

PROCEDURE ON RELATED PARTY TRANSACTIONS

- pursuant to the Regulation on related party transactions adopted through Consob Resolution No. 17221 dated 12 March 2010, as amended through Consob Resolution No. 17389 dated 23 June 2010

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Version entered into effect on 12 May 2017

Procedure approved by the Board of Directors on 10 November 2010, lastly amended by the Board of Directors on 11 May 2017.



1. Subject Matter

1.1 The Procedure on related party transactions described below (the “**RPT Procedure**”) defines pursuant to the Regulation on related party transactions approved by Consob resolution No. 17221 dated 12 March 2010 (as amended through Consob resolution No. 17389 dated 23 June 2010, the “**Regulation**”) the procedures that Italiaonline S.p.A (“**IOL**” or the “**Company**”) will have to apply when concluding, either directly or through subsidiaries, Related Party Transactions, as defined below.

1.2 The “Procedure for the fulfillment of the obligations provided under art. 150, first paragraph, Legislative Decree No. 58 of 1998 (the “**150 Procedure**”) available on the website www.italiaonline.it, governs, as amended as a result of the entry into force of the RPT Procedure, the informational acknowledgment of Related Party Transactions referred to in paragraph 6.1 of the RPT Procedure, which fall outside the scope of application of the RPT Procedure.

1.3 The Company shall identify a series of applicative and organizational internal rules, to support the application of the RPT Procedure, to facilitate and guide the internal divisions that, as per their activities, could be in a position to start processes regarding transaction identifiable as Related Party Transactions set forth under the RPT Procedure.

2. Definitions

Terms used in the text of the RPT Procedure shall have the following meanings.

2.1 Definitions pursuant to art 3 of the Regulation

Independent Directors

Independent Directors are the directors recognized as such under the Self-Governance Code of Listed Companies of Borsa Italiana S.p.A. which the company has adopted.

Unrelated Directors

These are directors other than the counterparty of a given transaction and its Related Parties, as defined below.

More Significant Transactions

These are transactions in which at least one of the following indicators of significance, applicable depending upon the specific transaction, exceed the threshold of 5%:

- a) *Indicator of significance of the amount of the transaction*: this is the ratio between the amount of the transaction and the consolidated net shareholders' equity resulting from the most recent balance sheet published by the Company or, for listed companies, if greater, the capitalization of the Company determined at the close of the last open market date included in the period of reference of the most recently published periodic accounting document.

The value of the transaction is:

- (i) for cash components, the amount paid to the/by the contractual counterparty;
- (ii) for components consisting of financial instruments, the fair value determined, on the date of the transaction, in accordance with international accounting principles adopted under EC Regulation No. 1606/2002 and subsequent amendments and integrations;
- (iii) for loan/financing transactions or the grant of guarantees, the maximum amount disburseable.

If the economic conditions of the transaction depend in whole or in part upon amounts that are not yet known, the value of the transaction is the maximum value receivable or payable under the agreement;

- b) *Indicator of the significance of assets*: this is the ratio between the total assets of the entity forming the subject matter of the transaction and the total assets of the Company resulting from the most recent consolidated balance sheet published by the Company; (where possible, similar data must be used to determine the total assets of the entity forming the subject matter of the transaction). In particular:

- (i) for transactions involving the acquisition/sale of shareholdings in companies that have effects on the consolidation perimeter, the value of the numerator is the total assets of the subsidiary/company in which

- the stake is held (regardless of the percentage value of the capital being transferred);
- (ii) for transactions involving the acquisition/sale of shareholdings in companies that do not have effects on the consolidation perimeter, the value of the numerator is:
 - In the case of acquisitions, the value of the transaction plus the liabilities of the acquired company, if any, that are taken over by the purchaser;
 - In the case of sales, the purchase price of the assets/business sold;
 - (iii) for transactions involving the acquisition/sale of other assets (other than the acquisition of a shareholding), the value of the numerator is:
 - In the case of acquisitions, the greater as between the purchase price and the book value that will be attributed to the asset;
 - In the case of sales, the book value of the asset;
- c) *Indicator of significance of the liabilities*: this is the ratio between the total liabilities of the entity acquired and the total assets of the Company as set forth in the most recent consolidated balance sheet published by the Company (where possible, similar data must be used to determine the total liabilities of the company or the business unit purchased).

Less Significant Transactions

These are Related Party Transactions other than More Significant Transactions and Transactions for Negligible Amounts, as defined below.

Ordinary Transactions

These are Related Party Transactions that fall within the ordinary course of business or the related financial activities, concluded at conditions equivalent to market conditions or standard conditions or, in other words, conditions analogous to those usually applied to unrelated parties for transactions of similar nature, size and risk, or based upon regulated tariffs or prices imposed or those applied to persons/entities with which the Company is required by law to contract at a given amount of consideration.

Unrelated Shareholders

These are persons/entities with voting rights other than the counterparty of a given transaction and the persons/entities related to the counterparty of a given transaction and the Company.

2.2 Definitions pursuant to Schedule 3 to the Regulation

Control and Joint Control

Control is the power to determine the financial and management policies of an entity in order to obtain benefits from its business operations. It is presumed that Control exists where a person/entity holds, directly or indirectly through its subsidiaries, more than one-half the voting rights of an entity unless, in certain exceptional cases, it may be clearly proven that such holding does not constitute control. Control exists also where a person/entity holds one-half, or a lower portion, of the voting rights exercisable in shareholders' meetings if the latter has:

- i) Control over more than one-half the voting rights pursuant to an agreement with other investors;
- ii) the power to determine the financial and management policies of the entity pursuant to by-laws or an agreement;
- iii) the power to appoint or remove the majority of the members of the board of directors or the equivalent corporate governance body, and the control over the entity is held by such board or body;
- iv) the power to exercise the majority of voting rights at the meetings of the board of directors or the equivalent corporate governance body, and the control over the entity is held by such board or body;

Joint Control is the sharing, established by contract, of Control over a business.

Executives with Strategic Responsibilities (Key Executives)

These are the persons who have the power and responsibility, directly or indirectly, for the planning, guidance and control of the Company's business operations, including the directors (whether executive or not) and the statutory auditors of the company.

Considerable Influence

This is the power to take part in the determination of the financial and management policies of an entity without having Control over the same.

Considerable Influence may be obtained through the possession of shares, through by-laws clause or agreements. If the person/entity holds, directly or indirectly, for example through subsidiaries, 20% or a greater portion of the votes exercisable in



the shareholders' meeting of the company in which the stake is held, it is presumed that such person/entity has a Considerable Influence unless it may be clearly demonstrated that this is not the case. However, if the person/entity holds less than 20% of the votes exercisable in the shareholders' meeting of the company in which the stake is held, it is presumed that such person/entity does not have a Considerable Influence unless it may be clearly demonstrated that this is not the case.

The presence of a person/entity holding the absolute majority or relative majority of voting rights does not necessarily preclude another person/entity from having a Considerable Influence. The existence of a Considerable Influence is usually indicated by the occurrence of one or more of the following circumstances:

- (i) representation in the board of directors or in the equivalent body of the company I which a stake is held;
- (ii) participation in the decision-making process, including participation in decisions on dividends or other types of distribution of earnings;
- (iii) the presence of significant transactions between the shareholder company and the company in which a stake is held;
- (iv) exchanges between the companies of executives;
- (v) making available essential technical information.

Joint Venture

This is a contractual agreement through which two or more parties undertake to conduct business operations subject to Joint Control.

Related Party Transactions

Under Schedule 1 to the Regulation, a Related Party Transaction is any transfer of resources, services and obligations between Related Parties, as defined below, regardless of whether or not consideration is agreed upon.

In such regard, the following are included (i) transactions involving merger or demerger by incorporation or ordinary non-proportional demerger/spin-off with Related Parties, (ii) any decision related to the award of remuneration and economic benefits to the members of management bodies and Executives with Strategic Responsibilities.

Related Parties

Under Schedule 1 to the Regulation, a person/entity is a Related Party to IOL if

- a) directly or indirectly (through subsidiaries, trust companies or agents),
 - it controls IOL, is controlled by IOL or is subject to common Control,
 - it holds a shareholding in IOL enabling it to exercise a Considerable Influence over IOL,

- It exercises Joint Control over IOL,
- b) is an Affiliate, as defined below, of IOL;
- c) is a Joint Venture in which IOL is a shareholder/participant;
- d) is an Executive with Strategic Responsibilities of IOL or its parent company;
- e) is a Close Relative, as defined below, of one of the persons referred to in letters a) or d);
- f) is an entity in which one of the persons/entities referred to in letters d) or e) exercises Control, Joint Control or Considerable Influence or holds, directly or indirectly, a significant quota not lower than 20% of the voting rights;
- g) is a complementary pension fund, whether collective or individual, Italian or foreign, established in favor of IOL's employees or any other company related to it.

Affiliate

Any entity in which a shareholder exercises Considerable Influence, but not Control or Joint Control.

Subsidiary

Any entity subject to the Control on the part of another entity.

Specific Equivalent Safeguard

The equivalent safeguards listed under the subsequent paragraph 3.1.c and 3.2.c of this RPT Procedure, in the event that with reference to a specific Related Party Transaction it is not possible to have an adequate number of Independent Directors.

Close Relative

The Close Relatives of a person are those relatives who are expected to be in a position to influence or to be influenced by the person in question in their relationships with the Company or, in other words,

- a) a spouse who is not legally separated and cohabitating partner;
- b) children and dependents of the person, of the spouse who is not legally separated, or of the cohabitating partner.

2.3 Definitions pursuant to arts. 13 and 14 of the Regulation***Transactions for a Negligible Amount***

These are transactions for which the maximum amount of the consideration, in line with the limits provided under 150 Procedure, is lower than or equal to (i) Euro 250,000.00 for intragroup related party transactions, (ii) Euro 50,000.00 for related party translations that are not intragroup.



Significant Interests

The following are qualified as such:

- (i) the holding of a shareholding exceeding 10% of the voting share capital;
- (ii) the sharing of one or more directors or other Executives with Strategic Responsibilities between the Company and its Subsidiaries and Affiliates in the event that the above-mentioned persons/entities benefit from incentive plans based upon financial instruments or, in any case, variable remuneration, which depend to a extent exceeding 40% upon the results achieved by the Subsidiary or the Affiliate;
- (iii) the entering into of tax consolidation agreements where there are other Related Parties of the Company and such transactions are not performed with respect to the principle of indifference for the Subsidiaries.

3. Procedure for the approval of Related Party Transactions**3.1 Less Significant Transactions****3.1.a) Control and Risks Committee**

The Control and Risks Committee established by the Company in accordance with art. 7 of the Corporate Governance Code and comprised of three Independent Directors or, if it was not possible, by three no-executive directors, most of them independent:

- i) verifies on a preliminary basis the lack of any relationship of each of the members with respect to the Less Significant Transaction;
- ii) has the task of expressing, in advance, a non-binding opinion on the Less Significant Transaction, after hearing the Board of Statutory Auditors' opinion, on the Company's interest in the conclusion of the Less Significant Transaction, and on the advantageousness and substantive propriety/fairness of the related conditions of the same;
- iii) is entitled to be assisted, at the Company's expense, by one or more independent experts chosen by it, in accordance with the budget established by the Board of Directors for each Less Significant Transaction;
- iv) receives, with congruous advance notice via e-mail, complete and adequate information on the Less Significant Transaction. In the event that the economic conditions of the Less Significant Transaction allow for the same to be qualified also as an Ordinary Transaction, it must also receive the related supporting documentation.

3.1.b) Review and resolution phase

- i) The Board of Directors and/or the delegated bodies approve the Less Significant Transactions, upon receiving the Control and Risks Committee's opinion, referred to in par. 3.1.a);
- ii) the Managing Director ensures that the members of the Control and Risks Committee receive, pursuant to and for purposes of what is described in par. 3.1.a), iii), complete and adequate information on the Less Significant Transaction. In the event that such transaction falls under the responsibility of the Board of Directors, the Managing Director ensures that the same information are transmitted in a timely manner to the Directors, also pursuant to art. 2381 of the Italian Civil Code and to the Board of Statutory Auditors;
- iii) the board resolutions approving a Less Significant transaction must set forth adequate reasons supporting the Company's interest in concluding the transaction, and the advantageousness and substantive propriety/fairness of the related conditions;
- iv) the Managing Director, through the "Report on fulfillment of duties pursuant to art. 150, first paragraph of Legislative Decree No. 58 of 1998 and art. 16 of the Company's By-laws referred to in 150 Procedure" (150 Report), reports to the Board of Directors and the Board of Statutory Auditors at least on a quarterly basis on the conclusion of Less Significant Transactions;
- v) without prejudice to the disclosure obligations provided pursuant to the provisions of law from time applicable, the Company, within fifteen days of the close of each quarter, makes available to the public, at its registered office at Assago, Milanofiori Nord, Via del Bosco Rinnovato n.8 , Palazzo U4 and at the secondary registered seat in Torino, Corso Mortara, 22, Turin, and at Borsa Italiana S.p.A. and on its website www.italiaonline.it, a document setting forth an indication of the counterparty, the subject matter and consideration/price of the Less Significant Transactions approved in the relevant quarter in the presence of a negative opinion by the Control and Risks Committee referred to in par. 3.1.a), ii) or the different equivalent safeguard referred to in par. 3.1.c) – to be attached to the document – and the reasons why it was decided not to go along with the above-mentioned opinion.

3.1.c) Specific Equivalent Safeguard

In the event that the Control and Risks Committee did not include, with reference to the Less Significant Transaction, the presence of at least two unrelated independent directors, the related independent directors will be replaced in order to proceed with the preparation of the opinion under art. 3.1.a) ii), where present, with unrelated independent directors to be identified on the base of the duration of their office in the Board of Directors of the Company or, in case of tie duration, to the oldest member.

In case of the Chairman of the Control and Risks Committee was, with reference to a specific Less Significant Transaction, a related director, the chairmanship of the Control and Risks Committee will be assigned to the oldest member in relation to the duration of the office on the Board of Directors of the Company or, in case of tie duration, to the oldest member.

In the event that it was not possible to proceed as indicated in the above paragraphs, the opinion provided under art. 3.1.a) ii) will be issued by the unrelated independent director, if present, or, on the contrary, by the Board of Statutory Auditors.

3.2 More Significant Transactions

3.2.a) Independent Directors Committee

The Independent Directors Committee established by the Company pursuant to and for purposes of art. 4, paragraph 3 of the Regulation is comprised exclusively of three Independent Directors:

- i) verifies on a preliminary basis the lack of any relationship of each of the members with respect to the More Significant Transaction;
- ii) is entitled to be assisted, at the Company's expense, by one or more independent experts chosen by it, in accordance with the budget established by the Board of Directors for each More Significant Transaction;
- iii) receives, with congruous advance notice via e-mail, complete and adequate information on the More Significant Transaction;
- iv) must be involved in advance, either through meetings or through members delegated by the same, in the negotiation and review phase of the More Significant Transaction, through the receipt of complete and timely information flows, with the right to request information and to formulate observations to the delegated bodies and the company bodies in charge of conducting the negotiations and the review phase;
- v) may express, in advance, a reasoned opinion on the Company's interest in concluding the More Significant Transaction, and on the economic advantageousness and substantive propriety/fairness of the related conditions.

3.2.b) Review and resolution phase

- i) the Board of Directors has exclusive responsibility over resolving on More Significant Transactions, subject to the provisions of paragraph 3.3;
- ii) the Managing Director ensures that the obligations indicated in paragraph 3.2.a) imposed upon the Board of Directors are fulfilled;
- iii) the Board of Directors resolves, with the majorities provided by law and under the by-laws, on More Significant Transactions by gathering a favorable opinion from the Independent Directors Committee, in accordance with paragraph

3.2.a), v) and/or with the favorable vote of the majority of Independent Directors;

- iv) in the event that the majority of the Independent Directors are contrary, the Board of Directors may nonetheless approve More Significant Transaction, on the condition that
- pursuant to art. 2364, paragraph 1, no. 5) of the Italian Civil Code, the shareholders' meeting has authorized in advance the conclusion of More Significant Transactions, in accordance with by-laws provisions in such regard;
 - the majority of the shareholders not related to the More Significant Transaction who are in attendance at the shareholders' meeting in a number representing at least 10% of the voting capital has not expressed a vote against the transaction.

3.2.c) Specific Equivalent Safeguard

Where, due to the failure to meet the requisites indicate in letter d) of art. 8 of the Regulation, it was not possible to count at least three Independent Directors, the related independent directors will be replaced in order to proceed with the activities under art. 3.2.a), where present, with unrelated independent directors to be identified on the base of the duration of their office in the Board of Directors of the Company or, in case of tie duration, to the oldest member.

In case of the Chairman of the Independent Directors Committee was, with reference to a specific More Significant Transaction, a related director, the chairmanship of the Independent Directors Committee will be assigned to the oldest member in relation to the duration of the office on the Board of Directors of the Company or, in case of tie duration, to the oldest member.

In the event that it was not possible to proceed as indicated in the above paragraphs, the activities under art. 3.2.a) will be carried out by the unrelated independent directors, if present, or, on the contrary, by the Board of Statutory Auditors and the resolution of approval will have to be accompanied by the opinion or the favorable vote of the Specific Equivalent Safeguard utilized.

3.3 Transactions fall under the responsibility of the shareholders' meeting

- i) the provisions of paragraphs 3.1 and 3.2 apply with reference to the approval by the Board of Directors of the proposed resolution to be submitted to the Shareholders' Meeting in the event that the transactions referred to in the above-mentioned paragraphs fall under the responsibility of the shareholders' meeting;

- ii) proposed resolutions by the Board of Directors to be submitted to the Shareholders' Meeting referred to in paragraph 3.2.b) iv) may be approved even if the Independent Directors Committee or the Board of Statutory Auditors expresses a negative opinion, provided that the conclusion of the More Significant Transaction shall be suspended if the majority of the unrelated voting shareholders expresses a vote against the transaction, without prejudice to the quorums provided under paragraph 3.2.b) iv).

3.4 Subsidiaries

The RPT Procedure also applies to Related Party Transactions concluded by Subsidiaries that have been examined in advance by the Company's Board of Directors.

In this regard, the Subsidiaries inform the Company's Managing Director and make available the necessary information, subject to, in the case of foreign Subsidiaries, the limits deriving from any laws or regulations of the relevant foreign country.

4. Disclosure

Related Parties of the Company, as soon as possible, provide to the Managing Director the information necessary to enable the Company to fulfill the obligations provided under the RPT Procedure.

The Managing Director informs the Board of Directors and the Board of Statutory Auditors at the time of the Board of Directors' Meeting, of the presence of Related Party Transactions falling under the scope of application of the RPT Procedure. In order to fulfill the obligations provided under art. 154 of the TUF and following the approval of the Related Party Transaction by the competent body, the secretary of the Company's Board of Directors notifies the executive in charge of drafting corporate accounting documents of all Related Party Transactions approved in accordance with the Regulation and the RPT Procedure.

5. Master resolutions

The Board of Directors is entitled to pass master resolutions related to a series of transactions concluded with certain categories of Related Parties, on the condition that:

- (i) the procedural regime applied conforms to that indicated in paragraph 3, with regard to the envisaged maximum total amount of transactions considered on a cumulative basis under the master resolution;
- (ii) the master resolution has the following characteristics:
 - its term of validity must not exceed one year;
 - it must refer to transactions that are sufficiently determined/defined and set forth at least the envisaged maximum amount of the individual

transactions to be concluded over the relevant period and the reasons for the conditions applied;

The Managing Director provides quarterly reports to the Board of Directors on the implementation of the master resolution.

6. Area of application; exemptions and cases of urgency

6.1 – The Regulation, subject to what is described below, and the RPT Procedure do not apply:

- i) to Negligible Transactions;
- ii) subject to the provisions of art. 5, eighth paragraph of the Regulation, to compensation plans based upon financial instruments resolved by the shareholders' meeting in accordance with art. 114-bis of the TUF;
- iii) subject to the provisions of art. 5, eighth paragraph of the Regulation, to the Board of Directors' resolutions concerning the remuneration of directors vested with particular mandates, as well as Executives with Strategic Responsibilities, on the condition that:
 - the Company has adopted a remuneration policy;
 - the Company's remuneration committee consisting of, pursuant to and for purposes of art. 6 of the Corporate Governance Code, Independent Directors or, in the absence for any reasons, of such committee or, within the same committee of three Independent Directors, a committee of non-executive directors the majority of whom are independent, has been involved in defining the remuneration policy;
 - a report illustrating the remuneration policy has been submitted to the shareholders' meeting for approval;
 - the remuneration granted is in line with such policy;
- iv) subject to the provisions of art. 5, eighth paragraph of the Regulation, to Ordinary Transactions;
- v) to Related Party Transactions with or between IOL's Subsidiaries and Affiliates, provided that within the Subsidiaries or Affiliates no Significant Interests of other Related Parties of IOL exist.

6.2 If under the RPT Procedure a More Significant Transaction also constitutes an Ordinary Transaction, the Company:

- i) notifies Consob within 7 days of the competent body's approval, of the counterparty, subject matter and consideration/price of the transaction(s) that benefitted from the exclusion;
- ii) indicates in the interim report and the annual directors' report which of the following transactions (individual More Significant Transactions concluded during the relevant period, other individual transactions concluded with Related Parties which have significantly influenced the Company's balance

sheet or results of operations) were concluded with the benefit of this exclusion.

7. Reference to general provisions of law

Reference is made to the provisions of the Regulation for all matters not expressly governed hereunder.

