

ITALIAN DESIGN BRANDS S.P.A.



Italian Design Brands

PROCEDURE FOR RELATED-PARTY OPERATIONS

This procedure was approved in draft by the Board of Directors of Italian Design Brands S.p.A. on 27 October 2022 and subsequently on 11 March 2024.

PROCEDURE FOR RELATED-PARTY OPERATIONS

1 BACKGROUND AND SOURCES

- 1.1** This procedure (the **Procedure**) governs the procedures for the approval and execution of Related-Party Operations (as defined below) carried out by Italian Design Brands S.p.A. (the **Company** or **Italian Design Brands**) either directly or through the subsidiaries, pursuant to Article 2391-*bis* of the Italian Civil Code and the "*Related-Party Operations Regulation*" adopted by Consob with Resolution 17721 of 12 March 2010 (as subsequently amended and supplemented) setting out the principles and rules to be followed by the management bodies of companies using the venture capital market "*in order to ensure the transparency and substantive and procedural correctness of Related-Party Operations carried out either directly or through subsidiaries*" (the **Consob Related-Parties Regulation**).
- 1.2** Although not expressly governed by this Procedure, the provisions of the Consob Related-Parties Regulation in force are expressly referred to as appropriate.

2 DEFINITIONS

- 2.1** In addition to the terms defined elsewhere in this Procedure, the following terms shall have the meaning assigned to them herein:

Directors involved in the Operation: directors who have an interest in the Operation, whether on their own account or on behalf of a third party, in conflict with that of the Company.

Independent Director: any director recognised by the Company as independent pursuant to the third paragraph of Article 148 of Italian Legislative Decree no. 58/1998 (**TUF** [*Testo Unico della Finanza* — Consolidated Law on Finance]) and in accordance with and in application of the principles and recommendations set out in the Corporate Governance Code.

Non-Related Directors: any directors of the Company other than a counterparty to a particular Operation and the Related Parties of the counterparty.

Non-Executive Directors: any directors of the Company who are not entrusted with executive functions.

Corporate Governance Code: the Corporate Governance Code of listed companies, prepared by the Corporate Governance Committee of listed companies, promoted by Borsa Italiana, in force on a case-by-case basis.

Board of Statutory Auditors: the Board of statutory Auditors of the Company in office on an individual basis.

Related-Party Operations Committee or **Committee:** the committee composed of Non-Executive Directors, the majority of whom are independent and the latter of which totalling at least 2 (two). Whereby, for whatever reason, the Committee cannot be established in accordance with these rules, the Equivalent Arrangements shall be employed. If the Board of Directors has not already done so when it is established, the Committee may appoint a Chair from among its members who will direct the work of the Committee, convene the relevant meetings and, assisted

by a secretary, including from outside the Committee, ensure the drafting of any minutes. In all cases, the Remuneration Committee shall be responsible for any Operations of Major Importance and any Operations of Minor Importance relating to Remuneration, and shall carry them out in accordance with the instructions set out in the Procedure.

Conditions Equivalent to Market or Standard Conditions: conditions similar to those customarily applied to non-related parties for operations of a similar nature, size and risk, whether based on regulated or imposed prices, or those applied to individuals with whom the Company is legally obliged to contract for a certain consideration.

Board of Directors: the Company's board of directors in office at a specific time.

Executives with Strategic Responsibilities: those individuals who have the power and who are, either directly or indirectly, responsible for planning, directing and controlling the activities of the Company, including directors (executive or not) of the Company itself¹.

Significant Interests: interests are deemed such by the Board of Directors based on the indications provided for by Consob in Communication No. DEM/10078683 of 24 September 2010 (and in subsequent communications from Consob). It is understood that no significant interest is deemed to be a share of one or more directors or other executives with strategic responsibilities between the Company and its Subsidiaries or Associates, and that, in any event, significant interests of other related parties of the Company exist (i) where one or more directors or executives with strategic responsibilities of the Company benefit from incentive plans based on financial instruments or otherwise on variable remuneration depending on the performance of the Subsidiaries or Associates with which the Operation is carried out; and (ii) where the entity controlling the Company, even indirectly, holds in the Subsidiary or Associate with which the Operation is carried out a shareholding whose actual weight is greater than the actual weight of the shareholding held by the same entity in the Company, without prejudice to the obligations set out in Article 12 of this Procedure.

Related-Party Operations or Operations: under international accounting standards, these are understood to mean a transfer of assets, services or obligations between the Company and one or more Related Parties, regardless of whether or not a consideration has been agreed². These operations include: (i) mergers, demergers through acquisition or demergers in a strict non-proportional sense, when carried out with Related Parties; (ii) decisions on the allocation of remuneration and economic benefits, in any form whatsoever, to members of the administrative and supervisory bodies and to Executives with Strategic Responsibilities, without prejudice to Excluded Operations.

Low-Value Operations: (i) any Related-Party Operation whose value does not individually exceed EUR 400,000.00 if the counterparty is a legal person, or EUR 200,000.00 if the counterparty is a natural person (including professional associations over which the Related Party has a significant influence or subsidiaries of the same natural person), or (ii) several Operations which are homogeneous to each other or which are carried out in execution of a single strategy

¹ See IAS 24, paragraph 9.

² See IAS 24, paragraph 9.

which, cumulatively and during a single financial year, do not exceed the amount of EUR 500,000.00 if the counterparty is a legal person or EUR 250,000.00 if the counterparty is a natural person (including professional associations over which the Related Party has a significant influence or subsidiaries of the same natural person). Where an operation is multi-annual, the individual values set out in sub-paragraphs (i) and (ii) above will be calculated on an annual basis.

Operations of Major Importance: "*Operations of Major Importance*" as defined on the basis of the criteria set out in Annex 3 to the Consob Related-Parties Regulation.

Operations of Minor Importance: all Operations other than Operations of Major Importance and Low-Value Operations.

Excluded Operations: operations excluded, either in whole or in part, from the application of this Procedure, in accordance with the exemption provisions set out in the Consob Related-Parties Regulation and identified in detail in Article 13 below.

Ordinary Operations: operations that are part of the ordinary exercise of operational activity and any related financial activity.

Related Parties: entities defined as such by International Accounting Standards and, in particular, by IAS 24 *pro tempore* in force. In particular, pursuant to the wording of IAS 24 in force as of the date of this document, which shall be understood to be modified as required in the event of any amendment to IAS 24, a Related Party is a person or entity that is related to the reporting entity (i.e. the Company). An entity is a party related to the Company³.

- a) In the case of a natural person or a close family member of that person, if that person:
 - (i) controls, including jointly, the Company;
 - (ii) has a significant influence on the Company; or
 - (iii) is one of the Executives with Strategic Responsibilities 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 or a joint venture in which the Company is a participant (i.e. the entity is an associate or a joint venture that is part of a group of which the Company is a member);
 - (iii) both the entity and the Company are joint ventures of the same third party;
 - (iv) an entity is a joint venture of a third party and the Company is an associate of the third party;
 - (v) the entity is represented by a post-employment benefit plan for employees of the

³ The terms "control", "joint control", "significant influence" and "joint venture" are defined in IFRS 10, IFRS 11 (Arrangements for joint control) and IAS 28 (Investments in associates and joint ventures) and are used in the Procedure with the meanings specified in said IFRS (IAS 24, paragraph 9).

Company or an entity related thereto;

- (vi) the entity is controlled or jointly controlled by an individual identified in (a);
- (vii) an individual identified in (a)(i) has a significant influence over the entity or is one of the Executives with Strategic Responsibilities of the entity (or a parent company of the entity) (IAS 24, paragraph 9);
- (viii) the entity, or any member of a group to which it belongs, provides management services with strategic responsibilities to the Company or parent company of the Company (IAS 24, paragraph 9).

In the definition of a 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 (IAS 24, paragraph 12).

Equivalent Arrangements: the arrangements referred to in Article 5 below to be adopted by the Company for the purposes of this Procedure; in relation to a given Operation, it is not possible to form the Committee in accordance with the relevant rules of composition set out in this Procedure.

International Accounting Standards: International Accounting Standards are understood to mean those adopted in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002.

Non-Related Shareholders: entities to which voting rights are given, other than the counterparty of a specific Operation, and any entities related to both the counterparty of a specific Operation and the Company.

Close Family Member: an individual's "close family members" is understood to mean any family members who are expected to influence, or be influenced by, that individual in their dealings with the Company, including: (a) the children and the spouse or cohabiting partner of that individual; (b) the children of that individual's spouse or cohabiting partner; (iii) and dependants of that individual or of the spouse or cohabiting partner⁴.

3 REGISTER OF RELATED PARTIES

- 3.1** The Company shall establish a register in which any Related Parties identified under Article 2 above are recorded. In particular, this register, and any communications in connection with Related Parties, may be managed either directly or through an external entity.
- 3.2** The establishment and updating of the register of Related Parties shall be carried out by the Company's Investor Relations function, which shall ensure that any updates are carried out at least annually.
- 3.3** The Company's Investor Relations function shall (i) identify the Company's direct Related Parties (ii) notify in writing each Director and standing Auditor, as well as the Company's Executives with Strategic Responsibilities or the entity controlling the Company, of its entry in the register.

⁴ See IAS 24, paragraph 9.

At the same time, it shall ask each interested party to initially send data on their Close Family Members, the entities over which they or their Close Family Members exercise control, including joint control, or significant influence, all as identified under Article 2 above.

- 3.4** Without prejudice to the provisions of Article 4.8 of the Consob Related-Parties Regulation, any Directors and standing Auditors, as well as any Executives with Strategic Responsibilities of the Company or of the entity controlling the Company, shall promptly notify the Company's Investor Relations function of any changes relevant to the identification of related entities at the following email address: investors@italiandesignbrands.com.

4 RELATED-PARTY OPERATIONS COMMITTEE

- 4.1** The Related-Party Operations Committee shall meet at the request of the Chair of the Board of Directors, or at the request of at least one of the members of the Committee.
- 4.2** The individuals identified as members of the Board are required to declare the existence of any association in relation to the specific Related-Party Operation in a timely manner, in order to enable Equivalent Arrangements to be applied.
- 4.3** In the event of collective composition of the Committee, Committee meetings may also be held by means of teleconference/audioconference. Decisions shall be adopted by a majority approval of the members of the Committee.

5 EQUIVALENT ARRANGEMENTS

- 5.1** If a member of the Committee cannot be considered as a Non-Related Director, the following Equivalent Arrangements shall be adopted in the following order:
- A. the opinion of the Committee shall be delivered unanimously by the remaining Non-Related Directors of the Committee;
 - B. if there are not at least 2 (two) Non-Related Directors of the Committee, or the arrangement referred to in paragraph A above cannot be applied, the opinion shall be delivered:
 - by the sole member of the Committee who may be present and who qualifies as a Non-Related and Independent Director together with: (i) the Chair of the Board of Statutory Auditors, provided that the Board of Statutory Auditors is not, with respect to the Specific Operation, a Related Party; or (ii) another member of the Board of Statutory Auditors, appointed by the Board of Statutory Auditors, provided that it is not a Related Party with respect to the Specific Operation; or
 - the Board of Statutory Auditors; or
 - an independent expert identified by the Board of Directors among individuals of recognised professionalism and with expertise in the field concerned, whose independence and absence of conflicts of interest are assessed.

6 REVIEW OF THE OPERATION AND REPORTING TO THE RELATED PARTIES COMMITTEE

- 6.1** Any entity intending to enter into an Operation must first ascertain whether the counterparty to

that Operation is in the Register of Related Parties established pursuant to Article 3 above. For that purpose, where the direct counterparty to the Operation is an entity acting on behalf of a third party, the entity to which powers have been conferred to enter into the relevant Operation shall verify whether the ultimate beneficiary of the Operation is included in the Company's list of Related Parties.

- 6.2** Any entity intending to enter into an Operation with a Related Party identified in accordance with the previous paragraph, other than Low-Value Operations, shall promptly inform the Company's Chief Executive Officer.
- 6.3** The Chief Executive Officer, along with the assistance of the Chief Financial Officer and after consulting the Related Parties Committee where deemed appropriate in view of any doubts as to the size of the Operation, shall assess whether the proposed Operation is an Operation of Major Importance, an Operation of Minor Importance, or is among the exemptions provided for in this Procedure. In the event of an exemption, the Chief Executive Officer, with the assistance of the Chief Financial Officer, shall inform the responsible function that it may proceed with the Operation, but that function shall notify the Chief Executive Officer in any case of execution of the Operation as soon as it has been carried out.
- 6.4** When an Operation with a Related Party is deemed not to be exempt under this Procedure, the Chief Executive Officer shall, with the assistance of the Investor Relations function, promptly provide the Related Parties Committee with a written communication containing any information necessary for assessment of the Operation and, in any event, a summary of the Operation stating:
- a) the Related Party of the Counterparty to the Operation;
 - b) the nature of the association;
 - c) whether it is an Operation of Major Importance or an Operation of Minor Importance;
 - d) the terms of the Operation, including details of the arrangements for its execution, the arrangements for determining the consideration, and the terms and conditions;
 - e) the interest of the Company in carrying out the Operation; and
 - f) the underlying rationale for the Operation and any risks that may arise from its execution.

7 APPROVAL OF RELATED-PARTY OPERATIONS

- 7.1** Pursuant to the provisions of Article 10 of the Consob Related-Parties Regulation, the Company, as long as it maintains the status of "smaller company" or "newly listed company" (as defined in the Consob Related-Parties Regulation), has the option to apply the established procedure for Operations of Minor Importance to Operations of Major Importance; as such, the provisions set out in this Article shall apply to both Operations of Major Importance and Operations of Minor Importance.
- 7.2** The approval of Related-Party Operations not exempt under this Procedure shall fall within the competence of the delegated body, where it is within the scope of the delegated powers attributed to it and subject to compliance with Article 2391 of the Italian Civil Code, or of the Board of Directors or shareholders' general meeting if such operations fall within a type of operation which,

under law, articles of association or Board resolution, is within their respective competence. In the event that competence is not attributable to the delegated body, the responsibility for approving Operations shall lie with the Board of Directors. In any case, the Board of Directors shall be responsible for all deliberations on Operations of Major Importance if they do not fall within the scope of Excluded Operations.

- 7.3** If the Operation falls within the competence of the Board of Directors, the Directors involved in the Operation shall abstain from voting thereon.
- 7.4** The Company's Board of Directors or the competent delegated body shall approve Related-Party Operations subject to a non-binding reasoned opinion of the Committee on the Company's interest in the Operation, as well as the benefit and substantive correctness of the related terms and conditions. This opinion shall be attached to the minutes of the Committee meeting.
- 7.5** The Related-Party Operations Committee shall issue a reasoned opinion on the matter in good time for the related execution and/or deliberation of the Operation and shall promptly provide the body responsible for approving or carrying out the Operation with adequate information on the investigation conducted into the Operation to be approved. Such disclosures shall include at least the nature of the association, the terms and conditions of the Operation, the time frame, the evaluation process followed, and the underlying rationale for the Operation, along with any risks to the Company and its subsidiaries. If, as a result of the investigation, the economic conditions of the Operation are defined as Conditions Equivalent to Market or Standard Conditions, i.e. similar to those normally applied to non-related parties of a similar nature, size and risk, the documentation prepared shall contain objective evidence. This opinion must be drafted in an analytical manner and must accurately and clearly state in the conclusion whether the Committee is in favour or against the Operation under analysis. The Committee shall also forward to the body responsible for approving the Operation any other opinions that it has received in connection with the Operation referred to in paragraph 7.7 below.
- 7.6** In order to allow the Related-Party Operations Committee to issue a reasoned opinion on the matter, complete and adequate information must be provided to it well in advance.
- 7.7** If the Related-Party Operations Committee deems it necessary or appropriate, it may seek the advice of one or more independent experts of its choice—after due consideration of the independence of those experts, taking into account the reports referred to in paragraph 2.4 of Annex 4 to the Consob Related-Parties Regulation—within the spending limit of 2% of the value of the Operation.
- 7.8** In all cases where the Operation falls within the competence of the Board of Directors, the minutes of the approval resolutions must state adequate reasons as to the interest of the Company in the execution of the Operation, along with the benefit and substantive correctness of the related conditions. If the Board of Directors considers that it does not share the opinion of the Committee, it shall duly specify the reasons why.
- 7.9** The provisions set out in this Article shall also apply to the investigation and approval phases of proposals for approval relating to Related-Party Operations that are under the responsibility of, or are to be authorised by, the shareholders' general meeting.

7.10 Subject to, and within the limits of, specific provisions in the Articles of Association, in the event of an emergency linked to a corporate crisis situation, Related-Party Operations may be concluded in derogation from the provisions of Article 7.9, provided that there is compliance with the conditions set out in Article 11, paragraph 5, of the Consob Related-Parties Regulation or applicable law as appropriate.

7.11 If, in relation to an Operation of Major Importance, the proposal for approval to be submitted to the general meeting is approved in the presence of a contrary opinion from the Independent Directors, without prejudice to Articles 2368, 2369 and 2373 of the Italian Civil Code, this Operation cannot be carried out if the majority of the voting Non-Related Members, representing a shareholding of at least 10% of the share capital, vote against the Operation.

8 FRAMEWORK RESOLUTIONS

8.1 For the purposes of this Procedure, framework resolutions providing for the execution by the Company, either directly or through subsidiaries, of series of recurring homogeneous operations with the same Related Party to be identified by the Board of Directors are permitted (the "**Framework Resolutions**").

8.2 Framework Resolutions shall be effective for no longer than 1 (one) year, shall relate to sufficiently determined operations, and shall state the maximum foreseeable amount of operations to be carried out in the reference period and the reasons for the conditions set out.

8.3 Framework Resolutions shall be subject to the provisions of Article 7 above, while individual operations concluded in implementation of a Framework Resolution shall not be subject to the provisions of that Article.

8.4 Where it is foreseeable that the maximum amount of operations will exceed the threshold for determining Operations of Major Importance in this Procedure, the Company shall, when approving the Framework Resolution, publish an information document in accordance with Article 10 of this Procedure.

8.5 The Company's Chief Executive Officer shall provide the Board of Directors with complete quarterly information on the implementation of any Framework Resolutions.

9 RELATED-PARTY OPERATIONS CARRIED OUT BY SUBSIDIARIES

9.1 This Procedure shall also apply, *mutatis mutandis*, to Related-Party Operations through subsidiaries, trustees or intermediaries.

9.2 The Related-Party Operations Committee will provide its opinion in good time so as to enable the relevant body of the Company to authorise or review the Related-Party Operation through subsidiaries.

10 PERIODIC REPORTING TO THE BOARD OF DIRECTORS

10.1 The Chief Executive Officer shall provide the Board of Directors and Board of Statutory Auditors with adequate and complete information on the execution of Related-Party Operations. In particular, the Chief Executive Officer shall provide information to the Board of Directors and Board of Statutory Auditors:

- at least quarterly, on any Operations of Minor Importance and Operations of Major Importance executed, with particular reference to the nature of the association, the manner in which the Operation was carried out, the terms and conditions of the Operation, the evaluation Procedure followed, the underlying reasons, and any risks to the Company and its subsidiaries;
 - at least annually, on application of the cases of exemption referred to in Article 13 below, at least in relation to Operations of Major Importance.
- 10.2** If an Operation of Major Importance is approved, even if it is carried out or to be carried out by subsidiaries, the Board of Directors shall draw up an information document—for the purposes and effects referred to in Article 114, paragraph 5, of the TUF—drawn up in accordance with Annex 4 of the Consob Related-Parties Regulation (the **Information Document**).
- 10.3** The Information Document must also be drawn up if, during the same financial year, the Company enters into Operations with the same Related Party, or with entities related to the latter or to the Company, which are homogeneous or carried out in execution of a single strategy and, although not individually qualifying as Operations of Major Importance, exceed, when cumulatively considered, the thresholds of relevance set out in Annex 3 to the Consob Related-Parties Regulation. Excluded Operations shall not be taken into account for the purposes of this provision. If use of the indices referred to in Annex 3 of the Consob Related-Parties Regulation gives rise to a result that is manifestly unjustified in view of the specific circumstances, the Chair of the Board of Directors may request that the competent authority indicate alternative methods to be followed when calculating the aggregation.
- 10.4** Without prejudice to the provisions of Article 17 of Regulation (EU) No. 596/2014, the Information Document shall be made available to the public, at the registered office, and in any other manner applicable to the Company pursuant to the provisions in force, within 7 (seven) days of the approval of the Operation by the competent body, or if the competent body decides to submit a contractual proposal, from the moment the contract, even preliminary, is concluded under the applicable regulations.
- 10.5** Within the same time frame as for publication of the Information Document, the Company shall, either as an attachment to the Information Document or on its website, make available to the public any opinions given by the Related-Party Operations Committee and/or by the independent experts selected pursuant to Article 7.7 of the Procedure, along with any opinions issued by qualified independent experts which may have been called upon by the Board of Directors. With reference to the afore-mentioned independent expert opinions, the Company may only publish the items listed in Annex 4 of the Consob Related-Parties Regulation, explaining its reasons for this choice.
- 10.6** If approval of the Operation of Major Importance is the responsibility of the shareholders' meeting, the Information Document shall be made available within 7 (seven) days of the approval of the proposal to be submitted to the meeting. If there are any relevant updates to be made to the Information Document, the Company shall make a new version of the Information Document available to the public at its registered office in accordance with a time frame which will, in any

case, allow shareholders to carry out a full evaluation of the Operation and, in any event, no later than 21 (twenty-one) days prior to the shareholders' general meeting.

- 10.7** Should exceedance of the thresholds of relevance be caused by a combination of Operations, the Information Document shall be made available to the public within 15 (fifteen) days following approval of the Operation or conclusion of the contract leading to exceedance of the threshold of relevance. This Information Document shall contain information, including on an aggregated basis for homogeneous Operations, on all individual Operations considered for aggregation purposes. If Operations that result in the exceedance of the threshold of relevance are carried out by subsidiaries, the Information Document shall be made available to the public within 15 (fifteen) days of the date on which the Company was informed of approval of the Operation or of conclusion of the contract leading to the threshold being exceeded.

11 PERIODIC INFORMATION REQUIREMENTS

- 11.1** In the interim report on bi-annual management, and in the main report on annual management, the Company's Board of Directors provides information on:

- a) any Operations of Major Importance concluded during the reporting period;
- b) any other Related-Party Operations concluded during the reporting period that materially affected the financial position or performance of the Company;
- c) any changes to or developments in Related-Party Operations described in the last annual report that had a material effect on the financial position or performance of the Company during the reporting period.

- 11.2** Such information may also be included in periodic financial documentation through reference to any Information Documents published when Operations of Major Importance are approved, including any significant updates.

- 11.3** If, for any reason, no appropriate press release has been sent to the market as a result of Related-Party Operations executed and/or approved in the presence of a negative opinion of the Related-Party Operations Committee, without prejudice to Article 17 of Regulation (EU) No. 596/2014, a document indicating the counterparty, its subject-matter, and the consideration of the Operations approved in the reference quarter in the event of a negative opinion expressed by the Committee, and the reasons why it chose not to share this opinion, must be made available to the public at the registered office within 15 (fifteen) days of the end of each quarter of the financial year. Within the same time frame, the opinion shall be made available to the public either as an Annex to the document or on the Company's website.

12 OBLIGATIONS TO PROVIDE TIMELY INFORMATION TO THE PUBLIC

- 12.1** If a Related-Party Operation is disclosed through the dissemination of a notice pursuant to Article 17 of Regulation (EU) No. 596/2014, the latter shall, in addition to the other information to be published under that standard, include at least the following information:

- a) a description of the Operation;
- b) an indication that the counterparty to the Operation is a Related Party and a description of

- the nature of the existing association;
- c) the name or company name of the Related Party;
- d) an indication of whether the thresholds of relevance for Operations of Major Importance have been exceeded and an indication of whether the Information Document has subsequently been published;
- e) an indication of the procedure followed for approval of the Related-Party Operation and whether the Related-Party Operation is an Excluded Operation;
- f) any approval of the Operation despite the Related-Party Operations Committee's advice to the contrary.

13 EXCLUDED OPERATIONS

13.1 Excluded Operations are Related-Party Operations for which, in line with the Consob Related-Parties Regulation, the provisions of this Related Party Procedure do not apply, either in whole or in part, except as otherwise provided for below, respectively, Instruction and approval and disclosure of Related-Party Operations. The following Operations are excluded:

- a) low-Value Operations;
- b) operations with or between subsidiaries, including jointly, of the Company, as well as Operations with companies related to the Company, where the subsidiaries or associated counterparties to the Operation do not have Significant Interests in other Related Parties of the Company;
- c) general meeting resolutions pursuant to Article 2389, paragraph 1, of the Italian Civil Code concerning the remuneration of the Board of Directors and, pursuant to Article 2402 of the Italian Civil Code, concerning the remuneration of the Board of Statutory Auditors, and the resolutions referred to in Article 2389, paragraph 3, of the Italian Civil Code on the remuneration of directors with particular duties within the total amount previously determined by the general meeting;
- d) Without prejudice to the provisions of Article 5, paragraph 8 of the Consob Related-Parties Regulation on periodic accounting reporting, where applicable:
 - (i) compensation plans based on financial instruments approved by the general meeting pursuant to Article 114-*bis* of the TUF and any related executive operations; and
 - (ii) resolutions, other than the general meeting resolutions referred to in section c. of this Article, with regard to the remuneration of directors with particular duties, and of other directors with strategic responsibilities of the Company, provided that:
 - the Company has adopted a remuneration policy approved by the general meeting;
 - a committee consisting exclusively of predominantly independent Non-Executive Directors was involved in the definition of that remuneration policy;

- the remuneration awarded is identified in accordance with that policy and quantified based on criteria that do not involve discretionary assessments;
- (iii) Ordinary Operations concluded under Conditions Equivalent to Market or Standard Conditions. Where Operations benefiting from the exemption provided for in this paragraph are Operations of Major Importance, without prejudice to the provisions of Article 17 of Regulation (EU) No. 596/2014, the Company will:
- communicate to Consob and to any Independent Directors who express opinions on Related-Party Operations, within the time frame indicated in Article 5, paragraph 3 of the Consob Related-Parties Regulation, the counterparty, the object, consideration of the Ordinary Operations that benefited from the exclusion and the reasons why the Operation is deemed to be an Ordinary Operation, and concluded under Conditions Equivalent to Market or Standard Conditions, providing objective evidence;
- Independent Directors providing opinions on Related-Party Operations shall, without delay and in any event within 7 (seven) days of the notification referred to in the previous paragraph, verify the proper application of the exemption conditions to Operations of Major Importance that are defined as Ordinary Operations and concluded under Conditions Equivalent to Market or Standard Conditions;
- indicate in the interim management report and in the annual management report, as part of the information provided for in Article 5, paragraph 8 of the Consob Related-Parties Regulation, which of the Operations subject to the information requirements set out in the latter provision have been concluded using the exclusion for Ordinary Operations provided for in this section.
- e) emergency operations referred to in Article 13, paragraph 6 of the Consob Related-Parties Regulation to the extent and in the manner provided for therein;
- f) operations entered into by the Company and addressed to all shareholders on equal terms, including:
- I. optional capital increases, including in the service of convertible bonds, and free capital increases provided for in Article 2442 of the Italian Civil Code;
 - II. full or partial demergers, in the strict sense, with a proportional share allocation criterion;
 - III. reductions in share capital through reimbursement to shareholders provided for in Article 2445 of the Italian Civil Code and purchases of own shares pursuant to Article 132 of the TUF.

13.2 The exclusions set out above are without prejudice to the public information requirements laid down in Regulation (EU) No. 596/2014, where applicable.

13.3 The exclusion scenarios provided for in this Article shall also apply to Related-Party Operations

through subsidiaries referred to in Article 9 of the Procedure.

14 MONITORING OF THE PROCEDURE

14.1 The Board of Statutory Auditors shall monitor compliance of the Procedure with the principles set out in the Consob Related-Parties Regulation and its compliance, and shall report to the general meeting pursuant to Article 153 of the TUF.

15 ENTRY INTO FORCE AND AMENDMENTS

15.1 This Procedure was approved in draft by the Board of Directors on 27 October 2022, and remains subject to the prior favourable opinion of the Related Parties Committee and to the subsequent final approval by the Board of Directors after the start of negotiations on Euronext STAR Milan.

15.2 This Procedure may only be amended in writing and in compliance with the procedure indicated in Article 4, paragraph 3 of the Consob Related-Parties Regulation in force as appropriate.

15.3 To this end, the Committee shall meet in good time with a view to the meeting of the Board of Directors to decide on approval of the Procedure or any amendments thereto. The Committee's opinion is then sent to the Board of Directors in good time ahead of the deliberation.

15.4 The Board of Directors shall, at least every 3 (three) years, assess whether or not to review the Procedure, taking into account, *inter alia*, any changes in laws and regulations, any changes in ownership structures, as well as its effectiveness in practice.

15.5 This Procedure is published on the Company's website under the Investor Relations section.