procedure and the RPT Regulation, as well as transactions subject to exemption pursuant to Article 13, paragraphs 2, 3, letter c), and Article 14, paragraph 2, of the RPT Regulation approved during the quarter. This includes details on the nature of the relation, the manner of execution of the transaction, terms, and conditions. The disclosure also covers Related Party Transactions executed through subsidiaries that have been subject to review or approval by the Company's Board of Directors and for which the non-binding opinion of the RPT Committee has been rendered;
 - (ii) on a quarterly basis, on the implementation of the framework resolutions referred to in Article 8 above; and
- (B) the Board of Directors, the Company's Board of Statutory Auditors and the RPT Committee with adequate information on at least a half-year basis, on the application of the cases of exemption referred to in Article 9 above, at least with regard to Transactions of Greater Significance.

The documentation supporting the transactions executed with Related Parties is kept by the Appointed Function.

10.2 Public Disclosure of Related Party Transactions of Greater Significance

For Transactions of Greater Significance, also carried out through subsidiaries, the Company prepares a disclosure document in accordance with the outline set forth in Annex 4 of the RPT Regulation.

The obligation to publish the disclosure document also arises if several transactions are carried out during the same financial year with the same related party, or with parties related both to the latter and to the Company, which are homogeneous with each other or carried out in execution of a unitary plan. These transactions – although not qualifying individually as Transactions of Greater Significance – exceed – when aggregately considered, at least one of the above relevance thresholds (so-called “aggregate transactions”). Transactions carried out by Italian or foreign subsidiaries are also relevant for the purposes of the above aggregate. However, any transactions that may be exempt under Article 9 of the Procedure are not considered in this calculation.

The disclosure document is published in the terms and manner set out in Article 5 of the RPT Regulation.

10.3 Periodic accounting disclosures

The interim report and the annual report provide information on:

- (a) individual Transactions of Greater Significance concluded during the reporting period including through subsidiaries;
- (b) other individual Related Party Transactions, if any, concluded during the reporting period that have materially affected the Company's financial position or results;
- (c) any changes or developments in the Related Party Transactions outlined in the last annual report that had a material effect on the Company's financial position or results during the reporting period.

10.4 Related Party Transactions and public disclosures pursuant to Article 17 MAR

If a Related Party Transaction is disclosed by dissemination of a press release pursuant to Article 17 MAR, the latter contains, in addition to other information to be published pursuant to the above provision, at least the following information:

- (a) description of the transaction;
- (b) indication that the counterparty to the transaction is a Related Party and a description of the nature of the relation;
- (c) name or designation of the counterparty to the transaction;
- (d) whether or not the transaction exceeds the relevance thresholds identified pursuant to this Procedure and an indication as to whether a disclosure

document will be published subsequently pursuant to Article 5 of the RPT Regulation;

- (e) the procedure that has been or will be followed in approving the transaction and, in particular, whether the Company has taken advantage of an exclusion case provided for in this Procedure;
- (f) any approval of the transaction despite the negative opinion of the RPT Committee;

as well as the information set forth in the Instructions of the Regulation of the Markets Organized and Managed by Borsa Italiana³.

³ According to the Application Notice, in cases where the issuer does not publish the disclosure document pursuant to Article 10.2 above – either because the transaction does not exceed the relevance thresholds identified pursuant to the Procedure or because the cases and exemption options provided for in Article 9 above apply – among the information elements that may be relevant for compliance with Article 17 MAR, the following, by way of example, are considered benchmarks for CONSOB's requests for supplementary information on disclosures relating to such transactions: (i) the main characteristics of the transaction (e.g., price, execution conditions, payment timing, etc.); (ii) the financial rationale of the transaction; (iii) an explanation of the income, equity, and financial effects of the specific transaction; (iv) the way in which the consideration for the transaction was determined, along with assessments of its fairness in relation to the market values of similar transactions; (v) in the case that the financial conditions of the transaction are defined as equivalent to those of the market or standard, in addition to the statement to that effect, an indication of the objective elements used for assessment; (vi) any use of Independent Experts for the assessment of the transaction, and in that case, an indication of the assessment methods adopted on the fairness of the consideration, as well as a description of any critical issues identified by the Independent Experts regarding the specific transaction.

APPENDIX

Definitions of related parties and related party transactions under international accounting standards

Related Party: a person or entity that is related to the reporting entity (*i.e.*, the Company).

A party is a related party to the Company:

- (a) in case of an individual or a close family member of that person, if that person:
 - (i) also jointly controls the Company;
 - (ii) has significant influence over the Company;
 - (iii) is one of the key management personnel of the Company or its parent company;
- (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 venturer;
 - (iv) the entity is an associate or a 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 post-employment benefit plan for employees of the Company or a related entity;
 - (vii) the entity is controlled or jointly controls a person referred to in (a);
 - (viii) a person identified in (a)(i) has significant influence over the entity or is one of the key management personnel of the entity (or its parent company);
 - (ix) the entity, or any member of a group of which it is part, provides key management services to the reporting entity or the reporting entity's parent company IAS 24, paragraph 9.

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

For the purposes of this definition, the notions of "control", "joint control", "significant influence", "close family members", and "key management personnel" given 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 a price is charged. In any case, the following should be considered included in Related Party Transactions: (i) merger, demerger by incorporation or demerger in the strict non-proportional sense, where carried out with Related Parties, and (ii) any decision relating to the allocation of remuneration and financial benefits, in any form, to members of the governing and supervisory bodies and to Key Management Personnel.