



**PROCEDURES FOR THE RELATED PARTY
TRANSACTIONS**

**Approved by the Board of Directors
on 13 March 2024**

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The following document has been adopted by the Board of Directors on 10 November 2010 and subsequently amended on 14 March 2013, 14 May 2021 and 13 March 2024

1. INTRODUCTION

This procedure (hereinafter the “**Procedure**”) is adopted pursuant to article 2391 bis of the Civil Code and the “Regulation containing dispositions on related party transactions” (hereinafter “**Consob Regulation**”) emanated by CONSOB by deliberation no. 17221 dated 12 March 2010 and subsequent amendments, with the objective of ensuring the transparency and substantial and procedural correctness of the related party transactions undertaken by MARR S.p.A. (hereinafter the “**Company**”).

The Procedure ensures coordination with the administrative and accounting procedures provided by article 154 bis of Legislative Decree 58/1998 (“**Consolidated Law on Finance**” or “**CLF**”) and it applies, in general, to all of the related party transactions undertaken by MARR S.p.A. and all its subsidiaries

As regards of the regulation of company processes affecting this Procedure, please refer to the specific company documents:

- the Corporate Governance Code of Listed Companies adopted by the Company on 3 August 2020, as regards the composition, powers, duties and responsibilities of the Board of Directors and the internal board committees of MARR;
- the Accounting Control Model, the risk and control matrices for the purposes of financial reporting and the administrative-accounting procedures, with regard to the roles, responsibilities, operating methods and control systems relating to the processes relevant for the purposes of Law 262/2005;
- the Organizational Model, with regard to the control and behavioural principles relevant for the purposes of Legislative Decree 231/2001;
- the Anti-Corruption Policy of MARR S.p.A.

2. DEFINITIONS

The following definitions are applicable to the Procedure:

"Related parties" and "Related Party Transactions": those parties and transactions defined as such by the international accounting principles adopted according to the procedure referred to in Article 6 of Regulation (EU) no. 1606/2002; Annex 1) contains an extract from the definitions of related parties and related party transaction and their functional definitions according to the international accounting standards;

"Independent directors": Directors who are in possession of the independence requirements provided by article 148, paragraph 3 of the CLF and article 3.C.1 of the Corporate Governance Code drawn up by the Corporate Governance Committee;

"Non-related directors": Directors other than the counterparty in a specific transaction and its related parties;

"Directors involved in the transactions": directors who have an interest in the transaction, be it their own or that of third parties, in conflict with that of the Company;

"Non-related shareholders": the subjects who have voting rights other than the counterparty in a specific transaction and the related subjects of both the counterparty in a specific transaction and the Company;

“Transactions of Greater Importance with related parties”: transactions in which at least one of the following indices of significance, applicable according to the specific transaction, exceeds the threshold of 5%:

a) Index of significance of the counter value: the ratio between the counter value of the transaction and net equity taken from the most recent consolidated statement of equity published by the Company or, if greater, the capitalisation of the Company recorded on closure of the last open market day in the reference period of the most recent published periodical accounts document (annual or half-yearly financial report or interim management report).

If the economic conditions of the transaction are defined, the counter value of the transaction is:

- i) for the cash components, the amount paid to/by the contractual counterparty;
- ii) for the components constituted by financial instruments, the fair value determined on the date of the transaction, in compliance with the international accounting principles adopted by Regulation (EC) no. 1606/2002;
- iii) for transactions involving financing or the granting of guarantees, the maximum amount payable.

If the economic conditions of the transaction depend fully or partly on entities that are not yet known, the counter value of the transaction is the maximum value receivable or payable pursuant to the agreement.

b) Index of significance of assets: ratio between the total assets of the entity involved in the transaction and the total assets of the Company. The figures to be used must be taken from the most recent consolidated statement of equity published by the Company. If possible, similar figures must be used for determining the total assets of the entity involved in the transaction.

For transactions involving the purchase and sale of holdings in companies affecting the scope of consolidation, the value of the numerator is the total assets of the subsidiary, independently of the percentage of capital available.

For transactions involving the purchase and sale of holdings in companies not affecting the scope of consolidation, the value of the numerator is:

- i) in the case of purchase, the counter value of the transaction increased by the liabilities of the Company purchased as assumed by the purchaser;
- ii) in the case of sale, the payment for the assets sold.

For transactions involving the purchase and sale of other assets (other than the acquisition of a holding), the value of the numerator is:

- i) in the case of purchase, the greater of the payment and the accounting value attributed to the assets;
- ii) in the case of sale, the accounting value of the assets.

c) Index of significance of liabilities: ratio between the total liabilities of the entity purchased and the total assets of the Company. The figures to be used must be taken from the most recent consolidated statement of equity published by the Company. If possible, similar figures must be used for determining the total liabilities of the company or going concern purchased.

Accumulation of transactions

Pursuant to article 5, paragraph 3, in the case of accumulation of several transactions, the Company firstly determines the significance of each transaction on the basis of the applicable index or indices. To verify the exceeding of the thresholds provided, the results concerning each index are the added together.

Should a transaction or accumulation of transactions be identified as being “of Greater Importance” according to the above-mentioned indices and this outcome appear to be manifestly unjustified in consideration of specific circumstances, Consob may suggest alternative methods for the calculation of the aforementioned indices, on request by the Company. To this end, the Company informs Consob of the essential characteristics of the transaction and the specific circumstances on which the request is based before the conclusion of negotiations.

“Transactions of small amounts”: transactions concluded with the same related party whose cumulative countervalue, during the financial year, is equal to or lower than:

- (i) Euro 1 million, if the counterparty is a legal entity;
- (ii) Euro 150 thousand, if the counterparty is a natural person (or a legal entity controlled by a natural person Related Party);

“Transactions of Lesser Importance with related parties”: related party transactions other than “Transactions of Greater Importance” and “Transactions of Small Amounts”;

“Ordinary transactions”: transactions included in the everyday exercise of operating activities and related financial activities;

“Conditions equivalent to market or standard conditions”: conditions similar to those usually used with non-related parties for transactions of a corresponding nature, entity and risk, in other words based on regulated tariffs or imposed prices or those used by subjects with which the issuer is bound by law to contract a determined payment value.

3. METHODS FOR PRELIMINARY SUBMISSION AND APPROVAL OF RELATED PARTY TRANSACTIONS

1. Before completing any operation for the transfer of resources, services or obligations which may involve a Related Party, and which is not a transaction of a small amount, the function responsible for managing the aforementioned operation has the responsibility of informing the Corporate, Legal and Insurance Affairs Department which will proceed to carry out the assessment, based on the available information.

The function responsible for the operation forwards to the Corporate, Legal and Insurance Affairs Department all information relating to the operation such as, by way of example and not limited to, the name of the counterparty, the description of the operation and its conditions, draft contractual if prepared.

Once the aforementioned set of information has been received, the Corporate, Legal and Insurance Affairs Department proceeds to evaluate the transaction and the counterparty in order to identify, where present, the Related Party and evaluate the relevance of the transaction itself.

The Corporate, Legal and Insurance Affairs Department ensures the following:

- if the transaction is a Related Party Transaction;
- if it falls within one of the cases of exclusion provided for by the Issuers' Regulation;
- based on the value of the transaction, whether it qualifies as a Transaction of Greater Importance or a Transaction of Lesser Importance.

If, following these assessments, the Corporate, Legal and Insurance Affairs Department ascertains the presence of a Transaction with Related Parties to be subjected to the Procedure, it promptly informs the Board of Directors on the transaction, forwarding them adequate and complete information, also supported by any comparisons or benchmarks, in relation to the characteristic elements of the operations, such as the nature of the correlation, the execution methods of the operations, the conditions, including economic ones, for their implementation, the underlying interest and motivations and the any risks for the Company.

In fact, taking that provided by article 4 into account, the Board of Directors, or the Shareholders' meeting in the cases provided by the law and the statutes, is responsible for decision-making as regards related party transactions, after hearing the opinion of the Control and Risks Committee, composed exclusively of non-executive and independent directors (hereinafter the "**Committee**"). To this end, these bodies must receive with suitable notice adequate and complete information concerning the characteristics of the transactions, such as the nature of the relationship, executive methods of the transactions, the conditions for their finalisation, including economic, the underlying interest and reasons and any risks for the Company.

2. The Procedure provides the following as regards the *transactions of Lesser Importance with related parties*:

- a) prior to the approval of the transaction, the Committee, with non-related directors exclusively in attendance, expresses a reasoned and non-binding opinion concerning the interest of the Company in carrying out such a transaction and the convenience and substantial correctness of the relevant conditions. This opinion is attached to the minutes of the Committee's meeting;
- b) at the expense of the Company and within the limits of an expenditure budget determined by the Board of Directors, the Committee, if it deems it necessary, has the right to consult one or more independent experts of its choice. The same committee pre-emptively verifies the independent nature of the experts, keeping into account the reports indicated in Annex 2);
- c) the body responsible for deciding upon the transaction, of which in paragraph 1 above, and the Committee are provided with complete and adequate information in a timely manner. Should the conditions of the transaction be equivalent to market or standard conditions, the documentation prepared must contain objective comparative elements;
- d) should there not be at least two independent non-related directors on the Committee, the opinion required in subsection a) is provided by a committee, also specially formed, composed exclusively of independent and non-related directors; where this is not possible, is provided by the Board of Statutory Auditors;
- e) if the transaction falls within the competence of the Board of Directors, the Directors involved in the transaction abstain from voting on it;
- f) the minutes of the approval deliberations contain adequate motivation as regards the interest of the Company in carrying out the transaction and the convenience and substantial rightness of the related conditions;
- g) The Chief Executive Officer, with the support of the Corporate, Legal and Insurance Affairs Department, provides, complete information on the performance of the transactions to the Board of Directors and Board of Statutory Auditors on at least a quarterly basis;
- h) that provided by article 17 of Regulation (UE) 596/2014 holding firm, a document containing the name of the counterparty, the scope and value of the transactions approved in the reference quarter should the opinion expressed pursuant to subsection a) be negative and the reasons why

this opinion was not shared is made available to the public within fifteen days of the closure of each quarter of the business year at the company headquarters and in the methods stated in Part III, Title II, Chapter I of Consob deliberation no. 11971/99 (hereinafter “**Issuers’ Regulation**”). The opinion is made available to the public annexed to the informative document or on the Company website within the same deadline. This document is prepared by the Chief Executive Officer with the support of the Corporate, Legal and Insurance Affairs Department.

3. This procedure provides the following as regards the *Transactions of Greater Importance with related parties*, in addition to that stated in paragraph 2, subsections b), c), f) and g):

- a) the Committee, composed exclusively of non-related directors, or one or more members of the Committee delegated by same, is involved in the discussion phase and the preliminary phase through receipt of a complete and timely flow of information and with the right to request information and formulate observations to the executive bodies and those responsible for conducting the discussions or preliminary phase;
- b) the transaction is approved after the aforementioned Committee composed exclusively of non-related directors gives its reasoned favourable opinion as regards the interest of the Company in the finalisation of the transaction and the convenience and substantial correctness of the relative conditions. This opinion is attached to the minutes of the committee’s meeting;
- c) should not all the members of the Committee be independent non related directors, that provided in subsections a) and b) is provided by a committee, also specially formed, composed exclusively of independent and non-related directors; where this is not possible, is provided by the Board of Statutory Auditors;
- d) all the statutory provisions required by the law holding firm, the transactions of most significant may be approved despite the contrary opinion of the independent directors, as long as the finalisation of such transactions is authorised by the Shareholders’ meeting , pursuant to article 2364, paragraph 1, subsection 5) of the Civil Code, and in cases in which there is not a contrary vote by a number of non related shareholders representing at least 10% of the vote bearing share capital. In such an event, the report containing the shareholders’ meeting deliberation, ex art. 125 ter of the CLF, must include a clause which conditions the deliberation on the basis of the above special majority.

4. Should the Company be subject to the management and coordination of others, in related party transactions influenced by such activities, the opinions provided in this article must accurately state the reasons behind and convenience of the transaction, also in the light of the overall result of management and coordination activities or transactions aimed at completely eliminating the damage caused by the individual transaction with related parties if necessary.

4. EXCLUSIONS FROM APPLICATION OF THE PROCEDURE

1. The dispositions of the Procedure are not applicable to the shareholders’ meeting deliberations of which in article 2389, first paragraph of the Civil Code, concerning the remuneration due to the members of the Board of Directors, or deliberations concerning the remuneration of the directors invested with specific duties within the framework of the total value determined in advance by the Shareholders’ meeting pursuant to article 2389, third paragraph of the Civil Code. The dispositions of this procedure are not applicable to the shareholders’ meeting deliberations of which in art. 2402 of the Civil Code, concerning the remuneration due to the members of the Board of Statutory Auditors.

2. The provisions of the Procedure is not apply to the transactions approved by the Company and intended for all the shareholders, all conditions being equal, therein including:
 - a) capital increases on a rights offering, including for servicing convertible debenture loans, and the gratuitous capital increases envisaged by Article 2442, Italian Civil Code;
 - b) demergers in the strictest sense, in whole or in part, with assignment of shares on a proportional basis;
 - c) share capital reductions by means of reimbursement to shareholders, as provided for by Article 2445, Italian Civil Code, and purchases of own shares in accordance with Article 132 CLF.
3. The dispositions of the Procedure are not applicable to Transactions of Small Amounts.
4. That provided by article 5, paragraph 8 holding firm, if applicable, the following are also excluded from the application of this procedure:
 - a) the remuneration plans based on financial instruments approved by the Shareholders' meeting pursuant to article 114-bis CLF and relevant executive transactions;
 - b) the deliberations other than those stated in paragraph 1 concerning the remuneration of the directors invested with specific duties and the other managers with strategic responsibilities, on condition that:
 - i) the company has adopted a remuneration policy approved by the shareholders' meeting;
 - ii) the definition of the remuneration policy included the involvement of a committee exclusively comprising non executive directors, the majority of them independent;
 - iii) the remuneration awarded is consistent with this policy and quantified on the basis of criteria that do not imply discretionary evaluations;
 - c) the ordinary transactions that have been finalised under conditions equivalent to market or standard conditions, and which are therefore not subject to cumulation with reference to the provisions of article 5 paragraph 3. The following obligations provided for the Transactions of Greater Importance and the dispositions of article 17 Regulation (UE) 596/2014 remain unaffected:
 - i) within the deadline stated in article 5, paragraph 2, the Company informs Consob and the Committee, that gives an opinion on transactions with related parties, of the counterparty, the scope and the value of the transactions that have benefitted from exclusion as well as the of reasons why it is believed that the transaction is a regular one and is concluded at market-equivalent or standard conditions, providing objective facts;
 - ii) in its interim report on management and annual report on management, in the context of the information provided by article 5, paragraph 8, the Company states which of the transactions subject to the informative obligations stated in the latter disposition have been finalised on the basis of exclusion as provided in this subsection.
5. That provided in article 5 holding firm, the dispositions of the Procedure are not applicable to the transactions to be realised on the basis of instructions with stability aims given by the Supervisory Authority, or on the basis of dispositions emanated by the Group Leader for the execution of instructions given by the Supervisory Authority in the interest of the stability of the Group.
6. That provided by article 5, paragraph 8 holding firm, the dispositions of the Procedure are not applicable to transactions with or between subsidiary companies, also of a joint nature, and transactions with associate companies, should there be significant interests of other related parties of the Company in the subsidiary or associate companies which are the counterparties in the transaction. Those deriving from the mere sharing of one or more directors or other managers with strategic responsibilities between the Company and the subsidiary or associate companies are not considered as significant interests.

There are significant interests of other parties related to the Company:

- (i) if one or more directors or managers with strategic responsibilities of the Company benefit from incentives plans based on financial instruments or in any case variable remunerations dependent upon the results achieved by the subsidiary or associate companies involved in the transaction;
- (ii) if the other parties related involved owns a holding of more than 5% of the share capital of the subsidiary or associate company involved in the transaction, even indirectly.

7. The transactions which, although being performed by the subsidiary company, are traceable to the Company by force of a preventive examination or approval on the part of the latter are subject to the Procedure.

8. The Committee providing an opinion on the transactions with related parties:

- i) receives at least annually from the Internal Audit Function, with the support of the Corporate, Legal and Insurance Affairs Department information on the application of the cases of exemption identified in accordance with this article, at least in reference to the Transactions of Greater Importance.
- ii) verify at half-yearly the correct application of the conditions of exemption from the Transactions of Greater Importance defined as regular and concluded at market or standard conditions, communicated to the same in accordance with paragraph 4, letter c), point i) of this article.

5. COMMUNICATIONS

1. In the case of Transactions of Greater Importance, also being realised by Italian or foreign subsidiary companies, the Company, through the Chief Executive Officer supported by the Corporate, Legal and Insurance Affairs Department, drafts pursuant to the article 114, paragraph 5 CLF, an informative document (hereinafter the “**Informative document**”) drawn up in compliance with Annex 4 of the Consob Regulation.

2. The Informative document is made available to the public at the company headquarters and in the methods stated in Part III, Title II, Chapter I of the Issuers’ Regulation, within seven days of the approval of the transaction by the competent body or, should the competent body decide to submit a contractual proposal, given that the contract, even the preliminary contract, is finalised on the basis of the applicable discipline. Should the Shareholders’ meeting be the competent or authorising body, the same informative document is made available within seven days of the approval of the proposal to be submitted to the Shareholders’ meeting.

3. The Company, through the Chief Executive Officer supported by the Corporate, Legal and Insurance Affairs Department, also drafts the Informative document if, during the course of the business year, homogeneous transactions or those realised in execution of a unitary plan which, although not classifiable individually as Transactions of Greater Importance, exceed the thresholds provided for the Transactions of Greater Importance, when considered cumulatively, and are finalised with the same related party or with subjects associated to the latter and to the Company itself. For the purposes of this paragraph, the Transactions carried out by Italian or foreign subsidiary companies are included and transactions excluded pursuant to article 4 are not considered.

4. Should the exceeding of the thresholds for significance be determined by the accumulation of transactions provided by paragraph 3, the Informative document is made available to the public within fifteen days of approval of the transaction or finalisation of the contract determining the

exceeding of the thresholds for significance and contains information, also on an aggregate basis for homogeneous transactions, on all the transactions considered as cumulative. Should the transactions determining the exceeding of the thresholds for significance be carried out by subsidiary companies, the Informative document is made available to the public within fifteen days of the date on which the company bound to prepare said document is informed of the approval of the transaction or finalisation of the contract determining its significance.

5. Under the terms envisaged in subsections 2 and 4, as an attachment to the information document or on the web site, the company, through the Chief Executive Officer who avails himself of the support of the Corporate, Legal and Insurance Affairs Department , shall disclose any opinions of independent directors and independent experts, selected in accordance with Article 3, paragraph 2, letter b), and the opinions issued by experts qualified as independent of which the management body has availed itself . With reference to the aforementioned independent expert opinions, the Company shall publish only the elements indicated in Annex 4 of the Consob Regulation, justifying the decision in question.

6. In relation to a Transaction of Greater Importance , should the Company also be bound to prepare an informative document pursuant to articles 70, paragraphs 6 and 7, and 71 of the Issuers' Regulation, it may publish a single document containing the information required by paragraph 1 and the same articles 70 and 71. In such an eventuality, the document is made available to the public at the company headquarters and in the methods stated in Part III, Title II, Chapter I of the Issuers' Regulation, in the shortest time of those provided by each of the applicable dispositions.

7. Simultaneously to distribution to the public, the Company, through the Chief Executive Officer supported by the Corporate, Legal and Insurance Affairs Department, sends to Consob the documents and opinions stated in the preceding articles through a connection to the storage system authorised pursuant to article 65-septies, paragraph 3 of the Issuers' Regulation.

8. Pursuant to article 154-ter CLF, the Company, through the Chief Executive Officer supported by the Corporate, Legal and Insurance Affairs Department, provides the following information in the interim report on management and the annual report on management:

- a) on the single Transaction of Greater Importance finalised during the reference period;
- b) on the other eventual related party transactions, as defined in pursuant to article 2427, second paragraph of the Civil Code, finalised during the reference period which have had a significant effect on the equity situation or on the results achieved by the Company;
- c) on any modifications or developments of the related party transactions described in the last annual report which have had a significant effect on the equity situation or on the results achieved by the Company in the reference period.

9. For the purposes of paragraph 8, the information on the single Transaction of Greater Importance may be included by reference to the Informative documents already published, stating any eventual significant updates.

10. Should a transaction with related parties also be subject to the communication obligations provided by Article 17 Regulation (UE) 596/2014, the communication to be released to the public must contain the following information, in addition to the information to be published pursuant to the aforementioned law:

- a) the description of the transaction;
- b) the indication that the counterparty in the transaction is a related party and a description of the nature of the relationship;
- c) the business name or name of the counterparty in the transaction;

- d) whether the transaction exceeds the thresholds provided for the Transactions of Greater Importance or not and an indication of the subsequent publishing of the Informative document;
- e) the procedure that has been or will be followed for the approval of the transaction, and specifically if the Company benefitted from the exclusion clause provided by article 4;
- f) the eventual approval of the transaction despite the contrary opinion of the independent directors.

11. Should the transaction be the competence of the Shareholders' meeting and should there be significant updates to be made to the Informative document, the Company will make a new version of the document available to the public at the company headquarters and in the methods stated in Title II, Chapter I of the Issue Regulation by the twenty-first day prior to the Shareholders' meeting.

6. ADOPTION, UPDATE AND VALIDITY OF THE PROCEDURE

The Procedure, for which the Control and Risk Committee expressed a favourable opinion, was adopted for the first time by the Board of Directors in the meeting of 10 November 2010 and subsequently modified and reapproved on 14 March 2013 and dated 14 May 2021.

The Procedure is published on the Company's website, in the Governance section.

The Company's Control and Risk Committee is responsible for monitoring the conformity of the Procedure with the principles indicated in the Regulation of the procedures adopted as well as their observance.

The Procedure is subjected to evaluation in order to identify any need for revisions and updates deriving from the changes that have occurred in the structure of the Company and the Group, from the results of the supervisory activity carried out by the Board of Statutory Auditors, as well as from any application difficulties encountered.

In any case, the responsibilities for drafting, analysis, evaluation and approval of this procedure remain unchanged.

The Chief Executive Officer is granted the right to make any changes or additions of a formal nature to the text of the Procedure.

Annex 1)

DEFINITIONS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES AND FUNCTIONAL DEFINITIONS ACCORDING TO INTERNATIONAL ACCOUNTING PRINCIPLES

1. Definitions of related parties and transactions with related parties according to international accounting principles

For the purposes of this Procedure, the following definitions contained in the international accounting principles, shall apply:

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”).

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

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associate and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].

Transactions with related parties

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged [IAS 24, paragraph 9]. (1)

2. Functional definitions to those of "related parties" and "transactions with related parties" according to international accounting principles

The notions of "control", "joint control", "significant influence", are defined in IFRS 10, IFRS 11 (Joint arrangements) and in IAS 28 (Investments in associates and joint ventures) and are used with the meanings specified in those IFRS [IAS 24, paragraph 9].

Key management personnel

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

Close relatives

Close relatives of an individual are those family members who may be expected to influence or be influenced by, that individual in their dealings with the company, and include:

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

3. Principles of interpretation of the definitions

3.1 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form [IAS 24, paragraph 10].

3.2 The interpretation of the definitions above is accomplished by referring to the set of international accounting standards adopted by the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.

(1) These transactions include:

- mergers, demergers by incorporation or non-proportional demergers in the strictest sense, if carried out with related parties;
- decisions regarding the assignment of remunerations and financial benefits, in any form whatsoever, to the members of management and control bodies and of key management personnel.

Annex 2)

EXTRACT FROM PARAGRAPH 2.4 OF ANNEX 4) TO CONSOB REGULATION NO. 17221/201

Pursuant to art. 3, paragraph 2, letter b) of the Procedure, the Committee shall take into account the reports indicated in paragraph 2.4 of Annex 4) of the Consob Regulations, an extract of which is provided below, when verifying in advance the independence of experts:

“... any economic relations, property and financial relations between the independent experts, and
(i) the related party, the companies controlled by it, the entities controlling it, the companies under common control and the managers of the aforementioned companies;
(ii) the company, the companies controlled by it, the entities controlling it, the companies subject to common control and the managers of the aforementioned companies”.