

LU-VE S.p.A.
Via Vittorio Veneto 11 – 21100 Varese
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PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES

Approved by the Board of Directors held on 29 June 2021 and in force as of 1 July 2021

TABLE OF CONTENTS

1.	PURPOSE AND DEFINITIONS	3
2.	IDENTIFICATION AND OBTAINMENT OF INFORMATION FROM RELATED PARTIES AND ON TRANSACTIONS WITH RELATED PARTY	6
3.	CONTROL AND RISK COMMITTEE AND FOR OPERATION WITH RELATED PARTIES. REMUNERATION AND APPOINTMENTS COMMITTEE. INDEPENDENTS COMMITTEE.	8
4.	PROCEDURE FOR EXAMINATION AND APPROVAL OF LESS MATERIAL TRANSACTIONS	9
5.	PROCEDURE FOR EXAMINATION AND APPROVAL OF MORE MATERIAL TRANSACTIONS	11
6.	DISCLOSURE TRANSPERANCY	13
7.	“PRICE SENSITIVE” TRANSACTIONS WITH RELATED PARTIES	14
8.	FRAMEWORK AGREEMENTS	15
9.	EXCLUSIONS AND EXEMPTIONS	15
10.	TRANSACTIONS TO BE CONCLUDED IN URGENT CASES.....	18
11.	TRANSACTIONS WITHIN THE COMPETENCE OF THE SHAREHOLDERS' MEETING.....	18
12.	TRANSACTIONS CARRIED OUT BY SUBSIDIARIES.....	19
13.	APPROVAL, EFFECTIVINESS AND PUBBLICATION OF THE PROCEDURE	20
	APPENDIX	22

1 PURPOSE AND DEFINITIONS

- 1.1 This procedure (the “**Procedure**”) is adopted by LU-VE S.p.A. in accordance with article 2391-*bis* of the Italian Civil Code and the Regulation on Related Party Transactions (as defined *herein*) and identifies the rules governing the preliminary activity and the execution process of transactions with related parties carried out directly by LU-VE S.p.A. or through by its subsidiaries (Italian and foreign), in order to ensure transparency as well as substantial and procedural fairness, in compliance with legislation, including regulations, in force and with the principles established by the Corporate Governance Code (as defined *below*).
- 1.2 The board of directors, executive bodies and company functions involved of LU-VE S.p.A. shall apply the principles and rules provided for by this Procedure also on the basis, if applicable, of the indications as per Consob Communication No. DEM/10078683, published on 24 September 2010, as subsequently amended and supplemented, containing “*Indications and guidelines for application of the Regulation on related party transactions adopted by resolution no. 17221 of 12 March 2010 as subsequently amended*”.
- 1.3 For the purpose of this Procedure, in addition to any terms defined in the articles of the same, the capitalised terms and expressions listed below (whether in the singular or the plural) have the meanings indicated below:

“**Directors Involved**”: means directors having an interest, on their own behalf or on behalf of third parties, in a particular Related Party Transaction which conflicts with that of the Company.

“**CEO**”: means the director of the Company to whom powers are granted by the Board of Directors or, in presence of several executive officer, the director with responsibility for the administration, finance and control department of the Company.

“**Independent Directors**”: means the directors who meet the independence requirements provided for by article 148, paragraph 3 of TUF (Consolidated Law on Finance) and article 2 of the Corporate Governance Code as implemented by the Issuer. The Independent Directors of LU-VE shall be assessed as such by the Board of Directors immediately after their appointment as well as during their term in office in the event of the occurrence of circumstances significant for the purposes of independence and in any case at least once a year and, as a rule, on the occasion of - or prior to - the Board meeting approving the draft financial statements.

“**Non-related Independent Directors**”: means the Independent Directors other than the counterparty in a particular transaction and the related parties of the counterparty.

“**Non-related Directors**”: means the directors other than the counterparty in a particular transaction and the related parties of the counterparty.

“**Non-executive Directors**”: means the directors without management powers, recognised as non-executive pursuant to the Corporate Governance Code, as adopted by the Issuer.

“**Corporate Governance Code**”: means the Corporate Governance Code adopted by the *Corporate Governance* Committee, to which the Company adheres.

“**Market-equivalent or Standard Conditions**”: means conditions similar to those usually applied to non-related parties for transactions of a similar nature, entity and risk, or based on regulated

tariffs or fixed prices or those charged to persons with which the issuer is obligated by law to contract at a certain price.

“Board of Directors” or “Board”: means management body of LU-VE.

“Control”: means the power defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Control”* and the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

“Joint Control”: means the sharing, on a contractual basis, of the Control over an agreement defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Joint Control”* and the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

“Key Management Personnel”: means the parties identified as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Key Management Personnel”* indicated in the International Accounting Standards in force from time to time.

“Issuer” or “Company” or “LU-VE”: means LU-VE S.p.A., with registered office in Via Vittorio Veneto 11, Varese, tax code, VAT number and Varese Register of Companies number 01570130128.

“Entities”: means entities other than natural persons (including, for example, legal persons, associations, non-incorporated associations), as well as estates, trusts and partnerships.

“Independent Expert”: means natural person or Entity in possession of the requirements of professionalism, good standing and independence required by the nature of the appointment granted. Independence shall be assessed in advance in accordance with the regulatory framework in force from time to time, having regard, in particular, to any economic, capital and financial relationships between the Independent Expert and (i) the related party counterparty to the RPT, its subsidiaries, its controlling entities and companies subject to joint control, and the directors of the aforesaid companies; (ii) LU-VE, its subsidiaries, its controlling entities, companies subject to joint control, and the directors of the aforesaid companies. Information on any relationships shall be certified by a statement issued by the Independent Expert at the time of appointment.

“LU-VE Group”: means the Company and its subsidiaries.

“Significant influence”: means the power defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Significant influence”* and the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

“Joint Venture”: means the contractual agreement defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Joint Venture”* and the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

“Related Party Transactions” or “RPT”: means the Related Party transactions defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Related Party Transactions”* and the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

“Transactions of Negligible Amount”: means the transactions identified in paragraph 9.2 of this Procedure, which, in view of size of LU-VE Group, do not entail any appreciable risk for the protection of investors and for the integrity of the Company’s assets.

“Ordinary Transactions”: means transactions which fall in the ordinary course of business and related financial activities.

“More Material Transactions”: means Related Party Transactions which exceed the relevance thresholds provided for by applicable regulations and which, at the time of preparation of this Procedure, correspond to the *“More Material Transactions”* identified on the basis of criteria pursuant to Annex 3 to the Regulation on Related Party Transactions. Where a transaction or several transactions, accumulated in accordance with paragraph 6.2 below, are identified as *“material”* according to the relevance ratios established in current regulations and this result is manifestly unreasonable in view of special circumstances, the Issuer may ask Consob to indicate alternative methods for calculating the aforementioned ratios. To this end, Consob will be informed of the essential characteristics of the transaction and the special circumstances upon which the request prior to the conclusion of the negotiations was based.

“Less Material Transactions”: means Related Party Transactions other than the More Material Transactions and the Transactions of Negligible Amount.

“Related Parties”: means the parties defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of *“Related Party”* and the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

“International Accounting Standards”: means the international accounting standards adopted in accordance with the procedure as per article 6 of the (EC) Regulation No. 1606/2002.

“Regulation on Related Party Transactions”: means the *“Regulation on Related Party Transactions”*, adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended.

“**MAR Regulation**”: means the (EU) Regulation No. 596/2014 of the European Parliament and Council dated 16 April 2014 relating to market abuse as subsequently amended and supplemented.

“**Non-related Shareholders**”: means persons and entities defined as such in application of regulations in force at the time each transaction is decided and, at the time of preparation of this Procedure, those with voting rights at Shareholders’ Meetings other than the counterparty in a given transaction and the related parties of either the counterparty to a given transaction or the Company.

“**Close Relative**”: means the close relatives of a person, defined as such in accordance with the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted. For ease of reference, the Appendix to this Procedure contains the definition of “*Close relative*” indicated in the International Accounting Standards in force from time to time.

“**TUF**”: means the Consolidated Finance Law pursuant to Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.

- 1.4 The interpretation of the definitions of Related Party and Related Party Transaction and the other definitions functional for the same is carried out with reference to all the International Accounting Standards in force at the time negotiations on a RPT are entered into or, in the absence of negotiations, at the time the relevant decision is adopted (see Appendix to this Procedure).
- 1.5 In considering each possible Related Party relationship, attention is focused on the essence of the relationship and not merely its legal form.

2 IDENTIFICATION AND OBTAINMENT OF INFORMATION FROM RELATED PARTIES AND ON TRANSACTIONS WITH RELATED PARTY

- 2.1 For the purposes of applying this Procedure, Related Parties are identified by the Company in accordance with the International Accounting Standards in force from time to time.

The appendix attached to this Procedure (the “**Appendix**”) contains the definitions of Related Party and Related Party Transactions, as well as the definitions functional for the same indicated in the International Accounting Standards in force from time to time.

Register of Related Parties and Register of Related Party Transactions

- 2.2 In order to allow the Company to easily identify Related Parties and correctly handle Related Party Transactions entered into by LU-VE, directly or via its subsidiaries, the Issuer sets up the “*Register of Related Parties*” (the “**Related Parties Register**”) and the “*Register of Related Party Transactions*” (the “**RPT Register**”), both kept in electronic format, prepared, managed and

updated by the Legal and Corporate Affairs Department in agreement with the financial reporting officer and with the support of the *Accounting Department*.

2.3 The Related Parties Register is drawn up and implemented, in observance of privacy legislation in force from time to time, on the basis of:

- (a) the record file of the corporate equity investments of LU-VE Group;
- (b) the declarations that the natural persons indicated in article 1, letter (a), points (i) and (ii) of the Appendix attached to this Procedure, as well as the directors and statutory auditors of the Issuer, as well as the other Key Management Personnel of LU-VE Group identified as such by the Board of Directors of LU-VE, shall periodically make with reference to the identification of the Related Parties related to them;
- (c) the declarations that the Entities exercising direct or indirect control over the Issuer or exercising significant influence over it make to the Company with reference to the identification of the Related Parties related to them;
- (d) any further information at the disposal of LU-VE Group.

2.3.1. For the purposes of drawing up and updating the Related Parties Register, the Legal and Corporate Affairs Department informs the parties indicated in points (b) and (c) above (the “**Direct Related Parties**”) that they have been entered in the register, at the same time requesting the issue of a declaration containing the data and information relating to them, as well as that relating to related parties (the “**Indirect Related Parties**”) in order to allow them to be identified and entered in said register. The communication is renewed also after any substantial amendments which may be made to this Procedure.

2.3.2. Direct Related Parties are required to promptly notify the Company, and in particular the Legal and Corporate Affairs Department, of any change that may occur with respect to the information previously provided in relation to them or to the Indirect Related Parties referable to the same. Without prejudice to this obligation, for purely cautionary purposes, the Issuer also reserves the right to send the Direct Related Parties a periodic communication, within the sphere of which they will be asked to update - if necessary - the aforementioned data and information previously provided.

2.3.3. Whenever necessary and in any event at least on 30 June and 31 December each year, the Legal and Corporate Affairs Department, with support from the *Accounting Department*, performs and updates the Related Parties Register, also taking into account the information requested from Related Parties and sent to the Company in compliance with article 4, paragraph 8, of the Regulation on Related Party Transactions and the provisions of this Procedure.

2.4 The RPT Register is drawn up and implemented by recording all Related Party Transactions entered into by the Company, directly or via its subsidiaries, including: (i) the Less Material Transactions and the More Material Transactions with evidence of those transactions that have been exempted from the application of this Procedure providing evidence of the related reasons, especially with regard to the More Material Transactions that, being Standard and at Market-equivalent or Standard Conditions, benefit from exemption as per paragraph 9.1, letter (g) below; (ii) all the other Related Party Transactions falling within the exclusion hypotheses

as per article 9 below, providing evidence of the specific exemption applied and the related reasons, also having taken into account any framework resolutions as per article 8 below.

2.4.1. The Legal and Corporate Affairs Department, with the assistance of the *Accounting* Department, updates the RPT Register on the basis of the information received pursuant to subparagraph 2.4.2 below.

2.4.2. Each Directly Related Party has the obligation, undertaken also in relation to Indirectly Related Parties referring to them - by signing this Procedure - to promptly inform the Issuer of every opening of negotiations with the Issuer or its subsidiaries for the conclusion of a transaction, either with that Directly Related Party or one of Indirectly Related Parties referring to them, and likewise of any action or event that could require application of the current regulations on Related Parties.

2.5 If the Company is not aware of the Related Party classification of a counterparty despite taking reasonable care to do so, and the disclosure obligations have been omitted, the LU-VE counterparty omitting the disclosure - and likewise the Directly Related Party to which the counterparty refers and has omitted the relevant disclosure - will be held liable for any damage - financial or otherwise, also resulting from measures adopted by the competent authority - to the Issuer as a result of carrying out the transaction in violation of the aforementioned procedures.

3 CONTROL AND RISK COMMITTEE AND FOR OPERATION WITH RELATED PARTIES. REMUNERATION AND APPOINTMENTS COMMITTEE. INDEPENDENTS COMMITTEE.

3.1 The Board of Directors of LU-VE has set up an internal "*Control and Risk Committee and for operation with Related Parties*" (in short "**Control and Risk Committee**") and the "*Remuneration and Appointments Committee*" (the "**Remuneration and Appointments Committee**") requiring that both are composed by Non-Executive Directors, the majority of whom are Independents Directors.

As long as the composition of said committees remains unchanged, unless any of the cases of exclusion provided for in article 9 of this Procedure apply, the relevant functions and responsibilities that the Related Parties Regulation grants to committees composed of majority by Independent Directors - i.e. those in article 4 of this Procedure - are granted:

- to the **Control and Risk Committee** with the exclusion of the Related Party Transactions reserved for the competence of the Remuneration and Appointments Committee;
- to the **Remuneration and Appointments Committee** limited to the Less Material Transactions regarding the remuneration of the directors and of the other Key Management Personnel.

3.2 The Board of Directors of LU-VE has also set up an internal "*Independents Committee*" (the "**Independents Committee**") composed solely of Independent Directors, to which shall be granted the relevant functions and responsibilities that the Related Party Regulations assigns to the committee composed solely of Independent Directors, i.e. those provided for by article

5 and paragraph 13.2 of this Procedure, as well as those provided for by paragraph 9.1 letter (g) of this Procedure.

- 3.3 The Control and Risk Committee, the Remuneration and Appointments Committee and the Independents Committee are constituted and operate in accordance with the provisions provided for from time to time by the *“Regulations of the Board of Director and of the internal board committees of LU-VE S.p.A.”* as approved by the Board of Directors.

4 PROCEDURE FOR EXAMINATION AND APPROVAL OF LESS MATERIAL TRANSACTIONS

- 4.1 The procedure described in this article applies to all Less Material Transactions. These do not include transactions which, covered by the exclusion provided for by article 9 below, are not subject to the process imposed by this Procedure.

- 4.2 When the Issuer initiates a Less Material Transaction that does not fall within the exclusion cases provided for by article 9 below, the principles indicated below must be followed.

(a) Within 2 (two) days of the day on which it has been informed of the initiation of a Less Material Transaction and has received the related disclosure documentation, the Issuer’s Legal and Corporate Affairs Department shall send the related disclosure documentation to the Chairman of the Control and Risk Committee, so that the same Chairman can call a meeting of the committee required to express a reasoned, non-binding opinion on LU-VE’s interest in carrying out the transaction, as well as on the appropriateness and substantial fairness of the relative conditions. The information provided on the transaction must be complete and adequate and such as to enable the Control and Risk Committee to carry out an in-depth and documented examination of the reasons for the transaction, as well as of the appropriateness and substantial fairness of its conditions. In the event the Less Material Transaction is defined under Market-equivalent or Standard Conditions, the documentation drawn up must contain objective elements of proof.

(b) Before expressing its reasoned opinion, the Control and Risk Committee must for each component assess the absence of relations with the counterparties to the transaction in question. Every member must declare any relationship with any individual transaction to be approved. In the event that there are not at least two Non-related Independent Directors, the remaining members shall replace them with one or more Non-related Independent Directors. If there are not enough Non-related Independent Directors on the Board of Directors to supplement the Committee, the functions are performed by the Non-related Independent Directors or, if applicable, by the sole remaining Non-related Independent Director. If there are no Non-related Independent Directors within the Board, the Board of Statutory Auditors will be called upon to issue an opinion, provided that the standing auditors have no personal or third-party interest in the execution of the transaction, in conflict with that of the Company. If a statutory auditor does have a personal or third-party interest, the opinion will be issued by an Independent Expert appointed by the Board of Statutory Auditors (equivalent supervisory body).

(c) The Control and Risk Committee (or the equivalent supervisory body) has the faculty to arrange for itself to be assisted, at the expense of the Issuer, by one or more Independent

Experts, subject to checking the independence of the same, in accordance with the matters indicated in the related definition as per paragraph 1.3 above. At the end of the preliminary assessment, the Control and Risk Committee (or the equivalent supervisory body) expresses its non-binding opinion on the transaction. The opinion is attached to the minutes of the meeting of the Control and Risk Committee (or equivalent supervisory body) during which it was expressed.

In any Related Party Transactions influenced by management and coordination over the Issuer, the opinion of the Control and Risk Committee (or equivalent supervisory body) must indicate the reasons and economic convenience of the transaction, if necessary also in light of the overall results of the management and coordination activities or transactions designed to fully eliminate the damage deriving from a single Related Party Transaction.

- (d) The justified opinion issued by the Control and Risk Committee (or the equivalent supervisory body) is forwarded by the Chairman of the committee itself (or the equivalent supervisory body) to the Legal and Corporate Affairs Department so that the same takes steps to:
 - (i) in the event that the transaction falls under the responsibility of the Board of Directors, forward it together with adequate and complete disclosure on the transaction itself to the members of the Board of Directors and the Board of Statutory Auditors; the Board of Directors shall have to meet within 5 (five) days of the date of forwarding of the documentation in order to pass the resolutions for which it is responsible, with the abstention of the Directors Involved in the transaction, who contribute to forming the *quorum*, but are excluded from the resolution *quorum* required to adopt the resolution; however, the provisions of article 2391 of the Italian Civil Code remain unaffected. The minutes of resolutions approving the Less Material Transaction must contain suitable justification of LU-VE's interest in carrying out the transaction, as well as its appropriateness and the substantial fairness of the related conditions;
 - (ii) in the event the transaction is the responsibility of a delegated body, send the same the opinion of the Control and Risk Committee (or equivalent supervisory body) together with adequate and complete disclosure on said transaction, without prejudice to the matters provided for by article 2391 of the Italian Civil Code.
- (e) In the event that the Control and Risk Committee (or equivalent supervisory body) has expressed a negative opinion on the Less Material Transaction, and the competent body decides to in any event carry out said transaction, without prejudice to all further legal obligations and particularly those referred to in article 17 of the MAR Regulation, the Company makes a document available to the general public containing the information provided for by article 7, paragraph 1, letter g) of the Regulation on Related Party Transactions, including the reasons for which the competent body disagreed with the opinion of the Control and Risk Committee (or equivalent supervisory body), within 15 days of the end of each quarter at the head offices and adopting the methods provided for in current regulations. By the same deadline, the opinion of the Control and Risk

Committee (or equivalent control body) is made available to the public as an attachment to the disclosure document or on the LU-VE web site.

- (f) The Legal and Corporate Affairs Department shall promptly inform the proposing entity of the decisions adopted by the Board of Directors or the delegated bodies concerning the Less Material Transaction and shall ensure that the transaction is disclosed as per paragraph 6.7 and, if applicable, as per article 7 of this Procedure.
- (g) The CEO provides complete disclosure at least quarterly to the Board of Directors and Board of Statutory Auditors on the performance of Related Party Transactions.

4.3 If the Less Material Transaction concerns the remuneration of directors and other Key Management Personnel, and none of the cases of exclusion provided for by article 9 below apply, any reference to the Control and Risk Committee contained in this article 4 shall be understood as referring to the Remuneration and Appointments Committee.

5 PROCEDURE FOR EXAMINATION AND APPROVAL OF MORE MATERIAL TRANSACTIONS

5.1 The procedure described in this article applies to all More Material Transactions. These do not include transactions which, covered by the exclusion provided for by article 9 below, are not subject to the process imposed by this Procedure.

5.2 When the Issuer initiates a negotiation regarding a More Material Transaction that does not fall within the exclusion cases provided for by article 9 below, the following principles must be observed.

- (a) The approval of the More Material Transaction is reserved for the Board of Directors, which decides after receiving the justified favourable opinion of the Independents Committee. The Directors Involved in the transaction abstain from voting on the same; these Directors contribute to formation of the quorum but are excluded from the resolution quorum required to pass the resolution, without prejudice to the provisions of article 2391 of the Italian Civil Code.
- (b) Promptly, and in any event within 2 (two) days of the day on which it has been informed of the initiation of a More Material Transaction, the Issuer's Legal and Corporate Affairs Department shall send the related documentation together with adequate and complete disclosure on said transaction, so that said committee is placed in a position to carry out an in-depth and documented examination - as from the negotiation phases - of the transaction and its reasons and therefore can express a binding opinion on LU-VE's interest in carrying out the transaction, as well as on the appropriateness and substantial fairness of the relative conditions. In the event that the More Material Transaction is defined under Market-equivalent or Standard Conditions, the documentation drawn up must contain objective elements of proof.
- (c) Before expressing its opinion, the Control and Risk Committee must for each component assess the absence of relationships with the counterparties to the transaction in question. Every member must declare any relationship with any individual transaction to be approved. In the event that there are not at least three Non-related Independent

Directors, the remaining members shall replace them with one or more Non-related Independent Directors. If there are not enough Non-related Independent Directors on the Board of Directors to supplement the Committee, the functions are performed by the Non-related Independent Directors or, if applicable, by the sole remaining Non-related Independent Director. If there are no Non-related Independent Directors within the Board, the Board of Statutory Auditors will be called upon to issue an opinion, provided that the standing auditors have no personal or third-party interest in the execution of the transaction, in conflict with that of the Company. If a statutory auditor does have a personal or third-party interest, the opinion will be issued by an Independent Expert appointed by the Board of Statutory Auditors (equivalent supervisory body).

- (d) From the beginning of the negotiation and preliminary stages of the transaction, the Independents Committee - or a specially delegated member thereof - must be assured of receiving a complete, adequate, prompt and updated flow of information on the More Material Transaction.
- (e) During the negotiation and the preliminary appraisal stage, the Independents Committee - or its specially delegated member on its behalf - may request additional information to that provided and make observations, both to the delegated bodies and to the persons entrusted with carrying out the negotiations or the preliminary appraisal.
- (f) The Independents Committee (or the equivalent supervisory body) has the faculty to arrange for itself to be assisted, at the expense of the Issuer, by one or more Independent Experts, subject to checking the independence of the same, in accordance with the matters indicated in the related definition as per paragraph 1.3 above. At the end of the preliminary assessment, the Independents Committee (or the equivalent supervisory body) expresses its justified binding opinion on the transaction. The opinion is attached to the minutes of the meeting of the Independents Committee (or equivalent supervisory body) during which it was expressed.
- (g) In any More Material Transactions possibly influenced by management and coordination over the Issuer, the opinion of the Independents Committee (or equivalent control body) must indicate the reasons and economic convenience of the transaction, if necessary also in light of the overall results of the management and coordination activities or transactions designed to fully eliminate the damage deriving from a single Related Party Transaction;
- (h) The Legal and Corporate Affairs Department of the Issuer takes steps to send the justified binding opinion of the Independents Committee (or equivalent control body) together with the related documentation and adequate and complete disclosure on the transaction, to members of the Board of Directors and the Board of Statutory Auditors. The Board of Directors must meet within 5 (five) days of the date of issue of the documentation to adopt its own related decisions. The minutes of the approval resolutions must contain suitable justification of LU-VE's interest in carrying out the transaction, as well as its economic convenience and the substantial fairness of the related conditions.

- (i) If the opinion of the Independents Committee (or the equivalent supervisory body) is negative, the Board of Directors may still approve the transaction, provided that:
 - (i) its execution is authorised by the Shareholders' Meeting pursuant to article 2364, paragraph 1, number 5) of the Italian Civil Code;
 - (ii) the authorisation is resolved in compliance with the rules laid down in article 11 below, aimed at preventing the transaction from being carried out if the majority of voting Non-related Shareholders votes against the transaction. In this case, the Company shall provide in the disclosure document referred to in article 6 below a detailed and adequate explanation of the reasons why it does not share the contrary opinion of the Independents Committee.
- (j) The Legal and Corporate Affairs Department shall promptly inform the proposing entity of the decisions adopted by the Board of Directors concerning the More Material Transaction and shall ensure that the transaction is disclosed as per article 6 of this Procedure and, if applicable, that as per article 7 of same Procedure.
- (k) The CEO provides complete disclosure on at least a quarterly basis to the Board of Directors and Board of Statutory Auditors on the performance of Related Party Transactions.

5.3 The provisions of this article do not apply to individual transactions finalised by way of implementation of a framework resolution as per article 8 below. Related-Party Transactions finalised by way of implementation of a framework resolution forming the subject matter of a disclosure document published pursuant to paragraph 8.4 below are not taken into account for the purposes of the accumulation provided for by paragraph 6.2 below.

6 DISCLOSURE TRANSPARENCY

- 6.1 If More Material Transactions are to be carried out also by Italian or foreign subsidiaries, the Issuer prepares a disclosure document, drafted and published in compliance with regulatory provisions in force from time to time (the “**Disclosure Document**”).
- 6.2 The Company prepares the aforementioned Disclosure Document also when, during the year, it concludes, with a Related Party or with persons closely associated with the latter or with the Company, certain transactions that are similar in nature or carried out in execution of a single plan which, though not qualifying individually as More Material Transactions, if considered cumulatively, exceed the relevance thresholds provided for in regulations in force as at the date of the last transaction considered. Transactions carried out by Italian or foreign subsidiaries are also valid for this purpose, without considering transactions excluded pursuant to article 9 below or those provided for in framework agreements previously disclosed pursuant to paragraph 8.4.
- 6.3 Subsidiaries must promptly provide the Issuer with all information necessary for the drawing up of the Disclosure Document. Executive bodies of LU-VE shall ensure that adequate and

timely instructions are given to the subsidiaries and, in particular, shall transmit this Procedure pursuant to paragraph 13.5 below so as to ensure its accurate compliance also at group level.

- 6.4 The Disclosure Document, together with additional relevant documents, is made available to the public by the deadlines and via the methods indicated in current regulations.
- 6.5 As an attachment to the Disclosure Document or on its website, the Company publicly discloses any opinions of the Independents Committee (or the equivalent supervisory bodies) and the Independent Experts which said committee (or the equivalent supervisory bodies) have possibly availed themselves of or the Board of Directors, or at least the essential elements of any of the afore-mentioned Independent Expert opinions, in compliance with regulatory provisions in force from time to time.
- 6.6 Without prejudice to the cases of exemption, if the More Material Transaction also constitutes a material extraordinary transaction in relation to which the regulations in force require the preparation of a disclosure document (such as, at present, merger, demerger, capital increase by conferral in kind, acquisition or disposal), the Company may prepare and publish a single disclosure document containing all the information required by the legislation applicable from time to time. In this case, the document shall be made available to the general public, care of the headquarters and in the manner indicated by legislation in force from time to time, within the shortest period of time provided for by each of the applicable regulations. If the Company publishes the information as per this paragraph in separate documents, it can include the information already published by means of reference.
- 6.7 In application of current regulations, the following must be disclosed in the interim and annual Directors' Reports of the Issuer:
 - individual More Material Transactions completed in the reporting period;
 - additional individual Related Party Transactions concluded in the reporting period that have in any event had a material impact on the Company's financial position or results;
 - any change or developments in related party transactions described in the latest annual report that have had a material effect on the financial position or results of the Company in the reporting period.

Information on the individual More Material Transactions can be provided by simple reference to the Disclosure Documents already published, indicating any material updates.

7 "PRICE SENSITIVE" TRANSACTIONS WITH RELATED PARTIES

- 7.1 Transactions with Related Parties whose nature is deemed price sensitive pursuant to article 7 of the MAR Regulation are subject to the obligations provided for by article 17 of the MAR Regulation, regardless of their importance or exemption from the application of this Procedure.
- 7.2 In accordance with the matters defined in article 6 of the Related Party Regulations, if a Related Party Transaction is disclosed by means of a press release pursuant to article 17 of the MAR Regulation, the latter shall contain, in addition to the other information to be published pursuant to the aforementioned provision, at least the following information:
 - the description of the transaction;

- indication that the counterparty of the transaction is a Related Party and the description of the nature of the correlation;
- the name or business name of the counterparty to the transaction;
- whether or not the transaction exceeds the significance thresholds referred to in the definition of “*More Material Transactions*” contained in paragraph 1.3 above and an indication of whether or not the Disclosure Document referred to in paragraph 6.1 above will be published subsequently;
- the procedure that has been or will be followed for the approval of the transaction and, in particular, whether the Company has availed itself of a case of exemption as provided for by article 9 below;
- the possible approval of the transaction notwithstanding the contrary opinion of the committee called to express its opinion on the transaction pursuant to this Procedure.

8 FRAMEWORK AGREEMENTS

- 8.1 In compliance with the principles and the procedural processes referred to in articles 4 and 5 above, “framework agreements” can be adopted for a series of similar transactions with the same Related Parties or specific categories of Related Parties.
- 8.2 The framework agreements have a maximum one-year duration from the time of adoption and indicate, with sufficient certainty, the transactions covered by the agreements, recording the expected maximum total of transactions to be carried out as well as all information relevant to the case.
- 8.3 The appointed bodies provide a complete report on at least a quarterly basis to the Board of Directors and Board of Statutory Auditors on the implementation of framework agreements.
- 8.4 Where the framework agreements provide for a maximum total of transactions completed that are expected to exceed the thresholds for More Material Transactions, the Company publishes the disclosure document referred to in paragraph 6.1 above and, in this case, the transactions are not included in the aggregate calculation indicated in paragraph 6.2.

9 EXCLUSIONS AND EXCEPTIONS

- 9.1 The provisions of this Procedure do not apply to:
- (a) Less Material Transactions, as identified in paragraph 9.2 below;
 - (b) Shareholders’ Meeting resolutions relating to the remuneration of members of the Board of Directors and any executive committee, pursuant to article 2389, paragraph 1, of the Italian Civil Code, and to members of the Board of Statutory Auditors, as well as resolutions on the remuneration of Directors holding particular office and covered by the total amount previously decided by the Shareholders’ Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code;
 - (c) resolutions, other than those indicated in letter (b) above, on the remuneration of Directors appointed to particular duties and other Key Management Personnel, provided

that - without prejudice to the periodic disclosure obligations provided for by paragraph 6.7 above - the following conditions are observed:

- the Company has adopted a remuneration policy approved by the shareholders' Meeting;
 - a committee composed exclusively by Non-Executive Directors, the majority of whom are Independent Directors, was involved in defining the remuneration policy;
 - the remuneration assigned is identified in accordance with that policy and quantified on the basis of criteria that do not involve discretionary assessments;
- (d) to the transactions resolved by the Company and addressing all the shareholders conditions being equal, including therein:
- rights issues, including those servicing convertible bond issues, and scrip issues pursuant to article 2442 of the Italian Civil Code;
 - the spin-off in a strict sense, total or partial, with criteria for proportional allocation of shares;
 - capital reductions by means of reimbursement to shareholders provided for by article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to article 132 of the Consolidated Law on Finance;
- (e) share-based payment plans approved by the Shareholders' Meeting pursuant to article 114-*bis* of the Consolidated Law on Finance and related transactions implementing such plans, without prejudice to the periodic disclosure obligations provided for by paragraph 6.7 above;
- (f) transactions with or between subsidiaries, individually or jointly, as well as transactions with associates provided that other Related Parties of the Company do not have a significant interest in the subsidiaries or associates that are counterparties to the transaction, without prejudice to the disclosure obligations provided for by paragraph 6.7 above.

The following are not considered significant interests: (i) those deriving from the mere sharing of one or more directors or other Key Management Personnel between the Issuer and its subsidiaries or associates; and (ii) the adoption of a tax consolidation in which other Related Parties are participants, if such transactions are carried out on equal and reciprocal terms.

For example, significant interests are presumed to exist when:

- (i) the Related Party - other than a subsidiary or an associated company of LU-VE - holds an interest equal to or higher than 20% of the capital of the subsidiary or associated company;
- (ii) the Related Party - other than a subsidiary or associate of LU-VE - in any event has the right to distribution of profits to an extent equal to or greater than 20% in the subsidiary or associate. If, however, the Related Party holds an equity interest or other financial instruments of the Issuer, the interest will be significant only if the

“weight” of the investment or interest in the subsidiary or associate is proportionately higher than the interest in the Issuer;

(iii) the remuneration of the Related Party is significantly linked to the financial results of the individual subsidiary or associate;

(g) to Ordinary Transactions concluded under Market-equivalent or Standard Conditions, without prejudice to compliance with the disclosure obligations indicated in paragraph 6.7. In such cases, if referring to More Material Transactions and one departs from the publication obligations as per paragraph 6.1 and 6.6 above, without prejudice to the disclosure obligations pursuant to article 17 of the Regulation (EU) 596/2014 and to paragraph 6.7 above, the Company will notify Consob, by the methods and deadlines indicated in current regulations, of the counterparty, subject matter and amount of the transactions benefiting from exclusion, as well as the reasons why it is deemed that the Ordinary Transaction is finalised at Market-equivalent or Standard Conditions, providing objective elements of proof, and in the reports referred to in paragraph 6.7 will specify the transactions concluded in adoption of that exclusion. The aforesaid disclosure shall be submitted in advance to the Independents Committee prior to the completion of the transaction in order to allow the Committee to verify the correct application of the conditions for exemption of the transaction and to express its opinion on the matter in due time so as to make decisions on the transaction.

9.2 To identify Transactions of Negligible Amount, reference should be made to the significance criteria established in Annex 3 to the Regulation on Related Party Transactions, to which the absolute thresholds indicated below are applied:

(a) significance threshold of countervalue: Transactions of Negligible Amount are those whose countervalue is alone less than Euro 100,000.00 (one hundred thousand) if the Related Party is a natural person, and Euro 250,000.00 (two hundred and fifty thousand) if the Related Party is an Entity;

(b) significance threshold of assets: Transactions of Negligible Amount are those in which the assets of the entity involved in the transaction are individually less than Euro 250,000.00 (two hundred and fifty thousand/00);

(c) significance threshold of liabilities: Transactions of Negligible Amount are those in which the total liabilities of the company or business unit purchased are individually less than Euro 250,000.00 (two hundred and fifty thousand/00)

When Less Material Transactions are identified, the indications in Annex 3 to the Regulation on Related Party Transactions will be complied with to the extent they are compatible.

If more than one of the above-listed ratios applies to the transaction, the transaction is deemed minor provided that all applicable ratios are below the thresholds established above.

9.3 The delegated bodies, supported by the Legal and Corporate Affairs Department, take steps at least once a year to forward to the Independents Committee disclosure on the application of

the cases of exemption as per this article 9 with reference at least to the More Material Transactions.

10 TRANSACTIONS TO BE CONCLUDED IN CASES OF URGENCY

10.1 Without prejudice to all the disclosure obligations provided for by the regulatory provisions in force, including those set out in article 17 of the MAR Regulation as well as to the fact that the Board of Directors retains the power to resolve on the More Material Transaction, a Related Party Transaction - whether of more or less significance - when it does not fall within the competence of the Shareholders' Meeting and does not have to be authorised by the latter, subject to and within the limits of specific provisions of the Articles of Association, in the case of urgency it may be concluded by way of departure to articles 4 and 5 of this Procedure, provided that all the following conditions are met:

- (a) if the transaction falls within the competence of the CEO, the Chairman of the Board of Directors must be informed of the reasons for urgency before the transaction is carried out;
- (b) if the transaction is under the responsibility of the Board of Directors, depending on the relevant responsibility the Control and Risk Committee or the Independents Committee must be informed of the reasons for urgency prior to calling the Board of Directors meeting expected to resolve upon the Related Party Transaction;
- (c) without prejudice to its effectiveness, the transaction must then be subject to a non-binding resolution of the first available Shareholders' Meeting;
- (d) for the Shareholders' Meeting referred to in letter (c), the Board of Directors must prepare a report on the reasons for urgency, and the Board of Statutory Auditors must produce a written report of its own assessments on the grounds for urgency. These reports and assessments are disclosed to the public by the methods and deadlines provided for in current regulatory provisions;
- (e) by the end of the day after the Shareholders' Meeting, the Company must arrange public disclosure of information regarding the outcome of the vote, using the methods provided for in current regulatory provisions.

11 TRANSACTIONS WITHIN THE COMPETENCE OF THE SHAREHOLDERS' MEETING

11.1 Without prejudice to all disclosure obligations provided for by provisions of applicable regulations, including the provisions of the MAR Regulation, when by law or by the Articles of Association a Less Material Transaction falls within the competence of the Shareholders' Meeting or must be authorised by the same, at the initial investigation stage and that of approval of the resolution proposal for submission to the Shareholders' Meeting, the procedure provided for by article 4 applies to the extent it may be compatible and, consequently, the Control and Risk Committee (or the Remuneration and Appointments

Committee, if the RPT falls under its responsibility) expresses its non-binding opinion on the proposal that the Board intends to submit to the Shareholders' Meeting.

- 11.2 When by law or by the Articles of Association, a More Material Transaction is the responsibility of the Shareholders' Meeting or needs to be authorised by such a Meeting, at the initial investigation stage and that of approval of the resolution proposal for submission to the Shareholders' Meeting, the procedure provided for by article 5 of this Procedure applies to the extent it may be compatible and, consequently, the Independents Committee expresses its binding opinion on the proposal that the Board intends to submit to the Shareholders' Meeting.
- 11.3 If the resolution proposal concerning a More Material Transaction for submission to the Shareholders' Meeting is approved, despite a negative opinion from the Independent Directors, the Board of Directors can in any event submit the resolution proposal to the Shareholders' Meeting but its effectiveness and/or enforcement must be subordinated not only to majority approval of the Shareholders' Meeting as required by law and the Articles of Association, but also by the majority of Non-related Shareholders voting at the Shareholders' Meeting. This condition will apply provided that Non-related Shareholders with voting rights attending the Shareholders' Meeting represent at least 10% of the share capital.
- 11.4 Subject to and within the limits of specific statutory provisions, in a case of urgency associated with a company crisis situation, Related Party Transactions can be carried out as an exception to the provisions of paragraphs 11.1, 11.2 and 11.2 above, provided they comply with the provisions of article 11, paragraph 5 of the Related Party Regulations or other applicable regulations.

12 TRANSACTIONS CARRIED OUT BY SUBSIDIARIES

- 12.1 In accordance with the paragraph 13.5 below, the CEO of LU-VE submits this Procedure to the CEOs of the direct and indirect subsidiaries (Italian and foreign), together with the list of its Related Parties taken from the Related Parties Register, updated at 30 June and 31 December each year and in any event each time the register is amended.
- 12.2 When a Related Party Transaction is carried out by a subsidiary in accordance with article 2359 of the Italian Civil Code, the following rules are observed.
- (a) Related Party Transactions carried out by subsidiaries are included among those subject to the disclosure obligations set out in article 5 of the Related Party Regulations and article 6 of this Procedure.
 - (b) When the Related Party Transaction carried out by the subsidiary (Italian or foreign) is a More Material Transaction and does not fall within the cases of exclusion provided for by article 9 above, the directors of the subsidiary shall submit it in advance for examination to the Board of Directors of LU-VE, which shall examine it after receiving the justified and binding opinion of the Independents Committee of LU-VE. The principles laid down in article 5 of this Procedure shall apply, insofar as applicable.
 - (c) When the Related Party Transaction carried out by the subsidiary is a Less Material Transaction and does not fall within the cases of exclusion provided for by article 9 above, the directors of the subsidiary shall submit it in advance for examination to the CEO of LU-VE or the Board of Directors of the same, in observance of the related responsibilities,

as well as to the Control and Risk Committee, which will issue a non-binding opinion. The principles listed in article 4 of this Procedure shall apply, insofar as applicable.

- (d) The rules provided for by articles 8 and 9 of this Procedure shall also apply to Related Party Transactions carried out through subsidiaries, insofar as applicable.
- (e) In cases of urgency, transactions may also be concluded by way of departure from the rules provided for by this article provided that (i) the Chairman of the Board of Directors and/or executive bodies of LU-VE, as well as the Chairman of the Independents Committee and/or of the Control and Risk Committee, according to their respective responsibilities, and the Chairman of the Board of Statutory Auditors, are promptly informed of the conditions of urgency and, in any case, before the transaction is carried out; (ii) the reasons for urgency are illustrated to the Board of Directors of LU-VE, at a meeting following conclusion of the transaction.

13 APPROVAL, EFFECTIVENESS AND PUBLICATION OF THE PROCEDURE

- 13.1 This Procedure - adopted by the Board of Directors of LU-VE during the meeting held on 3 May 2017 - was last updated on 29 June 2021, following a favourable opinion expressed by the Independent Directors, for the purpose of adapting the provisions to the Regulation on Related Party Transactions.
- 13.2 Each additional subsequent amendment made to the Procedure must be approved by the Board of Directors, subject to a favourable opinion of the Independents Committee or, failing which, an opinion in favour from the Independent Directors present within the Board of Directors or, if none, subject to a non-binding opinion from an Independent Expert.
- 13.3 Notwithstanding the provisions of paragraph 13.2 above, any regulatory changes that may be made to the International Accounting Standards in relation to the definitions contained in the Appendix attached to this Procedure may be incorporated in the same by the Legal and Corporate Affairs Department, subject to verification of correspondence between the regulatory changes made to the International Accounting Standards and those proposed in the Appendix by the Independents Committee, which shall inform the Board of Directors at the first useful meeting.
- 13.4 The Board of Statutory Auditors monitors compliance of the adopted Procedure with the current legal and regulatory principles on dealings with Related Parties, also monitoring their implementation, and reports accordingly to the Shareholders' Meeting.
- 13.5 Without prejudice to compliance with current rules on the transparency and disclosure of Related Party Transactions, the provisions of this Procedure governing the approval process for the RPTs are applied as of 1 July 2021. Any subsequent amendments and/or additions shall apply from the day indicated by the Board of Directors in the approval resolution. The CEO of LU-VE forwards this Procedure to the direct and indirect subsidiaries (Italian and foreign)

pursuant to article 2359 of the Italian Civil Code, for their examination and - to the extent of their responsibilities - their compliance.

- 13.6 The Board of Directors periodically assesses, and whenever necessary, whether to revise this Procedure, taking into account any regulatory changes and changes in the Company's ownership structure, and in any case at least every three years.
- 13.7 This Procedure and related amendments are published without delay on the Issuer's *website*, without prejudice to the obligation to disclose it, also by referring to the web site, in the Company's annual Directors' Report in observance of the matters laid down by article 2391-*bis* of the Italian Civil Code.
- 13.8 For all matters not provided for in this Procedure, applicable laws and regulations will apply.

APPENDIX

Definitions of Related Parties and Related Party Transactions and definitions functional for the same in accordance with the International Accounting Standards in force as of 29 June 2021

1. RELATED PARTIES

A related party is a natural person or an Entity which is related to the Entity which draws up the financial statements (i.e. LU-VE S.p.A.). The following are related parties of LU-VE, in accordance with IAS 24, paragraph 9 (*“Related party disclosures”*):

- (a) a person or a “Close Relative” of that person if that person
 - (i) has “Control” or “Joint Control” over LU-VE; or
 - (ii) has “Significant Influence” over LU-VE; or
 - (iii) is a “Key Manager” of LU-VE or of its parent company;
- (b) an Entity if any of the following conditions applies:
 - (i) the Entity and LU-VE are members of the same group (which means that each parent, subsidiary and Group company is related to the others);
 - (ii) the Entity is an “Associated Company” of LU-VE;
 - (iii) the Entity is a “Joint Venture” in which LU-VE is a participant;
 - (iv) the Entity is an “Associated Company” or “Joint Venture” belonging to the group LU-VE belongs to;
 - (v) the Entity and LU-VE are “Joint Ventures” of the same third party;
 - (vi) the Entity is a “Joint Venture” of a third Entity and LU-VE is an “Associated Company” of the third Entity or vice versa;
 - (vii) the entity is a post-employment defined benefit plan for the benefit of employees of LU-VE or an Entity related to it;
 - (viii) the entity is controlled or jointly controlled by a person identified in (a);
 - (ix) a person identified in (a)(i) has significant influence over the Entity or is one of the “Key Management Personnel” of the Entity (or of its parent company);
 - (x) the entity, or any member of a group of which it is a part, provides key management services to LU-VE or to its parent company.

2. RELATED PARTY TRANSACTIONS

According to IAS 24, paragraph 9 (*“Related Party Disclosures”*), a «*related party transaction is a transfer of resources, services or obligations between an entity and a related party, regardless of whether a price is charged*».

These transactions include:

- merger transactions, spin-off by incorporation or strictly non-proportional spin-off, if carried out with related parties;

- the decisions relating to the allocation of wages and economic benefits, in whatever form, for members of the administrative and control bodies and key managers.

3. FUNCTIONAL DEFINITIONS TO THOSE OF “RELATED PARTIES” AND “RELATED PARTY TRANSACTIONS” ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARDS

3.1. “Control” – “Joint Control” – “Significant Influence”

Pursuant to IAS 24, paragraph 9 (“*Related party disclosures*”), the terms “*control*”, “*joint control*” and “*significant influence*” are defined in IFRS 10 (“*Consolidated Financial Statements*”), IFRS 11 (“*Joint arrangements*”) and IAS 28 (“*Investments in associates and joint ventures*”) and are used in said IAS 24 with the meanings specified in said IFRS.

3.1.1.– “Control”

In accordance with IFRS 10 (“*Consolidated Financial Statements*”) «*an investor controls an entity subject to investment when it is exposed or has rights to variable returns, deriving from its relationship with the same and at the same time has the ability to affect those returns through power over said entity.*

Therefore, an investor controls an investee if and only if the investor has all of the following elements:

(a) power over the investee (the investor has power over an investee when it holds valid rights that give it the effective ability to direct the relevant activities, or rather the activities that significantly affect the investee’s returns);

(b) exposure, or rights, to variable returns from its relationship with the investee; and

(c) the ability to use its power over the investee to affect the amount of its returns.

In determining whether it controls an investee, an investor must consider all facts and circumstances. The investor must once again reassess whether it controls an investee if facts and circumstances indicate changes in one or more of the three elements of control listed in paragraph 7 (see points B80-B85).

*Two or more investors jointly control an investee when they must operate together to carry out the relevant activities. In such cases, since no investor can carry out the activities without the involvement of the others, no investor individually controls the investee. Each investor should account for its interest in the investee in accordance with pertinent IFRSs, such as IFRS 11 *Joint Arrangements*, IAS 28 *Investments in Associates and Joint Ventures* or IFRS 9 *Financial Instruments*».*

3.1.2. – “Joint Control”

In accordance with IFRS 11 (“*Joint Arrangements*”) «*joint control is the sharing, on a contractual basis, of control over an agreement, which exists only when the unanimous consent of all parties sharing control is required for decisions relating to the relevant activities*».

3.1.3.– “Significant Influence”

In accordance with IAS 28 (“*Investments in Associates and Joint Ventures*”), «*significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.*

If an entity owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated otherwise. Conversely, if an entity owns, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. Even if another entity has the absolute or relative majority, this does not necessarily preclude an entity having significant influence.

The existence of significant influence by a entity is only indicated by the occurrence of one or more of the following circumstances: (a) representation on the board of directors or equivalent governing body of the investee; (b) participation in the decision-making process, including participation in decisions about dividends or other distribution of profits; (c) the presence of significant transactions between the investor and the investee; (d) exchange of managerial personnel; (e) the provision of essential technical information».

3.2. “Key management personnel”

Pursuant to IAS 24, paragraph 9 (“Related party transaction disclosures”) «Key management personnel are those persons who have the power and responsibility, directly and indirectly, for planning, directing and controlling activities of the entity, including directors (whether executive or otherwise) of said entity».

By means of communication No. DEM/10078683 dated 24 September 2010, Consob also specified that «the category “key management personnel” also includes the effective members of the control bodies».

The Key Management Personnel of LU-VE Group, other than members of the Board of Directors (executive and non-executive) and acting members of the Board of Statutory Auditors, shall be identified by said Board of Directors.

3.3. “Close Relatives”

According to IAS 24, paragraph 9 (“Related Party Disclosures”) «Close family members of a person are those family members who are expected to influence, or be influenced by, that person in their dealings with the entity including, (a) that person’s children and spouse or domestic partner; (b) children of that person’s spouse or domestic partner; (c) dependants of that person or spouse or domestic partner».

3.4. “Associate”

According to IAS 28, paragraph 3 (“Investments in Associates and Joint ventures”) «an associate is an entity over which an investor has significant influence».

In accordance with IAS 24, paragraph 12 (“Related Party Transaction Disclosures”), «in the definition of related party, an associated company includes the subsidiaries of the same associated company (...). Therefore, for example, a subsidiary of an associated company and the investor which has significant influence over the associated company are associates».

3.5. “Joint Venture”

According to IAS 28, paragraph 3 (“Investments in Associates and Joint ventures”) «a joint venture is a joint agreement on an entity on the basis of which the parties that have joint control have rights to the net assets of said entity»; the same paragraph 3 of IAS 28 also specifies that «a joint agreement is an agreement on the basis of which two or more parties have joint control of the economic activities covered by the agreement» and that «the joint control is the sharing, as established via agreement, of the control of an economic activity, which exists solely when

for the decisions relating to these activities the unanimous consent of all the parties which share the control is required».

In accordance with IAS 24, paragraph 12 (“Related Party Disclosures”), «in the definition of related party (...) a joint venture includes the subsidiaries of the joint venture».

4. PRINCIPLES OF INTERPRETATION OF THE DEFINITIONS

In accordance with IAS 24, paragraph 10 (“Related Party Transaction Disclosures”), «in considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form.