



PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES

Premise

This procedure for Transactions with Related Parties (the "**Procedure**") defines the procedures adopted for the approval and execution of transactions carried out by ILPRA S.p.A. (the "**Company**" or "**Issuer**") with related parties, directly or through subsidiaries, in order to ensure the transparency and correctness, both substantive and procedural, of the transactions following the admission of the shares of the Company on AIM Italia, a multilateral trading facility organised and managed by Borsa Italiana S.p.a. ("**AIM Italia**"). To this end, the Procedure:

- (a) identifies the transactions of greatest significance so as to include at least those that exceed the thresholds set out in point 3.1 below (the "**Transactions of Major Significance**");
- (b) identifies the cases of exemption from the procedures set out below, relating, *inter alia*, to Small Transactions (as defined *below*) and to shareholders' resolutions relating to the remuneration due to the members of the Board of Directors and the Executive Committee (if established);
- (c) identifies the independence requirements of the directors;
- (d) establishes the procedures for examining and approving transactions with related parties and identifies rules with regard to the cases in which the company examines or approves transactions of Italian or foreign subsidiaries;
- (e) establishes the methods and times with which information on transactions, with related parties, is provided to directors who express opinions on transactions with related parties as well as to the administrative and control bodies, with the relevant documentation, before the resolution, during and after the execution of the same.
- (f) establishes the procedures for fulfilling the related information obligations.

The Procedure has been prepared in application:

- (a) of Art. 2391-bis of the Civil Code;
- (b) of Art. 10 of Consob Resolution no. 17221 of 12.03.2010, as referred to in Art. 13 AIM Italia Issuers' Regulations;
- (c) of the AIM Italia Issuers' Regulation ("**Issuers' Regulation**");
- (d) of the Provisions on Related Parties issued by "Borsa Italiana S.p.A." in the version *in force at the time* ("**Provisions**").

The Board of Directors, within the scope of its prerogatives and for the purposes of compliance with legal and regulatory obligations, guarantees the necessary safeguards to comply with this procedure; it meets on a regular basis and organizes and operates in such a way as to ensure the effective performance of its functions, also ensuring compliance with the regulations to safeguard transparency and correctness, including procedural correctness, on the occasion of transactions carried out by the Company with related parties.

The Board of Directors of the Company assesses at least once a year the need to update this Procedure also in relation to legislative and regulatory changes.

1. Identification of related parties and their obligations

For the purposes of this Procedure, the Company's related parties are defined as such by International



Accounting Standards¹ and, in particular, by IAS 24 *in force* at the time . In particular, pursuant to the wording of IAS 24 at the date of this Procedure – which shall be deemed amended from time to time in the event of any amendments to IAS 24 itself – a "Related Party" is a person or entity that is related to the entity that prepares the financial statements.

- (a) A person or an immediate family member² of that person is related to a reporting entity if that person:
- (i) has control³ or joint control⁴ of the reporting entity;
 - (ii) has a significant influence⁵ on the entity that prepares the financial statements;
 - (iii) is one of the executives with strategic responsibilities of the reporting entity or of one of its parent companies.
- (b) An entity is related to a reporting entity if any of the following conditions apply:
- (i) the entity and the reporting entity are part of the same group (meaning that each parent, subsidiary and group company is related to the others);
 - (ii) an entity is an associate or *joint venture* of the other entity (or an associate or *joint venture* that is part of a group of which the other entity is a member);
 - (iii) both entities are *joint ventures* of the same third party;
 - (iv) an entity is a *joint venture* of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is represented by a post-employment benefits plan for employees of the reporting entity or an entity related to it;
 - (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 one of the officers with strategic responsibilities of the entity (or its parent) (IAS 24, paragraph 9);
 - (viii) an entity, or any member of a group to which it belongs, provides management services with strategic responsibilities to the reporting entity or to the parent company of the reporting entity (IAS 24, paragraph 9).

In the definition of a Related Party, an associate includes the subsidiaries of the associated company, and a *joint venture* includes the subsidiaries of the *joint venture*. Thus, for example, a subsidiary of an associate and the investor who has significant influence over the associate are related to each other (IAS

¹ "International Accounting Standards" means international accounting standards adopted in accordance with the procedure referred to in Article 6 of Regulation (EC) No 1606/2002.

² A person's "immediate family members" are those family members who are expected to influence, or be influenced by, that person in their dealings with society, including: (a) that person's children and spouse or common-law partner; (b) the children of that person's spouse or common-law partner; (iii) and dependents of that person or spouse or common-law partner

³ The terms "control", "joint control" and "material influence" are defined in IFRS 10, IFRS 11 (Arrangements for joint control) and IAS 28 (Investments in associates and joint ventures) and are used in the Procedure with the meanings specified in those IFRSs (IAS 24, paragraph 9).

⁴ See note 1.

⁵ See note 1.

24, paragraph 12).

For the purposes of determining the subjective scope of correlation, the definition of Related Party referred to in this paragraph 1) is applied by assessing the specific circumstances of the concrete cases, as well as taking into account the entire body of International Accounting Standards, the interpretations adopted by the competent bodies, as applicable, and IAS 24 ("Disclosure of financial statements on transactions with related parties")⁶.

In order to facilitate the appropriate monitoring and control activities by the company's internal control system, each of the direct Related Parties is required, also in relation to the indirect Related Parties to which it refers, to provide in writing to the Chairman of the Board of Directors – through the issuance of the **form Annex A** at the end of this document - the data and information suitable for allowing the timely identification of all existing Related Parties, updating the information previously provided from time to time and within a reasonable timeframe.

The Chairman of the Board of Directors of the Company keeps, through the Corporate Secretariat, an updated list of Related Parties and submits to the Board of Statutory Auditors, in the event of doubts and/or disputes, the identification of related parties other than those identified above.

Each direct Related Party has the obligation and undertakes, also in relation to the indirect Related Parties referable to it, to promptly inform the Company - in the person of the Chairman of the Board of Directors - of the start of negotiations relating to Transactions with Related Parties.

If the Company is not aware of the status of a counterparty as a Related Party and the information obligations have been omitted, the Company's counterparty that has omitted such information – as well as the direct Related Party to which the counterparty refers as an indirect Related Party – will be held liable for any damage – pecuniary and non-pecuniary, also as a result of measures taken by the competent Authority – deriving to the Issuer from the completion of the Related Party Transaction in violation of the prescribed procedures.

2. Identification and prior examination by the Board of Directors of transactions with related parties

Transactions with Related Parties, pursuant to IAS 24, paragraph 9, are all transactions involving the transfer of resources, services or obligations, regardless of whether a consideration has been agreed, entered into between the Company (or its Italian and foreign subsidiaries) and one or more of the Related Parties identified pursuant to paragraph 1 above.

By way of example, without any claim to exhaustiveness, the following transactions fall within the cases in question:

- (a) mergers, demergers by incorporation or non-proportional demergers in the strict sense, if carried out with related parties;
- (b) any decision relating to the assignment of remuneration and economic benefits, in any form, to the members of the administrative and control bodies and to managers with strategic responsibilities.

The Chairman of the Board of Directors identifies the Transactions with Related Parties, and provides the Board of Directors with specific information; this information and the individual cases analysed

⁶ Pursuant to Annex 1 of the Provisions, "*in the examination of each relationship with related parties, attention must be paid to the substance of the relationship and not simply to its legal form*".



must be accounted for in the minutes of the relevant board meeting.

In any case, it is the responsibility of the Board of Directors of the Company to examine in advance, after consulting the Board of Statutory Auditors, the transactions with Related Parties subject to this Procedure.

For the Transactions with Related Parties indicated below, the provisions of this Procedure do not apply – unless otherwise provided for below – regarding, respectively, the investigation and approval as well as the disclosure regulations regarding transactions with related parties:

- (a) Small Amount Transactions;
- (b) transactions carried out between the Company and any of its wholly owned subsidiaries, including indirectly;
- (c) transactions whose consideration is set on the basis of the quotations of a regulated market or on the basis of professional tariffs (otherwise known as '*standard*');
- (d) ordinary transactions⁷ concluded at conditions equivalent to market or standard conditions⁸. In the event that the transactions benefiting from the exemption referred to in this Paragraph are transactions of Greater Importance, without prejudice to the provisions of art. 17 Regulation (EU) no. 596/2014, the Company will notify the RPT Committee, within the deadline indicated in art. 5, paragraph 3 of the Consob Related Parties Regulation, the counterparty, the object, the consideration of the ordinary transactions that benefited from the exclusion as well as the reasons why it is believed that the transaction is an ordinary transaction and concluded at conditions equivalent to market or standard conditions, providing objective elements of confirmation. The RPT Committee shall verify without delay, and in any case within 7 (seven) days of the communication referred to in the previous paragraph, the correct application of the exemption conditions to transactions of Greater Significance defined as ordinary transactions and concluded at conditions equivalent to market or standard ones.
- (e) the resolutions of the shareholders' meeting referred to in Article 2389, first paragraph, of the Civil Code, relating to the remuneration due to the members of the Board of Directors or to the Executive Committee, if appointed;
- (f) the resolutions of the Company's Board of Directors on the remuneration of directors vested with special offices falling within the total amount determined in advance by the shareholders' meeting pursuant to Article 2389, third paragraph, of the Civil Code;
- (g) the resolutions of the shareholders' meeting referred to in Article 2402 of the Civil Code, relating to the remuneration due to the members of the Board of Statutory Auditors;
- (h) transactions approved by the Company and addressed to all shareholders on equal terms, including:
 - (i) capital increases in option, including to service convertible bonds, and free capital increases provided for by Article 2442 of the Civil Code;

⁷ "Ordinary transactions" means transactions that fall within the ordinary exercise of operating activities and related financial activities.

⁸ "Market or standard conditions" means conditions similar to those usually applied to unrelated parties for transactions of the same nature, size and risk, or based on regulated tariffs or imposed prices, or those applied to parties with whom the Company is required by law to contract at a certain price.



- (ii) demergers in the strict sense, total or partial, with a proportional allocation criterion;
- (iii) reductions in share capital through reimbursement to shareholders provided for by Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the TUF;
- (i) compensation plans based on financial instruments approved by the shareholders' meeting and related executive transactions.

The Chairman of the Board of Directors provides the directors with adequate information on the strategic, economic-financial, legal and tax profile of transactions with Related Parties, and provides detailed information on the nature of the correlation, the agreed economic conditions, the timing conditions and the methods of implementation; it also illustrates the economic and financial effects associated with the transactions themselves and any related risks.

In addition, the Chairman of the Board of Directors of the Company prepares a written summary of the transaction, to be delivered to the Board of Directors and the Board of Statutory Auditors, indicating:

- (a) the Related Party of the Company counterparty to the transaction;
- (b) the nature of the correlation;
- (c) whether it is a transaction of greater or lesser importance (as defined *below*);
- (d) the conditions of the transaction, including an indication of the methods of execution, the methods for determining the consideration, the terms and conditions of the transaction;
- (e) the Company's interest in carrying out the transaction; and
- (f) the reasons underlying the transaction and any risks that could arise from its implementation.

Transactions with Related Parties may be, among other things:

- (a) **Transactions of Greater Importance:** means the transactions – including transactions that are homogeneous or carried out in execution of a unitary design with the same Related Party of the Company or with parties related to both the latter and the Company – identified in Paragraph 3.1) of this Procedure below.
- (b) **Transactions of Minor Importance:** means transactions other than transactions of greater significance and Transactions of small amounts referred to in Paragraph 3.2 below).

2.1 Major Transactions

Transactions with related parties of greater significance are meant:

- (a) those in which at least one of the relevance indices referred to in Annex 2 of the Provisions is higher than the threshold of 5%; The benchmarks are as follows:
 - (i) materiality index of the countervalue: is the ratio between the value of the transaction and the shareholders' equity taken from the most recent balance sheet (if any, the consolidated one) published by the Company or, if greater, the capitalisation of the Company recorded at the close of the last trading day included in the reference period of the most recent periodic accounting document published (annual or half-yearly financial report). If the economic conditions of the transaction are determined, the value of the transaction is:
 1. for cash components, the amount paid to/by the contractual counterparty;



2. for components consisting of financial instruments, the *fair value* determined, at the date of the transaction, in accordance with the international accounting standards adopted by Regulation (EC) No. 1606/2002;
3. for financing or guarantee operations, the maximum amount that can be disbursed.

If the economic conditions of the transaction depend in whole or in part on quantities not yet known, the value of the transaction shall be the maximum value that can be received or payable under the agreement.

- (ii) asset materiality ratio: is the ratio between the total assets of the entity subject to the transaction and the total assets of the Company. The data to be used must be taken from the most recent balance sheet (if any, the consolidated one) published by the Company; Where possible, similar data shall be used to determine the total assets of the target entity.

For any transactions involving the acquisition and sale of equity investments in companies that have an effect on the scope of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital disposed of.

For transactions involving the acquisition and sale of equity investments in companies that have no effect on the scope of consolidation, the value of the numerator is:

1. in the case of acquisitions, the value of the transaction increased by the liabilities of the acquired company, if and to the extent that it has been contractually provided that the purchaser must assume certain obligations in relation to such liabilities;
2. in the case of transfers, the consideration for the asset transferred.

For transactions involving the acquisition and disposal of other assets (other than the acquisition of a shareholding), the value of the numerator is:

1. in the case of acquisitions, the greater of the consideration and the carrying amount that will be attributed to the asset;
2. in the case of disposals, the carrying amount of the asset;

- (iii) materiality ratio of liabilities: is the ratio between the total liabilities of the acquired entity and the total assets of the Company. The data to be used must be taken from the most recent balance sheet (if any, the consolidated one) published by the Company; Where possible, similar data shall be used to determine the total liabilities of the acquired company or business unit.

- (b) Transactions with the listed parent company (if there is one) or with related entities that are in turn related to the companies, if at least one of the materiality indices referred to in point c) is higher than the threshold of 2.5%.

2.2 Transactions of lesser significance with related parties

Transactions of Minor Significance are all Transactions with Related Parties other than Transactions of Major Importance, Transactions of Small Amount and other transactions that may be excluded from the application of this Procedure pursuant to the Procedure itself.

2.3 Small Amount Transactions with Related Parties

Small Amount Related Transactions are those with Related Parties in which the foreseeable maximum amount of consideration or the foreseeable maximum value of the services to be paid by the Company



does not exceed:

- (a) individually for each transaction, Euro 150,000 if the counterparty is a legal person or Euro 75,000 if the counterparty is a natural person (including the professional associations of which the Related Party is a member or companies related to it);
- (b) several transactions that are homogeneous with each other or carried out in execution of a unitary design which, cumulatively considered, do not exceed during a single financial year the amount of Euro 150,000 if the counterparty is a legal person or Euro 75,000 if the counterparty is a natural person (including the professional associations of which the Related Party is a member or companies referable to it).

3. Authorisation procedure for operations

The Company follows the following procedure both in the case of Transactions of Minor Importance and in the case of Transactions of Greater Importance, without prejudice to the conditions for the applicability of Article 5 of Consob Regulation no. 17221 where the conditions for the applicability of Consob Regulation no. 17221 are met.

The Board of Directors and the Managing Directors, within the limits set out in the Articles of Association and/or the proxy issued, approve the Transactions of Minor Importance and the Transactions of Major Importance subject to a reasoned and non-binding opinion on the Company's interest in carrying out the transaction as well as on the convenience and substantial correctness of the related conditions. This opinion must be issued by a committee for transactions with related parties ("**RPT Committee**"), also specifically constituted by the Board of Directors, composed of all the independent directors of the Company in office from time to time, it being understood that – as long as there is only one Independent Director on the Company's Board of Directors – the RPT Committee will be deemed to be properly constituted even with the presence of only the latter; instead, **Equivalent Presidia will be used** in the order:

- (a) if one of the members of the RPT Committee cannot be considered an unrelated director, the opinion of the Committee is issued unanimously by the remaining unrelated directors of the RPT Committee;
- (b) in the event that the oversight referred to in letter (a) above cannot be applied, the opinion shall be issued by the only unrelated Independent Director who may be present who will operate and resolve jointly: (i) to the Chairman of the Board of Statutory Auditors provided that the same is not, with respect to the specific Transaction, a Related Party; or (ii) the most senior Standing Auditor provided that he or she is not, with respect to the specific Transaction, a Related party; or (iii) an independent expert identified by the Board of Directors from among persons of recognised professionalism and competence in matters of interest, whose independence and absence of conflicts of interest are assessed. If the aforementioned Independent Director is unable to carry out the aforementioned activity (also in view of a possible correlation), two of the other Equivalent Safeguards operate alternatively (and jointly)

"Independent Directors" means directors who meet the independence requirements set out in Article 148, paragraph 3, of the TUF and any additional requirements established by industry regulations that may be applicable due to the activity carried out by the Company.

In the event of recourse to one or more of the Equivalent Safeguards referred to in the previous paragraph, the provisions dictated on the procedure followed by the RPT Committee shall apply, insofar as they are compatible.



The RPT Committee may be assisted by one or more independent experts at its own choice and at the expense of the Company. The RPT Committee shall verify the independence of the experts in advance, taking into account the economic, equity and financial relations between the independent experts and: (i) the related party, the companies controlled by it, the persons who control it, the companies under common control and the directors of the aforementioned companies; (ii) the Company, its subsidiaries, its controlling entities, the companies under common control as well as the directors of the aforementioned companies, taken into consideration for the purposes of qualifying the expert as independent and the reasons why these relationships were considered irrelevant for the purposes of assessing independence. Information on any reports may be provided by attaching a statement by the independent experts themselves.

The RPT Committee meets at the request of the Chairman of the Board of Directors or, in the absence or lack of a request, of the Chairman of the Board of Statutory Auditors, in order to examine in advance any transaction to which a Related Party is a counterparty.

To this end, the Chairman of the Board of Directors shall transmit to the members of the RPT Committee, at the same time as the convening of their meeting, all the information on the proposed transactions with Related Parties as specified below.

The meeting of the RPT Committee is valid in the event of the participation of the majority of its members and is held, also by teleconference, within the third day following that of the request; the decisions of the RPT Committee are taken by a majority of the members present and are immediately recorded by the member appointed secretary and signed by all the members present. The opinion of the RPT Committee shall be annexed to the minutes of the RPT Committee meeting.

If the Company is subject to management and coordination, in transactions with related parties affected by such activity, the opinions of the RPT Committee must contain a precise indication of the reasons and convenience of the transaction, if necessary also in the light of the overall result of the management and coordination activity or of transactions aimed at completely eliminating the damage deriving from the individual transaction with a related party.

A copy of each minute shall be sent to the Board of Directors within the day following the meeting, so that it may obtain its opinion in time for its decisions. As an alternative to the above, the opinion may be issued by an independent expert appointed by the Board of Directors after consulting the Board of Statutory Auditors.

Any independent expert appointed will be paid a remuneration agreed in advance and approved by the Board of Directors.

The opinions issued are published as an annex to the information document, if drafted.

The Chairman of the Board of Directors shall ensure that the persons called upon to give an opinion on the Company's interest in carrying out the transaction as well as on the convenience and substantial correctness of the related conditions, receive, well in advance and in any case three days before their examination, complete and adequate information regarding:

- (a) to the Transaction of Lesser Significance or to the Transaction of Greater Significance and, in the case of transactions defined as equivalent to market or standard transactions, objective elements of confirmation in this regard;
- (b) the methods of execution of the operation;
- (c) the terms and conditions of time and conditions for the completion of the transaction;



- (d) the interest and underlying motivations of the transaction;
- (e) any risks for the Company deriving from the implementation of the Transaction of Minor Importance or the Transaction of Greater Importance.

The Chairman of the Company shall ensure that adequate information on Transactions of Minor Importance and Transactions of Major Importance within the competence of the Board of Directors is provided to all members of the Board of Directors, in accordance with art. 2381 of the Italian Civil Code, as well as to the Board of Statutory Auditors.

Prior to the approval of the Transaction of Minor Significance or the Transaction of Major Significance by the Board of Directors, if the transaction is the responsibility of the latter, or in other cases, before the Company assumes the obligation to carry out the Transaction of Minor Significance or the Transaction of Major Significance, the non-binding opinion of the person identified above called upon to issue it must be obtained.

The prior resolutions of the Board of Directors authorising a Transaction of Minor Significance or a Transaction of Greater Significance must be adequately motivated, taking into account the Company's interest in carrying out the transaction, as well as the convenience and substantial correctness of the related conditions. The approval of significant transactions with Related Parties must take place without the participation of the Director who may be a party to the case.

3.1 Framework Resolutions

In accordance with the approval procedures provided for Transactions of Major Importance, the Company may adopt framework resolutions, directly or through subsidiaries, relating to a series of homogeneous transactions of a more recurring nature with certain categories of related parties that will be identified from time to time by the Board of Directors, provided that:

- (a) the framework resolutions shall not be effective for more than one year and shall refer to sufficiently specific transactions, stating at least the foreseeable maximum amount of transactions to be carried out in the reference period and the justification for the conditions envisaged;
- (b) the Board of Directors is provided with complete information at least quarterly on the implementation of the framework resolutions. In particular, the Board of Directors must be informed of the transactions concluded in implementation of the framework resolutions, indicating for each:
 - (i) the counterparty with whom the transaction was carried out;
 - (ii) a brief description of the characteristics, methods, terms and conditions of the transaction;
 - (iii) the motivations and interests of the transaction as well as its effects from a patrimonial, economic and financial point of view;
 - (iv) the methods for determining the economic conditions applied and (where relevant) the referability to market standards".

Upon approval of a framework resolution, the Company will publish an information document pursuant to Paragraph 5. which follows, if the foreseeable maximum amount of the transactions subject to the same resolution exceeds the materiality threshold relating to the Transactions of Greater Importance.

As a result, the individual transactions concluded in implementation of the framework resolution must not be approved with the procedure provided for in Paragraph 3 above, nor must transactions concluded



with the same related party, or with parties related to both the latter and the companies themselves, homogeneous to each other or carried out in execution of a unitary design, be taken into account for the purposes of the accumulation of materiality.

4. Approval of transactions with related parties by the Shareholders' Meeting

In the event that the RPT Committee or the independent expert expresses an unfavourable opinion on the execution of a specific transaction, the Board of Directors may resolve to submit such transaction to the decision of the shareholders' meeting, attaching to the resolution proposal the opinion (or opinions) of the RPT Committee or of the other parties and any independent experts appointed.

The transaction, without prejudice to compliance with the *constitutive and deliberative quorums* required for the adoption of the shareholders' resolutions of the shareholders' meeting, cannot be carried out if the same is not approved by the shareholders' meeting with the favourable vote of the majority of the voting Non-Related Shareholders.

Where permitted by the Articles of Association, in the event of urgency related to situations of corporate crisis, the provisions of Article 3 above shall not apply to Related Party Transactions that fall within the competence of the Shareholders' Meeting or must be authorised by it. In this case, the Board of Directors prepares a report containing an adequate justification of the reasons for urgency and the Board of Statutory Auditors reports to the Shareholders' Meeting its assessments of the existence of the reasons for urgency. The report of the body calling the Shareholders' Meeting and the assessments of the Board of Statutory Auditors are made available to the public at least 21 (twenty-one) days before the date set for the Shareholders' Meeting at the Company's registered office and in the manner indicated in art. 17 of the AIM Italia Issuers' Regulation. Such documents may be contained in the Information Document.

If the Board of Statutory Auditors' assessments are negative, the Related Party Transaction may not be completed if the majority of the voting Unrelated Shareholders vote against the Related Party Transaction, provided however that the Unrelated Shareholders present at the Shareholders' Meeting represent at least 10% (ten percent) of the share capital with voting rights.

Otherwise, by the day following that of the Shareholders' Meeting, information on the results of the vote, with particular regard to the total number of votes cast by the Unrelated Shareholders, shall be made available to the public in the manner indicated in art. 17 of the AIM Italia Issuers' Regulation.

5. Communications and mandatory information

At the first available meeting, the Board of Directors of the Company receives adequate information from its Chairman regarding the execution of transactions with related parties on the approval or evaluation of which it has resolved.

In addition, the Chairman of the Company shall send to the RPT Committee, the Board of Directors and the Board of Statutory Auditors: (i) at least quarterly, detailed information on the transactions previously approved by the Board of Directors, indicating the Related Parties involved, the methods and conditions under which the transactions were carried out and the changes introduced to ensure compliance with any conditions indicated by the RPT Committee, by the Board of Statutory Auditors or by the expert in his opinion on the transaction; (ii) on an annual basis, on the application of the exemption cases referred to in Article 3 above, at least with reference to the most significant transactions.

In addition:



- (a) on the occasion of Transactions of Greater Importance, by the Chief Executive Officer, the Company is required to **provide immediate information**, through the dissemination to the market of an information document within seven days of the approval of the transaction by the competent body or of the signing of the contract. The information document, to be drawn up in accordance with Annex 3 of the Provisions referred to here in full, must describe, among other things, the characteristics of the transaction, the economic motivations and convenience for the company of the transaction, the methods for determining the consideration, the opinion of the RPT Committee or independent experts and any consultants. In the event that the thresholds of relevance are exceeded by a series of transactions, with the same related party, or with parties related to both the latter and the companies themselves, homogeneous with each other or carried out in execution of a unitary design which, although not individually qualified as transactions of greater importance, exceed, if cumulatively considered, The materiality thresholds Cumulation of transactions, the information document is made available to the public within fifteen days of the approval of the transaction or the conclusion of the contract that determines that the materiality threshold is exceeded and contains information, also on an aggregate basis for homogeneous transactions, on all the transactions considered for the purposes of cumulation. Furthermore, if the transactions that determine the exceeding of the materiality thresholds are carried out by subsidiaries, the information document is made available to the public within fifteen days from the time the Company has received notice of the approval of the transaction or the conclusion of the contract determining the materiality. The Company shall issue the necessary instructions for the subsidiaries to provide the information necessary for the preparation of the document. In compliance with the same deadline for the publication of the information document, the Company shall make available to the public, as an annex to the information document itself or on its website, any opinions rendered by the RPT Committee and/or by the independent experts chosen pursuant to Article 3 of this procedure and the opinions issued by experts qualified as independent that may have been used by the Board of Directors. With reference to the aforementioned opinions of independent experts, the Company may publish only the elements indicated in Annex 4 of Consob Regulation no. 17221, justifying this choice;
- (b) in addition, the Company is only required to **provide periodic information** as part of the interim or annual report on operations. In particular, the Company must provide analytical information in the management report:
- (i) on the individual Transactions of Major Importance concluded in the reference period (half-year or entire year),
 - (i). on other Related Party Transactions concluded in the reporting period that had a material impact on the Company's financial position or results,
 - (ii). information on any changes or developments in the transactions with related parties described in the last annual report that have had a material effect on the financial position or results of the company in the reporting period.
- (c) if, in relation to a Transaction of Greater Significance, the Company is also required to prepare a press release or other information document pursuant to Articles 12, 14 and 15 of the Issuers' Regulation, the Company may publish a single document containing the information required by this procedure and by Articles 12, 14 and 15 of the Issuers' Regulation. In this case, the document shall be made available to the public, at the Company's registered office and in the manner indicated in Article 17 of the Issuers' Regulation, within the shortest term provided for



by each of the applicable provisions. Information contained in separate documents may be included by reference to information already published;

- (d) if the materiality thresholds are exceeded by an accumulation of Related Party Transactions, the information document shall be made available to the public within fifteen days following the approval of the Related Party Transaction or the conclusion of the contract that determines that the materiality threshold is exceeded. This information document must contain information, also on an aggregate basis for homogeneous transactions, on all the individual Transactions considered for the purposes of cumulation. If the Transactions that exceed the materiality threshold are carried out by subsidiaries, the information document is made available to the public within 15 days from the time the Company became aware of the approval of the Transaction or the conclusion of the contract that determines the exceeding of the threshold.

If a Transaction with related parties is disclosed with the dissemination of a press release pursuant to art. 17 of Regulation (EU) 596/2014, the press release to be disseminated to the public contains, in addition to the other information to be published pursuant to that article, the following information:

- (a) an indication that the counterparty to the transaction is a related party and a description of the nature of the correlation;
- (b) the name or name of the counterparty to the transaction;
- (c) whether or not the transaction qualifies as a Major Transaction and an indication of the possible subsequent publication of an information document;
- (d) the procedure that has been or will be followed for the approval of the transaction and, in particular, whether the Company has availed itself of a case of exclusion;
- (e) the possible approval of the transaction despite the contrary opinion of the Independent Director.

In addition, pursuant to Article 2427, first paragraph, no. 22-bis of the Italian Civil Code, in the financial statements the Company provides specific information on transactions with related parties, not concluded at arm's length, specifying for each the amount, the nature of the relationship and any other information necessary to understand it.

In the case of transactions whose consideration is set on the basis of the quotations of a regulated market or on the basis of professional rates (otherwise known as "*standards*"), the Company must indicate in the management report the counterparty, the object and the consideration of the Transactions of Greater Importance concluded during the year, making use of the relative exclusion.

6. Supervision of compliance with this procedure

Pursuant to and for the purposes of Article 2391-bis of the Italian Civil Code, the Board of Statutory Auditors shall monitor compliance with the rules adopted by this procedure, assessing the substantive and procedural correctness of the transactions carried out with related parties, and shall report the results of its activities to the Shareholders' Meeting.

7. Validity of this procedure

The relevant amendments to this procedure are approved subject to the favourable opinion of a committee, also specifically constituted, composed of at least one Independent Director.

This procedure was approved by the Company's Board of Directors on 24 June 2021.





ANNEX A

[to be completed according to the provisions actually applicable to each entity – this communication may require additional declarations to be issued independently by relevant persons]

Dear

ILPRA S.p.A.

Gallery Corso Buenos Aires, 13

20124 Milan

Via e-mail: vvecchio@ilpra.com

The undersigned (*surname and first name or company name*) _____
 _____, born in _____
 _____ the _____
 _____ citizenship _____, tax code _____
 _____ Resident/registered office
 in (address, postcode, city, state) _____

DECLARES AND ATTESTS

1. the following personal data and contact details for the purposes of the Procedure:

Name and Surname:	
Tax number:	
Email:	
Telephone/Fax Contacts:	
Domicile:	

2. the following names and details of close family members⁹ as of the date of this communication:

Degree of Kinship	Name and Surname	Tax Code



3. company in which the undersigned exercises control or joint control:

Entity	C.F./P.IVA	Motivation/Participation fee	Direct/Indirect

4. company in which one of the undersigned's close family members exercises control or joint control:

Entity	C.F./P.IVA	Motivation/Participation fee	Direct/Indirect

5. any company in which the undersigned – who has control or joint control of the reporting entity – has significant influence or of which manager(s) with strategic responsibilities is one of the managers with strategic responsibilities (IAS 24, paragraph 9)

Entity	C.F./P.IVA	Motivation/Participation fee	Direct/Indirect

6. company in which one of the undersigned's immediate family members – who has control or joint control¹⁰ of the reporting entity – has significant influence or of which is one of the executives with strategic responsibilities (IAS 24, paragraph 9)

Entity	C.F./P.IVA	Motivation/Participation fee	Direct/Indirect

The undersigned(s) undertakes to communicate promptly and in any case within 3 days to ILPRA S.p.A. by email to the address vvecchio@ilpra.com any future changes/additions to the information provided herein, (ii) declares that he/she undertakes with the utmost diligence to comply with the provisions of the aforementioned Procedure, (iii) declares that he/she has collected personal data relating to his/her close family members in



accordance with the *pro tempore* privacy legislation (iv) undertakes – where necessary – to issue a specific additional declaration also by related parties relevant to it for the purposes of the Procedure, independently of this communication.

This declaration is issued for the purpose of acquiring the information necessary to comply with the legislation relating to transactions with related parties, is confidential and will be treated in compliance with the regulations relating to the processing of personal data *in force at the time*.

(Date) (Signature)