



**PROCEDURE FOR THE INTERNAL MANAGEMENT AND PUBLIC DISCLOSURE  
OF INSIDE INFORMATION**

## INTRODUCTION

This “*Procedure for the internal management and public disclosure of inside information*” (the “**Procedure**”) establishes the principles and rules with which LU-VE S.p.A. and other companies in the LU-VE Group are expected to comply in the internal management and processing, and the external disclosure, of inside information as defined in art. 7, Regulation (EU) 596/2014 (the “**Inside Information**”).

This Procedure, the original version of which was approved by the Board of Directors on 4 June 2015, received a first review approved by the Board of Directors at its meeting on 30 June 2016 in order to adapt its content to European regulatory provisions imposed by Regulation (EU) 596/2014 and related European implementing rules. More recently, executing the mandate granted by the Board of Directors on 12 April 2017, the CEO arranged for the contents to be amended and supplemented to comply with Italian regulatory provisions applying to companies listed on a regulated market as imposed by the current versions of the Consolidated Law on Finance (TUF) and the Issuers’ Regulation, as well as with Supervisory Authority and ESMA guidance.

This Procedure, in the version updated by the CEO under the aforementioned mandate:

- enters into force on 21 June 2017 and must be applied in compliance with all applicable European and Italian legal and regulatory measures, also taking into account the Supervisory Authority and ESMA guidance;
- is transmitted to the corporate bodies of the Company and all its Subsidiaries to ensure standard conduct and full compliance, at Group level, with all applicable European and Italian legal and regulatory measures.

The Chairman and CEO of the Company are granted separate powers by the Board of Directors, by resolution dated 12 April 2017, to make amendments and additions to this Procedure as deemed necessary or appropriate in order to align its contents to applicable European and Italian legal and regulatory measures, and to Supervisory Authority and ESMA guidance.

## Article I. DEFINITIONS

1.1 In addition to any terms defined in the articles of this Procedure, the capitalised terms and expressions herein have the meanings indicated below. It should also be emphasised that the same meaning applies whether in the singular or the plural:

“**CEO**” refers to the Chief Executive Officer of LU-VE, assigned the duty of organising and managing the Company’s administration, finance and control departments.

“**Borsa Italiana**” refers to Borsa Italiana S.p.A.

“**Board of Statutory Auditors**” refers to the Company’s Board of Statutory Auditors in office.

“**Board of Directors**” refers to the Company’s Board of Directors in office.

“**Consob**” refers to the Commissione Nazionale per le Società e la Borsa, the Italian financial markets regulator.

“**Subsidiaries**” refer to the Company’s subsidiaries pursuant to art. 2359 of the Italian Civil Code and art. 93 of the Consolidated Law on Finance.

“**Employee**” refers to any employee of the Company or its Subsidiaries who is not a Relevant Party.

“**Financial Reporting Manager**” refers to the “*Manager responsible for preparing the company's financial reports*” pursuant to art. 154-bis of the Consolidated Law on Finance, appointed by the Company pursuant to art. 21 of the LU-VE Articles of Association.

“**ESMA**” refers to the European Securities and Markets Authority.

“**Relevant Events**” refer to events and sets of circumstances that could give rise to Inside Information, including for example those listed in article VI of this Procedure.

“**LU-VE Group**” refers to the Company and its Subsidiaries.

“**Inside Information**” refers to all relevant information pursuant to art. 7, Regulation (EU) 596/2014, i.e. all information of a precise nature, that has not been made public, directly or indirectly concerning the Company or its Financial Instruments and which, if made public, could have a significant effect on the prices of those Financial Instruments or on the prices of related derivative financial instruments<sup>1</sup>.

---

<sup>1</sup> Pursuant to art. 7, Regulation (EU) 596/2014: “1. For the purposes of this Regulation, inside information shall comprise the following types of information:

(a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;

(b) in relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the Union or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets;

(c) in relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;

(d) for persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client’s pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.

2. For the purposes of paragraph 1, information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or

“**Investor Relator**” refers to the manager of the Company’s Investor Relations Department.

“**Storage Mechanism**” refers to the storage device authorized by Consob and used by the Company, the name and web address of which are indicated on the Company’s website.

“**MTA**” refers to the *Mercato Telematico Azionario*, the electronic equity market organised and managed by Borsa Italiana.

“**Chairman**” refers to the Chairman of the Company’s Board of Directors.

“**Procedure**” refers to this “*Procedure for the internal management and public disclosure of inside information*”.

“**Insider List Procedure**” refers to the “*Procedure for keeping and updating the list of persons with access to the Inside Information of LU-VE S.p.A.*” adopted by the Company.

“**Insider List**” refers to the list of persons with access to Inside Information concerning LU-VE S.p.A., set up, managed and updated in compliance with the Insider List Procedure.

“**Market Rules**” refer to the current version of the Rules of the Markets Organised and Managed by Borsa Italiana.

“**Regulation (EU) 596/2014**” refers to Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

“**Delegated Regulation (EU) 2016/960**” refers to Commission Delegated Regulation (EU) 2016/960 of 17 May 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures for disclosing market participants conducting Market Soundings.

“**Implementing Regulation (EU) 2016/959**” refers to Commission Implementing Regulation (EU) 2016/959 of 17 May 2016 laying down implementing technical standards for Market Soundings with regard to the systems and notification templates to be used by disclosing market participants and the format of the records in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council.

“**Implementing Regulation (EU) 2016/1055**” refers to Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) 596/2014 of the European Parliament and of the Council.

“**Issuers’ Regulation**” refers to the current version of the implementing regulation of the Consolidated Law on Finance concerning rules for issuers, adopted by Consob through resolution no.

---

*event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.*

*3. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information as referred to in this Article.*

*4. For the purposes of paragraph 1, information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts, or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.*

...”

11971 of 14 May 1999.

“**Manager**” refers to the Inside Information processing manager pursuant to paragraph 4.2 of this Procedure.

“**Insider List Manager**” refers to the person responsible for the keeping and updating of the List pursuant to article III of the Insider List Procedure.

“**Delay**” refers to the delay in disclosing Inside Information pursuant to article X of this Procedure.

“**SDIR**” is the acronym for the inside information dissemination service authorized by Consob and used by the Company, the name and web address of which are indicated on the Company’s website.

“**Company**” or “**LU-VE**” or “**Issuer**” refers to LU-VE S.p.A., with registered office at Via Vittorio Veneto 11, Varese.

“**Relevant Parties**” refer to:

- a) members of the Board of Directors and Board of Statutory Auditors;
- b) persons discharging managerial responsibilities for the Company and executives with regular access to Inside Information and have the power to adopt decisions that can affect the Company’s development and prospects, as well as all other persons who as part of their official duties attend meetings of the administrative body, in relation to all Inside Information directly or indirectly concerning the Company;
- c) office managers of the Company with access to Inside Information;
- d) the administrative bodies and executives of all Subsidiaries with access to Inside Information.

“**Market Sounding**” refers to the disclosure of information, including Inside Information, by the Company or by third parties on its behalf to one or more potential investors, prior to the announcement of a transaction in order to assess their interest in such a potential transaction and the related conditions, such as the potential amount or price.

“**Financial Instruments**” refer to the ordinary shares of LU-VE admitted to trading on the MTA and any other listed financial instruments issued by the Company.

“**Consolidated Law on Finance**” refers to the current version of Italian Legislative Decree no. 58 of 24 February 1998 containing the “*Consolidated Law on Finance*” (or TUF).

## **Article II. PROCEDURE RECIPIENTS**

21 This Procedure is addressed to the Relevant Parties and contains provisions on the management and processing of Inside Information and the methods for external disclosure of documents and information directly concerning the Company and/or other LU-VE Group companies, with particular reference to Inside Information.

22 The Company arranges public disclosure, as soon as possible, of Inside Information that directly concerns the Company and/or other LU-VE Group companies using the methods envisaged by applicable European and Italian legal and regulatory provisions, as well as in this Procedure.

23 The Company issues suitable written provisions to its Subsidiaries so that the latter can promptly provide all information necessary to comply with market disclosure obligations in compliance with applicable European and Italian legal and regulatory provisions and with the provisions stated in this Procedure.

### **Article III. ASSESSMENT OF THE “INSIDE” NATURE OF INFORMATION**

3.1 Relevant Parties must inform the Chairman and/or CEO without delay of:

- (i) all information directly concerning the Company and/or other LU-VE Group companies which they believe could potentially be classified as Inside Information; or
- (ii) all Relevant Events

of which they become aware as part of their work or professional activities, or in relation to the functions performed.

Likewise, Employees must inform their line manager of information that they consider potentially classifiable as Inside Information or Relevant Events of which they become aware as part of their work activities.

3.2 The assessment of the inside nature of the information, and therefore of the need to arrange market disclosure, is carried out by the Chairman and/or CEO of the Company who, for this purpose, receives support from the Investor Relator and/or the Financial Reporting Manager according to their respective duties.

### **Article IV. PROCESSING OF INSIDE INFORMATION**

4.1 In compliance with art. 17, Regulation (EU) 596/2014, the Company arranges the public disclosure of Inside Information, as soon as possible, according to the terms and conditions envisaged in applicable European and Italian legal and regulatory provisions.

4.2 After confirming the inside nature of the information, the Manager takes the following action as soon as possible, with support from the Investor Relator if appropriate:

a) reports the identification of new Inside Information to the Insider List Manager, with the names of persons aware of it or will later become aware of it before the Inside Information is disclosed to the public. The Insider List Manager then arranges immediate entry in the Insider List in compliance with the Insider List Procedure;

b) arranges a press release for the public disclosure of the Inside Information in compliance with the terms and conditions indicated in applicable European and Italian legal and regulatory provisions, as well as with Stock Market Regulations and related instructions. Alternatively, if the conditions in paragraph 10.1 of this Procedure are satisfied, the Manager triggers the Delay procedure referred to in article X below.

4.3 The CEO is assigned the role of Manager and must arrange the processing of Inside Information directly concerning the Company and/or other LU-VE Group companies. In his absence, the Manager role is covered by the Chairman or, if both are absent, by the Investor Relator.

4.4 The Manager arranges processing of the Inside Information through authorised channels only, and supervises the procedure to ensure that dissemination of the Inside Information within the Company and other LU-VE Group companies is without prejudice to its inside nature.

4.5 Relevant Parties and all Employees becoming aware of Inside Information as part of their duties within the Company or Subsidiaries are forbidden to divulge, disseminate or disclose such information in any way to persons other than those to whom disclosure is necessary to allow exercise of the related functions within the Company or Subsidiaries.

### **Article V. EXCLUSIONS**

5.1 Subject to Manager consent, the Company can confidentially disclose the Inside Information in compliance with applicable European and Italian legal and regulatory provisions and with Supervisory Authority and ESMA guidance, as well as with the provisions of this Procedure, in the normal exercise of its business activities, for example, to the following parties:

- a) its own advisors and all other persons involved or who could be involved in the developments or matters in question;
- b) the auditing firm appointed to audit the Company's accounts;
- c) parties with which the Company and/or Subsidiaries are negotiating or intend to negotiate any commercial, financial or investment transaction (including likely subscribers or placing agents of the Financial Instruments);
- d) banks as part of credit facility granting activities;
- e) rating agencies;
- f) employee representatives or their trade unions;
- g) any government department, the Bank of Italy, the Italian Antitrust Authority, Consob, Borsa Italiana or any other institutional organisation, regulator or authority.

5.2 At the time of disclosure of such Inside Information, the Company obtains a declaration from the aforementioned parties in which they state they are aware that they cannot trade the Financial Instruments until the Inside Information, disclosed to them in confidence, is disclosed to the public in accordance with applicable European and Italian legal and regulatory provisions.

5.3 If the Manager has reason to believe that the confidentiality restriction has been or is likely to be violated and, in any event, the issue is such that his awareness would probably lead to a substantial change in the price of the Financial Instruments, the publication of such information must be arranged without delay.

## **Article VI. POTENTIAL EVENTS AND SETS OF CIRCUMSTANCES THAT GENERATE INSIDE INFORMATION**

6.1 Examples are provided below of some of the events and sets of circumstances that could qualify as a relevant event or set of circumstances pursuant to this Procedure (i.e. a **Relevant Event**), without prejudice to any increase in the relevance of a single event or set of circumstances to qualify them as Inside Information that can only be considered on a case-by-case basis:

- Accounting data
  - Preparation/approval of accounting data for the period.
  - Significant changes in asset values.
  - Auditing firm release of a negative opinion or declaration of inability to express an opinion on periodic financial reporting.
- Dividends
  - Distribution of dividends or changes relating to the policy on dividends.
- Forecast figures (if and to the extent that the Company decides to make them public)
  - Preparation/approval of forecast figures or significant quantity targets regarding the business performance.
- Equity and bond-related transactions

- Share capital increases and/or bond issues (including convertible bonds) for funding purposes. Other equity transactions or issue of warrants.
- Transactions involving treasury shares or other Financial Instruments.
- Decisions adopted regarding share-based payment plans or plans based on other Financial Instruments targeting management or employees and/or collaborators of the Company, Subsidiaries or parent companies.
- Changes to the rights associated with Financial Instruments.
- Strategic transactions
  - Transactions for the acquisition or disposal of significant assets, including transactions concluded through the assignment of assets. These include transactions to acquire or dispose of investments, other assets or business units.
  - Entry to or withdrawal from a business sector.
- Extraordinary corporate transactions
  - Business restructurings or reorganisations with a significant effect on the balance sheet, income statement or financial position.
  - Mergers or spin-offs.
- Changes in corporate officers, shareholders, auditing firm
  - Appointment or resignation/dismissal of members of the administrative or control bodies, or changes in key managers.
  - Changes in the control structure or in any shareholder agreements.
  - Auditing firm waiver of assignment. Replacement of the auditing firm.
- Arrangements, transactions or other significant events
  - Signing, amendment or termination of significant contracts or arrangements. Significant transactions, particularly if atypical or unusual, carried out with related parties.
  - Damage or impairment to significant assets.
  - Insolvency of significant debtors or suppliers with whom contracts for a particularly high value have been signed.
  - Events occurring that give rise to Company and Group product liability or liability for environmental damage, with significant consequences of a financial nature for the Issuer and/or its respective group;
  - Filing or conclusion of particularly significant legal disputes.
  - Situations arising that are cause for winding up or placing in liquidation.
  - Filing of claims for, requests for admission to or compulsory orders of insolvency proceedings.

## **Article VII. CONFIDENTIALITY DURING THE FORMATION STAGE OF INSIDE INFORMATION**

7.1 Relevant Parties and Employees must take every possible precaution to:

- a) avoid access and circulation to unauthorised persons of confidential information that could prove to be Inside Information, maintaining confidentiality of all documents and



information acquired during the course of their duties;

- b) use the aforementioned documents and information solely to carry out their duties;
- c) ensure that the opening and distribution of mail received through the postal service is conducted in compliance with confidentiality criteria.

7.2 Relevant Parties and Employees in possession of confidential documents or information must store them in such a manner as to reduce to a minimum the risks of unauthorised access and processing, adopting all suitable security measures.

7.3 The sender of printed and/or digital documents relating to Inside Information must highlight its strictly confidential nature.

7.4 The Relevant Parties and Employees are personally responsible for storing confidential documents coming into their possession and for ensuring that such documentation storage is in a place suited to allowing access only to authorised persons. In the event of loss of documents relating to Inside Information, the Relevant Parties and Employees involved must inform the Manager without delay, specifying the conditions and circumstances, so that he can adopt suitable measures, including the publication of a press release.

#### **Article VIII. EXTERNAL DISCLOSURE OF INFORMATION RELATING TO THE COMPANY**

8.1 On behalf of the Company, the Manager begins to handle all relations with reporting bodies, professional investors, financial analysts and shareholders in compliance with applicable European and Italian legal and regulatory provisions, as well as with the provisions of this Procedure.

8.2 Disclosure of the information to such parties must in any event be complete, prompt and adequate, avoiding imbalances of information among investors or situations that could somehow alter the share price performance.

8.3 If other Relevant Parties are asked by a third party to disclose non-confidential information, data and documents relating to the Company or its Subsidiaries, it is important that these Relevant Parties obtain written permission from the Manager to disclose such information.

8.4 If the information can be classified as Inside Information, the Manager has sole responsibility for all external communications. In concert with the Investor Relator, the Manager determines the extent that the Inside Information is subject to applicable European and Italian legal and regulatory provisions, as well as with the disclosure obligations for such information required by Market Regulations and related instructions.

8.5 In compliance with the provisions of art. 17, Regulation (EU) 596/2014, the Company must not combine the public disclosure of Inside Information with the marketing of its own assets.

#### **Article IX. PUBLIC DISCLOSURE OF INSIDE INFORMATION**

9.1 Relevant Parties, Employees and persons and entities providing business and/or professional services on behalf of the LU-VE Group must not in any manner, in Italy or abroad, disclose any Inside Information relating to the Company or its Subsidiaries of which they become aware. The confidentiality obligation also includes information and documents acquired during the course of their duties, including the contents of discussions at Board of Directors meetings.

9.2 The Company arranges public disclosure of the Inside Information, with support from the Investor Relator.

9.3 With support from the Investor Relator, the Manager prepares public disclosures of the Inside Information in compliance with applicable European and Italian legal and regulatory provisions on such matters, as well as with the disclosure obligations for Inside Information required by Market Regulations and related instructions, and releases these through the Investor Relator.

9.4 Each public disclosure must contain all the Inside Information concerned and the disclosure by the Investor Relator must be complete and prompt, in compliance with the methods envisaged in applicable European and Italian legal and regulatory provisions, as well as with Market Regulations and related instructions, also to avoid imbalances in the information among recipients.

9.5 The Inside Information must be disclosed to the public through transmission to the SDIR, arranged by the Legal and Corporate Affairs Manager of the Issuer and in compliance with technical methods indicated by the system manager and with applicable regulations.

9.6 At the same time as the Inside Information is disclosed to the public, the Legal and Corporate Affairs Manager of the Issuer must arrange its transmission to the Storage Mechanism for storage in accordance with the methods established by the Storage Mechanism manager and in compliance with applicable regulations. The information transmitted via link to the Storage Mechanism is also considered to be transmitted to Consob. The obligations referred to in this paragraph, for the public disclosure of Inside Information, are considered fulfilled if an SDIR is used that provides an Inside Information transmission service to the Storage Mechanism on behalf of the Company.

9.7 The Inside Information must also be published on the Company's website by the opening of trading on the day after its publication, with an indication of the date and time of disclosure, and must remain available for at least the next five years, or other period if so required by applicable regulations.

## **Article X. DELAY IN THE PUBLIC DISCLOSURE OF INSIDE INFORMATION**

10.1 In compliance with the provisions of art. 17, Regulation (EU) 596/2014, by decision made by the Manager, the Company can, under its own responsibility, delay the public disclosure of Inside Information, provided that all the following conditions are satisfied (the “**Conditions for Delay**”):

- a) immediate disclosure would likely compromise the legitimate interests of the Company;
- b) the delay in the disclosure is unlikely to have the effect of misleading the public;
- c) the Company is able to guarantee confidentiality of the information concerned.

10.2 If a process is lengthy, occurs in stages and is expected to result in or involve a specific circumstance or particular event, by decision adopted by the Manager, the Company can, under its own responsibility, delay the public disclosure of Inside Information relating to that process, without prejudice to compliance with the conditions referred to in points *a)*, *b)* and *c)* of paragraph 10.1.

10.3 Assessment of the option to delay the public disclosure of Inside Information is performed on a case-by-case basis by the Manager. For this purpose, the Manager verifies whether the Conditions for Delay are satisfied, where necessary with support from the Investor Relator and/or the Financial Reporting Manager in consideration of their respective duties.

The decision to trigger the Delay is made by the Manager, who then:

*(i)* arranges for documentation to be deposited with the Legal and Corporate Affairs Department of the Issuer, based on which the assessment and the decision to activate the Delay were made. This documentation must state the reasons for Delay and contain all elements prescribed in Implementing

Regulation (EU) 1055/2016 as confirmation and for reporting the Delay to Consob, as explained in greater detail in paragraphs 10.4 and 10.7;

(ii) immediately informs the Legal and Corporate Affairs Manager of the Issuer that the Delay Procedure has been triggered, so that based on information contained in the documentation referred to in point (i) above, that Manager can record the Delay in compliance with the indications provided in paragraph 10.7.

10.4 If the Delay is triggered, in compliance with the provisions of art. 4, Implementing Regulation (EU) 1055/2016, the Company uses a technical tool that ensures accessibility, readability and storage on a durable medium of the following information:

- a) date and time: *i)* of when the Inside Information first became known within the Company; *ii)* of adoption of the decision to delay disclosure of the Inside Information; *iii)* of the probable disclosure of the Inside Information by the Company;
- b) identity of the persons responsible for the following within the Company: *i)* making the decision to delay disclosure and the decision establishing the start date of the delay and its probable end date; *ii)* continuous monitoring of the conditions permitting the delay; *iii)* making the decision to publicly disclose the Inside Information; *iv)* reporting the required information about the Delay and the written explanation to Consob;
- c) proof of initial satisfaction of the Conditions for Delay and any intervening change during the delay period, including: *i)* protective barriers raised internally and towards outside to block access to the Inside Information by persons other than those who, within the Company, must have access as part of their normal professional role or duties; *ii)* measures arranged for disclosure of the Inside Information as soon as possible after learning at its confidentiality can no longer be guaranteed.

10.5 The confidentiality of Inside Information for which the decision has been made to delay public disclosure will be guaranteed through the adoption of effective measures that allow:

- a) blocking of access to such information by persons other than those requiring access in order to carry out their duties within the Company;
- b) the guarantee that persons with access to such information accept the related legal and regulatory obligations and are aware of the possible penalties for abuse or unauthorised disclosure of the information;
- c) immediate public disclosure of the Inside Information if those persons are not able to guarantee confidentiality.

10.6 If disclosure of the Inside Information is delayed in compliance with paragraphs 10.1 or 10.2 above and the confidentiality of the information is no longer guaranteed, the Company arranges public disclosure as soon as possible. This paragraph includes situations whereby a rumour makes explicit reference to the Inside Information for which disclosure has been delayed, when that rumour is sufficiently accurate to suggest that the confidentiality of the information is no longer guaranteed.

10.7 When the disclosure of Inside Information is delayed in compliance with previous paragraphs of this article, the Manager, with support from the Legal and Corporate Affairs Manager of the Issuer - immediately after the information has been disclosed to the public - must report the delay to Consob, specifying the terms by which the conditions indicated in paragraph 10.1 are satisfied and, in any event, in compliance with the terms and conditions envisaged in applicable regulations. The reporting obligation to Consob is fulfilled by sending the following information (and any required by regulations in force from time to time) to [consob@pec.consob.it](mailto:consob@pec.consob.it), specifically addressed to the “Markets Division” and stating “MAR Ritardo comunicazione” (“MAR Delayed Disclosure”) in the subject line, or by other methods later instructed by Consob, in compliance with current regulations:

- a) identity of the Company: full company name;
- b) identity of the reporting officer: name, surname, position in the Company;
- c) contact details of the reporting officer: business e-mail address and telephone number;
- d) identification of the Inside Information involved in the Delay: title of the disclosure announcement; reference number, if assigned by the system used for disclosure of the Inside Information; date and time of the public disclosure of the Inside Information;
- e) date and time of the decision to delay disclosure of the Inside Information;
- f) identity of all persons responsible for the decision to delay public disclosure of the Inside Information.

10.8 If the Inside Information refers to Subsidiaries, the assessment and decision referred to in paragraph 10.3 above remain the responsibility of the Manager, who can make use of support from the CEOs of the Subsidiaries to which the information refers.

#### **Article XI. MARKET SOUNDINGS**

11.1 By decision of the Manager, the Company can perform Market Soundings, also through third parties acting on the Company's behalf, as part of which it may lawfully make confidential disclosure of Inside Information provided that all the conditions of art. 11, Regulation (EU) 596/2014 and related implementing regulations, particularly Delegated Regulation (EU) 2016/960 and Implementing Regulation (EU) 2016/959, are satisfied.

#### **Article XII. VIOLATIONS AND PENALTIES**

12.1 The provisions of this Procedure are binding.

12.2 Should Relevant Parties or Employees fail to comply with the provisions of this Procedure and this results in the Company's failure to comply with applicable legal and regulatory provisions on the disclosure of Inside Information, penalties in various forms can be inflicted upon the Company.

12.3 If the Company should incur pecuniary sanctions as a result of violation of the provisions on corporate disclosure due to failure to comply with the provisions of this Procedure or with applicable European or Italian legal or regulatory provisions, the Company will also arrange for claims for compensation to be filed against the offenders of such violations so as to obtain reimbursement of costs related to the payment of such sanctions.

12.4 In any event, the violation of provisions of this Procedure, even if this does not translate into conduct that is subject to penalties inflicted directly by the Antitrust Authority or Consob, can still constitute serious damage to the Company, also in terms of reputation, with major repercussions in business and financial terms. Such violation therefore implies that the Company can potentially claim compensation for damages from the offender for any damages suffered by the Company and its Subsidiaries.

12.5 If the violation was committed by a director, the offender cannot participate in the decision regarding penalties. If commission of the violation involved the majority of the Board of Directors, the body responsible for taking appropriate action will be the Board of Statutory Auditors.

12.6 If the violation was committed by an Employee, this could qualify as a disciplinary offence and, in more serious cases, result in dismissal.

12.7 The failure to comply with market disclosure obligations envisaged in regulations in place as at the date of entry into force of this Procedure, can result in administrative fines as envisaged in the Consolidated Law on Finance being imposed on the Company and on the natural person under such disclosure obligations, in compliance with applicable European regulations. Furthermore, insider dealing, unlawful disclosure of inside information and market manipulation lead to:

- for the offenders, configuration of an offence punishable by criminal or administrative penalties pursuant to applicable provisions of the Consolidated Law on Finance and in compliance with applicable European regulations;
- administrative liability of the Company pursuant to applicable provisions of the Consolidated Law on Finance and Italian Legislative Decree 231/01, and in compliance with applicable European regulations.