

# REGULATION ON RELATED PARTY TRANSACTIONS

## 1. INTRODUCTION

These regulations ("RPT Regulations"), adopted by the Board of Directors of FINCANTIERI S.p.A. (the "**Company**" or "**Fincantieri**") as of 5 May 2014, were last updated on 22 October 2024, subject to the favourable opinion of the Control and Risk Committee in its capacity as Committee for Related Party Transactions, in line with the provisions of Article 2391-bis of the Italian Civil Code and the Regulation containing provisions on related party transactions, adopted by resolution No. 17221 of 12 March 2010, lastly amended by resolution No. 21624 of 10 December 2020 (the "**CONSOB Regulation**").

The RPT Regulation identifies the principles that must be followed by the Company in order to ensure the transparency and substantive and procedural fairness of related party transactions carried out by the Company, directly or through subsidiaries.

The objective of the RPT Regulation is to ensure the proper allocation of goods, resources, services and obligations generated by particular relationships and/or connections and/or situations of conflict of interest, even potential ones, and to monitor the exposure of risks arising from possible conflict of interest situations.

For that purpose, the bodies involved in examining and approving the related party transactions and the bodies in charge of supervising compliance with the RPT Regulation, each within its area of responsibility, will focus on the substance of the relationship rather than solely on the legal form of the same.

The RPT Regulations apply to Fincantieri and, under the terms defined in paragraph 8.6, to its subsidiaries. In this regard, the management bodies of the companies controlled<sup>1</sup>, even indirectly, by Fincantieri should take note of the RPT Regulations and the related operating instructions so that, to the extent of their competence and charge, they will comply with them.

## 2. PUBLICITY

The RPT Regulations are available to the public on the Company's website, [www.fincantieri.com](http://www.fincantieri.com) in the 'Governance and Ethics' section.

## 3. DEFINITION OF RELATED PARTY AND RELATED PARTY TRANSACTION

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<sup>1</sup> All companies over which Fincantieri exercises control pursuant to art. 93 of the Italian Consolidated Law on Finance (TUF).

A related party of the Company ("**Related Party**") is defined as such by the international accounting standards adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 ("**International Accounting Standards**").

In the event of a change in the definition of a Related Party, the notion in force at the time of the commencement of negotiations on the transaction shall be taken into account.

Related party transactions ("**RPTs**") are defined as such under the International Accounting Standards.

The definitions of related parties and related party transactions under IAS 24 are contained in the Appendix to the CONSOB Regulations and are attached to this RPT Regulation.

#### 4. DEFINITION OF INDEPENDENCE REQUIREMENTS

For the purposes of the composition of the RPT Committee, as defined in paragraph 8.1.1 below, independent directors are those directors who meet the independence requirements (i) set forth in Article 148, paragraph 3 of Legislative Decree No. 58/1998 ("**Italian Consolidated Law on Finance (TUF)**"); and (ii) set forth in the Corporate Governance Code (promoted by ABI, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana S.p.A, in its latest version in force from time to time) to which the Company adheres<sup>2</sup>.

#### 5. IDENTIFICATION OF RELATED PARTIES - LIST OF RELATED PARTIES

- 5.1. In order to implement the RPT Regulation, the Company prepares and keeps constantly updated, on the basis of available evidence and information received, a specific list in which all Fincantieri Related Parties are entered ("**RPT List**"), which is brought to the attention of the Company's central and peripheral structures.
- 5.2. For the purpose of updating the RPT List, in a timely manner and, in any case, within ninety days from the end of each financial year, all the persons indicated in Article 114, paragraph 5 of the TUF and, in particular,
  - (i) executives with strategic responsibilities (as defined in the CONSOB Regulation, including directors and statutory auditors) of the Company or its parent company;
  - (ii) persons who, directly or indirectly, through one or more intermediaries, control, even jointly with other persons, the Company, are controlled by it, or are subject to common control with it, and persons who hold an interest in the Company such as to be able to exercise a significant influence over it

<sup>2</sup> See paragraph 5 of CONSOB Communication no. DEM/10078683 of 24-09-2010 ("**CONSOB Communication**").

shall send the Company, in writing, any information that may be useful to allow a correct assessment of their classification as Related Parties and of the identification of other parties that may qualify as Related Parties by virtue of links of various kinds with them.

The disclosure obligations set forth in Article 4, paragraph 8, of the CONSOB Regulation apply to the controlling entities and other entities indicated in Article 114, paragraph 5, of the TUF, which are Related Parties of Fincantieri<sup>3</sup>.

- 5.3. Any changes during the year in the information/data transmitted shall be promptly notified to the Company in writing by the aforementioned persons.

## 6. MOST SIGNIFICANT TRANSACTIONS

- 6.1. Most significant RPTs (“**Most Significant RPTs**”) shall mean:

- (i) RPT for which at least one of the Significance Indicators (as defined in paragraph 6.2 below), to be applied to the specific transaction exceeds 5%;
- (ii) RPT with a listed controlling company (where there is one), or with a company related to the latter which are, in turn, also related to the Company, if at least one of the Significance Indicators (as defined in paragraph 6.2 below) exceeds 2.5%;
- (iii) transactions for which the Board of Directors, at the first board meeting at which the transaction is discussed, deems it appropriate to voluntarily apply the procedure for the Most Significant RPTs, in light of the particular aspects of the transaction and/or its specific context.

- 6.2. For the purposes of identifying the Most Significant RPTs in accordance with this RPT Regulation, the following significance indicators (“**Significance Indicators**”) are applied:

- (i) **Significance Indicator based on value:** means the ratio between the value of the RPT and the net equity of the Company as for the most recent consolidated balance sheet published by the Company or, if higher, the market capitalisation of the Company as of closing of the last trading day included in the period covered by the latest published financial reports (annual or half-year report or interim financial report).

If the financial terms of the RPT are fixed, the value of the RPT is:

- a) if in cash, the amount paid to/by the contractual counterparty;
- b) if in financial instruments, the fair value determined at the date of the RPT in compliance with the international accounting standards adopted with EC Regulation no. 1606/2002;

<sup>3</sup> Article 4, paragraph 8, CONSOB Regulations: “Controlling entities and other entities indicated in art. 114, paragraph 5 of the Consolidated Law, which are related parties of companies, shall provide the latter with the information necessary to enable the identification of related parties and transactions with them and shall communicate any updates in a timely manner.”

c) for RPTs concerning loans or the granting of guarantees, the maximum amount payable.

If the financial conditions of the RPT depend, in whole or in part, upon quantities that are not yet known, the equivalent value of the RPT is the maximum value receivable or payable pursuant to the agreement

In the case of contracts with a duration of more than one year, but in any case of fixed duration, continuous or periodic performance, the total value of the contract is relevant for the calculation of the threshold. In the case of contracts, assignments or relationships of a continuous nature, in the absence of a final term, the value is calculated on an annual basis.

**(ii) Significance Indicator based on assets:** means the ratio between the total assets of the entity involved in the RPT and the total assets of the Company. The data used must be taken from the most recent consolidated balance sheet published by the Company. Where possible, similar data must be used to determine the total assets of the entity involved in the RPT.

For RPTs concerning the purchase or sale of investments in companies which have an impact on the scope of consolidation, the numerator is the total assets of the invested company, regardless of the percentage of capital to be disposed of.

For RPTs concerning the purchase or sale of investments in companies which do not have an impact on the scope of consolidation, the numerator is:

- a) in the case of purchases, the value of the RPT plus any liabilities of the purchased company taken on by the purchaser;
- b) in the case of sales, the consideration for the asset sold.

For RPTs concerning the purchase or sale of assets other than shareholdings, the numerator is:

- a) in the case of purchases, the greater of the consideration and the book value to be attributed to the asset (following the RPT);
- b) in the case of sales, the carrying value of the asset (prior to the transaction);

**(iii) Significance Indicator of liabilities:** means the ratio between the total liabilities of the purchased entity and the total assets of the Company. The data used must be taken from the most recent consolidated balance sheet published by the Company. Where possible, similar data must be used to determine the total liabilities relating to the purchased company or business unit.

All RPTs that cannot be defined as Most Significant RPTs in accordance with paragraphs 6.1 and 6.2 above are deemed to be less significant RPTs (“**Less Significant RPTs**”), except where any of the cases of exclusion set out in paragraph 7 below are applicable.

## 7. EXEMPTIONS

### 7.1. Pursuant to the CONSOB Regulation, the RPT Regulation does not apply:

- (i) the resolutions of the shareholders' meeting pursuant to Article 2389, paragraph 1 of the Italian Civil Code concerning the remuneration of the members of the board of directors and the executive committee;
- (ii) the resolutions of the board of directors pursuant to Article 2389, paragraph 3 of the Italian Civil Code, concerning the remuneration of directors holding special offices, within the total amount to be determined in advance by the shareholders' meeting pursuant to Article 2389, paragraph 3 of the Italian Civil Code;
- (iii) the resolutions of the shareholders' meeting pursuant to Article 2402 of the Italian Civil Code concerning the remuneration of the members of the Board of Statutory Auditors;
- (iv) transactions resolved by companies and addressed to all shareholders on equal terms, including:
  - (a) rights issues, including for the servicing of convertible bonds, and free capital increases pursuant to Article 2442 of the Civil Code,
  - (b) full or partial demergers in the strict sense, with proportional share allocation,
  - (c) reductions in Share Capital through redemption to shareholders pursuant to Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the TUF;
- (v) transactions to be carried out on the basis of instructions issued by supervisory authorities in the interest of group stability, or on the basis of instructions issued by the parent company for the execution of instructions issued by supervisory authorities in the interest of group stability, subject to compliance with the disclosure obligations of the CONSOB Regulation;
- (vi) to the **Negligible RPT** that is:
  - a) RPT with members of the management and control bodies or executives with strategic responsibilities of Fincantieri or its parent company, or with a close family member thereof (as defined in the CONSOB Regulation), or with an entity controlled or jointly controlled by one of the aforesaid persons, the value of which does not exceed EUR 100,000;
  - b) other RPT whose value does not exceed EUR 1,000,000.

### 7.2. In addition to the aforementioned cases, the Company avails itself of the exemptions set out below, which are optionally provided for in the CONSOB Regulations.

In particular, this RPT Regulation will not apply to the following, within the maximum limits permitted by the CONSOB Regulation:

- (i) remuneration plans based upon financial instruments approved by the shareholders' meeting in accordance with Article 114-bis of the Consolidated Law on Finance and the related implementing operations;
- (ii) resolutions, other than those provided for of Article 13, paragraph 1 of the CONSOB Regulations, regarding the remuneration of directors holding particular offices as well as other Executives with strategic responsibilities, provided that:
  - a) the Company has adopted a remuneration policy approved by the shareholders' meeting;
  - b) a committee made up exclusively of non-executive directors, the majority of whom were independent, was involved in defining the remuneration policy;
  - c) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments;
- (iii) **Standard RPTs**, as defined in paragraph 7.3 below and in accordance with the provisions indicated therein;
- (iv) RPTs with or between companies controlled (even jointly) by the Company, as well as RPTs with associates, provided that in the subsidiaries or associates that are involved in the RPT there are no interests of other Related Parties of the Company qualified as significant in accordance with paragraph 7.4 below;
- (v) **Urgent RPTs**, in compliance with the provisions set out in paragraph 7.5 below.

**7.3.** For the purposes of this RPT Regulation, ordinary RPTs concluded on market or standard terms ("**Standard RPTs**") are RPTs that fall within the ordinary course of business and of the related financial activity<sup>3</sup>, executed at conditions similar to those normally applied to unrelated parties for transaction of a similar nature, size and risk, or based upon regulated rates or set prices, or applied to entities with which the Company is obligated by law to contract at a certain price. In any case, in relation to RPTs which are both Most Significant RPTs and Standard RPTs, the Company shall comply with the following reporting obligations:

<sup>3</sup> Pursuant to paragraph 3 of the CONSOB Communication, a transaction is 'ordinary' when two selective criteria are simultaneously met. First, the transaction must be attributable to the operating activity or, alternatively, to the financial activity connected therewith. Secondly, that operation must also fall within the ordinary exercise of operating activity or related financial activity. Operating activity means the set (i) of main activities generating revenues for the company and (ii) of all other operating activities that are not classifiable as investment or financial. In identifying the ordinary exercise, it is also necessary to consider the subject, recurrence, function or purposes, size, contractual terms and conditions, nature of the counterparty and timescale.



- (i) it communicates to CONSOB and the RPT Committee the name of the other party, the subject and the consideration of RPTs that have relied on the exemption, and the reasons why the transaction is considered to be ordinary and concluded on terms that are equivalent to market or standard terms, providing objective elements in support, within 7 days of approval of the transaction or, where the relevant body has resolved to submit a contractual proposal, from the time the contract (final or preliminary) is executed or, where the shareholders have sole responsibility or their authorisation is required, from the approval of the proposal to be submitted to the shareholders. This is also in order to allow the RPT Committee to monitor the correct application of the exemption in question at least quarterly, in accordance with the provisions of Article 4, paragraph 1, letter e-bis, point (ii) of the CONSOB Regulations;
- (ii) it indicates in the interim financial report and the annual management report under Article 5, paragraph 8, of CONSOB Regulation<sup>4</sup>, as part of the information to the public on financial relationships, which of the RPTs subject to reporting obligations indicated in that latter provision have been executed by relying on exemptions.

**7.4.** The exemption referred to in paragraph 7.2 (iv) above (i.e., transactions with or between subsidiaries and/or associates) does not apply if, with respect to the RPT, there are "significant interests" of other Related Parties of the Company<sup>5</sup>. To that end, "significant" interests are those generated by relationships of a shareholding or financial nature with the subsidiaries or associates of Fincantieri that are involved in a specific RPT, where the aforementioned relationships influence, exclusively or significantly, the management decisions of the Company, the subsidiary or the associate towards the satisfaction of the interest held by another Related Party to the Company. For example, the following can be considered to be "significant interests":

- (i) there is a significant payable due by a subsidiary company to the Managing Director of the Company, which might encourage the execution of transactions that strengthen the capital structure of the subsidiary, while not being beneficial for the Company;
- (ii) the parties to the transaction share one or more directors or Executives with Strategic Responsibilities, and those individuals benefit from incentive plans

<sup>4</sup> Article 5, paragraph 8 of CONSOB Regulation: "Companies issuing listed shares having Italy as the Member State of origin, in accordance with Article 154-ter of the Consolidated Law on Finance, provide information, in the interim financial report and in the annual management report: a) on the individual most significant transactions concluded during the relevant period; b) on any other individual transactions with related parties, as defined as per Article 2427, paragraph 2, of the Italian Civil Code, concluded in the relevant period which have significantly affected the capital or the results of the company; c) on any amendment or development of the related party transactions described in the latest annual report that have had a significant effect on the capital or on the results of the company in the relevant period".

<sup>5</sup> In accordance with section 21 of CONSOB Communication "the significance of the interests of other related parties in the subsidiary or associate is left to the discretion of the companies required to apply the Regulation in accordance with the general criteria indicated in the procedures. In that context, companies may draw indications from any relations of a capital nature existing between the subsidiaries or associates, on one side, and other related parties of the company, on the other".

based upon financial instruments (or in any case variable remuneration) depending on the results achieved by the subsidiaries or associates with which the transaction is executed. The significance assessment is made in light of the importance of the remuneration dependent upon the performance of the subsidiary or associate (including the above incentive plans) with respect to the overall remuneration of the director or Executives with Strategic Responsibilities;

- (iii) the subsidiary or associate party to the transaction is participated (even indirectly, through entities other than the Company) by the entity that controls the Company and the size of that investment exceeds the size of the investment held by that entity in the Company. For the purposes of the assessment of that actual size, direct investments are weighted for their totality, while indirect investments are weighted according to the share capital percentage held in the subsidiary companies through which the investment in the Related Party is held. Where the investment in the Related Party is supplemented by other economic interests, those interests are considered in combination with those deriving from the investment calculated according to its actual size.

7.5. The exemption set out in paragraph 7.2, point (v) above (i.e. Urgent RPTs) is subject to the following conditions:

**A. RPTs for which shareholders are not responsible and which are not subject to authorisation by the shareholders:**

- (i) for Most Significant RPTs, the reporting obligations required by Article 5 of the CONSOB Regulation continue to apply and the Board of Directors continues to be the body having the authority to resolve on these matters;
- (ii) where the RPT to be completed falls within the responsibilities of a delegated body, the Chairman of the Board of Directors and, in the event that he or she is not an unrelated independent director, also the chairman of the RPT Committee (or another independent director, appointed in advance, to which the power to convene meetings between independent directors is granted), must be promptly informed of the reasons of urgency of the transaction and, however, prior to completing it;
- (iii) the RPTs, without prejudice to their validity, must be subject at a later date to a non-binding resolution, adopted at the first possible ordinary shareholders' meeting;
- (iv) the body that convenes the shareholders' meeting held to resolve in accordance with the previous point (iii) must prepare a report containing adequate motivation of the reasons of urgency;
- (v) the supervisory body must provide to the shareholders' meeting its assessments in relation to the existence of the reasons of urgency;



- (vi) the report and assessments referred to in points (iv) and (v) above must be made available to the public (at least twenty-one days prior to the day fixed for the shareholders' meeting referred to in point (iii) above) at the company headquarters and with the formalities indicated in Part III, Title II, Chapter I of the Regulation adopted by CONSOB resolution no. 11971/1999 ("Issuers Regulation"). Those documents may be contained in the information document referred to in Article 5, paragraph 1, of the CONSOB Regulation;
- (vii) within one day of the shareholders' meeting under point (iii) above, information on the results of the vote must be made available to the public (with the formalities indicated in Part III, Title II, Chapter I of the Issuers Regulation), with particular focus on the number of votes cast in aggregate by unrelated shareholders.

**B. RPTs for which shareholders are responsible or which are subject to authorisation by the shareholders:**

- (i) occurrence of "cases of urgency related to business crisis situations", meaning, by way of example:
  - cases of significant losses in accordance with Articles 2446 and 2447 of the Italian Civil Code;
  - situations in which the Company is subject to insolvency proceedings or situations in which uncertainties exist with regard to Company continuing as a going concern expressed by the Company or its auditor;
  - situations of financial difficulty that are likely to lead, in the short-term (in accordance with the resolutions of the Board of Directors that convenes the shareholders' meeting), to a significant capital reduction as per the aforementioned Articles 2446 and 2447 of the Italian Civil Code;
- (ii) the body required to convene the shareholders' meeting must prepare a report containing an adequate motivation of the reasons of urgency;
- (iii) the supervisory body must provide to the shareholders' meeting its assessments in relation to the existence of the reasons of urgency;
- (iv) the report and assessments referred to in points (ii) and (iii) above must be made available to the public (at least 21 days prior to the date fixed for the shareholders' meeting) at the company headquarters and with the formalities indicated in Part III, Title II, Chapter I of the Issuers Regulation. Those documents may also be contained in the information document referred to in Article 5, paragraph 1, of the CONSOB Regulation;
- (v) if the assessments of the supervisory body referred to in point (iii) above are negative, the shareholders' meeting must resolve in accordance with the so-called whitewash mechanism referred to in paragraph 8.4.8 below;
- (vi) if the assessments are positive, within one day of the shareholders' meeting, information on the outcomes of the vote must be made available to the public

(with the formalities indicated in Part III, Title II, Chapter I of the Issuers Regulations), with particular focus on the overall number of votes cast by unrelated shareholders.

**7.6.** The exemptions provided in paragraph 7 herein shall also apply, with the necessary modifications, to RPTs completed by subsidiaries.

**7.7.** Most Significant RPTs deemed exempt under the provisions of paragraph 7 herein shall be reported to the RPT Committee within 30 days of the end of each half year.

## **8. PROCEDURES FOR RELATED PARTY TRANSACTIONS**

In order to ascertain whether or not a transaction falls within the scope of application of the RPT Regulations, and if so, under what terms, the following must first be verified:

- a) the possible correlation of the counterparty in accordance with the principles of these RPT Regulations using the RPT List referred to in paragraph 5.1;
- b) the classification of RPT of Greater or Lesser Significance in accordance with paragraph 6;
- c) whether the RPT falls within one of the cases of exemption referred to in paragraph 7.

### **8.1. RPT Committee and equivalent controls**

**8.1.1.** The approval of RPTs is subject to the prior opinion of a committee established within the Board of Directors (the “**RPT Committee**”). In the event of Most Significant RPTs, the RPT Committee will be made up exclusively of unrelated independent directors. In the event of Less Significant RPTs – except as provided otherwise by other provisions of law and regulations applicable to the Company from time to time – the RPT Committee may be made up of non-executive and unrelated directors mainly independent.

In the case of remuneration resolutions, the task of providing the aforementioned opinion is entrusted to the Fincantieri Remuneration Committee. The criteria on composition and provisions provided for the RPT Committee apply to the Remuneration Committee.

**8.1.2.** The RPT Committee, in issuing the opinions referred to in paragraphs 8.3.4 and 8.4.3 below, has the right to be assisted by one or more independent (unrelated) experts of its choice, at the Company's expense<sup>6</sup> The RPT Committee verifies in advance the independence of the experts taking into account the reports indicated in paragraph 2.4 of Appendix 4 of the CONSOB Regulation.

<sup>6</sup> In the case of approval of RPT of Lesser Significance, limits may be set on the total amount of such expenses subject to the approval of the Board of Statutory Auditors.

**8.1.3.** Where one or more members of the RPT Committee are found to be related to a certain RPT in relation to which the RPT Committee must issue its opinion, they shall be replaced, where possible, in all the procedures relating to that RPT, by other unrelated non-executive and/or independent directors (as applicable), in order of seniority (i.e. the replacement shall be the most senior non-executive and/or independent director).

Where, with respect to a certain RPT, there are not at least three non-executive and/or unrelated independent directors, the functions of the RPT Committee shall be performed by two available unrelated independent directors or, alternatively, by the Board of Statutory Auditors, provided that the said auditors provide notification of any interest in the transaction, personally or on behalf of third parties and the majority of members of the Board of Statutory Auditors is composed of unrelated subjects who are not involved in the transaction in question. For this purpose, please consider the examples given in paragraph 8.3.3 below. Where the Board of Statutory Auditors is also not able to perform the aforementioned functions, the Board of Directors, having heard the RPT Committee, appoints an expert chosen from individuals with recognised professionalism and expertise in the issues subject of the RPT, ascertaining their independence and the absence of conflicts of interest.

## **8.2. Transactions with Interests of Directors and of Auditors**

**8.2.1.** When a director or auditor has an interest in a RPT, either on their own behalf or on behalf of a third party, the following provisions apply.

**8.2.2.** Before the discussion of each item on the meeting agenda:

- pursuant to the provisions of Article 2391 of the Italian Civil Code, each Director and Statutory Auditor is in any case required to report any interests, on their own behalf or on behalf of third parties, that he or she may have in relation to the matters or issues to be discussed, specifying their nature, terms, origin and scope;
- if the RPT falls within the competence of the Board of Directors, the Directors concerned do not normally take part in the relevant board resolution. They may, however, participate in the resolution if their interest is not in conflict with that of the Company, according to the prudent assessment of the administrative body. This is without prejudice to paragraphs 8.3.3 and 8.4.2 below.

If the interest in the RPT concerns the Chief Executive Officer of Fincantieri and the RPT falls within their competence, the latter shall in any event refrain from carrying out the RPT and refer the matter to the Board of Directors.

## **8.3. Procedure for Less Significant RPTs**

**8.3.1.** The approval of Less Significant RPTs is the responsibility of the delegated bodies (“**Delegated Bodies**”) which, as appropriate, have responsibility in relation to the specific Less Significant RPT based upon the powers granted to them by the board resolution of appointment as delegated body of the Company. Where no Delegated

Bodies exist, the responsibility for approving Less Significant RPTs lies with the Company's Board of Directors.

**8.3.2.** Notwithstanding the provisions of Article 2391, paragraph 1, second sentence, of the Italian Civil Code, the Delegated Bodies, where deemed appropriate, may at any time submit for approval by the Board of Directors the Less Significant RPTs with respect to which they are responsible in accordance with paragraph 8.3.1 above.

**8.3.3.** If the Less Significant RPT falls within the remit of the Board of Directors or is approved by the Board for any other reason, the directors involved in the transaction (i.e. the directors who have an interest in the transaction, on their own behalf or on behalf of third parties, which conflicts with that of the Company) shall abstain from voting on the transaction in question. For the purposes of the provisions of this paragraph, an interest in conflict with that of the Company shall be deemed to exist, by way of example but not limited to, when:

- (i) the directors of the Company, or their close family members or entities controlled (even jointly) by the aforementioned persons, are counterparties to the transaction;
- (ii) apart from the cases referred to in point (i) above, the directors of the Company, or their close relatives or entities controlled (including jointly) by the aforementioned persons may pursue, through the transaction, directly or indirectly, on their own behalf or on behalf of third parties, an advantage that is not consistent with that of the Company.

**8.3.4.** Less Significant RPTs shall be approved subject to the non-binding opinion of the RPT Committee; the opinion will be annexed to the minutes of the meeting of the aforementioned committee.

With appropriate prior notice with respect to the date scheduled for approval of the transaction, the body responsible for resolving upon the Less Significant RPT and the RPT Committee are provided with complete and sufficient information in relation to the specific RPT to be approved, including in particular information relating to the nature of the correlation, the execution of the transaction, the conditions (including economic terms) for its execution, the underlying interest and motivations, as well as any risks for the Company.

**8.3.5.** The bodies that approved the RPTs shall provide to the Board of Directors and to the Board of Statutory Auditors complete information, at least on a quarterly basis, in relation to the execution of Less Significant RPTs.

**8.3.6.** The minutes of any resolutions approving Less Significant RPTs must contain an adequate motivation in relation to the interest of the Company in completing the operation, as well as to the appropriateness and substantial fairness of the respective conditions.

**8.3.7.** Where the RPT Committee has issued a negative opinion on one or more Less Significant RPTs, the Company (within fifteen days from the end of each financial quarter) shall

make available to the public (at the company headquarters and by the methods indicated in Part III, Title II, Chapter I, of the Issuers Regulation) a document containing the indication of the counterparty, the subject and consideration for all Less Significant RPTs approved in the relevant quarter despite the aforementioned negative opinion, as well as the reasons for which it was decided not to accept that opinion. Within the same term, the opinion of the RPT Committee shall be made available to the public as an annex to the information document and on the Company's website.

#### **8.4. Procedure for Most Significant RPTs**

- 8.4.1.** The responsibility to approve the Most Significant RPTs lies exclusively with the Board of Directors, **which resolves following an in-depth examination of the transactions** and their specific terms and conditions. Such examination must be supported by sufficient documentation to explain the reasons for the RPTs, their appropriateness, as well as the substantial fairness of the conditions under which those RPTs are concluded.
- 8.4.2.** Directors involved in the transaction (i.e. directors who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company) shall abstain from voting on the transaction. To this end, please consider the examples given in paragraph 8.3.3 above.
- 8.4.3.** The Board of Directors shall resolve upon More Significant Transactions subject to the favourable opinion (duly justified) of the RPT Committee; the opinion will be annexed to the minutes of the meeting of the aforementioned committee.
- 8.4.4.** The company representative or person who commenced the negotiations or, as appropriate, the Board of Directors (through its Chairman or any of its members) will inform the RPT Committee promptly of the start of the negotiations and the status of the same. The RPT Committee or one or more members delegated by the same ("**Member(s) Delegated for Negotiations**"), participate in the negotiations and the preliminary phase relating to the Most Significant RPTs by receiving a flow of complete and updated information and with the right to request information and to make observations to the Delegated Bodies and to the individuals assigned to lead the negotiations or the preliminary phase.
- 8.4.5.** Within a reasonable period before the date set for approval of the transaction, the Board of Directors and the RPT Committee shall be provided with complete and sufficient information in relation to the specific RPT to be approved, including in particular information relating to the nature of the relationship, the execution of the transaction, the conditions (including economic terms) for its execution, the underlying interest and motivations, as well as any risks for the Company.
- 8.4.6.** The delegated body of the Company with responsibility for implementing the Most Significant RPTs will provide to the Board of Directors, Board of Statutory Auditors and the RPT Committee complete information, at least on a quarterly basis, in relation to the implementation of Most Significant RPTs.



**8.4.7.** The minutes of the resolutions approving Most Significant RPTs must contain an adequate motivation of the Company's interest in completing the transaction, and as to the appropriateness and substantial fairness of the related conditions.

**8.4.8.** The Board of Directors may approve Most Significant RPTs despite the contrary opinion of the RPT Committee, provided that the completion of those RPTs is authorised by the shareholders in accordance with Article 2364, paragraph 1, number 5) of the Italian Civil Code. In accordance with the provisions of Article 11, paragraph 3, of the CONSOB Regulation (so-called whitewash mechanism), the shareholders' resolution of authorisation is considered approved if:

1. the quorum and majority required by the Company's by-laws have been met and
2. where the unrelated shareholders attending the shareholders' meeting represent at least 10% of the share capital with voting rights, the majority of the unrelated voting shareholders does not vote against the transaction.

For the purposes of paragraph 8.4.8 herein, the status of related or unrelated shareholder shall be declared by the Chairman of the shareholders' meeting, based upon the information in his or her possession and that which he/she may specifically request during the shareholders' meeting.

**8.4.9.** For Most Significant RPTs implemented by the Company or by one of its subsidiaries, the Company shall prepare (in accordance with Article 114, paragraph 5 of the Consolidated Law on Finance) an information document prepared in accordance with Annex 4 of the CONSOB Regulation.

The information document, with the attached opinion of the RPT Committee and of any independent experts chosen pursuant to paragraph 8.1.2, if any, and the opinions issued by any qualified independent experts used by the Board of Directors, is made available to the public within the terms set forth in Article 5, paragraph 3 of the CONSOB Regulation and in the manner indicated in Part III, Title II, Chapter I of the Issuers' Regulation. With reference to the aforementioned opinions of independent experts, the Company may publish only the elements indicated in Appendix 4 of the CONSOB Regulation, giving reasons for this choice.

**8.4.10.** If, in connection with a most significant RPT, the Company is also required to prepare an information document pursuant to article 70 and 71 of the Issuers' Regulations, it may publish a single document containing the information referred to in the preceding paragraph and by the same article 70 and 71 of the Issuers' Regulations. In this case, the document shall be made available to the public, at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulation, within the shortest period of time provided for by each of the applicable provisions. In the event of publication of the aforementioned information in separate documents, the information already published may be incorporated by reference.

## **8.5. Procedure for RPT of shareholder's competence or authorization**

**8.5.1.** Where, based upon provisions of law or by-laws, the RPTs are under the responsibility of the shareholders or must be authorised by the latter, during the negotiation phase, the preliminary phase and the phase of approval of the resolution proposal to be submitted to the shareholders' meeting, the procedure provided by paragraph 8.3 for Less Significant RPTs or the procedure provided at paragraph 8.4 above for Most Significant RPTs shall apply, as appropriate.

The resolution proposal relating to a Most Significant RPT to be submitted to the shareholders' meeting may also be approved in case of a contrary opinion of the RPT Committee in accordance with paragraph 8.4.8 above.

## **8.6. Procedures for transactions by subsidiaries**

**8.6.1.** Where the Company examines in advance or approves transactions carried out by Italian or foreign subsidiaries of the group with Related Parties of the Company, procedures in line with those provided by paragraph 8.3 above shall be applied – insofar as they are compatible – subject to compliance with the reporting obligations provided by Article 5 of the CONSOB Regulation.

## **9. FRAMEWORK RESOLUTIONS**

**9.1.** The Board of Directors of the Company may approve framework resolutions in relation to a series of homogeneous RPTs ("**Homogeneous RPTs**") carried out with certain Related Parties identified from time to time by the Board of Directors ("**Specified Related Parties**"), in accordance with the provisions set out below. Directors involved in the transaction (i.e. directors who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company) shall abstain from voting. To this end, please consider the examples given in paragraph 8.3.3 above.

**9.2.** If the Board of Directors plans to implement, during a certain period of time not exceeding one year, a series of Homogeneous RPTs with one or more Specified Related Parties, the Board of Directors may approve a single framework resolution, to be valid for not more than one year, concerning all Homogeneous RPTs with the Specified Related Parties to be carried out during the period of effectiveness of the framework resolution. The framework resolution must specify the estimated maximum amount ("**Maximum Amount**") of the Homogeneous RPTs to be carried out in the period of effectiveness of the same and must motivate the conditions provided for the conclusion of those Homogeneous RPTs.

**9.3.** The Board of Directors, when meeting to approve a framework resolution, shall first identify the Maximum Amount, calculating the significance of each of the planned Homogeneous RPTs in application of the Significance Indicators as per paragraph 6.2 above and then adding together the results obtained with respect to each applicable Significance Indicator.

**9.4.** Where the Maximum Amount is greater than any one of the applicable significance thresholds under paragraph 6.1, the Company (i) shall approve the framework resolution

in accordance with the procedure indicated in paragraph 8.4 of this RPT Regulation and (ii) shall publish a (single) information document in accordance with paragraph 8.4.9.

- 9.5. Where the Maximum Amount, calculated in accordance with the provisions of paragraph 9.3, is lower than the threshold identified by section 6.1 in application of all Significance Indicators as per paragraph 6.2, the Board of Directors shall approve the framework resolution in accordance with the procedure indicated in paragraph 8.3.
- 9.6. The procedures provided by paragraphs 8.3 and 8.4 shall not apply to the individual Homogeneous RPTs subject to a framework resolution.
- 9.7. The corporate bodies in charge of executing the Homogeneous RPTs subject to a framework resolution shall provide the Board of Directors with complete information, at least on a quarterly basis, on the implementation of such framework resolution.

## 10. INFORMATION FLOWS AND COMMUNICATION TO THE PUBLIC

### 10.1. Information flows

On a quarterly basis, the Board of Directors, the Board of Statutory Auditors, and in the case of Most Significant RPTs also the RPT Committee, are provided with a full report on the execution of non-exempt Non-significant RPT and Non-exempt Significant RPT.

### 10.2. Communication to the public

The interim management report and the annual management report must contain the information set forth in Article 5, paragraph 8 and Article 13, paragraph 3 (c)(ii) of the CONSOB Regulation.

If a RPT is disclosed by means of the dissemination of a press release pursuant to Article 17 of Regulation (EU) No. 596/2014, the press release shall include, in addition to the information to be published pursuant to the aforementioned provision, at least the information referred to in Article 6 of the CONSOB Regulation<sup>7</sup> and those, where different, required by the Instructions to the Regulation of markets organised and managed by Borsa Italiana S.p.A. for press releases relating to related party transactions.

<sup>7</sup> Article 6 CONSOB Regulation: "If a related party transaction is disclosed by means of a press release pursuant to article 17 of Regulation (EU) no. 596/2014, the latter shall contain, in addition to the other information to be published pursuant to the aforementioned rule, at least the following information: (a) a description of the transaction; (b) an indication that the counterparty to the transaction is a related party and a description of the nature of the relatedness; (c) the name or the name of the counterparty to the transaction; (d) whether or not the transaction exceeds the materiality thresholds identified pursuant to art. 4(1)(a) and an indication as to whether or not a disclosure document has been published pursuant to art. 5; e) the procedure that has been or will be followed for the approval of the transaction and, in particular, whether the company has availed itself of a case of exclusion provided for in Articles 13 and 14; f) whether the transaction has been approved notwithstanding the contrary opinion of the independent directors or advisors'.

## 11. FINAL PROVISIONS

- 11.1. In order to ensure coordination with the administrative and accounting procedures referred to in Article 154-bis of the Consolidated Law on Finance, the periodic quarterly information on Less Significant RPTs, Most Significant RPTs and Homogeneous RPTs (referred to in paragraphs 8.3.5, 8.4.6 and 9.7) shall also be provided to the Manager in charge of preparing the accounting and corporate documents.
- 11.2. The Board of Statutory Auditors shall oversee consistence of this procedure with the general principles indicated in the CONSOB Regulation and compliance with its provisions and shall report on it to the Shareholders' Meeting of the Company as per Article 153 of the Consolidated Law on Finance.
- 11.3. The Board of Directors shall assess, at least on a three year basis, whether to proceed with a review of this RPT Regulation, taking into account, *inter alia*, of the effectiveness demonstrated in application and the changes that may have occurred in the ownership structure of the Company. Amendments to this procedure are approved by the Board of Directors subject to the opinion of the Committee appointed in accordance with Article 4, paragraph 3, of the CONSOB Regulation.
- 11.4. The Chief Executive Officer may make any purely formal amendments to these RPT Regulations that may be necessary to comply with legal or regulatory provisions, Board resolutions, or in relation to organisational changes in the Company, subject to the RPT Committee compliant assessment, informing the Board of Directors at the first useful meeting.

Any amendments to these RPT Regulations are published without delay on the Company's website.

The Chief Executive Officer may adopt operating instructions to regulate application profiles for the identification, management and approval of RPT.

## ANNEX

Extract from the Appendix to the CONSOB Regulation containing provisions on related party transactions, adopted by resolution no. 17221 of 12 March 2010

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

#### *Related parties*

A related party is a person or entity that is related to the reporting entity.

- (a) A person or a close family member of that person is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is one of the Executives with Strategic Responsibilities within the reporting entity or its parent;
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) an entity and the reporting entity are members of the same group (which means that each parent, subsidiary and group member is related to the others);
  - (ii) an entity is an associate or joint venture of the other entity (or an associate or joint venture that is part of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) an entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) an entity is represented by a post-employment benefit plan for the benefit of employees of the reporting entity or an entity related to the reporting entity;
  - (vi) an entity is controlled or jointly controlled by a person identified in point (a);
  - (vii) a person identified in point (a)(i) has significant influence over the entity or is one of the **Executives with Strategic Responsibilities** of the entity (or of a parent of the entity) (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. Therefore, for example, a subsidiary of an associate and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].



### *Related party transactions*

A related party transaction is a transfer of resources, services or obligations between an entity and a related party, regardless of whether a consideration is agreed [IAS 24, paragraph 9]<sup>8</sup>

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<sup>8</sup> Such transactions include:

- mergers, demergers into existing companies and demergers into a newly incorporated company with related parties;
- decisions relating to the allocation of remuneration and economic benefits, in any form, to members of the management and control bodies and to Executives with Strategic Responsibilities.