



**PROCEDURE FOR RELATED PARTY TRANSACTIONS**

**PROCEDURE ADOPTED IN ACCORDANCE WITH ART. 4 OF CONSOB REGULATION  
17221 OF 12 MARCH 2010 (AS SUBSEQUENTLY AMENDED)**

*(Last approved by the Board of Directors on 30 June 2021)*

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## 1. Introduction

This procedure (the “**Procedure**”) was approved by the Board of Directors of Immobiliare Grande Distribuzione SIIQ S.p.A. (“**IGD**” or the “**Company**”) on 11 November 2010 and, more recently, on 30 June 2021, after having obtained a favorable opinion from the Committee for Related Party Transactions, pursuant to Art. 2391-bis of the Italian Civil Code and Art. 4, paragraphs 1 and 3 of the “Regulations governing related party transactions” adopted by Consob in resolution n. 17221 of 12 March 2010 and subsequently amended in resolution n. 21624 of 10 December 2020 (the “**Regulations**”).

The Procedure is part of a broader framework regulating groups and conflicts of interest, introduced with the reform of corporate law in order to:

- avoid the interference of the main shareholders (namely the shareholders or parties who exercise control or have a significant influence over the company) and the management (namely the managers with strategic responsibilities) in the operation of the company to the detriment of the minority shareholders;
- limit the risk that executive bodies damage the company’s assets when carrying out transactions that are outside the normal course of business and/or not arm’s length transactions;
- allow for related party transactions consistent with effective use of the company’s resources.

When the Board of Directors approved the Procedure, the Company’s Board of Statutory Auditors, also confirmed that this Procedure complies with the standards outlined in the Regulations.

The purpose of this Procedure is to define the rules governing the approval and execution of related party transactions (defined below) entered into by the Company, directly or through its subsidiaries, in order to ensure the transparency, as well as the substantive and procedural fairness, of the transactions.

## 2. Definitions

2.1 For the purposes of this Procedure, the following definitions will apply:

- a) “**Directors Involved in the Transaction**”: the directors who, directly or through third parties, have an interest in the Transaction which conflicts with that of the Company;
- b) “**(Not) Related Directors**”: the directors of the Company (other than the) counterparty of a specific Transaction and its Related Parties;
- c) “**Independent Directors**”: directors recognized as such by the Company in accordance with the Corporate Governance Code issued by Borsa Italiana’s Corporate Governance Committee;
- d) “**Committee for Related Party Transactions**” or the “**Committee**”: the Committee formed entirely of Independent Directors as described in Art. 4 below;

- e) “**Arm’s Length Transaction**”: a transaction carried out at conditions similar to those applied typically to transactions with unrelated parties of the same type, scope and risk, or subject to regulated or mandatory tariffs or a specific contractual consideration by law;
- f) “**Control**”: control defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, an investor – regardless of the relationship with the entity (the entity in which the investment is made or investee) – must determine if it controls the investee. An investor controls the investee when it is exposed to or has rights to variable returns and the ability to affect those returns through power over an investee. An investor controls an investee if and only if the investor has all of the following elements: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. When determining if the investor controls the investee all the facts and circumstances must be taken into account. The investor must also assess if control of the investee still exists after any changes in any of the elements listed above;

- g) “**Joint Control**”: the joint control defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control;

- h) “**Key Management Personnel**”: key management personnel defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity;

- i) “**Gruppo IGD**”: IGD and the companies included in its scope of consolidation;

- j) “**Significant Influence**”: the significant influence defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, if an entity holds, directly or indirectly (e.g., through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that such entity has significant influence, unless clearly proven otherwise. Conversely, if an entity holds, directly or indirectly (e.g., through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless clearly proven otherwise. An entity which possesses an absolute or relative majority does not necessarily preclude another entity from having a significant influence. Significant influence is said to exist if one or more of the following circumstances exist: (a) representation on the board of directors or equivalent governing body of the investee; (b) involvement in policy making processes, including with regard to the payment of dividends and the allocation of earnings; (c) material transactions between the investor and the investee; (d) exchange of managerial personnel; or (e) sharing of essential technical information.

- k) “**Significant Interests**”: for the purposes of Art. 14, paragraph 2, of the Regulations and Art. 12 of this Procedure, significant interests are those arising from shareholdings or interests held in IGD’s Subsidiaries or Associates involved in a specific Transaction, where such a relationship could direct the decisions made by the Subsidiary or Associate towards satisfying, exclusively or as a priority, the interests of the Related Party. A Significant Interest does not necessarily exist when the Company and its Subsidiaries or Associates share Key Management Personnel or one or more directors.

For example and without prejudice to the verifications that should be carried out on a case-by-case basis, a significant interest may exist whenever the Transaction counterparty: (i) is considered Key Management Personnel of IGD or the Subsidiary or the Associate involved in the Transaction and benefits from share-based incentive plans (under which a portion of remuneration is variable) that depend on the results attained by the Subsidiaries or Associates with whom the Transaction is carried out; (ii) has an investment in the Subsidiary or Associate and the investment held exceeds the effective weight of the investment held directly or indirectly by the above Related Party in the Company;

- l) “**Transactions Undertaken by Subsidiaries**”: Transactions undertaken by IGD’s Subsidiaries with its Related Parties which, as per the directives issued by IGD as part of its management and control activities, internal procedures or powers of representation granted to corporate officers by IGD, must first be approved by IGD;

- m) **“Related Party Transaction”** or **“Transaction”**: the transactions defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, a related party transaction is a transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged;

- n) **“Immaterial Transactions”**: are those Transactions in which the foreseeable maximum consideration payable or the foreseeable maximum amount payable by the Company for services rendered does not exceed:

1. EUR 200,000, per year for Transactions with the same Related Party or executed pursuant to a framework agreement for Transactions carried out with Related Parties who are natural persons;
2. EUR 400,000, per year for Transactions with the same Related Party or executed pursuant to a framework agreement for Transactions carried out with Related Parties who are legal persons;

- o) **“Material Transactions”**: are those Transactions in which at least one of the following materiality thresholds, applicable according to the type of Transaction and in accordance with Annex 3 of the Regulations, has a value of 5% or more:

- Transaction materiality ratio: this is the ratio between the amount of the Transaction and the higher of (i) the amount of equity and (ii) the Company’s capitalization on the last trading session of the period examined in the most recent financial report published;
- Assets materiality ratio: this is the ratio between the total assets of the entity involved in the transaction and the Company’s total assets;
- Liabilities materiality ratio: this is the ratio between the acquired entity’s total liabilities and the Company’s total liabilities.

The figures used must be based on the Company’s most recently published consolidated statement of financial position;

- p) **“Less Material Transactions”**: Transactions with Related Parties other than the Material and the Immaterial Transactions;

- q) **“Ordinary Transactions”**: typical and/or usual Transactions forming part of the Company’s and/or Gruppo IGD’s ordinary business and financing activities.

For the purposes of this Procedure Ordinary Transactions include:

- usufruct, leasing and rental of property and businesses;

- all other operations which cannot be classified as investment or financial activities, which include, for example, treasury management, contracts for IT, administrative, tax, accounting, payroll, property management, facility management, marketing, corporate and legal affairs, planning and control, general services;

r) “**Related Parties**”: the parties defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, related parties are those included in the perimeter updated at the same time as this Procedure. The Company has also opted to apply this Procedure to Unicoop Tirreno S.C.a.r.l. and Unipol Gruppo Finanziario S.p.A., pursuant to Art. 4, para. 2, of the Regulations;

s) “**Alternative Controls**”: the controls described in Art. 8 below to be adopted when, with regard to a specific Transaction, one or more members of the Committee for Related Party Transactions are Related Directors;

t) “**Not Related Shareholders**”: those with voting rights who are not counterparties to a particular Transaction and are not Related Parties to either the Transaction counterparty or to the Company;

u) “**Subsidiary Company**” or “**Subsidiary**”: an entity, including without legal personality, controlled by the Company or by a Gruppo IGD company;

v) “**Associate Company**” or “**Associate**”: an entity, including without legal personality, subject to the Significant Influence of IGD or a Gruppo IGD company, but not to its Control or Joint Control;

w) “**Close Family Member**”: a close family member is defined as such based on the international accounting standards in effect, adopted pursuant to the procedure referred to in Article 6 of EC Regulation n. 1606/2002 of 19 July 2002.

More in detail, based on the international accounting standards in effect at the date of this Procedure, a close family member is a family member who may be expected to influence, or be influenced by, that person in their dealings with the Company. They may include: (a) that person’s children and spouse or domestic partner; (c) the dependents of that person or that person’s spouse or domestic partner.

2.2 The relationship with each Related Party must be evaluated on the basis of its merits and not solely on the basis of its legal form.

2.3 The definitions are to be interpreted on the basis of the international accounting standards adopted in accordance with Art. 6 of EC Regulation n. 1606/2002 of 19 July 2002.

2.4 Any terms not specifically defined in this Procedure will have the meaning provided in the Regulations.

### **3. Identifying Related Parties**

#### **3.1 *The Register of Related Parties***

3.1.1 For the purposes of the Procedure, the Company will institute a specific register in which the Related Parties will be recorded (the “**Register of Related Parties**”).

3.1.2 The Register of Related Parties will include a section dedicated to directly Related Parties and a section dedicated to indirectly Related Parties. The Accounting and Legal/Corporate Affairs Department will be responsible for instituting and updating both sections of the Register of Related Parties including with the support of the pertinent Gruppo IGD company resources.

3.1.3 The Register of Related Parties will be updated as needed, at least quarterly and within 30 days of the end of each quarter, by the Accounting and Legal/Corporate Affairs Department.

3.1.4 In order to properly maintain and update the Register for Related Parties, the parties who qualify as directly Related Parties and the relative departments of Gruppo IGD companies will notify the Accounting and Legal/Corporate Affairs Department of any circumstances which could impact their status as directly or indirectly Related Parties in a timely manner.

3.1.5 The updated Register of Related Parties will be made available to all the pertinent departments of the Gruppo IGD companies in accordance with the respective internal procedures so that they may verify the existence of any Related Party Transactions deemed relevant for the purposes of this Procedure.

#### **3.2 *Register of Directly Related Parties***

3.2.1 The Accounting and Legal/Corporate Affairs Department, with the support of the pertinent resources from each of the Gruppo IGD companies, will prepare and update the section of the Register of Related Parties pertaining to directly Related Parties on the basis of the information and documents requested, received and, at any rate, available.

#### **3.3 *Register of Indirectly Related Parties***

3.3.1 In order to identify indirectly Related Parties, the Accounting and Legal/Corporate Affairs Department, with the support of the pertinent resources from each of the Gruppo IGD companies, will request that the directly Related Parties provide information about indirectly Related Parties by submitting the Related Party declaration found in Annex 1 of this Procedure (“**Related Party Declaration**”).



3.3.2 The Accounting and Legal/Corporate Affairs Department, with the support of the pertinent resources from each of the Gruppo IGD companies, will verify that all the Related Party Declarations have been received duly filled out and signed and will record the indirectly Related Parties mentioned in a specific section of the Register of Related Parties.

#### **4. The Committee for Related Party Transactions**

- 4.1 The Committee for Related Party Transactions is comprised of three Independent Not Related Directors appointed by the Board of Directors. The Committee will appoint a chairman from among its members, as well as the party who will act as Chairman in the event the former is absent or unable to perform his duties.
- 4.2 The Committee members will remain in office through the end of the term of the Board of Directors that appointed them.
- 4.3 The Committee will also appoint a Secretary, recommended by the Chairman, including a non-member, who will prepare the minutes of the meeting and perform the other duties referred to herein.
- 4.4 The Committee will meet whenever the Chairman calls a meeting. The notice of call, indicating the day, time and place the meeting is to be held, as well as the agenda, will be sent by the Company's secretary via e-mail as instructed by the Chairman at least three days prior to the date on which the meeting is to be held. In the case of urgencies, the notice may be shorter, but not less than 24 hours. The Committee meetings may also be convened upon request of the Chairman of the Board of Directors, the Chief Executive Officer or the Head of Accounting and Legal/Corporate Affairs Department.
- 4.5 The Committee meetings may also be held using remote conferencing systems, provided all the participants can be identified, that they are duly identified in the minutes and that they can follow the discussion and contribute to the discussion of the items on the agenda in real time, exchanging documentation as needed. The Chairman may invite other parties to join the Committee meetings if deemed useful to the purposes of the meeting.
- 4.6 A Committee meeting is considered validly constituted if a majority of the regularly appointed Committee members is present. Resolutions must be approved by a majority of the Committee members in attendance.
- 4.7 Minutes will be taken of the Committee meetings by the secretary and will be filed in chronological order.

## **5. Identifying Related Party Transactions**

- 5.1 Before entering into a Transaction and as soon as it is possible in light of the characteristics and the information available, the head of the department involved in the Transaction, along with the Chief Executive Officer – after having verified that (i) the counterparty is a Related Party and (ii) the Transaction is not part of a Framework Resolution as per Art. 10 below – will inform the Accounting and Legal/Corporate Affairs Department of the Transaction in a timely manner. The information provided must include, to the extent possible at the time, the parties involved, the nature of the Transaction, as well as its terms and conditions.
- 5.2 The Accounting and Legal/Corporate Affairs Department, together with the help of the Department party to the Transaction, will verify:
- (i) if the Transaction is an exempt Transaction as per Art. 12 below and, in such a case, will inform the relative department head accordingly who will then provide the Accounting and Corporate/Legal Affairs Department with the information needed to update the list of Related Party Transactions as per Art. 13 below;
  - (ii) if the Transaction is a Less Material or a Material Transaction.
- 5.3 If, after the verification referred in Art. 5.2 above, it is not clear whether or not the Transaction can be considered an Ordinary Transaction, the decision will be made by the Committee for Related Party Transactions.
- 5.4 In the event the Accounting and Corporate/Legal Affairs Department finds that the Transaction in question is not an exempt Related Party Transaction, the former will submit the Transaction to the Committee for Related Party Transactions for review in a timely manner while the relative department head will provide the Committee, including when a meeting is called specifically for this purpose, with all the information regarding the Transaction. The Transactions deemed Less Material Transactions will be subject to Art. 6 below, while those deemed Material Transactions will be subject to Art. 7 below.
- 5.5 In the event the Transaction is subject to a framework resolution as per Art. 10 below, the relative department head will provide the Accounting and Corporate/Legal Affairs Department with the information necessary to update the list of Related Party Transactions as per Art. 13 below.

## **6. Less Material Transactions**

### ***6.1 Rules Applying to Less Material Transactions***

- 6.1.1 In the case of Less Material Transactions, the head of the department involved will provide the Committee for Related Party Transactions with complete and adequate information about the Less

Material Transaction that the Company intends to enter into, including during a meeting called specifically for this purpose. If the economic conditions of the Transaction are defined as being equivalent to those of an Arm's Length Transaction, this finding must be substantiated in the support documentation.

6.1.2 Once all the above information has been received, the Committee will issue a motivated, unbinding opinion about the Company's interest in entering into the Transaction, as well as its substantive and procedural fairness, in a timely manner so that the body called upon to approve the Transaction may proceed. This opinion will be attached to the meeting's minutes.

6.1.3 If the Committee for Related Party Transactions deems it necessary or opportune, the Committee may consult with one or more independent experts of its choice for the purposes of preparing the non-binding opinion. The experts chosen by the Committee must be recognized professionals, experts in the subject matter involved, independent and proven to be without any conflict of interest with regard to the Transaction. The Committee will verify the independent status of the experts taking into account the relationships listed in paragraph 2.4 of Annex 4 of the Regulations.

## **6.2 *Approval of the Less Material Transactions***

6.2.1 The body responsible will approve the Less Material Transactions, subject to the favorable unbinding opinion of the Committee for Related Party Transactions and the receipt of complete, adequate information about the characteristics of the Transaction the Company intends to undertake in a timely manner. In the event the Less Material Transaction is to be approved by the Board of Directors, any Directors Involved in the Transactions will abstain from voting, but may attend the meeting and participate in any discussions. If the economic conditions of the Transaction are defined as being equivalent to those of an Arm's Length Transaction, this finding must be substantiated in the support documentation.

6.2.2 If the Transaction is to be approved by the Board of Directors or, when appointed, the Executive Committee, the minutes of the meetings during which the Less Material Transactions are approved must include adequately supported evidence that the Transaction to be undertaken is in the Company's best interest, as well as substantively and procedurally fair.

6.2.3 With regard to the Less Material Transactions which, in accordance with Art. 2364, para. 5 (1) of the Italian Civil Code, must be approved or authorized by the shareholders, the above rules and approval process will apply.

6.2.4 Once the Transaction has been resolved upon, the Accounting and Corporate/Legal Affairs Department will immediately inform the relative department head of the outcome.

6.2.5 Without prejudice to the disclosure required under Articles 5, para. 8, and 6 of the Regulations, the Chief Executive Officer, on the basis of the information received from the relative department head, will provide the Board of Directors and the Board of Statutory Auditors with an update as to the Less Material Transaction's status at least every quarter.

## **7. Material Transactions**

### ***7.1 Rules Applying to Material Transactions***

7.1.1 With regard to Material Transactions, the Committee for Related Party Transactions will be involved, including through specially appointed representatives, in the negotiations and the approval process in a timely manner and will receive complete and updated information from the relative department head, including following meetings called specifically for this purpose pursuant to Art. 4.4. The Committee, or its representatives, may request information from or provide comments to the delegated bodies and the parties involved in the negotiations or approval process. If the economic conditions of the Transaction are defined as being equivalent to those of an Arm's Length Transaction, this finding must be substantiated in the support documentation.

7.1.2 Upon termination of the approval process, the Committee for Related Party Transactions will issue a motivated, binding opinion about the Company's interest in entering into the Transaction, as well as its substantive and procedural fairness, in a timely manner so that the body called upon to approve the Transaction may proceed. This opinion will be attached to the meeting's minutes.

7.1.3 If the Committee for Related Party Transactions deems it necessary or opportune, the Committee may consult with one or more independent experts of its choice. The experts chosen by the Committee must be recognized professionals, experts in the subject matter involved, independent and proven to be without any conflict of interest with regard to the Transaction. The Committee will verify the independent status of the experts taking into account the relationships listed in paragraph 2.4 of Annex 4 of the Regulations.

### ***7.2 Approval of the Material Transactions***

7.2.1 With the exception of those Material Transactions that must be approved or authorized by the shareholders (please refer to Articles 7.2.4 and 7.2.5 below), Material Transactions are to be approved by the Board of Directors, subject to the favorable binding opinion of the Committee for Related Party Transactions and the timely receipt of complete, adequate information about the characteristics of the Transaction the Company intends to undertake. During the approval process, any Directors Involved in the Transactions will abstain from voting, but may attend the meeting and participate in any discussions. If the economic conditions of the Transaction are defined as being

equivalent to those of an Arm's Length Transaction, this finding must be substantiated in the support documentation submitted to the Board of Directors.

7.2.2 If the Committee for Related Party Transactions should express a negative opinion about a Material Transaction or one subject to certain conditions, the Company's Board of Directors may: (i) approve the Material Transaction subject to compliance with the Committee for Related Party Transactions' conditions or, alternatively, (ii) approve the Material Transaction despite the negative opinion or, at any rate, without taking into account the Committee's findings, as long as the Transaction is approved by the shareholders as per Art. 22 of the bylaws pursuant to Art. 7.2.5 below; or, lastly, (iii) not approve the Material Transaction and, therefore, not proceed with the Transaction.

7.2.3 The minutes of the Board of Directors' meetings during which the Material Transactions are approved must include adequately supported evidence that the Transaction to be undertaken is in the Company's best interest, as well as substantively and procedurally fair.

7.2.4 With regard to the Material Transactions which, in accordance with Art. 2364, para. 5 (1) of the Italian Civil Code, must be approved or authorized by the shareholders, the above rules and approval process will apply.

7.2.5 If the Board of Directors intends to submit a Material Transaction to the shareholders for approval despite the negative opinion or without taking the observations made by the Committee for Related Party Transactions into account, the Transaction may not be entered into if a majority of Not Related Shareholders, representing at least 10% of the share capital with voting rights, votes against the Transaction.

7.2.6 Once the Transaction has been resolved upon, the Accounting and Corporate/Legal Affairs Department will immediately inform the relative department head of the outcome.

7.2.7 Without prejudice to the disclosure required under Articles 5 and 6 of the Regulations, the Chief Executive Officer, on the basis of the information received from the relative department head, will provide the Board of Directors and the Board of Statutory Auditors with an update as to the status of the Material Transaction at least every quarter.

## **8. Alternative Controls**

8.1 Pursuant to Articles 6, 7 and 9 of this Procedure, in the event one or more members of the Committee for Related Party Transactions is a Director Involved in the Transaction the following alternative controls must be applied in order to safeguard the substantive fairness of the Transaction:

- i) if one of the members of the Committee for Related Party Transactions is in the above-mentioned situation, the opinion issued for the purposes of Articles 6, 7 and 9 above will

be issued in accordance with the unanimous opinion of the remaining two Independent Not Related Directors that are members of the Committee;

- ii)* if two of the members of the Committee for Related Party Transactions are in the above-mentioned situation, the opinion issued for the purposes of Articles 6, 7 and 9 above will be issued in accordance with the opinion of the eldest remaining Independent Not Related Director;
- iii)* if the controls cannot be made in accordance with either (i) or (ii) above, the opinion to be issued for the purposes of Articles 6, 7 and 9 above will be issued by the Board of Statutory Auditors;
- iv)* if the controls cannot be made in accordance with either (i), (ii) or (iii) above, the opinion issued for the purposes of Articles 6, 7 and 9 above will be issued by an independent expert selected by the Board of Directors from amongst recognized professionals, experts in the subject matter involved, independent and proven to be without any conflict of interest with regard to the Transaction.

8.2 In the event the alternative controls are applied, the parties identified in Article 8.1 above will be subject to Articles 6.1 and 7.1.

## **9. Transactions Undertaken by Subsidiaries**

9.1 The Transactions Undertaken by Subsidiaries will be subject to the same rules applicable to the Transactions undertaken directly by IGD if the Subsidiaries are subject to the direction and control of IGD. If IGD does not exercise direction and control of the Subsidiaries, any Related Party Transactions undertaken by the latter will be subject to the unbinding opinion issued by the Committee for Related Party Transactions.

9.2 For the purposes herein, before entering into a Transaction and as soon as it is possible, in light of the characteristics and the information available, the legal representative/Chief Executive Officer of the Subsidiary – after having verified that (i) the counterparty is a Related Party, (ii) the Transaction is subject to examination or approval by corporate bodies of the Company and (iii) the Transaction is not subject to execution pursuant to a framework resolution pursuant Art. 10 below – will immediately inform the Accounting and Corporate/Legal Affairs Department of the Transaction. The information provided must include, to the extent possible at the time, the parties involved, the nature of the Transaction, as well as its terms and conditions.

9.3 The Company's Accounting and Corporate/Legal Affairs Department will verify, with the support of the Subsidiary's legal representative/Chief Executive Officer, if necessary, whether the

Transaction is an exempt transaction as per Art. 12 below and, in such a case, will inform the legal representative/Chief Executive Officer of the Subsidiary accordingly. If the Transaction is exempt, the latter will provide the Company's Accounting and Corporate/Legal Affairs Department with the information needed for the reporting called for in Art. 13 below. If the Transaction is not exempt under Art. 12 below, the Subsidiary's legal representative/Chief Executive Officer will provide the Company's Accounting and Corporate/Legal Affairs Department with complete and adequate information about the Transaction so that the latter may submit the Transaction, along with the information provided, to the Committee for Related Party Transactions for examination.

- 9.4 The Committee for Related Party Transactions will provide its opinion in a timely manner so that the relative bodies of both the Company and the Subsidiary may examine and, if appropriate, approve the Transaction. This opinion will be attached to the meeting's minutes.
- 9.5 Once the Transaction is approved by the competent body of the Company, the Accounting and Corporate/Legal Affairs Department will inform the Subsidiary's legal representative/Chief Executive Officer in a timely manner.
- 9.6 Following approval of the Transaction or once the Subsidiary has completed the Transaction, including in the instance a Transaction executed pursuant to a framework resolution as per Art. 10 below, the Subsidiary's legal representative/Chief Executive Officer must:
- (i) provide the Company's Accounting and Corporate/Legal Affairs Department with the information needed to complete the reporting procedures referred to in Art. 13 below;
  - (ii) prepare a specific report for the next Board of Directors' meeting.
- 9.7 Without prejudice to the rules in Articles 9.1 - 9.6 above, applicable to the Transactions Undertaken by Subsidiaries, IGD's Subsidiaries must in any case provide the Company's Accounting and Corporate/Legal Affairs Department with the information about the Transactions undertaken in a timely manner so that the Company can issue the relative press release in accordance with Art. 5 and Art. 6 of the Regulations.

## **10. Framework Resolutions**

- 10.1 For the purposes of this Procedure framework resolutions for certain Transactions carried out by the Company directly or through its Subsidiaries, similar in nature and with certain categories of Related Parties identified by the Board of Directors, are allowed.
- 10.2 The framework resolutions may be effective for no more than one year and must provide adequate information about the Transactions subject to the resolution, the foreseeable maximum amount of the Transactions to be completed in the reference period and the underlying reasoning used to

determine the conditions relative to these Transactions.

- 10.3 The framework resolutions will be subject to Articles 6 and 7 above on the basis of the foreseeable maximum cumulative amount of the similar Transactions covered under the framework resolution.
- 10.4 The Board of Directors must be informed as to the status of each Transaction completed under the framework resolutions by the Division/Business Unit involved at least every quarter.

## **11. Disclosure**

- 11.1 With regard to Material Related Party Transactions pertaining to the Company or its Italian or foreign Subsidiaries, the Company and the Corporate and Legal Affairs Department, with the support of the Accounting Department and the equivalent departments in the Subsidiaries, will prepare an information document pursuant to and in accordance with Article 5 of the Regulations, which will be submitted to Consob and made available to the public, at the corporate headquarters and in accordance with Part III, Title II, Section I of the regulation adopted by Consob in resolution n. 11971 of 14 May 1999, within seven days as from the date on which the Transaction was approved by the competent body or, if the competent body resolved to make a contract proposal, as from the date on which the (preliminary) agreement was entered into based on the applicable regulations. The Company will also send any opinions of the directors and independent experts selected in accordance with paragraph 7.1.3. above, and the opinions of independent experts engaged by the Board of Directors, to Consob and make them available to the public, as attachments to the information document or on the website, by the same deadline. With regard to the opinions of the independent experts, the Company may opt to publish only the elements referred in Annex 4 of the Regulations but must provide the reasons for this decision.
- 11.2 The Company must prepare the information document referred to in paragraph 11.1 above also when Transactions are carried out with the same Related Party, or with parties related to the latter or the Company, that are similar in nature or covered under a framework resolution when the Transactions, while singly may not be considered Material Transactions, cumulatively exceed any of the materiality thresholds referred to in Art. 2 above. For the purposes of this article the Transactions pertaining to IGD's Subsidiaries must also be reported, but the exempt Transactions referred to in Art. 12 below are not subject to reporting. The Corporate and Legal Affairs Department, with the support of its equivalent in the Subsidiaries, will monitor the Less Material Transactions in order to ascertain if the Transactions should be considered cumulatively or not. The information document must be prepared in accordance with Art. 5 of the Regulations and must be sent to Consob and made available to the public within fifteen days as from the date on which the Transaction was approved or as from the date on which the contract which resulted in the materiality



index being exceeded was executed. The information document will contain information, including based on aggregates of similar Transactions, on all the cumulative Transactions considered. If the Transactions which exceeded the materiality index were carried out by Subsidiaries, the information document must be sent to Consob and made available to the public within fifteen days as from the date on which the Company responsible for preparing the information document was notified that the Transaction had been approved or as from the date on which the contract causing the materiality threshold to be exceeded was executed. The Company will also send any opinions of the directors and independent experts selected in accordance with paragraph 7.1.3. above, and the opinions of independent experts engaged by the Board of Directors, to Consob and make them available to the public, as attachments to the information memorandum or on the website, by the same deadline. With regard to the opinions of the independent experts, the Company may opt to publish only the elements referred in Annex 4 of the Regulations but must provide the reasons for this decision.

- 11.3 Without prejudice to Art. 17 of EU Regulation 596/2014, within fifteen days as from the end of every quarter, the Company will make available to the public, at the corporate headquarters and in accordance with Part III, Title II, Section I of the regulation adopted by Consob in resolution n. 11971 of 14 May 1999, a document prepared by the Corporate and Legal Affairs Department which contains the name of the counterparty, the purpose and the amount of the Less Material Transactions approved during the quarter despite the negative opinion expressed by the Committee for Related Party Transactions, along with the reasons why the opinion was not agreed with. The opinion must be made available to the public as an annex to the information document or on the Company's website in the same timeframe. In the event the Committee's opinion is subject to the acceptance of certain conditions, this document will not be necessary if the body approving the Transaction accepted such conditions.
- 11.4 In accordance with Art. 5, paragraph 8, of the Regulations, the Interim Financial Report and the Annual Financial Statements must contain the following information: (i) Material Transactions carried out in the reporting period; (ii) any other Related Party Transactions carried out in the reporting period which had a significant impact on the Company's financial position or results; (iii) any changes to the Related Party Transactions reported on in the last annual report which had a significant impact on the Company's financial position or results. The information on the individual Material Transactions may be included by referencing the information documents published and providing any important updates.
- 11.5 If the Related Party Transaction is subject to the mandatory disclosure referred to in Art. 17 of EU Regulation 596/2014, the public press release must include, in addition to the information called for in the same regulation, the information referred to in Art. 6 of the Regulations (description of the Transaction, of the counterparty as a Related Party and of the relationship between the parties, name

of the Transaction's counterparty, whether or not the materiality thresholds referred to in Art. 2 were exceeded and if an information document will be published pursuant to this article, procedure followed to approve the Transaction and any conditions applied, whether or not the Transaction was approved despite the negative opinion expressed by the Committee).

## 12. Exempt Transactions

12.1 Without prejudice, where applicable, to the mandatory disclosure obligations referred to in the Regulations, this Procedure is not applicable to the following Transactions:

- (a) Transactions approved by the Company affecting all shareholders *pari-passu*, including: (i) capital increases with preemptive rights, also when servicing convertible bonds, and free capital increases as per Art. 2442 of the Italian Civil Code; (ii) proportional spin-offs or partial demergers; (iii) share capital reductions through share buybacks as per Art. 2445 of the Italian Civil Code and the purchase of treasury shares pursuant to Art. 132 of TUF;
- (b) Immaterial Transactions;
- (c) Transactions relating to share-based compensation packages approved by the shareholders pursuant to Art. 114-bis of TUF and their execution;
- (d) resolutions relating to the remuneration of directors holding particular offices, other than those referred to in Art. 13.1 of the Regulations, as well as of Key Management Personnel, as long as Art. 13.3.b of the Regulations is complied with;
- (e) Ordinary Transactions considered Arm's Length Transactions, without prejudice to the disclosures required under Art. 13.3 of the Regulations<sup>1</sup>;
- (f) urgent Transactions, which are not subject to the approval or authorization of the shareholders, as long as a specific clause to this effect is included in the by-laws and Art. 13.6 of the Regulations is complied with;
- (g) Transactions with or between Subsidiaries or with Associates when the counterparty of the Transaction does not involve a Significant Interest of another Company's Related Party.

12.2 The Company ruled against allowing for exemptions in case of urgent Transactions related to a corporate emergency as defined in Art. 11, para. 5, of the Regulations.

12.3 The Committee for Related Party Transactions will receive information about any Transactions

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<sup>1</sup> Based on Art. 13, paragraph 3. c) of the Regulations, with regard to Ordinary Material Transactions considered Arm's Length Transactions and, therefore, exempt, "the companies will notify Consob and the independent directors who provide opinions on the related party transactions of the counterparty, the purpose, the consideration of the transactions subject to the exclusion, as well as the reasons for which the transaction is considered ordinary and an arm's length transaction, providing objective evidence, within the timeframe referred to in Art. 5, paragraph 3".

defined as exempt Transactions under Article 12 with respect to Material and Less Material Transactions, but not Immaterial Transactions, from the Accounting and Corporate/Legal Affairs Department at least once a year.

12.4 Based on the information received pursuant to Art. 12.1, e) above, at least once a year the Committee for Related Party Transactions will verify that the criterion used to determine exempt Material Transactions, defined as Ordinary Arm's Length Transactions, have been applied correctly.

### **13. List of the Related Party Transactions**

13.1 In order to comply with the mandatory disclosure requirements, the Company's responsible officers must inform the Accounting and Corporate/Legal Affairs Department about the Related Party Transactions entered into immediately.

13.2 The Accounting and Corporate/Legal Affairs Department must prepare a database listing all the Related Party Transactions entered into, directly or through Subsidiaries, which contains the name of the counterparty, the amount of each Transaction, the date on which the Committee issued its opinion, and the date on which the Transaction was approved by the relevant corporate body.

13.3 The financial reporting officer may have access to the list referred to in Art. 13.2 above at any time.

## Annex 1 – Related Party Declaration

### Form A - Related Party Declaration for the Parent Company

I, the undersigned (first and last name) \_\_\_\_\_ born in \_\_\_\_\_ on \_\_\_\_\_ resident in \_\_\_\_\_ (address)

(Town/city – Postal Code – Province) \_\_\_\_\_, in my capacity as legal representative of (name) \_\_\_\_\_ Chamber of Commerce registration number \_\_\_\_\_ Tax ID/VAT no. \_\_\_\_\_ registered office (address of the registered office) \_\_\_\_\_ (Town/city – Postal Code – Province) \_\_\_\_\_ Country \_\_\_\_\_, the parent company of IGD

- whereas pursuant to Consob’s Regulations for Related Party Transactions adopted in resolution n. 17221 of 12 March 2010 and subsequently amended in resolution n. 21624 of 10 December 2020 (the “**Regulations**”), IGD’s related parties include the persons and entities defined as such based on the current international accounting standards adopted in accordance with the procedure referred to in Art. 6 of EC Regulation n. 1606/2002;
- having duly noted the definitions of “key management personnel”, “control”, “joint control” and “significant influence” found in the Regulations and attached to this declaration;

**do hereby declare:**

to have control or joint control of the following companies:

Company / entity	Tax ID/VAT number	Registered office	Nature of the relationship

that its key management personnel (including directors and standing statutory auditors) are:

First and last name	Personal information	Tax ID number	Position held

that the following companies are associates or joint ventures:

<b>Company / entity</b>	<b>Tax ID/VAT number</b>	<b>Registered office</b>	<b>Nature of the relationship</b>

Copies of the related party declarations duly filled out by key management personnel are attached.

The parent company will inform IGD immediately of any changes in the information provided.

The undersigned authorizes IGD and its Parent to process any personal data provided.

**Date**

**Signature**

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## ANNEX

### **Definitions for the purposes of this declaration**

#### **Related parties**

A related party is a person or entity related to the entity that prepares the financial statements.

- (a) A person or close family member of that person is related to the entity (the reporting entity) that prepares the financial statements if that person:
- (i) has control or joint control of the entity that prepares the financial statements;
  - (ii) has a significant influence on the entity that prepares the financial statements; or
  - (iii) is one of the key management personnel who prepares the financial statements, including of the parent company.
- (b) An entity is related to the reporting entity if one of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a) above;
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

Based on the definition of related party, an associate company includes the subsidiaries of an associate company and a joint venture includes the subsidiaries of a joint venture. Therefore, for example, a subsidiary of an associate company and the investor who has significant influence over the associate company are related parties [IAS 24, paragraph 12].

#### **Related party transactions**

A related party transaction is a transfer of resources, services, or obligations between a company and a related party, regardless of whether a price is charged [IAS 24, paragraph 9].

These transactions include:

- mergers, spin-offs or non-proportional demergers if carried out with related parties;
- the decisions relating to compensation and economic benefits assigned, of any type, to members of the board of directors or board of statutory auditors and key management personnel.

\* \* \* \* \*

#### **Definitions used for the purposes of determining “Related Parties” and “Related Party Transactions” based on the international accounting standards**

The terms “**control**”, “**joint control**” and “**significant influence**” are defined in IFRS 10, IFRS 11 (Joint control agreements) and in IAS 28 (Investments in Associates and Joint Ventures) and are used in accordance with the meanings specified in these IFRS [IAS 24, paragraph 9].

#### **Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity [IAS 24, paragraph 9].

#### **Close family members**

Close member of a person’s family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity, and include:

- (a) that person’s children and spouse or domestic partner;
- (b) children of that person’s spouse or domestic partner;
- (c) dependents of that person or that person’s spouse or domestic partner [IAS 24, paragraph 9].

## Annex 1 – Related Party Declaration

### Form B - Related Party Declaration for the key management personnel

I, the undersigned (first and last name) \_\_\_\_\_ born in \_\_\_\_\_ on \_\_\_\_\_ resident in \_\_\_\_\_ (address) \_\_\_\_\_ (Town/city – Postal Code – Province) \_\_\_\_\_, in my capacity as a key manager of [IGD / IGD’s parent company]

- whereas pursuant to Consob’s Regulations for Related Party Transactions adopted in resolution n. 17221 of 12 March 2010 and subsequently amended in resolution n. 21624 of 10 December 2020 (the “**Regulations**”), IGD’s related parties include the persons and entities defined as such based on the current international accounting standards adopted in accordance with the procedure referred to in Art. 6 of EC Regulation n. 1606/2002;
- having duly noted the definitions of “close family members”, “control” and “joint control” found in the Regulations and attached to this declaration;

**do hereby declare:**

- to not exercise control or joint control over any company or entity;
- to not have close family members deemed relevant pursuant to the Regulations;
- to not have close family members deemed relevant pursuant to the Regulations which have control or joint control of companies or entities.

**OR**

**do hereby declare:**

- to control or jointly control the companies/entities listed below:

Company / entity	Tax ID/VAT number	Registered office	Nature of the relationship

- that for the purposes of the Regulations the following are considered close family members:

First and last name	Personal information	Tax ID number	Degree of kinship

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that these close family members control or jointly control, the companies/entities listed below:

<b>Company / entity</b>	<b>Tax ID/VAT number</b>	<b>Registered office</b>	<b>Nature of the relationship</b>

The undersigned will inform *[IGD or in the case of key management personnel of the parent company, the party that controls IGD]* immediately of any changes in the information provided.

The undersigned authorizes IGD *[and in the case of key management personnel of the parent company, the party that controls IGD]* to process any personal data provided.

**Date**

**Signature**

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## ANNEX

### **Definitions for the purposes of this declaration**

#### **Related parties**

A related party is a person or entity related to the entity that prepares the financial statements.

- (a) A person or close family member of that person is related to the entity (the reporting entity) that prepares the financial statements if that person:
- (i) has control or joint control of the entity that prepares the financial statements;
  - (ii) has a significant influence on the entity that prepares the financial statements; or
  - (iii) is one of the key management personnel who prepares the financial statements, including of the parent company.
- (b) An entity is related to the reporting entity if one of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a) above;
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

Based on the definition of related party, an associate company includes the subsidiaries of an associate company and a joint venture includes the subsidiaries of a joint venture. Therefore, for example, a subsidiary of an associate company and the investor who has significant influence over the associate company are related parties [IAS 24, paragraph 12].

#### **Related party transactions**

A related party transaction is a transfer of resources, services, or obligations between a company and a related party, regardless of whether a price is charged [IAS 24, paragraph 9].

These transactions include:

- mergers, spin-offs or non-proportional demergers if carried out with related parties;
- the decisions relating to compensation and economic benefits assigned, of any type, to members of the board of directors or board of statutory auditors and key management personnel.

\* \* \* \* \*

#### **Definitions used for the purposes of determining “Related Parties” and “Related Party Transactions” based on the international accounting standards**

The terms “**control**”, “**joint control**” and “**significant influence**” are defined in IFRS 10, IFRS 11 (Joint control agreements) and in IAS 28 (Investments in Associates and Joint Ventures) and are used in accordance with the meanings specified in these IFRS [IAS 24, paragraph 9].

#### **Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity [IAS 24, paragraph 9].

#### **Close family members**

Close member of a person’s family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity, and include:

- (a) that person’s children and spouse or domestic partner;
- (b) children of that person’s spouse or domestic partner;
- (c) dependents of that person or that person’s spouse or domestic partner [IAS 24, paragraph 9].

## Annex 1 – Related Party Declaration

### Form C - Related Party Declaration for the person/legal entity with a significant influence

I, the undersigned (first and last name) \_\_\_\_\_ born in \_\_\_\_\_ on \_\_\_\_\_ resident in \_\_\_\_\_ (address)

\_\_\_\_\_  
(Town/city – Postal Code – Province) \_\_\_\_\_, in my capacity as legal representative of (name) \_\_\_\_\_ Chamber of Commerce registration number \_\_\_\_\_ Tax ID/VAT no. \_\_\_\_\_ registered office (address of the registered office) \_\_\_\_\_ (Town/city – Postal Code – Province) \_\_\_\_\_ Country \_\_\_\_\_, company with a significant influence on IGD

- whereas pursuant to Consob’s Regulations for Related Party Transactions adopted in resolution n. 17221 of 12 March 2010 and subsequently amended in resolution n. 21624 of 10 December 2020 (the “**Regulations**”), IGD’s related parties include the persons and entities defined as such based on the current international accounting standards adopted in accordance with the procedure referred to in Art. 6 of EC Regulation n. 1606/2002;
- having duly noted the definitions of “significant influence”, “control” and “joint control” found in the Regulations and attached to this declaration;

**do hereby declare:**

to control or jointly control the companies/entities listed below:

Company / entity	Tax ID/VAT number	Registered office	Nature of the relationship

The party with a significant influence will inform IGD immediately of any changes in the information provided.

The undersigned authorizes IGD and the party with a significant influence on IGD to process any personal data provided.

**Date**

**Signature**

\_\_\_\_\_

\_\_\_\_\_

\* \* \* \* \*

## ANNEX

### **Definitions for the purposes of this declaration**

#### **Related parties**

A related party is a person or entity related to the entity that prepares the financial statements.

- (a) A person or close family member of that person is related to the entity (the reporting entity) that prepares the financial statements if that person:
- (i) has control or joint control of the entity that prepares the financial statements;
  - (ii) has a significant influence on the entity that prepares the financial statements; or
  - (iii) is one of the key management personnel who prepares the financial statements, including of the parent company.
- (b) An entity is related to the reporting entity if one of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a) above;
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

Based on the definition of related party, an associate company includes the subsidiaries of an associate company and a joint venture includes the subsidiaries of a joint venture. Therefore, for example, a subsidiary of an associate company and the investor who has significant influence over the associate company are related parties [IAS 24, paragraph 12].

#### **Related party transactions**

A related party transaction is a transfer of resources, services, or obligations between a company and a related party, regardless of whether a price is charged [IAS 24, paragraph 9].

These transactions include:

- mergers, spin-offs or non-proportional demergers if carried out with related parties;
- the decisions relating to compensation and economic benefits assigned, of any type, to members of the board of directors or board of statutory auditors and key management personnel.

\* \* \* \* \*

#### **Definitions used for the purposes of determining “Related Parties” and “Related Party Transactions” based on the international accounting standards**

The terms “**control**”, “**joint control**” and “**significant influence**” are defined in IFRS 10, IFRS 11 (Joint control agreements) and in IAS 28 (Investments in Associates and Joint Ventures) and are used in accordance with the meanings specified in these IFRS [IAS 24, paragraph 9].