

PROCEDURE GOVERNING RELATED- PARTY TRANSACTIONS

(pursuant to Article 2391-bis of the Italian Civil Code, Article 4 of Consob Regulation No. 17221 of March 12, 2010, as amended by Resolution No. 17389 of June 23, 2010, Consob Communication No. 78683 of September 24, 2010 and the Corporate Governance Code of Borsa Italiana S.p.A.)

General Regulation No. 79 / 2010
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TABLE OF REVISIONS

REV. No.	DATE	DESCRIPTION OF THE GENERAL REGULATION
1	06-07/2012	Elimination attached 1.bis
2	03/2013	Addition of new exemptions to Section 16.3.
3	11/2014	Procedure revision/update

1. INTRODUCTION

The Consob, in implementation of the requirements of Article 2391-*bis* of the Italian Civil Code, issued Regulations setting forth provisions concerning related-party transactions,¹ the purpose of which is to ensure the transparency and the substantive and procedural fairness of transactions executed by publicly traded companies, directly and through their subsidiaries, with parties in a position of exercising “influence” over it (including, in addition to others, shareholders, Company Directors and their immediate family).

The abovementioned Regulations contain procedural provisions, i.e., rules that must be followed in the decision-making-process by the entities/parties with jurisdiction over the transaction (**substantive rules**), as well transparency requirements, i.e., disclosure requirements vis-à-vis the market that the Company must comply with when preparing accounting documents (**transparency rules**) concerning material transactions.

The Regulations classify transactions as follows:

- **transactions of inconsequential amount** (exempt from compliance with the Regulations);
- **intercompany transactions, regular transactions and urgent transactions** (to which, under certain conditions, the substantive rules are not applicable, but for which compliance with certain disclosure rules is required);
- **less material transactions** (to which the less complex general rules of the Regulations are applicable);
- **highly material transactions** (to which the more stringent special rules are applicable).

The Regulations also require that the Board of Directors of each publicly trade company adopt “internal procedures” to regulated in detail a series of issues and choose among the options provided by the Regulations for items left to a company’s discretion.

To satisfy this requirement, the Company produced this General Regulation, which defines procedures that, taking into account the specific organization and governance of the Edison Group, are suitable for the purpose of integrating and completing the rules set forth in the Consob Regulations. The Company’s Board of Directors, acting further to a favorable opinion issued by a special committee of Directors comprised exclusively of Independent Directors, approved this Procedure.

The main aspects of the relevant rules are reviewed below.

¹Adopted with Resolution No. 17221 of March 12, 2010, as amended by Resolution No. 17389 of June 23, 2010 and interpreted by Consob Communication No. 78683 of September 24, 2010.
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Decision-making Process (Substantive Rules)

It applies primarily to Highly Material Transactions and Less Material Transactions.

The following is required to ensure that these transactions are substantively fair:

- An information gathering phase designed to determine whether the requirements of the Regulations and this Procedure are applicable.
- Limited to Highly Material Transactions, exclusive decision-making jurisdiction by the Board of Directors.
- Establishment of a standing committee, comprised exclusively of non-executive, independent Directors who do not qualify as related parties, which will be required to issue a factual opinion stating whether a transaction is in the Company's interest and if the transaction's terms and conditions are beneficial and substantively fair. The abovementioned opinion shall be binding for Highly Material Transactions and non-binding for Less Material Transactions. A negative opinion rendered with regard to a Highly Material Transactions prevents the transaction's implementation.
- The establishment of special alternative, equivalent oversight entities, activated when needed, in individual cases in which Independent Directors who are members of the Committee of Independent Directors qualify as related parties with regard to the transaction.
- The Operating Rules of the Committee of Independent Directors.
- A complete and prompt flow of information concerning the transaction's characteristics, provided to the corporate governance body or party qualified to adopt resolutions or make a decisions and to the abovementioned Committee.²
- Limited to Highly Material Transactions, involvement in the transaction's negotiations by the Committee of Independent Directors,³ which must be provided with an extensive and timely flow of information and has the right to request further clarifications.
- The right of the Committee of Independent Directors⁴ to use Independent Experts, with cost limits for Less Material Transactions and without cost limits for Highly Material Transactions.
- The requirement that the minutes of the deliberations or the decisions setting forth approvals of Highly Material or Less Material Transaction include an adequate explanation as to why a transaction is in the Company's interest and whether its terms and conditions are beneficial and substantively fair.

² Or the Alternative, Equivalent Oversight Entity, as established on each occasion pursuant to Section 10.2, if required.

³ See Note 2.

⁴ See Note 2.

- The requirement that the minutes of the deliberations or the decisions setting forth approvals of Regular Transactions or Intercompany Transactions, include evidence proving, respectively, that the transaction qualifies as ordinary and that the relevant related party does not have a material interest in the transaction.
- Special rules for Urgent Transactions and for Transactions Executed Through Subsidiaries.

Disclosure Requirements/Reporting Process (Transparency Rules)

The following is required in order to provide the market and the Company’s governance bodies with accurate information:

- For highly material and less material transactions, an adequate flow of information about the implementation of the abovementioned transactions provided to Directors and Statutory Auditors at least once every three months.
- For highly material transactions, the rules governing price sensitive information notwithstanding, the publication, within the statutory deadline, of ~~a special~~ **an** information memorandum describing, in addition to other items, the characteristics of the transaction, the Company’s economic justification for executing the transaction and the method used to determine the transaction’s consideration.
- For less material transactions, the rules governing price sensitive information notwithstanding, the release to the public, at least once every three months, of an information memorandum concerning transactions approved despite a negative opinion by the Committee of Independent Directors, with the concurrent publication of the negative opinions.
- The inclusion in the interim report on operations and the annual report on operations of a section reserved for Related-party Transactions, in which specific information is provided with regard to Highly Material Related-party Transactions and any other Related-party Transaction with a material effect on the Company’s balance sheet or income statement.

2. DEFINITIONS

ACCOUNTING CONTROL MODEL 262	The Model adopted by the COMPANY pursuant to law No. 262 of December 28, 2005.
ALTERNATIVE, EQUIVALENT OVERSIGHT ENTITIES	Oversight bodies activated by the COMPANY as required on each occasion, in the order set forth in this PROCEDURE , when there is an insufficient number or a lack of INDEPENDENT DIRECTORS WHO ARE NOT RELATED PARTIES in those instances in which, pursuant to this PROCEDURE , INDEPENDENT DIRECTORS WHO ARE NOT RELATED PARTIES are required to issue an opinion or must be involved in a TRANSACTION’S information gathering and negotiation phases.

COMMITTEE	The Committee occasionally established as an ALTERNATIVE, EQUIVALENT OVERSIGHT ENTITY , comprised of three NON-EXECUTIVE INDEPENDENT DIRECTORS who are not members of the COMMITTEE OF INDEPENDENT DIRECTORS , if available, and governed by the OPERATING RULES (Annex 6 to the PROCEDURE).
COMMITTEE OF INDEPENDENT DIRECTORS	The special-purpose, standing Committee established by the Board of Directors, whose members, insofar as HIGHLY MATERIAL or LESS MATERIAL TRANSACTIONS are concerned, are exclusively NON-EXECUTIVE INDEPENDENT DIRECTORS , and, based on an assessment performed in accordance with this PROCEDURE for each individual TRANSACTION, NON-RELATED PARTIES . If three NON-EXECUTIVE INDEPENDENT DIRECTORS are available, the Committee shall be comprised of three members. This Committee, which has the jurisdictional authority and powers assigned by the Regulations to a committee comprised of Independent Directors, is governed by the OPERATING RULES (Annex 6 to the PROCEDURE).
COMPANY	Edison S.p.A.
CONSOB COMMUNICATION	Consob Communication No. DEM/10078683 of September 24, 2010.
CONTROL CHART	Document prepared on a monthly basis by the CORPORATE AFFAIRS FUNCTION listing the Group's subsidiaries and affiliated companies and made available on the COMPANY'S Intranet.
CORPORATE GOVERNANCE CODE	The Corporate Governance Code of Borsa Italiana S.p.A. adopted by the COMPANY .
DIRECTORS WHO ARE NOT RELATED PARTIES	Directors who are not the counterparty in a given TRANSACTION nor the counterparty's RELATED PARTIES .
DIVISION/DEPARTMENT/BUSINESS UNIT	A COMPANY Organizational Unit, as defined in the Group's Organization Chart, Organizational Regulations and, more in general, the COMPANY'S internal regulations, involved on each occasion in the implementation of a RELATED-PARTY TRANSACTION and which has jurisdiction with regard to the issues subject of this PROCEDURE .
HIGHLY MATERIAL TRANSACTIONS	RELATED-PARTY TRANSACTIONS in which at least one of the materiality indices referred to in Section 1.1 of Annex 3 to the REGULATIONS (Annex 3 to this PROCEDURE), as applicable depending on the specific transaction, exceeds the 5% threshold. The COMPANY has chosen not to set materiality thresholds lower than the level mentioned above for TRANSACTIONS that could have an impact on operating independence (e.g., disposal of intangible assets, such as trademarks or patents). A separate communication shall set forth the reference amounts for the computation of materiality thresholds. This communication, shall be updated periodically by the Corporate Affairs Department, with the support of the Accounting & Tax Department, subsequent to the publication of the periodic accounting documents (annual and semiannual financial reports and interim reports on operations) and shall be posted on the Company's Intranet.
INDEPENDENT DIRECTORS	Directors elected pursuant to Article 14 of the COMPANY Bylaws

	who are deemed to be independent pursuant to the CORPORATE GOVERNANCE CODE (which calls for independence requirements equal as a minimum to those of Article 148, Section 3 of the UNIFORM FINANCIAL CODE), who may or may not be members of the COMMITTEE OF INDEPENDENT DIRECTORS .
INDEPENDENT EXPERTS or EXPERTS	Experts outside the COMPANY who qualify as independent pursuant to Annex 4 to the REGULATIONS (Annex 4 to this PROCEDURE), who are recognized as highly professional and competent in their field, whose lack of a conflict of interest has been carefully assessed, and who may be asked to perform the tasks assigned to them pursuant to this PROCEDURE .
INFORMATION MEMORANDUM	The Memorandum referred to in Annex 4 to the REGULATIONS (Annex 4 to this PROCEDURE) made available to the public in connection with HIGHLY MATERIAL TRANSACTIONS executed by SUBSIDIARIES .
INTERCOMPANY TRANSACTIONS	TRANSACTIONS with or between Italian or foreign subsidiaries of the COMPANY , in accordance with Annex 1 to this PROCEDURE and TRANSACTIONS with or between Italian or foreign affiliated companies of the PARENT COMPANY , in accordance with Annex 1 to this PROCEDURE .
ISSUERS' REGULATIONS	The Regulations that implement Legislative decree No. 58 of February 24, 1998, adopted by the Consob with Resolution No. 11971 of May 14, 1999, as amended.
LESS MATERIAL TRANSACTIONS	RELATED-PARTY TRANSACTIONS other than HIGHLY MATERIAL TRANSACTIONS , REGULAR TRANSACTIONS , INTERCOMPANY TRANSACTIONS and TRANSACTIONS OF INCONSEQUENTIAL AMOUNT .
MATERIAL INTERESTS	Any interest of a financial nature, as measured by the COMPANY taking into account Section 21 ⁵ of the CONSOB COMMUNICATION (Annex 5 to this PROCEDURE), concerning a TRANSACTION capable of producing a financial benefit for a RELATED PARTY of the COMPANY as a result of a transaction with or between subsidiaries or affiliated companies, to which the special exemption provided under this PROCEDURE may not be applied.
MEMORANDUM	The Memorandum made available to the public pursuant to Article 7, Section 1, Letter g, of the REGULATIONS in connection with LESS MATERIAL TRANSACTIONS executed directly or through SUBSIDIARIES despite a negative opinion by the COMMITTEE OF INDEPENDENT DIRECTORS or the ALTERNATIVE, EQUIVALENT OVERSIGHT ENTITY , as activated when required.
NON-EXECUTIVE DIRECTORS	Directors who are not members of the Executive Committee, do not hold power of attorney and do not perform, even unofficially, functions concerning the management of the COMPANY .
OFFICER RESPONSIBLE FOR INFORMATION FLOWS AND THE REGISTER	The person designated by each Division/Department/Business Unit and by each SUBSIDIARY who, insofar as applicable, is responsible for providing the information flows and making entries in the REGISTER OF RELATED-PARTY TRANSACTIONS .

⁵ See footnote in Annex 5.
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OPERATING RULES	The rules adopted by the COMPANY’S Board of Directors that govern the activities of the COMMITTEE OF INDEPENDENT DIRECTORS and the COMMITTEE (Annex 6 to this PROCEDURE) .
PROCEDURE	This General Regulation, adopted pursuant to Article 4 of the REGULATIONS , as adopted from time to time.
PROCEDURE FOR THE MANAGEMENT OF INSIDER INFORMATION	The procedure adopted by the COMPANY concerning the “Internal Management and External Communication of “Insider Information.”
PROTOCOL TO MANAGE TRANSACTIONS WITH SIGNIFICANT PARTIES AND RELATED PARTIES	The Procedure adopted by the COMPANY to manage RELATED-PARTY TRANSACTIONS .
QUALIFIED CORPORATE GOVERNANCE BODY OR PARTY	The COMPANY’S governance body (Board of Directors, Chief Executive Officer or Shareholders’ Meeting) or Party (non-executive Director or Agent) who, on each occasion, is qualified to review, discuss or decide RELATED-PARTY TRANSACTIONS or, more in general, perform the tasks required pursuant to the REGULATIONS .
REGISTER OF RELATED-PARTY TRANSACTIONS or the REGISTER	A Register in which all TRANSACTIONS executed WITH RELATED PARTIES must be entered, specifying for each transaction: the counterparty, the type of transaction and the transaction amount (when determinable) and duration.
REGULAR TRANSACTIONS	TRANSACTIONS that are part of the regular exercise of the COMPANY’S operating activities or related financial activities and are executed on the same terms as those applied to non-related parties for transactions of a corresponding nature, size and risk, or based on regulated rates or mandatory prices, or those applied to parties with whom the COMPANY is required to do business for a predetermined consideration. The specific requirements and clarifications set forth in Section 3 of the CONSOB COMMUNICATION (Annex 5 to this PROCEDURE) must also be taken into account to determine whether a TRANSACTION qualifies as a REGULAR TRANSACTION .
RELATED-PARTY REGULATIONS or the REGULATIONS	The Consob Regulations setting forth provisions governing RELATED-PARTY TRANSACTIONS , adopted with Resolution No. 17221 of March 12, 2010, as amended.
RELATED PARTIES	a. Parties identified as such based on the principles and categories set forth in Annex 1 to this PROCEDURE .
RELATED-PARTY TRANSACTIONS or TRANSACTIONS	Any transfer of resources, services or obligations, irrespective of whether consideration is stipulated or not. In any case, this concept shall include the following: (i) merger, demerger by absorption or simple non-proportional demerger TRANSACTIONS , when executed with a RELATED PARTY ; (ii) all decisions concerning the awarding of compensation and economic benefits, under any guise, to COMPANY Directors, Statutory Auditors and, when identified, other executives with strategic responsibilities. For the purposes of this PROCEDURE , transactions addressed indistinctly to all shareholders on equal terms, such as capital increases through rights offerings for

	shareholders and simple proportional demerger TRANSACTIONS , shall not be treated as RELATED-PARTY TRANSACTIONS .
RELATED-PARTY TRANSACTIONS EXECUTED THROUGH SUBSIDIARIES	TRANSACTIONS WITH RELATED PARTIES of the COMPANY executed through SUBSIDIARIES , which must be reviewed or approved by the PARENT COMPANY .
RELATED-PARTY TRANSACTIONS OF SUBSIDIARIES	TRANSACTIONS executed by SUBSIDIARIES WITH RELATED PARTIES of the COMPANY .
RELEVANT REGULATORY PROVISIONS	The Regulatory Provisions concerning RELATED-PARTY TRANSACTIONS , as set forth in Article 2391- <i>bis</i> of the Italian Civil Code, the CONSOB REGULATIONS and COMMUNICATION and the CORPORATE GOVERNANCE CODE .
SHAREHOLDERS WHO ARE NOT RELATED PARTIES	Parties holding the right to vote who are neither the counterparty in a given TRANSACTION nor PARTIES RELATED either to the counterparty in a given transaction or to the COMPANY .
SUBSIDIARIES	Italian or foreign Subsidiaries of the COMPANY , in accordance with Article 2359 of the Italian Civil Code, except as set forth in the definition of INTERCOMPANY TRANSACTIONS .
TRANSACTIONS OF INCONSEQUENTIAL AMOUNT	RELATED-PARTY TRANSACTIONS defined and identified on the basis of the criteria set forth in Annex 2 to this PROCEDURE ;
UNIFORM FINANCIAL CODE (“TUF” IN ITALIAN)	Legislative Decree No. 58 of February 24, 1998, as amended.
URGENT TRANSACTIONS	RELATED-PARTY TRANSACTIONS that must be executed on an urgent basis for reasons other than a corporate crisis.

3. PURPOSE

3.1. The purpose of this Procedure is to define the rules, methods and principles applied to ensure the transparency and the substantive and procedural fairness of Related-party Transactions, irrespective of who may have deliberative or decision-making jurisdiction over Related-party Transactions executed directly by the Company or by and through Subsidiaries.

3.2. More specifically, this Procedure:

- Defines the Procedure’s scope of implementation, setting forth the criteria for the designation of Related Parties, identified based on Annex 1 to the Regulations.
- Lists the choices made by the Company with regard to the options provided under the Regulations and left to the Company’s discretion.

- Sets forth the rules and principles in accordance with which the Company reviews and approves Related-party Transactions, also addressing instances in which the Company reviews or approves Transactions executed by Subsidiaries.
 - Identifies the independence requirements of Company Directors, pursuant to and for the purposes of this Procedure.
 - Determines the methods and timing by which information about Related-Party transactions and the respective supporting documents must be supplied to the Committee of Independent Directors,⁶ when asked to render opinions with regard to Related-party Transactions, and to the Board of Directors and Board of Statutory Auditors, before the adoption of a resolution and during and after a Transaction's implementation.
- 3.3.** This procedure shall be forwarded, also by posting it on the Company website, by the Company's Corporate Affairs Department to the Company's Directors, Statutory Auditors and Executives with strategic responsibilities.
- 3.4.** This Procedure shall also be forwarded, also by posting it on the Company website, by the Company's Corporate Affairs Department to the relevant governance bodies of subsidiaries with securities that are publicly traded or widely held, so that they may become familiar with it, specifically with regard to the provisions of this Procedure concerning the identification of Related Parties, and, making any adjustments required by and consistent with their organization peculiarities, adopt their own procedures concerning Related-party Transactions, taking into account the principles and rules of this Procedure.
- 3.5.** In every case, this Procedure shall also be forwarded, also by posting it on the Company website, by the Company's Corporate Affairs Department to the relevant governance bodies of subsidiaries whose securities are neither publicly traded nor widely held, so that they may become familiar with it, specifically with regard to the provisions of this Procedure concerning the identification of Related Parties, and comply with the requirements of this Procedure that apply to them and their governance bodies and functions.
- 3.6.** Periodically and at least once every three years, the Company's Board of Directors, shall make a determination whether this Procedure should be revised, taking into account, among other factors, any changes that occurred in the Company's ownership base and the effectiveness shown by this Procedure in its practical use. The amendments to this Procedure shall be approved by the Board of Directors based on a favorable opinion

⁶ See Note 2.
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provided by the Committee of Independent Directors or, when less than three Independent Directors are in office, by the Independent Directors who are present or, if none is available, based on a non-binding opinion by an Independent Expert. The abovementioned opinion must be provided even when a decision is made not to revise the existing Procedure.

- 3.7.** The Board of Statutory Auditors ensures that this Procedure is consistent with the principles of the Related-party Regulations, monitors the implementation of this Procedure and reports its findings to the Shareholders' Meeting. To that effect, one or more Board members shall attend the meetings of the Committee of Independent Directors or of the Alternative, Equivalent Oversight Entity.

4. SCOPE OF IMPLEMENTATION

- 4.1.** The provisions of this Procedure apply to the Company and, insofar as issues specifically applicable and defined by this Procedure are concerned, to all Subsidiaries, consistent with the respective principles and rules set forth in the Procedure.

- 4.2.** The provisions of this Procedure apply to Related-party Transactions executed directly by the Company and to Related-party Transactions Executed Through Subsidiaries. Related-party Transactions Executed Through Subsidiaries, to which the special rules set forth in Section 15 below are applicable, shall be understood to be Transactions Executed Through Subsidiaries with Related Parties that were reviewed or approved by the Parent Company, consistent with the jurisdictional authority of the governance bodies of the individual Subsidiaries with regard to evaluation and decision making, pursuant to law and the Bylaws, including instances in which the review and approval processes are not carried out pursuant to internal regulations or are not reflected in an express resolution, a mere review and approval carried out by virtue of a power of attorney being sufficient. In instances in which the Company's review and approval refers to Transactions by publicly traded Subsidiaries, as defined above, the abovementioned Subsidiaries, upon final disposition of the Transaction, are required to abide by the rules set forth in the special procedures governing Related-party Transactions adopted by the Subsidiaries.

5. GOVERNANCE BODIES AND ORGANIZATIONAL UNITS AFFECTED BY THIS PROCEDURE

- 5.1.** The following corporate governance bodies or organizational units are affected by this Procedure:

- a) the Shareholders' Meeting;
- b) the Board of Directors;
- c) the Chief Executive Officer;
- d) the Board of Statutory Auditors;
- e) the Committee of Independent Directors or the Committee or the Alternative, Equivalent Oversight Entity, as established on each occasion, if required;
- f) the Accounting & Tax Department;
- g) the Divisions/Departments/Business Units;
- h) the Legal & Corporate Affairs Division;
- i) the Information & Communication Technology Department
- j) the Planning, Control & Corporate Credit Department;
- k) the Corporate Affairs Department of the Legal & Corporate Affairs Division;
- l) the Media Relations & Local Communities Function of the External Relations and Communications Department;
- m) the Corporate Governance Bodies of the Subsidiaries.

6. MAIN RESPONSIBILITIES OF THE ORGANIZATIONAL UNITS AFFECTED BY THIS PROCEDURE

6.1. The managers of each Division/Department and/or Business Unit and the Corporate Governance Bodies of the Subsidiaries shall be responsible for ensuring compliance with and the implementation of the rules defined and detailed in the following chapters and sections of this Procedure, and shall designate an Officer Responsible for Information Flows and the Register. More specifically, they shall ensure that:

- the Transaction's information gathering process is carried out correctly and completely, the required information flows are provided to the Corporate Governance Bodies, the Qualified Governance Parties and the Committee of Independent Directors, and the corresponding supporting documents concerning the Related-party Transactions listed in Sections 13 and 14 are preserved on file, acting with the support of the Corporate Affairs Department ~~Function~~, of any other relevant Functions of the Legal & Corporate Affairs Division and of the various organizational units of the Planning, Control & Corporate Credit Department;
- the register of Related-Party Transactions is kept up-to-date and data are entered into it, following completion of the information gathering and decision-making phases, and the required periodic reports are prepared and supplied to the Corporate Governance Bodies and the public, acting with the support of the Corporate Affairs Department and of any other relevant Functions of the Legal & Corporate Affairs Division;

- a certification is provided as to the correct handling of the abovementioned activities, in accordance with the requirements and methods set forth in the Accounting Control Model 262 (control matrices/periodic certifications);
- all of the documents produced for information gathering purposes, pursuant to Article 9 of the Procedure, for decision making purposes, pursuant to Article 11 of the Procedure, and for the purpose of providing quarterly reports to the Board of Directors and Board of Statutory Auditors on Related-party Transactions, pursuant to Article 17 of the Procedure, are preserved on file.

6.2. In connection with the approval of financial reports, the **Accounting & Tax Department** shall collect and organize, on an aggregate basis, the information flows received from Divisions/Department/Business Units with jurisdiction over Related-party Transactions in accordance and consistent with the requirements of the Accounting Control Model 262.

In addition, the Accounting & Tax Department shall support the Corporate Affairs Department in the following specific areas:

- the preparation of the Information Memorandum that must be published for Highly Material Transactions and, when applicable, for Less Material Transactions executed by the Company or its Subsidiaries;
- the periodic communication of the amounts that must be used as a reference for computing the materiality thresholds.

6.3. The **Information Technology Department**, with the support of the Corporate Affairs Department, shall define the IT architecture of the Register of Related-party Transactions, providing the necessary development, maintenance and compute support.

6.4. During a Transaction's information gathering phase, the **Planning, Control & Corporate Credit Department** shall be responsible, pursuant to Sections 9 and 13.2 of this Procedure, for verifying the objective benchmarks provided by the Divisions/Departments/Business Units involved in the Transaction to show that the Transaction's terms are consistent with market or standard terms and shall support the Divisions/Departments/ Business Units in entering data into the Register..

6.5 Specifically, the **Corporate Affairs Department** of the **Legal & Corporate Affairs Division** shall:

- provide the support needed to enable the Department/Business Units involved on each occasion to perform the activities that are part of the information gathering process, pursuant to Section 9 of this Procedure;

- inform the Committee of Independent Directors⁷ about the nature of the Transaction and handle the disclosure process designed to verify compliance with the independence requirements by the Committee members;⁸
- communicate to the Corporate Governance Body or the Qualified Governance Party the opinion rendered by the Committee of Independent Directors⁹ on the Transaction and prepare the report that, pursuant to Article 12.1 of the Procedure, must be provided to the Chairman of the Board of Directors in connection with Urgent Transactions, in the manner and in accordance with the conditions set forth in Article 11.1.1;
- provide the support needed to enable the Divisions/Department/Business Units involved in each occasion to prepare the periodic reports that must be provided to the Corporate Governance Bodies with regard to the implementation of Highly Material and/or Less Material Third-party Transactions;
- keeps on file the documents provided to the Committee of Independent Directors¹⁰ and the documents related to the resolutions of the Board of Directors pursuant to Section 11;
- working with the support of other Organizational Units of the Legal & Corporate Affairs Division and the Accounting and Tax Department, prepare the Information Memorandum referred to in Sections 17.1 and 17.2;
- working with the support of the Accounting and Tax Department, handle the periodic communication of the amounts that must be used as a reference for computing the materiality thresholds;
- assist, together with other relevant Functions within the Legal & Corporate Affairs Division, the Divisions/Departments/Business Units in updating and entering data into the Register of Relate-party Transactions and manages the Register.

In order to facilitate the handling of the specific responsibilities assigned within the framework of this Procedure, a special organizational unit called “Related Party Oversight Unit,” responsible for providing consulting assistance and support to the Divisions/Departments/Business Units and Subsidiaries with regard to Related-party Transactions, shall be established within the Legal & Corporate Affairs Division – Corporate Affairs Department..

6.6. The Media Relations & Local Communities Function of the External Relations and Communications Department handles the preparation of press releases for public

⁷ See Note 2.

⁸ Or the members of the Alternative, Equivalent Oversight Entity, as established on each occasion pursuant to Section 10 of this Procedure, if required.

⁹ See Note 2.

¹⁰ See Note 2.

dissemination regarding price sensitive Related-party Transactions, in collaboration with the Corporate Affairs Department, based on the information provided by the Divisions/Departments/Business Units involved.

7. IDENTIFICATION OF RELATED PARTIES

7.1 Considering that the Consob Regulations identify related parties in accordance with IAS 24, as in effect at March 2010 (date of approval of the Regulations), for the purposes of this Procedure, Related Parties are the parties identified as such based on the principles and categories set forth in Annex 1 to this Procedure.

8. EXCLUSIVE JURISDICTION

Without prejudice to the provisions of the Bylaws and the powers of attorney approved by the Board of Directors, the Board of Directors, acting further to a reasoned favorable opinion by the Committee of Independent Directors,¹¹ shall have exclusive jurisdiction over decisions concerning Highly Material Transactions. Should a Transaction involve one of the subject matters over which the Shareholders' Meeting has decision-making jurisdiction, the Board of Directors shall have exclusive jurisdiction over the drafting of the motion that will be submitted to the Shareholders' Meeting for approval.

9. GATHERING INFORMATION ABOUT TRANSACTIONS

9.1. During the initial stage of a Transaction's information gathering phase, including Transactions for which no consideration is stipulated, and as soon as possible compatibly with the specific characteristics of the different types of Transactions and the minimum required information available, the Division/Department/Business Unit involved, working with the support of the Corporate Affairs Department and any other Function of the Legal & Corporate Affairs Division, is required to:

- (i) determine:
 - whether the counterparty (or potential counterparties) meets (meet) the requirements for designation as a Related Party;

¹¹ Or the Alternative, Equivalent Oversight Entity referred to in Items (i) and (ii) of Section 10.2, as established on each occasion if required, or the prior factual opinion of the Independent Expert referred to in Item (iii) of the abovementioned Section 10.2, when activated as the Alternative, Equivalent Oversight Entity.
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- whether the Transaction qualifies for exclusion or total or partial exemption pursuant to this Procedure;
 - whether the Transaction qualifies as a Highly Material Transaction or a Less Material Transaction;
 - which provisions of the Regulations and of this Procedure are applicable to the Transaction;
 - the deliberative or decision-making jurisdiction determined based on the applicable provisions of laws, regulations and Bylaws, instances of exclusive jurisdiction by the Board of Directors set forth in this Procedure notwithstanding;
 - whether a Transaction is “price sensitive” and, therefore, whether the Procedure for the Management of Insider Information should be applied to the Transaction;
- (ii) activate the information gathering process with the aim of producing a report showing the following:
- information about the nature of the related-party relationship;
 - how the Transaction will be implemented;
 - the schedule and financial terms for the Transaction’s implementation (for Transactions involving continuous or periodic performance, if the overall consideration due for them has not been determined, the Division/Department/Business Unit shall produce an estimate based on the unit value of the services for the entire length of the contract or for one year), it being understood that, if the terms of the Transaction are found to be equivalent to market or standard terms, objective benchmarks, reviewed by the Planning, Control & Corporate Credit Department, must be provided;
 - the valuation process applied;
 - the underlying interests and motivations;
 - any risks for the Company and/or its Subsidiaries;

- (iii) preserve on file the supporting documents of the information gathering phase for each Related-party Transaction and, when a Transaction does not require an opinion by the Committee of Independent Directors,¹² send an information memorandum about the Transaction to the Qualified Corporate Governance Body or Party.

10. ESTABLISHMENT AND ACTIVITIES OF THE COMMITTEE OF INDEPENDENT DIRECTORS AND THE ALTERNATIVE, EQUIVALENT OVERSIGHT ENTITIES

10.1. A Committee of Independent Directors, the members of which shall be appointed by the Board of Directors for the full length of their term of office, shall be established to handle Highly Material and Less material Transactions, it being understood that the Alternative, Equivalent Oversight Entities shall be activated automatically on each occasion, in the order listed in Section 10.2. below, without the involvement of the Board of Directors, in the event of Transactions with regard to which members of the Committee of Independent Directors disclose that they qualify as a Related Party.

10.2 The following constitute Alternative, Equivalent Oversight Entities:

- (i) The remaining Independent Directors who are members of the Committee of Independent Directors, provided that at least two of them are Independent Director who are not Related Parties.
- (ii) The Independent Directors who are neither Related Parties nor members of the Committee of Independent Directors who may be present, provided that at least two or up to three Directors are available, taken from a list drawn up based on the Directors' seniority of service as a Company Independent Director or, alternatively, their age seniority. If three Independent Directors are available, the Committee shall than be empanelled.
- (iii) An Independent Expert appointed jointly by the Chairman of the Board of Directors and the Chief Executive Officer. If the abovementioned parties cannot reach an agreement, the Independent Expert shall be appointed by the Board of Statutory Auditors with a resolution adopted with the favorable vote of at least two Statutory Auditors.

¹² See Note 2.
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- 10.3.** The Committee of Independent Directors¹³ shall issue the opinion referred to in Section 11.2.1 and Section 11.3.1 below. For this purpose, it shall be provided with the information referred to in Section 10.6 below and, limited to Highly Material Transactions, shall participate, through the Corporate Affairs Department or other relevant Functions of the Legal & Corporate Affairs Division in the negotiations and the information gathering phase, in accordance with the provisions of Section 10.9 below.
- 10.4.** Once a Transaction is classified as a Highly Material or Less Material Transaction, the Division/Department/Business Unit involved, acting through the Corporate Affairs Department, shall promptly provide the members of the Committee of Independent Directors with the necessary information, enabling them to determine whether there are any personal related-party relationships with regard to a specific Related-party Transaction. If there is a related-party relationship, the Independent Director who is a Related Party, acting through the Corporate Affairs Department, shall promptly inform the other members of the Committee of Independent Directors, who, when the existence of the abovementioned related-party relationship is unclear, shall have jurisdiction over deciding this issue. The unanimous vote of all voting Directors is required to exclude the existence of a related-party relationship, but the Independent Director whose relationship is the reason for the voting being held shall not be allowed to cast a vote on each occasion. If none of the members of the Committee of Independent Directors qualify as a Director Who Is not a Related Party, the Chairman of the Committee of Independent Directors shall communicate this information to the Chief Executive Officer, who, upon receiving the communication disclosing the related-party relationships, shall activate the Alternative, Equivalent Oversight Entities, in the order they are listed in Items (ii) and (iii) of Section 10.2. If there is uncertainty about the existence of a related-party relationship affecting one of the member of the Alternative, Equivalent Oversight Entity, as activate on each occasion, the Chief Executive Officer, acting in concert with the Chairman of the Board of Directors, shall resolve this issue.
- 10.5.** Moreover, if an Independent Director, who is either a member of the Committee of Independent Directors or serves as an Alternative, Equivalent Oversight Entity, while qualifying as a non-related party nevertheless has a relationship with the counterparty that, in a specific Transaction, could undermine his/her independence vis-à-vis the counterparty, the disclosure requirements referred to in Section 10.4 above and the substitution mechanisms required for a related-party relationship pursuant to Section 10.2 above shall apply.

¹³ See Note 2.

- 10.6.** The Function or Division/Department/Business Unit involved in each case, acting through the Corporate Affairs Department and preserving on file documentary evidence of its actions, shall provide the Committee of Independent Directors¹⁴ with an adequate and complete written report of the Transaction, accompanied by the respective supporting documents, so that it may render its opinion in advance. In order to allow the Committee of Independent Directors¹⁵ to make an informed decision about the issues at hand, the affected Division/Department/Business Unit shall supply the abovementioned report without delay, as soon as it is available, the provisions of Section 11.1.2 below notwithstanding. Likewise, if a Transaction is reviewed by one of the internal committees of the Board of Directors, the Committee of Independent Directors shall be promptly informed of such a review by the Secretary of the committees in question.
- 10.7.** When a date for a meeting or a decision by the Qualified Governance Body or Party has already been set in connection with a Transaction, the Committee of Independent Directors¹⁶ shall receive the abovementioned documents at least 15 (fifteen) days before the date of the abovementioned meeting or decision, unless there are specific and justified reasons for urgent action. The Committee of Independent Directors¹⁷ shall review the documents supporting the abovementioned report in order to render an opinion and allow its transmission to the Qualified Governance Body within the deadline set forth in Section 11.1.2 below.
- 10.8.** The Committee of Independent Directors,¹⁸ through the Corporate Affairs Department, may request from the Division/Department/Business Unit involved on each occasion additional information to supplement those it already received.
- 10.9.** Only in connection with Highly Material Transactions, the Committee of Independent Directors (or one or more of its members),¹⁹ acting through the Corporate Affairs Department or another relevant Function of the Legal & Corporate Affairs Division, shall become involved in the Transaction's negotiation phase and information gathering phase, receiving on each occasion a complete and timely flow of information delivered without delay as soon as it becomes available by the Division/Department/Business Unit involved through the Corporate Affairs Department or another relevant Function of the Legal & Corporate Affairs Division,

¹⁴ See Note 2.

¹⁵ See Note 2.

¹⁶ See Note 2.

¹⁷ See Note 2.

¹⁸ See Note 2.

¹⁹ Or the Committee (or one or more of their members to whom they delegated this task) or, when an Alternative, Equivalent Oversight Entity is used, one or more of the Independent Directors Who Are Not Related Parties, if available, or the Independent Expert.

which shall preserve on file documentary evidence of its actions. More specifically, the reports containing the abovementioned information shall include details about the nature of the related-party relationship, how the Transaction will be implemented, the schedule and financial terms for the Transaction's implementation, the valuation process applied, the underlying interests and motivations and any risks for the Company and/or its Subsidiaries. With regard to the abovementioned reports, the Committee of Independent Directors (or one or more of its members to whom they delegated this task)²⁰ may request additional information and make recommendations to the delegated entities and the parties in charge of the negotiations and the information gathering process. In any case, the Committee of Independent Directors (or one or more of its members to whom they delegated this task)²¹ shall attend the meetings of the Board of Directors convened to review or deliberate about the Transaction.

- 10.10.** When dealing with Highly Material or Less Material Transactions, the Committee of Independent Directors²² may request the support of independent consultants of its choosing, retained at the Company's expense.
- 10.11.** In the case of Less Material Transactions, the costs and expenses entailed by the services provided by the consultants shall be borne by the Company for an amount of up to 350,000 euros per Transaction. This limit does not apply to Highly Material Transactions, but the costs incurred in connection with them shall never be patently unreasonable.
- 10.12.** The Committee of Independent Directors²³ shall issue its opinion about the Transaction to the Qualified Governance Body or Party early enough to allow it to develop adequate information about the Transaction, the provisions of Section 11.1.2 below notwithstanding.

11. REPORTING AND DECISION-MAKING PHASE

11.1. Highly Material or Less Material Transactions

11.1.1 The Qualified Corporate Governance Body or Party shall receive the following:

- (i) from the Division/Department/Business Unit involved on each occasion, through the conduit of the Corporate Affairs Department when the Board of Directors has decision-making jurisdiction, a written report, with the corresponding supporting documents, concerning the Transaction, with specific information about the nature of the related-party relationship, how the Transaction will be

²⁰ See Note 2.

²¹ See Note 19.

²² See Note 2.

²³ See Note 2.

implemented, the schedule and financial terms for the Transaction's implementation, the valuation process applied, the underlying interests and motivations and any risks for the Company and/or its Subsidiaries;

- (ii) from the Committee of Independent Directors,²⁴ through the conduit of the Corporate Affairs Department, an opinion about the transaction, together with any reports provided by independent consultants.

11.1.2. The Qualified Corporate Governance Body or Party must receive the abovementioned documents and opinions promptly and without delays, as soon as they become available. When a date for the meeting or the decision by the Qualified Corporate Governance Body or Party has already been set in connection with a Transaction, the abovementioned documents and opinions must be received at least 4 (four) days before the date of the abovementioned meeting or decision, unless there are specific and justified reasons for urgent action.

11.1.3. The minutes of resolutions or the decisions shall officially record in a clear, analytical and exhaustive fashion the reasons upon which the resolutions or decisions are based, with regard to the Company's interest in executing the Transaction and whether its terms and conditions are beneficial and substantively fair.

11.1.4 The abovementioned determinations and the respective supporting documents and opinions shall be preserved on file by the Divisions/Department/Business Unit involved on each occasion or by the Corporate Affairs Department, when a transaction falls within the jurisdiction of the Board of Directors. The Division/Department/Business Unit involved on each occasion shall communicate the abovementioned determinations to the Accounting & Tax Department within the fifth day of the month following the date of adoption.

11.2. Highly Material Transactions Within the Jurisdiction of the Board of Directors

11.2.1. The Board of Directors shall approve Highly Material Transactions based on:

- (i) a prior favorable factual opinion by the Committee of Independent Directors or, when applicable, the Committee or the Independent Directors Who Are Not Related Parties activated on each occasion in the capacity of Alternative, Equivalent Oversight Entity pursuant to Section 10.2. Items (i) and (ii); or
- (ii) a prior favorable factual opinion by an Independent Expert serving in the capacity of an Alternative, Equivalent Oversight Entity pursuant to Section 10.2. Item (iii).

²⁴ See Note 2.

The opinion shall concern the Company's interest in executing the Transaction and whether the Transaction's terms are beneficial and substantively fair.

11.2.2. Without prejudice to the provisions of Section 11.2.4 below, an opinion shall be deemed to be favorable only if it approves the Transaction in its entirety and the consent is expressed by:

- i. a majority of the members of the Committee of Independent Directors, not counting abstaining members, if activated from time to time as Alternative, Equivalent Oversight Entity, when applicable;
- ii. unanimously, by two members of the Committee of Independent Directors who are not Related Parties, as mentioned in Section 10.2, Item (i);
- iii. the majority of the members of the Committee referred to in Section 10.2, Item (ii), not counting abstaining members;
- iv. unanimously by two Independent Directors who are not Related Parties, if present, as mentioned in Section 10.2, Item (ii).

If the two Independent Directors who are not Related Parties referred to in Items (ii) and (iv) above or, if one member is abstaining, the two voting Directors referred to in Items (i) and (iii) above should cast a diverging vote, the opinion shall be rendered by the Alternative, Equivalent Oversight Entity referred to in Section 10.2, Item (iii).

11.2.3 If the Committee of Independent Directors²⁵ renders a negative opinion, the Board of Directors may not approve the Transaction. If the Committee of Independent Directors²⁶ renders an opinion conditional on the resolution of specific issues raised in the opinion, the Board of Director may approve the Transaction provided that the abovementioned issues, as raised, are effectively addressed in the Transaction and that clear evidence thereof is provided to the Committee of Independent Directors or the Alternative, Equivalent Oversight Entity, it being understood that, in such cases, this Procedure does not require the issuance of a new opinion. In any case, the report on the implementation of the Transaction that must be submitted to the Board of Directors and the Board of Statutory Auditors, as referred to in Section 17 below, shall provide evidence that any conditions placed on the issuance of the opinion in question were effectively satisfied.

11.2.4. Limited to instances when the opinion is rendered by an Independent Expert, activated in a specific case as the Alternative, Equivalent Oversight Entity referred to in Section 10.2, Item (iii), the Transaction may be executed as originally planned, even in the event of a

²⁵ Or the Alternative, Equivalent Oversight Entity referred to in Items (i) and (ii) of Section 10.2, as established on each occasion if required.

²⁶ See Note 25.

negative or conditional opinion and, in the latter case, with no obligation to satisfy the opinion's conditions.

11.3. Less Material Transactions

11.3.1. In the case of Less Material Transactions, the Committee of Independent Directors²⁷ shall issue in advance a non-binding, factual opinion as to whether a Transaction is in the Company's interest and its terms and conditions are beneficial and substantively fair. Voting shall be carried out in accordance with the provisions of Article 11.2.2.

11.3.2. A Transaction may be executed as originally structured even if the corresponding opinion is negative or conditional (in the latter case without having to effectively comply with the conditions), provided that the disclosure requirements referred to in Section 18.2 below are satisfied.

11.3.3. An opinion shall not be deemed to be negative only if it approves the Transaction in its entirety or, in the case of an opinion conditional on the resolution of one or more issues, if these conditions are effectively satisfied upon the approval, stipulation or execution of the Transaction.

11.3.4. In the case of resolutions about issues different from those included in the total amount approved in advance by the Shareholders' Meeting, pursuant to Article 2389, Section 3, of the Italian Civil Code, concerning the compensation of Directors, Directors serving in special capacities and any other executives with strategic responsibilities, if the conditions of Article 13, Section 3, Letter b) of the Regulations are not complied with, the tasks assigned to the Committee of Independent Directors and the powers vested in said Committee shall be transferred to the Compensation Committee, established by the Company's Board of Directors pursuant to the Corporate Governance Code, provided that it is comprised exclusively of non-executive Directors, the majority of whom are Independent Directors.

11.4. Highly Material Transactions Within the Jurisdiction of the Shareholders' Meeting

In instances in which Highly Material Transactions approved by the Board of Directors involve subject matters over which the Shareholders' Meeting has deliberative jurisdiction, the negotiation phase, the information phase and the phase entailing the approval of the motion prepared by the Board of Directors for submission to the Shareholders' Meeting shall be governed by the provisions of Sections 9 to 11, the requisite adjustments having been made.

²⁷ See Note 2.

12. URGENT TRANSACTIONS

12.1. If a Highly Material or Less Material Transaction does not fall within the jurisdiction of the Shareholders' Meeting or does not require its approval, in urgent cases, when allowed by the Bylaws, the Transaction may be executed without meeting the requirements of Sections 9 to 11 with regard to Highly Material and Less Material Transactions, provided that:

- (i) if a planned Transaction falls within the jurisdiction of Chief Executive Officer or other Qualified Governance Party, the Division/Department/Business Unit involved, through the Corporate Affairs Department, shall inform the Chairman of the Board of Directors in writing of the reasons for urgency before the Transaction is carried out. If the Chairman of the Board of Directors does not qualify as an Independent Director who is not a Related Party, the abovementioned information must be provided to: (i) the members of the Committee of Independent Directors Who Are Not Related Parties; or (ii) if none of the members of the Committee of Independent Directors qualify as Directors Who Are Not Related Parties, to the other Independent Directors Who Are Not Related Parties, if available;
- (ii) subsequently, the Transaction, its effectiveness not being affected, shall be the subject of a non-binding resolution by the first available Ordinary Shareholders' Meeting;
- (iii) the Corporate Governance Body that convenes the Shareholders' Meeting shall prepare a resolution providing an adequate explanation of the reasons for urgent handling, and the Board of Statutory Auditors shall provide the Shareholders' Meeting with its assessment regarding the existence of the reasons for urgent handling;
- (iv) the report and assessment referred to in Item (iii) above shall be made available to the public at the Company's head office, at least 21 (twenty one) days before the date of the Shareholders' Meeting, in the manner set forth in Title II, Chapter I, of the Issuers' Regulations. These documents may be included in the Information Memorandum referred to in Section 18 below;
- (v) within the day following the date of the Shareholders' Meeting, the Company shall make available to the public, in the manner set forth in Title II, Chapter I, of the Issuers' Regulations, information about the outcome of the vote, specifically with regard to the total number of votes cast by Shareholders who are not Related Parties.

- 12.2.** The effectiveness of the exemption from complying with the provisions of Sections 9 to 11 is predicated upon the adoption of a corresponding amendment to the Bylaws.
- 12.3.** The public disclosure requirements set forth in Section 18e shall also apply.

13. REGULAR TRANSACTIONS

- 13.1.** Without prejudice to the implementation of Sections 9, 17.3, 18.1.7, 18.3, 18.4 and 19, if following the information gathering phase a Transaction is found to be a Regular Transaction, the following provisions shall apply:
- 13.2.** A resolution or a decision concerning a Regular Transaction shall provide evidence, taking also into account the provisions of § 3 of the Consob Communication (Annex 5 to this Procedure), that the Transaction qualifies as a Regular Transaction insofar as it can be viewed as part of the regular exercise of the Company's operating activities or related financial activities, evaluating in particular the subject of the Transaction, the frequency with which Transactions of this type are executed as part of the Company's operations, the size of the Transaction, its contractual terms and conditions (also with regard to the characteristics of the consideration) and the nature of the counterparty. The Planning, Control & Corporate Credit Department shall verify that the terms of the Transaction are consistent market or standard terms.
- 13.3.** The abovementioned determinations and the respective supporting documents and opinions shall be preserved on file by the Division/Department/Business Unit involved on each occasion, which shall communicate the abovementioned determinations to the Accounting and Tax Department with the fifth days of the month following the month of adoption.

14. INTERCOMPANY TRANSACTIONS

- 14.1.** Without prejudice to the implementation of Sections 9, 17.3, 18.3, 18.4 and 19, if following the information gathering phase a Transaction is found to be an Intercompany Transaction, the provisions of this Procedure shall not apply, provided no Material Interests are involved.
- 14.2.** A resolution or a decision concerning an Intercompany Transaction must provide evidence that no Material Interests are involved with regard to the specific Transaction, making reference to the provisions of Section 21 of the Consob Communication (Annex 5 to this Procedure).

- 14.3.** The abovementioned determinations and the respective supporting documents and opinions shall be preserved on file by the Division/Department/Business Unit involved on each occasion, which shall communicate the abovementioned determinations to the Accounting and Tax Department with the fifth days of the month following the month of adoption.

15. RELATED-PARTY TRANSACTIONS EXECUTED THROUGH SUBSIDIARIES

- 15.1.** Without prejudice to the implementation of Sections 9, 17, 18 and 19, if following the information gathering phase a Transaction is found to be a Highly Material or Less Material Related-party Transaction Executed Through Subsidiaries, the provisions of Sections 15.2 to 15.5 shall apply. If the transaction that is being executed is a Regular Transaction or an Intercompany Transaction, the provisions of Sections 13.2 and 14.3 above shall apply.
- 15.2.** Less Material Transactions shall be reviewed in advance or approved by the Company's Qualified Corporate Governance Body or Party, based on a factual opinion provided beforehand by the Company's Committee of Independent Directors,²⁸ which shall not be binding on the abovementioned Corporate Governance Body.
- 15.3.** Highly Material Transactions shall be reviewed in advance or approved by the Company's Board of Directors, based on a prior factual favorable opinion provided earlier by the Company's Committee of Independent Directors or, when activated from time to time as the Alternative, Equivalent Oversight Entity, the Committee or the Independent Directors who are not Related Parties or, when activated as the Alternative, Equivalent Oversight Entity, a prior favorable factual opinion by the Independent Expert.
- 15.4.** In order to ensure that Highly Material or Less Material Related-party Transaction are executed transparently and fairly, the Qualified Governance Bodies of the Subsidiaries, acting through the Corporate Affairs Department and preserving on file documentary evidence of their activities, shall provide the Committee of Independent Directors,²⁹ within the deadline set forth in Sections 10.6 and 10.7, with an extensive and exhaustive written report, with the respective supporting documents, concerning the Transaction submitted to the Company for approval. In turn, the Company's Qualified Corporate Governance Body or

²⁸ Or the Company's Alternative, Equivalent Oversight Entity, as established on each occasion pursuant to Section 10.2, if required.

²⁹ See Note 2.

Party shall receive the requisite documents and opinions within the deadline set forth in Section 11.1.2. The provisions of Sections 11.1.3 and 11.1.4 shall also apply.

- 15.5.** In urgent cases, when allowed by the Bylaws, Highly Material or Less Material Transactions Executed Through Subsidiaries can be reviewed and approved by the Company's Qualified Corporate Governance Bodies or Parties, waiving compliance with the provisions of Sections 15.1 to 15.4 and Section 14, but Section 12.1 (i) will be applicable.

16. OTHER EXEMPTIONS

- 16.1.** The provisions of this Procedure shall not be applicable to resolutions adopted by the Shareholders' Meeting pursuant to Article 2389, Section 1, and Article 2402 of the Italian Civil Code, concerning compensation payable to Directors and Statutory Auditors, or to resolutions concerning the compensation of Directors serving in special capacities, when included in the total amount approved in advance by the Shareholders' Meeting pursuant to Article 2389, Section 3, of the Italian Civil Code.
- 16.2** The provisions of this Procedure shall also not be applicable to transactions executed in the normal course of business activity or related to the Company's financial activities that are executed through trading platforms or other means through which it is impossible to know the identity of the trading counterparty.
- 16.2.** Without prejudice to the applicability of the provisions of Article 5, Section 8, of the Related-party Regulations, the provisions of this Procedure shall not apply to the following Transactions:
- (i)** Transactions of Inconsequential Amount, as defined in Annex 2 to this Procedure, to which only Section 9 shall apply;
 - (ii)** Compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the TUF and related implementative transactions;
 - (iii)** Resolutions, different from those referred to in Section 16.1 above, concerning the compensation of Directors who perform special functions and Executives with strategic responsibilities, to which the provisions of Article 13, Section 3, Letter b) of the Regulations shall apply.

17. PERIODIC REPORTS TO THE GOVERNANCE BODIES ABOUT THE IMPLEMENTATION OF RELATED-PARTY TRANSACTIONS

17.1. Without prejudice to statutory and regulatory disclosure requirements, the Division/Department/Business Unit involved on each occasion, acting through the Corporate Affairs Department, shall submit on a quarterly basis to the Board of Directors and the Board of Statutory Auditors a written report, together with any supporting documents, providing information about the implementation of the Highly Material and Less Material Transactions. More specifically, when there is a discrepancy with the information provided to the Board of Directors during the Transaction's review and/or approval phase, the abovementioned report must provide the following information:

- (i) the nature of the related-party relationship;
- (ii) the Transaction's implementation process, as actually observed or planned;
- (iii) the schedule and financial terms for the Transaction's implementation;
- (iv) the valuation process applied;
- (v) the underlying interests and motivations.

17.2. In the case of Highly Material and Less Material Transactions Executed Through Subsidiaries, the quarterly information referred to in Section 17.1 shall be provided to the ~~Parent~~ Company's Board of Directors and Board of Statutory Auditors, on the occasion of meetings of the Company's Board of Directors, by the Qualified Governance Bodies of the Subsidiaries by means of a report describing the implementation of Transactions executed by the Subsidiaries and reviewed or approved by the Company.

17.3. The Parent Company's Board of Directors and its Board of Statutory Auditors shall be informed about Related-party Transactions executed by the Company and its Subsidiaries, taken on an aggregate basis, by the Accounting & Tax Department, pursuant to and consistent with the requirements of the Accounting Control Model 262, on the occasion of the approval of the financial reports required by Article 154-ter of the TUF, which shall contain a special section about Related-party Transactions.

18. PUBLIC DISCLOSURES ABOUT RELATED-PARTY TRANSACTIONS

18.1. *Highly Material Transactions*

18.1.1. When Highly Material Transactions are being executed by directly by the Company or by its Subsidiaries, the Corporate Affairs Department, working, if necessary, with the support of

other Functions of the Legal & Corporate Affairs Division involved on each occasion or the relevant Division/Department/Business Unit and the Accounting & Tax Department, shall draw up an Information Memorandum prepared in accordance with Annex 4 to the Regulations (see Annex 4 to this Procedure), which shall be governed by the provisions of Article 5 of the Related-party Regulations.

18.1.2. If, over the course of the fiscal year, the Company or its Subsidiaries were to execute with a Related Party or with parties related to it or to the Company a series of homogenous transactions or transactions executed in pursuit of a common purpose that, while failing to qualify individually as Highly Material Transactions, exceed in the aggregate the materiality threshold, the Corporate Affairs Department Function, working, if necessary, with the support of other Functions of the Legal & Corporate Affairs Division involved on each occasion or the relevant Department/Business Unit and the Accounting & Tax Department, shall prepare an Information Memorandum, which shall be governed by the provisions of Article 5 of the Related-party Regulations. In such cases, only Transactions executed since the start of the fiscal year that do not qualify as excluded Transactions under this Procedure shall be counted to verify whether the materiality thresholds were exceeded. Moreover, the Transactions disclosed in the Information Memorandum published when the size thresholds are exceeded due to the effect of the aggregate computation will no longer have to be taken into account, even if the reporting year has not ended, when determining whether the size thresholds had again been exceeded on an aggregate basis.

18.1.3. The Information Memorandum shall be made available to the public within the deadlines and in the manner specified in Title II, Chapter I, of the Issuers' Regulations. Specifically:

- (i)** Within 7 (seven) days from the approval of a transaction by a Qualified Corporate Governance Body or Party or, if the Qualified Corporate Governance Body or Party decides to submit a contract proposal, from the moment a final or preliminary contract is executed, pursuant to the applicable statutes. When a transaction falls within the jurisdiction of the shareholders' meeting, the corresponding Information Memorandum shall be made available within 7 (seven) days from the approval of the motion that will be submitted to the shareholders' meeting.
- (ii)** Within 15 (fifteen) days from the approval of a transaction or the execution of a contract that causes the transaction amount to exceed a materiality threshold, when exceeding the materiality threshold is caused by aggregating transactions that are either homogeneous or executed in pursuit of a common purpose with the same related party or with parties related to it or to the same companies.

- (iii) Within 15 (fifteen) days from the moment the Company is informed that a transaction was approved or from the execution of a contract that causes the transaction amount to become material, when exceeding the materiality threshold is caused by transactions executed by Subsidiaries. For the purpose of meeting this requirement, Subsidiaries shall promptly provide the information needed to prepare the Information Memorandum.
- (iv) Concurrently with its dissemination to the public, the Information Memorandum shall be forwarded to the Consob, together with the relevant supporting documents and opinions, and in the manner specified in Article 5, Section 7, of the Related-party Regulations.

18.1.4. It shall be understood that when the materiality thresholds are exceeded due to effect of aggregating multiple Transactions, the Company may also provide the required information on an aggregate basis, for homogeneous Transactions, in accordance with the provisions of Article 5, Section 4, of the Regulations.

18.1.5. When a Transaction consists of a merger, demerger, capital increase through a conveyance in kind or a significant acquisition or divestment (pursuant to Article 70, and Article 71 of the Issuers' Regulations), if the Consob asks a company that chose to avail itself of the option of not publishing the Information Memorandum required by the abovementioned regulations to instead proceed with the publication of such a document, the company in question may comply with this requirement by publishing a single Information Memorandum containing the information that, pursuant both to Article 70 and Article 71 of the Issuers' Regulations and to Article 5, Section 1, of the Related-party Regulations, must be made available to the public within the shortest of the various deadlines set forth in each of the applicable provisions. The Corporate Affairs Department, with the support of the Accounting & Tax Department, shall ensure that the Company proceeds with the publication of this document.

18.1.6. For the purposes of the provisions of Article 154-*ter* of the TUF, the disclosure to the public of individual Highly Material Transactions is included by reference to the Information Memoranda published pursuant to Article 5, Sections 1, 2 and 6, of the Related-party Regulations, providing any significant updates.

18.1.7. In the case of Regular Transactions the amount of which exceeds the materiality thresholds used to qualify transactions as Highly Material Transaction (including instances when this is caused by aggregating transactions that are either homogeneous or executed in pursuit of

a common purpose with the same related party or with parties related to it or to the Company), without prejudice to the obligation to disclose to the market price sensitive transactions, pursuant to Article 114, Section 1, of the TUF, in lieu of publishing an Information Memorandum, the Company shall communicate to the Committee of Independent Directors and the Consob, within the deadlines set forth in Section 18.1.3 above, the name of the counterparty and the purpose and consideration of any transaction that benefited from an exemption from the publication requirements applicable to Highly Material Transactions pursuant to the Regulations. The disclosure obligation does not apply to Less Material Regular Transactions which are eligible for the exemption and, consequently, are not counted for cumulative purposes.

18.2. *Less Material Transactions*

In cases when Less Material Transactions are approved or decided despite a negative opinion by the Committee of Independent Directors or the Alternative, Equivalent Oversight Entity, the Corporate Affairs Department, working, if necessary, with the support of other internal Functions of the Legal and Corporate Affairs Division specified on each occasion or the relevant Division/Department/Business Unit and the Accounting & Tax Department, shall prepare and make available to the public the Memorandum within 15 (fifteen) days from the end of each quarter of the reporting year.

Concurrently with its dissemination to the public, the Memorandum shall be forwarded to the Consob, together with the relevant supporting documents and opinions, and in the manner specified in Article 5, Section 7, of the Related-party Regulations.

18.3. *Price Sensitive Information*

When a Transaction is also subject to the disclosure requirements of Article 114, Section 1, of the TUF, the press release issued to the public, which shall be prepared by the Media Relations & Local Communities Function in concert with the Corporate Affairs Department, based on the information provided by the Division/Department/Business Unit involved on each occasion and in accordance with the Procedure for the Management of Insider Information, cited here by reference, shall provide, in addition to the information disclosed pursuant to the abovementioned provision, the information required by Article 6, Section 1, Letters a) to e), of the Related-party Regulations.

18.4. *Information in the Interim Report and the Annual Report on Operations*

- 18.4.1.** Pursuant to Article 154-ter of the TUF and consistent with the guidelines set forth in Section 10 of the Consob Communication (Annex 5 to this Procedure), the Company must provide in its interim report on operations and annual report on operations information about:
- (i)** Individual Highly Material Transactions executed during the reporting period;
 - (ii)** Any other individual Related-party Transaction, as defined in the international accounting principles adopted by the European Union, executed during the reporting period that had a material effect on the Company's balance sheet or income statement;
 - (iii)** Any changes or developments affecting Transactions described in the latest annual report that had a material effect on the Company's balance sheet or income statement during the reporting period.
- 18.4.2.** In the case of the Regular Transactions referred to Section 18.1.7 above, the information referred to in Item (i) above provided in interim and annual reports on operations shall list the transactions that were executed benefiting from exemptions from the publication requirements applicable to Highly Material Transaction pursuant to the Regulations.

19. PRESERVING SUPPORTING DOCUMENTS AND MONITORING THE PROCEDURE

- 19.1.** Each relevant Division/Department/Business Unit shall preserve on file supporting documents concerning the activities and reviews performed pursuant to Section 9 above and the resolutions adopted by the Qualified Corporate Governance Body or Party pursuant to Sections 13 and 14 above concerning Related-party Transactions.
- 19.2.** The Corporate Affairs Department shall preserve on file the supporting documents concerning the communications provided to the Committee of Independent Directors³⁰ and the documents concerning the determinations adopted by the Board of Directors pursuant to Section 11 above.
- 19.3.** Each Division/Department/Business Unit, for transactions within its jurisdiction, shall prepare a written report about the execution of Highly Material and Less Material Related-party Transactions, which it shall submit on a quarterly basis to the Company's Board of Directors, as required by Section 17 above. A copy of this report, which shall be forwarded to the Accounting & Tax Department.

³⁰ See Note 2.

- 19.4.** Each relevant Division/Department/Business Unit, working, if needed, with the support of the Corporate Affairs Department and other Functions that are part of the Legal & Corporate Affairs Division, shall provide input for the Register of Related-Party Transactions for multiple purposes, including identifying the cumulative thresholds referred to in Section 18.1.2 above. The Register of Related-Party Transactions must be updated within 3 (three) days from the date of approval of Highly Material and Less Material Transactions and the Regular Transactions referred to in Section 18.1.7, or the date when a contract is executed or a commitment is undertaken, and on a monthly basis within fifth day of the following months for all other Transactions. For Transactions reflected in contracts or requiring commitments with effectiveness or duration spanning multiple reporting years, within 30 (thirty) days from the start of the reporting year, each Division/Department/Business Unit shall verify, for the transactions it entered into the Register, whether a third-party relationship still exists and, in the affirmative, reenter the Transaction into the Register.
- 19.5.** In order to allow the preparation of the periodic disclosures that must be included in the interim and annual reports on operations, each relevant Division/Department/Business Unit shall provide the Accounting & Tax Department with any additional specific information that it may require with special instruction.
- 19.6.** The compliance requirements set forth in Sections 19.1 to 19.5 above shall also apply to Subsidiaries for the transactions that they execute.

20. CONFIDENTIALITY

Insofar as the Transactions governed by this Procedure are concerned, all information received or otherwise obtained by Independent Directors, Independent Experts and managers of the Company's Divisions/Departments/ Business Units and of the companies of the Edison Group, who are involved for any reason in the abovementioned Transactions, must be treated as strictly private and confidential and, when the information qualifies as insider information pursuant to the Procedure for the Management of Insider Information, must be handled in accordance with the abovementioned Procedure, unless it is communicated to the public as part of the disclosures required by Section 17 of this Procedure and/or its disclosure is otherwise indispensable for correct compliance with this Procedure or to comply with mandatory obligations pursuant to law, regulations or court orders.

21. FINAL PROVISIONS

- 21.1.** The contracts stipulated by the Company with a Related Party shall contain a declaration whereby the parties mutually acknowledge whether they are Related Parties, based on the requirements of this Procedure. The abovementioned contracts shall be preserved on file by the relevant Divisions/Departments/Business Units.
- 21.2.** It shall be understood that, insofar as they are applicable and compatible with the provisions of this Procedure, specific rules set forth in the Company's internal regulations shall continue to apply.
- 21.3.** All amendments to this Procedure shall be approved by the Company's Board of Directors, further to a favorable opinion rendered by the Committee of Independent Directors, or the Committee, except for mandatory amendments to this Procedure—for which, therefore, no other option is available—required as a result of amendments to earlier Consob regulations that are reproduced or cited in this Procedure or its Annexes, which shall be handled by the Chief Executive Officer. Before rendering an opinion, the Committee may seek the input of the Board of Statutory Auditors.
- 21.4.** The Company's Board of Directors shall draw up any motions to amend the Bylaws that may be necessary to implement the rules and procedural mechanisms defined in this Procedure (as updated from time to time) and in the applicable laws and regulations.
- 21.5.** This Procedure and any subsequent updates shall be published on the Company's website by the Corporate Affairs Department through the Media Relations & Local Communities Function. In addition, the obligation to provide the same disclosure in the annual report on operations must also be complied with by citing the abovementioned website.
- 21.6.** This Procedure is applicable as of January 1, 2011 and, insofar as it is applicable, shall be complied with for Transactions reflected in contracts that have been already executed and are being renewed or extended, explicitly or automatically, upon the renewal or extension of the contracts.
- 21.7.** The provisions of sections 3.4, 6.1 and 15 shall apply to Subsidiaries subject to functional unbundling requirements, consistent with and within the limits of the applicable industry regulations.

Annex 1: Related Parties

For the purposes of this Procedure, a party shall be deemed to be an Edison Related Party if the party in question:

- (a) directly or indirectly, including through subsidiaries, nominees or other third parties, (i) controls the Company, is controlled by it or is under joint control with it; (ii) holds an equity interest in the Company large enough to exercise a significant influence on the Company; (iii) exercises control over the Company jointly with other parties;
- (b) is an affiliated company of the Company;
- (c) is a joint venture of the Company;
- (d) is an executive with strategic responsibilities of the Company or its controlling company [such person shall be understood to be a person who holds (severally or jointly) full and autonomous decision-making authority];
- (e) is a member of the immediate family of one of the parties referred to in letters (a) or (d);
- (f) is an entity over which one of the parties referred to in letters (d) or (e) exercises control, joint control or a significant influence or with regard to which one of the abovementioned parties holds, directly or indirectly, a significant portion (i.e., not less than 20%) of the voting rights;
- (g) is a supplemental, collective or individual, Italian or foreign, pension fund established for the benefit of employees of the Company or of any entity related to it.

For the purposes of the definitions provided above, the expressions “control,” “joint control,” “significant influence,” “immediate family,” “executive with strategic responsibilities,” “subsidiary,” “affiliated company” and “joint venture” have the meanings provided below:

Control and Joint Control

Control is the power to determine an entity’s financial and management policies with the aim of obtaining a benefit from its activities.

Control is presumed to exist when a party holds, directly or indirectly through subsidiaries, more than half of an entity's voting rights, unless, in exceptional cases, it is possible to clearly prove that such ownership level does not constitute control. Control can also exist when a party holds half, or less, of the voting rights exercisable at a shareholders' meeting if the party in question:

- (a) controls more than half of the voting rights by virtue of an agreement with other investors;
- (b) has the power to determine an entity's financial and management policies pursuant to the bylaws or an agreement;
- (c) has the power to appoint or dismiss the majority of the members of an entity's board of directors or equivalent corporate governance body and the entity is controlled by the abovementioned board of directors or equivalent corporate governance body;
- (d) has the power to exercise the majority of the voting rights at meetings of the board of directors or equivalent corporate governance body and the entity is controlled by the abovementioned board of directors or equivalent corporate governance body.

Joint control is the sharing of control, pursuant to contractual stipulations, over an economic activity.

Significant Influence

Significant influence is the power to participate in determining an entity's financial and management policies without having control over the entity. Significant influence can also be achieved through the ownership of shares, by means of clauses in the bylaws or agreements.

If a party holds, directly or indirectly (e.g., through subsidiaries), 20% or more of the votes exercisable at the shareholders' meeting of an investee company, it is presumed that the party in question has a significant influence, unless the contrary can be clearly proven. Conversely, if a party holds, directly or indirectly (e.g., through subsidiaries), less than 20% of the votes exercisable at the shareholders' meeting of an investee company, it is presumed that the party in question does not have a significant influence, unless the existence of such influence can be clearly proven. The existence of a party who holds an absolute or relative majority of the votes does not necessarily preclude another party from exercising a significant influence.

As a rule, the existence of significant influence is signaled by the occurrence of one or more of the following circumstances:

- (a) representation on the investee company's board of directors or equivalent corporate governance body;
- (b) involvement in the decision-making process, including involvement in decisions concerning dividends or other types of distributions of earnings;
- (c) existence of material transactions between investor company and investee company;
- (d) exchanges of management personnel;
- (e) access to key technical information.

Executives with Strategic Responsibilities

An *executive with strategic responsibilities* is a person who has the power and responsibility, directly or indirectly, to plan, manage and control a company's activities. Company directors, with or without executive authority, are also deemed to be executives with strategic responsibilities.

Immediate Family

The members of a person's *immediate family* are those relatives who are presumed to have influence over, or be influenced by, the abovementioned person in their dealings with the Company.

They include:

- (a) a person's spouse, if not legally separated, or live-in partner;
- (b) the children or dependents of a person or of his/her spouse, if not legally separated, or of is/her live-in partner;

Subsidiary

A *subsidiary* is an entity, with or without the status of an independent legal entity (as is the case for a partnership), controlled by another entity.

Affiliated Company

An *affiliated company* is an entity, with or without the status of an independent legal entity (as is the case for a partnership), over which one of the owners exercises a significant influence but not control or joint control.

Joint Venture

A *joint venture* is a contractual agreement pursuant to which two or more parties engage in an economic activity under their joint control.

Annex 2: Criteria Defining Transactions of Inconsequential Amount

for the purposes of this Procedure, the expression Transactions of Inconsequential Amount shall be understood to mean the following:

- (i) Transactions entailing the supply of facilities and services and collaborative agreements to operate and develop business activities for amounts of up to 500,000 (five hundred thousand) euros per Transaction or multiple Transactions executed in pursuit of a common purpose or Transactions in which the Related Party is one of the parties listed in Letter (d) to Letter (f) in Annex 1, for amounts of up to **100,000 (one hundred thousand) euros**.
- (ii) Mergers and demergers that meet all of the following parameters taken from the latest published or available financial statements:
 - (a) total assets of the company or of the activities/business operations subject of the Transaction: up to **10,000,000 (ten million) euros**;
 - (b) profit before taxes of the company or (when determinable) of the activities/business operations subject of the Transaction: up to **3,000,000 (three million) euros**;
 - (c) total shareholders' equity of the company the activities/business operations subject of the Transaction: up to **1,000,000 (1 million) euros**;
- (iii) Other types of transactions, different from those listed in Items (i) and (ii) above (including acquisitions and divestments of companies, equity investments, businesses or business operations, issues of financial instruments, provisions of loans and guarantees) for amounts of up to **1,000,000 (1 million) euros** per Transaction or multiple Transactions executed in pursuit of a common purpose.

Annex 3: Materiality Indices

a) Transaction amount materiality index: It is the ratio between the transaction amount and the company's shareholders' equity, taken from its most recent published balance sheet (consolidated, if one is prepared), or, for publicly traded companies, the company's capitalization measured at the close of the last stock market trading day included in the reference period of the most recent periodic accounting document published by the company (annual or semiannual financial report or interim report on operations), whichever is greater.

If the financial terms of a transaction are specified, the transaction amount is:

- i)** for cash components, the amount paid to/by the contractual counterparty;
- ii)** for components consisting of financial instruments, their fair value determined on the transaction date in accordance with the international accounting principles adopted pursuant to EC Regulation No. 1606/2002;
- iii)** for transactions involving financing or the provision of guarantees, the maximum disburseable amount.

If the financial terms of a transaction are based on whole or in part on quantities that are not yet known, the transaction amount is the highest receivable or payable amount pursuant to the agreement.

b) Asset materiality index: It is the ratio between the total assets of the entity subject of the transaction and the company's total assets. The data used for this purpose should be taken from the Company's most recent published balance sheet (consolidated, if one is prepared); whenever possible, data of the same type should be used to determine the total assets of the entity subject of the transaction.

For transactions involving the acquisition or divestments of equity interests in companies that have an impact on the scope of consolidation, the numerator amount is the value of the investee company's total assets, irrespective of the share capital percentage that is being divested.

For transactions involving the acquisition or divestment of equity interests in companies that do not have an impact on the scope of consolidation, the numerator amount is equal to:

- i)** For acquisitions, the transaction amount plus any liabilities of the acquired company assumed by the buyer;
- ii)** For divestments, the consideration for the divested assets.

For transactions involving the acquisition or divestment of other assets (different from the acquisition of an equity interest), the numerator amount is equal to:

- i) For acquisitions, the transaction's consideration or the book value that will be attributed to the assets, whichever is greater;
- ii) For divestments, the book value of the assets.

c) *Liability materiality index:* It is the ratio between the total liabilities of the acquired entity and the Company's total liabilities. The data used for this purpose should be taken from the Company's most recent published balance sheet (consolidated, if one is prepared); whenever possible, data of the same type should be used to determine the total liabilities of the acquired company or business operations.

See the information provided in § 2 of the Consob Communication for additional details.

Annex 4: Information Memorandum

The Information Memorandum required pursuant to Article 5 of the Regulations, which must be published for Highly Material Transactions executed by the Company or its Subsidiaries, must provide, as a minimum, the following information:

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1. Disclaimer

Provide an overview of the risks arising from the potential conflicts of interest inherent in the related-party transaction described in the Memorandum.

2. Information About the Transaction

2.1. A description of the transaction's characteristics, implementation methods, terms and conditions.

2.2. A listing of the related parties with whom the transaction was executed, the nature of the relationship and, when such information was provided to a corporate governance body, the nature and scope of the related parties' interest in the transaction.

2.3. An explanation of the financial reasons for the transaction and why the Company would benefit from the transaction. When a transaction is approved despite an adverse recommendation by the Board of Directors or the independent directors, an analytical and adequate explanation of the reasons why the abovementioned recommendation was disregarded.

2.4. The method used to determine the transaction's consideration and assessments about the consideration's fairness vis-à-vis market values for similar transactions. If the transaction's financial terms are found to be equivalent to market or standard terms, adequately justify such a statement with objective supporting data. State whether independent experts provided opinions supporting the consideration's fairness and list their conclusions, providing the following information:

- The governance bodies or parties who requested the opinions and appointed the experts;
- The assessments made to select the independent experts. More specifically, mention any economic, property-related and financial relationships between the independent experts and (i) the issuer company; (ii) the parties who control the issuer company, the issuer's subsidiaries and the companies over which it has joint control; (iii) the directors of the companies referred to in items (i) and (ii) above that were taken into account in qualifying the expert as independent and the reasons why the abovementioned relationships were deemed to be irrelevant in determining independence. Information about any existing relationships may be provided by annexing an affidavit by the independent experts;
- The terms and subject of the assignment awarded to the experts;

- The names of the experts retained to assess the fairness of the consideration.

State whether, pursuant to Article 5 of the Issuers' Regulations, the opinions of the independent experts or the key elements of the opinions are annexed to the Information Memorandum or have been published on the Company website. The key elements of the opinions that must always be published include the following:

- If applicable, evidence of any specific restrictions encountered in performing their assignment (e.g., with regard to accessing material information), of the assumptions used and of any conditions upon which the opinion is conditional;
- Evidence of any problems pointed out by the experts with regard to the transaction in question;
- Indication of the relative importance assigned to the valuation methods adopted for the purposes specified above;
- Indication of the valued generated by each valuation method used;
- If the valuation methods used produced a range of values, explanation of the criteria used to determine the final value of the consideration.
- Description of the sources used to determine the relevant data used for computation purposes;
- Description of the main parameters (or variables) used as benchmarks when applying each method.

With regard to the published elements of the experts' opinions, confirm that the information that is being presented is consistent with the content of the corresponding opinions and, to the best knowledge of the issuer, that the information being presented does not contain omissions that could make it inaccurate or deceptive.

2.5. An illustration of the transaction's impact on the income statement, balance sheet and financial position, providing, as a minimum, the key applicable indices. If the transaction exceeds the materiality parameters determined by the Consob pursuant to Articles 70 and 71 of the Issuers' Regulations, indicate that pro forma financial information will be published in the Memorandum required, depending on the situation, by Section 4 of the abovementioned Article 70 or by Article 71, within the deadlines specified in the abovementioned provisions. In any case, the option of publishing a single Memorandum, pursuant to Article 5, Section 6, is also available.

2.6. If the amount of the compensation of the members of the corporate governance body of the Company or its subsidiaries changes as a result of the transaction, detailed indications of the changes. If no changes are expected, include a statement to that effect.

2.7. In the case of transactions in which the related parties are members of the management and control bodies, general managers and executives of the issuer, information concerning the issuer's financial instruments held by the abovementioned parties and the interests of such parties in the extraordinary transactions referred to in Sections 14.2 and 17.2 of Annex I to Regulations No. 809/2004/EC.

2.8. Indication of the corporate bodies or directors who handled or were involved in the negotiations and/or researched and/or approved the transaction, specifying their respective roles, specifically mentioning any independent directors. With regard to the resolutions approving the transaction, list the names of those who voted for or against the transaction or abstained, specifying the reasons for any negative votes or abstentions. State that, pursuant to Article 5 of the Issuers' Regulations, the opinions of any independent directors have been annexed to the Information Memorandum or published on the Company's website.

2.9. If, pursuant to Article 5, Section 2, the materiality of the transaction results from the cumulative value of multiple transactions executed during the year with the same related party or with parties related to it or to the Company, the information listed in the preceding sections must be supplied for all of the abovementioned transactions.

Annex 5: Consob Communication (§ 3, § 10 and § 21)

§ 3. Definition of “Regular Transactions” [Article 3, Letter d) of the Regulations]

3.1. The Regulations provide companies with the option of applying a system of exemptions with regard to disclosures and procedures, when related-party transactions can qualify as “regular transactions,” provided that the transactions are executed on market or standard terms.

The reason for this provision stems from the desire to calibrate the compliance burden, taking into account the resulting costs for a company’s operations, in the case of transactions that entail lower risks of harming the interests of the shareholders. The exemption thus applies to transactions that are part of the “*regular exercise of a company’s operating activities*” or related “*financial activities*.”

In some cases, the characteristics that are relevant for the definition of *regular transactions* are already known to companies in that they are based in part on the international accounting principles and, therefore, for the most part³¹ are taken into account in the preparation of accounting documents, with special emphasis on the classification of the origin of cash flows, as required to prepare the statement of cash flows (IAS 7)³².

According to the Regulations, a “regular” transaction occurs when two selection criteria are met concurrently. First of all, the transaction must be attributable to the operating activities or, alternatively, to the related financial activities (see Sections 3.2 and 3.3). Second of all, in order to qualify for the exemption, the transaction must be executed as part of the “regular” exercise of the operating activity or the related financial activity (see Section 3.4).

3.2. The main element of the definition of *regular transaction* is the notion of *operating activities*, which is the expression used to indicate the whole complex of (i) a company’s main revenue producing activities; and (ii) all other business activities that cannot be classified as “investment” or “financial” activities.

The notion of operating activities thus includes, in the affirmative, transactions that are part of activities that contribute to producing the main revenue components—or for non-industrial companies, that are part of current operations—and, in the negative, all other transactions that,

³¹ The transactions taken into account in this Communication include transactions that are not reflected in the statement of cash flows because they do not entail the use of cash or cash equivalents (so-called non-cash transactions).

³² Therefore, the characteristics that in this Communication define *regular transactions* are interpreted by the Consob in accordance with international accounting principles. On the other hand, the notion of *regular transaction* set forth in the Regulations and the guidelines provided for its use obviously have no impact on the interpretation of the definitions contained in the international accounting principles.

while not part of the main activity within the corporate purpose, cannot be classified under the other two areas of business (investing and financial).

For the purposes of this document, investing activities include the following:

- (i) Transactions resulting in purchases or sales of non-current assets—such as, for example, purchases and sales of buildings, plant and machinery or intangible assets—except for non-current³³ assets held for sale;
- (ii) financial investments that do not qualify as “cash equivalents.”³⁴

Therefore, transactions resulting in purchases or sales of non-current assets held for sale and cash equivalents can be deemed to be exempt, provided they are executed as part of the regular exercise of a company’s operating activities, as specified more in detail in Section 3.4. below.

Financial activities include activities that produce changes in:

- (i) the size and composition of the paid-in share capital;
- (ii) the financing facilities obtained by the company.

Obviously, the classification of a transaction under one of the three broad areas of activity (operating, investing, financial) should be made in the most appropriate manner, taking into account the type of business pursued by the company: take, for example, the activities carried out by banks or the financial companies referred to in Articles 106, 107 and 113 of Legislative Decree No. 385 of September 1, 1993 (“Uniform Bank Code”), for which the granting of loans, in any form, is usually classifiable as an operating activity, rather than an investing activity, as it is one of the company’s main revenue producing activities.

3.3. The second element of the definition of “regular transaction” is represented by the *financial activity* (also called “financing activity”) related to the operating activity. This element makes it possible to extend the benefit of the exemption to transactions that, in principle, would qualify as financial transactions, to the extent that they are incidental to the performance of operating

³³ The expression “non-current” indicates tangible, intangible and financial assets of a long-term nature. An asset is deemed to be current when: (i) it is presumed that it was built or held for sale or consumption, in the regular operating cycle of an entity; or (ii) it is held mainly for trading purposes; or (iii) it is presumed that it will be realized within 12 months from the date of the financial statements; or, lastly, (iv) it consists of cash or cash equivalents, unless it may not be exchanged or used to satisfy an obligation for at least 12 months from the date of the financial statements. When the regular operating cycle of an entity cannot be identified, it is assumed to last 12 months.

³⁴ Cash and cash equivalents include, in addition to cash and sight deposits (so-called “liquid assets”), short-term and highly liquid financial investments that can be readily converted into cash and are exposed to a negligible risk of changes in their value.

activities. On the other hand, financing obtained to execute transactions that are not part of operating activities (because they are related to investing activities) do not qualify as *regular transactions*.

In some instances, the requirement of an incidental relationship is easily met because such a relationship is evident in the purpose of the loan agreement (think, for example, of special purpose loans and non-cash transactions³⁵) or can be unequivocally inferred by the transaction's characteristics (think, for example, of short-term liabilities incurred to purchase raw materials): among the other criteria taken into account in the monitoring activity, special attention should be paid to the duration of a loan, taking into account the useful lives acquired with it. As a rule and except for specific exceptional circumstances, an incidental relationship with the operating activities is deemed to exist also in the case of bank "bridge loans" obtained for the purpose of securing temporarily financial continuity or to meet a financial requirement.

If a financing transaction lacks sufficient objective elements to allow an unambiguous reconstruction of its nature as incidental to the operating activities, the presence of circumstances that can justify a reasonable belief that the financing will be used for that purpose is deemed to be sufficient. To that effect, the reasonableness of such a conclusion will be assessed based on the circumstances that exist when the transaction is executed, irrespective of different subsequent destinations, when justified by changes in actual circumstances.

As a rule, capital increases with exclusion of the preemptive right—the only ones that are relevant, as capital increases with preemptive rights are not considered "related-party transactions," as defined in Section 1—are not deemed to be part of the regular exercise of financial activities related to operating activities (see Section 3.4).

3.4. Lastly, the definition of *regular transactions* requires that a transaction, in order to benefit from the exemption must be part of the *regular exercise* of the operating activities or the related financial activities. Therefore, an additional selection criteria must be applied, compared with the classifications mentioned above.

More specifically, the following elements must be taken into account to determine whether a transaction is part of a company's operating activities or the related financial activities:

- i) *Subject of the transaction.* A transaction the subject of which is extraneous to the activities normally carried out by a company is an indication of anomaly and could indicate that the transaction is not a regular transaction.

³⁵ These are financing transactions that do not generate flows of cash or cash equivalents (for example, the acquisition of an asset through the assumption of debt).

- ii) *Recurring nature of this type of transaction within the framework of a company's activities.* Specifically, absent other indications to the contrary, the repetition of a transaction on a regular basis by a company constitutes a significant indication that the transaction is part of its regular activities.³⁶
- iii) *Size of the transaction.* A transaction that is part of a company's operating activities could be viewed as not being part of the regular exercise of such activity because it is of a particularly material size. However, it is important to keep in mind that the exemption discussed here can also be applicable to highly material transactions (i.e., transactions that exceed the materiality thresholds computed in accordance with Annex 1). In order to qualify as a regular transaction, a transaction's size must not be significantly larger than that of similar transactions executed by the company.
- iv) *Contractual terms and conditions, also regarding the characteristics of the consideration.* As a rule, transactions that entail non-cash consideration, even when appraised by an independent expert, are deemed to be outside the exercise of a company's operating activity. Likewise, contract clauses that are not consistent with contractual uses and practices can be a significant indicator that a transaction may not be a regular transaction.
- v) *Nature of the counterparty.* Within the scope of the transactions subjectively qualified because they are executed with related parties, it is possible to identify a subset of transactions that are not executed as part of the regular exercise of a company's operating activities (or related financial activities) in that they are executed with a counterparty with characteristics that are anomalous for transactions of such type: take, by way of example, the case of a company that sells a production asset, classified as a non-current asset held for sale, to a company controlled by a director that does not operate in the industry in which the asset would be used or clearly lacks an organization capable of using the asset.

The relevance of the elements discussed above must also be assessed by paying special attention to the timing of a transaction's approval and execution. More specifically, when evaluating the indicators that qualify a transaction as part of regular exercise of a company's operating activities and related financial activities, one should keep in mind that an indicator of anomaly can have greater weight in the evaluation process if a transaction is approved near the close of the fiscal year of a publicly traded company or a related party.

³⁶ Consider in particular the role played by the repetition element for the purpose of identifying a company's regular activities within the *Systematic framework for the preparation and presentation of financial statements* (Section 72), according to which "it is common practice to differentiate between those revenues and cost items that originate from an entity's regular activities and those that do not. This distinction is made because of the fact that the source of an item is relevant when assessing an entity's ability to generate future flows of cash or cash equivalents. For example, extraordinary transactions, such as the divestment of a long-term equity investment, are unlikely to recur on a regular basis. When a distinction between different elements is made on this basis, the nature of an entity and of its activity must be taken into account. Elements that originate from an entity's regular activities may be unusual for another entity."

3.5. When determining whether a transaction may qualify as a “regular transaction,” attention must also be paid to the type of activity carried out by the company that executes the transaction: this is also true when the company executing the transaction prepares consolidated financial statements or is included in the scope of consolidation of the financial statements prepared by a company required to apply this Procedure. Therefore, if the transaction is executed by a subsidiary of a publicly traded company, the relevant activity will be the activity carried out (or one of the activities carried out on a regular basis) by the subsidiary. However, if the company executing a related-party transaction is a vehicle company established for the purpose of executing the transaction, the test as to whether the transaction is an ordinary transaction must be performed also with respect to at least one of the activities carried out by the vehicle company’s group, which is comprised of the companies included in the consolidated financial statements prepared by the publicly traded controlling company or by a controlling company higher up on the chain of control. This is because, in the case of transactions executed by a vehicle company, the concurrent satisfaction of both conditions (ordinary nature for the company executing the transaction and ordinary nature in light of one of the group’s business activities) is more consistent with the logic, as explained above, that underlies the exemption provided for ordinary transactions. This approach makes it impossible to use the exemption through vehicle companies established for the sole purpose of executing a transaction that is extraneous to the core activities carried out up to that point by companies included in the scope of consolidation.

3.6. For the purpose of applying the exemption for regular transactions executed on market or standard terms, the procedures adopted by companies pursuant to Article 4 of the Regulations can identify more specifically, based also on the activity carried out by each company, the general characteristics of transactions to which the exemption may apply.

§ 10. Periodic Financial Reporting [Article 5, Section 8 of the Regulations]

The disclosure requirements of IAS 24 notwithstanding, Article 5, Section 8, of the Regulations sets forth rules concerning the periodic reporting of transactions with related parties.

More specifically, the interim report on operations and the annual report on operations must provide information about:

- a) individual highly material transactions executed during the reporting period (Article 5, Section 8, Letter a));
- b) other individual related-party transactions “with a material impact” on the company’s balance sheet and income statement (Article 5, Section 8, Letter b));
- c) changes or developments affecting related-party transactions described in the previous annual report that had a “material impact” on the company’s balance sheet and income statement during the reporting period (Article 5, Section 8, Letter c)).

The provisions of Letters b) and c) implement, consistent with Article 154-ter, Section 6, of the Uniform Financial Code, the provisions of the EU directives about related party transactions that must be disclosed in the interim report on operations (Article 5, Section 4, of Directive No. 2004/109/EC and Article 4 of Directive No. 2007/14/EC). For this reason, the subject of the disclosure, including the relevant scope of the correlation, is defined by making reference to the notion set forth in the international accounting principles, as required by the EU directives applicable to companies that prepare their financial statements in accordance with the abovementioned principles (see Whereas Clause 5 of Directive No. 2007/14/EC). On the other hand, Letter a) refers to “highly material transactions” as defined pursuant to Article 3, Section 1, Letter b), of the Regulations insofar as both subjective determinations and a transaction’s materiality criteria are concerned.

As for the information that must be included in periodic reports on individual transactions, the following is deemed to be material information:

a) *In the annual report on operations:*

- 1) When applicable, a description of the policies governing related-party transactions, also concerning the strategy pursued with these transactions;
- 2) The following information, optionally presented in a table, about each transaction:
 - the name of the transaction’s counterparty;
 - the nature of the relationship with the related party;
 - the subject of the transaction;
 - the transaction’s consideration;
 - any other information that may be necessary to understand the impact of the related-party transaction on the company’s financial statements.

b) In the interim report on operations:

- 1) any change affecting related-party transactions described in the previous annual report that had a “material impact” on the company’s balance sheet and income statement during the reporting period;
- 2) for each transaction, a listing, presented in a table, if desired, of the information referred to in Letter a), Item 2, above.

As stated in Article 5, Section 9, of the Regulations, information may be included in periodic financial reports by way of reference to information memoranda published upon the approval of highly material transactions, when available.

§ 21. Exclusion Option for Transactions With or Between Subsidiaries and With Affiliated Companies (Article 14, Section 2 of the Regulations)

The Regulations provide the option of exempting from procedural and transparency rules (except for the provisions of Article 5, Section 8, of the Regulations concerning periodic financial reports) transactions executed with or between subsidiaries and with affiliated companies³⁷, provided that other related parties of the company required to comply with the Regulations (with publicly traded and widely held shares) that exercises control or a significant influence do not hold significant interests in the abovementioned companies. The qualification of the materiality of the interests held by other related parties is left to the companies, but must be based on criteria provided in the procedures. In any case, the Regulations specify that the mere fact of sharing one or more directors or other executives with strategic responsibilities by a company and its subsidiaries (and, even more so, its affiliated companies) does not automatically give rise to significant interests that can exclude the exemption option.

The assessment of the materiality of the interests held by other related parties in a subsidiary or affiliated company is left to the discretion of the companies that are required to comply with the Regulations, in accordance with the general criteria provided in the procedures. Within this framework, companies can be guided by the financial relationships that may exist between subsidiaries or affiliated companies, on the one hand, and other related parties of the company, on the other hand. Consider, for example, a situation in which there is a significant loan owed by a subsidiary to the Chief Executive Officer of the controlling company: clearly, such a legal relationship could be an incentive to execute transactions that strengthen the subsidiary's balance sheet but may not be beneficial for the controlling company.

For example, a significant interest can exist when, in addition to the mere sharing of one or more directors or other executives with strategic responsibilities, the directors and executives are the beneficiaries of incentive plans based on financial instruments (or other forms of variable compensation) that are tied to the results achieved by the subsidiaries or affiliated companies with whom the transactions are executed. The assessment of the materiality should be performed taking into account what portion of the overall compensation of a director or executive with strategic responsibilities is represented by the compensation tied to the subsidiary's performance (including the abovementioned incentive plans).

³⁷ For the purposes of this exemption, the definitions of what constitute a significant subsidiary and affiliated company are those set forth in Annex 1. As a result, it is possible, for example, to apply the exemption to transactions executed with joint ventures in which a company that is required to comply with the Regulations has an interest.

The materiality assessment is also left to the company's discretion when the subsidiary or affiliated company is an investee company (directly or indirectly through parties other than a company with publicly traded and widely held shares, which is required to comply with the Regulations) of the party that controls the company. In such cases, the equity interest held in the related party by the party that exercises control or a significant influence over the company constitutes a significant interest if the effective weight of the abovementioned equity interest is greater than the effective weight of the equity interest held by the same party in the issuer. For the purpose of determining the effective weight, direct equity interests are weighted for their full amount, while indirect equity interests are weighted based on the percentage interest held in the share capital of the subsidiary through which the equity interest in the related party is held.³⁸ If the equity interest held in a related party is coupled with other financial interests, these interests are considered together with those derived from the equity investment, computed at its effective weight.

The mere ownership of an equity interest in a subsidiary or affiliated company by other subsidiaries or affiliated companies of a publicly traded company does not constitute by itself a significant interest.³⁹

³⁸ The following examples of how a materiality criterion is assessed are provided merely by way of example:

(i) Company A, by owning 50% of the capital represented by voting shares, controls company B (publicly traded), which, in turn, controls, with the same percentage, company C, which is privately held. In addition A holds directly the remaining 50% of C. In a transaction between company B and company C, company A has a significant interest in C because the effective weight of its equity interest in C is equal to $50\% + (50 \times 50\%) = 75\%$, while the weight of the equity interest in B is equal to 50%: consequently, there is an incentive for a net transfer of resources from B to C.

(ii) Company A, by owning 30% of the capital represented by voting shares, controls company B (publicly traded), which, in turn, by owning 50% of the capital represented by voting shares, controls company C, which is privately held. In addition, A holds directly 10% of C. In a transaction between company B and company C, company A does not have a significant interest in C because the effective weight of its equity interest in C is equal to $10\% + (30 \times 50\%) = 25\%$, while the weight of the equity interest in B is equal to 30%: consequently, absent other significant interests, there is no incentive for a net transfer of resources from B to C.

³⁹ For example, consider this situation: Company A (publicly traded) controls company B (privately held) by owning 51% of its capital represented by voting shares. Company C (privately held), over which A exercises control or a significant interest, holds the remaining 49% of company B's capital. In a transaction between A and B, the equity interest held by C in B does not constitute a significant interest for the purposes of Article 14, Section 2, of the Regulations.

Annex 6: OPERATING RULES OF THE COMMITTEE OF INDEPENDENT DIRECTORS

Article 1. Establishing the Committee and Officers of the Committee

- 1.1.** The Board of Directors shall appoint internally a Committee of Independent Directors comprise of three non-executive and independent Directors.
- 1.2.** The Committee of Independent Directors shall appoint its Chairman, unless one has already been appointed by the Board of Directors.
- 1.3.** The Committee of Independent Directors shall appoint Secretary, on a permanent basis or separately on each occasion. The Secretary shall not be a member of the Committee.

Article 2. Convening Committee Meetings

- 2.1.** Meetings of the Committee of Independent Directors, which may take place at a location other than the Company's head office, in Italy or abroad, are convened by the Committee Chairman, his/her representative or the Secretary, if one has been appointed, by means of a written notice sent by telegram, telefax or e-mail at least 2 (two) days or, in urgent cases, at least 12 hours before the date of the meeting.
- 2.2.** When a member of the Committee of Independent Directors qualifies as a related party with regard to a related-party transaction about which the Committee of Independent Directors is being asked to render an opinion, pursuant to Article 4, Section 1, of these Regulations the member in question shall promptly disclose this information to the other members of the Committee of Independent Directors, consistent with the specific requirements of the Procedure Governing Related-party Transactions adopted by the Company. In all cases, any members of the Committee of Independent Directors who have an interest of some sort, personally or on behalf of third parties, in the related-party transaction shall disclose it to the other members of the Committee of Independent Directors, specifying the interest's nature, terms, origin and scope.
- 2.3.** Meeting attendees may participate in the proceedings from a remote location using tele/audiovisual connection systems, provided that each participant can be identified at each connection point, is able to express orally his/her opinion, can view, receive and transmit all documents, and can review them and deliberate in real time. If these requirements are met, the meeting of the Committee of Independent Directors shall be deemed to have been held at the place listed in the notice of the meeting. Article 3, Section 5, of these Regulations shall apply.
- 2.4.** A meeting of the Committee of Independent Directors shall be deemed to have been validly convened even absent a formal notice of the meeting, provided all members are present.

However, in such instances, each participant may object to discussing issues about which he/she does not believe that sufficient information has been provided.

- 2.5. The convening of a Committee meeting must be communicated to the Board of Statutory Auditors, which may ask one or more of its members to attend the meeting.

Article 3. Meetings

- 3.1. Meetings are chaired by the Chairman or, in his/her absence, by the oldest committee member.
- 3.2. A meeting of the Committee of Independent Directors shall be deemed to have been validly convened when all of its members or a majority of them is in attendance, i.e., when two members are present and the absent member expressed his/her consent to the meeting being held.
- 3.3. The Committee of Independent Directors approves resolutions by a majority vote of its members, i.e., with the vote of at least two of its members, except for the provisions of Section 11.2.2 of the Procedure Governing Related-party Transactions adopted by the Company.
- 3.4. The independent consultants who may be asked to assist the Committee of Independent Directors pursuant to Article 4, Section 2, of these Regulations, may be invited to attend meetings of the Committee of Independent Directors from time to time. The Committee of Independent Directors, acting merely for information purposes, may also invite the Chairman, the Chief Executive Officer, or other Company executives or employees to attend its meetings.
- 3.5. Resolutions shall be recorded in the minutes of the meeting signed by the Chairman and the Secretary, after they are approved by the members of the Committee of Independent Directors present at the meeting.

Article 4. Assigned Responsibilities

- 4.1. Within the scope of the responsibilities assigned by the Board of Directors in the Procedure Governing Related-party Transactions adopted by the Company, the Committee of Independent Directors expresses a factual opinion stating whether executing a related-party transaction is in the Company's interest and if its terms and conditions are beneficial and substantively fair.
- 4.2. With regard to related-party transactions, the Committee of Independent Directors has the right to request, at the Company's expense, the assistance of one or more independent consultants of its choosing. The provisions of Section 10.11 of the Procedure Governing

Related-party Transactions adopted by the Company shall apply to issues regarding the cost of the support provided to the Committee of Independent Directors by the independent experts.

- 4.3.** Consistent with the provisions of the Procedure Governing Related-party Transactions adopted by the Company, the Committee of Independent Directors may delegate to its Chairman and/or to other Committee members responsibility for participating in the negotiations and the information gathering phase for highly material transactions. With regard to such transactions, the Committee member(s) to which this responsibility has been delegated shall have the power to request information from and make recommendations to the corporate governance entities or parties responsible for handling the negotiations and the information gathering phase.

Article 5. Information Flows

- 5.1.** When asked to render an opinion about a related-party transaction prior to its execution, the Committee of Independent Directors must be provided with an adequate written report, together with the corresponding supporting documents, about the transaction's information gathering process, as required by the Procedure Governing Related-party Transactions adopted by the Company.
- 5.2.** The opinion, which must be rendered in accordance with Article 1, Section 4, of these Regulations, must be promptly forwarded by the Chairman of the Committee of Independent Directors or, should the Committee Chairman be absent or otherwise incapacitated, by another member of the Committee of Independent Directors, to the Corporate Governance Body or Party for whom it was intended, pursuant to the Procedure Governing Related-party Transactions adopted by the Company, without prejudice to the other disclosure obligations required by the Procedure and the laws and regulations in effect.

Article 6. Final Provisions

- 6.1.** With regard to the tasks and powers of the Committee of Independent Directors in connection with related-party transactions, any issues that are not expressly addressed by these Operating Rules shall be handled in accordance with the principles and rules set forth in the Procedure Governing Related-party Transactions adopted by the Company.