

RenoDeMedici



**RENO DE MEDICI S.P.A.**

PROCEDURES REGULATING RELATED PARTY TRANSACTIONS

(PURSUANT TO ARTICLE 2391-BIS OF THE ITALIAN CIVIL CODE, ARTICLE C.1 OF THE CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES AND THE CONSOB REGULATIONS ON RELATED PARTY TRANSACTIONS APPROVED WITH RESOLUTION NO. 17221 OF 12 MARCH 2010 AND SUBSEQUENT AMENDMENTS AND ADDITIONS)

APPROVED BY

THE BOARD OF DIRECTORS

ON 8 NOVEMBER 2010

MODIFIED ON 3 AUGUST 2011



## 1. INTRODUCTION

These procedures (the **RPT Procedures/RPT Regulations**), approved by the Board of Directors of Reno De Medici S.p.A. (hereafter **RdM/the Company**) at its meeting on 8 November 2010 pursuant to article 2391-*bis* of the Italian civil code, replacing those effective from 24 January 2006, have been prepared to satisfy the requirements of article 4 of the Regulations adopted by CONSOB in Resolution No. 17221 of 12 March 2010 and subsequently amended by Resolution no. 17389 of 23 June 2010 (the “**CONSOB Regulations**”) and article C.1 of the Corporate Governance Code for Listed Companies adopted by the Corporate Governance Committee of Borsa Italiana S.p.A. (the “**Corporate Governance Code**”).

The RPT Regulations will become effective on 1 January 2011.

The RPT Regulations are published in the investor relations, corporate governance section of the Company’s website.

The objective of this document is to achieve the scope identified in the above-mentioned Regulations, namely to “ensure that related party transactions are transparent and correct in substance and procedure”.

As is known, the prime intention of the discipline is to strengthen the protection of minority interests and other interest bearers by acting against any abuses that may arise from related party transactions where there is a potential conflict of interest (including by way of mere example mergers, acquisitions, disposals and reserved capital increases).

As a consequence, the key points of these procedures and the Regulations are as follows:

- a) the strengthening of the role of independent directors at all stages of the decisional process for related party transactions;
- b) the transparency regime.

The RPT Procedures identify the principles to which RDM adheres in order to ensure that the related party transactions carried out by RDM directly or through companies it controls are transparent and correct in substance and procedure.

In addition, the Company fulfils the informational and transparency requirements required by the CONSOB Regulations (for reasons of mere convenience, these requirements are listed in summary form in Annex 1 of these RPT Regulations).

For the purpose of these RPT Regulations, related party transactions (“**RPTs**”) shall mean any transfer of resources, services or obligations between Related Parties (as defined in article 2 below), independent of whether a price is charged, including:

- mergers and demergers or demergers in the strict non-proportional meaning, when carried out with Related Parties (as defined in article 2 below);



- any decision relating to the granting of compensation and economic benefits, in any form, to the members of the management and control bodies and managers with strategic responsibilities (unless provided otherwise by the CONSOB Regulations and excluding the exemptions as per paragraph 6 below).

In order to identify RPTs pursuant to these RPT Regulations the bodies involved in the review and approval of the transactions and the bodies assigned to supervise that the RPT Regulations have been observed, each of which to the extent of its competence, give privilege to the substance of the relation and do not simply consider its legal form.

Taking into account the reports received and observations made by the other corporate bodies (and in particular the ICC), the Company's Board of Directors assesses the effectiveness of the RPT Regulations on a regular basis and at least quarterly, and whether it is necessary or appropriate to make revisions to such Regulations. As a consequence of continuous testing of RPT Procedures, the Board has decided to modify and insert some provisions in order to specify the area of enforcement of this Procedure.



## 2. CONCEPT OF RELATED PARTY

In accordance with the requirements of Annex 1 of the CONSOB Regulations a party is a related party of the Company (a “**Related Party**”) if:

**(a)** directly or indirectly, including through subsidiaries, trust companies or intermediaries, the party:

- (i) controls, is controlled by or is under common control with the Company;
- (ii) has an interest in the Company that gives it significant influence over the Company; or
- (iii) has joint control over the Company with other parties;

**(b)** is an associate of the Company;

**(c)** is a joint venture in which the Company is a venturer;

**(d)** is a member of the Board of Directors, is a member of the Board of Statutory Auditors, or is a manager with strategic responsibilities of the Company or of one of its subsidiaries;

**(e)** is a close member of the family of any party referred to in (a) or (d);

**(f)** is an entity in which one of the parties referred to in (d) or (e) exercises control, joint control or a significant influence or holds, directly or indirectly, a significant share and in any case not less than 20% of voting rights; or

**(g)** is a collective or individual, Italian or non-Italian, supplementary pension fund for the benefit of employees of the Company or of any entity that is a related party of the Company.



### 3. MATERIAL TRANSACTIONS

**3.1** For the purpose of these RPT Regulations, material RPTs (“**Material RPTs**”) shall mean the following:

- (i) RPTs for which at least one of the Significance Indices (as defined in paragraph 3.2 below) which are applicable on the basis of the specific transaction exceeds 5%;
- (ii) RPTs with the listed parent (if such exists) or with parties related to the latter that are also related in turn to RDM, if at least one of the Significance Indices (as defined below) exceeds 2.5%;
- (iii) RPTs that may affect the Company’s operational autonomy (including those having intangible assets as their object), or which, in any case, regard assets or items of strategic importance for the Company, if at least one of the Significance Indices (as defined below) exceeds 2.5%. The Board of Directors is entrusted without exception to assess the strategic importance of specific assets or items of the Company and shall adopt a resolution in this respect on a case by case basis, including on the initiative of only one of its members or alternatively at the request of the board of statutory auditors.

**3.2** The following significance indices (“**Significance Indices**”) shall apply for the purposes of identifying Material RPTs:

- (i) the significance index of the counter-value: this identifies the ratio between the counter-value of the RPT and net equity as stated in the most recent consolidated balance sheet published by RDM or, if greater, the capitalisation of RDM measured at the closure of the last open market day included in the reference period of the most recent periodic accounting document published (annual financial report, half-year financial report or interim report).

If the economic terms of the RPT have already been established, the counter-value of the RPT is

- a) for the part in cash, the amount paid to or by the contractual counterparty;
- b) for the part made up of financial instruments, the fair value measured at the date of the RPT in compliance with international accounting standards;
- c) for financing RPTs or those for pledging guarantees, the maximum amount that may be disbursed. If the economic conditions of the RPT depend, either wholly or in part, on measurements not yet known, the counter-value of the RPT is the maximum amount receivable or payable pursuant to the agreement.

- (ii) the significance index for assets: this identifies the ratio between the total assets of the entity that is the object of the RPT and the total assets of RDM. The figures to be used must be taken from the most recent consolidated balance sheet published by RDM. Where possible, similar data must be used to calculate the total assets of the entity that is the object of the RPT. For RPTs regarding the purchase and sale of investments in companies which will have an effect on the consolidation scope, the numerator is the total assets of the investee, independent of the percentage of capital held.



For RPTs regarding the purchase and sale of investments in companies which will not have an effect on the consolidation scope, the numerator is the following:

- a) in the case of purchases, the counter-value of the RPT plus any liabilities of the company being purchased that the acquirer will assume;
- b) in the case of sales, the consideration for the assets sold.

For RPTs regarding the purchase and sale of assets other than equity investments, the numerator is as follows:

- a) in the case of purchases, the greater of the consideration and the book value that will be assigned to the assets after the operation;
- b) in the case of sales, the book value of the assets prior to the operation;
- (iii) the significance index for liabilities: this identifies the ratio between the total liabilities of the entity purchased and the total assets of RDM. The figures to be used must be taken from the most recently published consolidated balance sheet. Where possible, similar data must be used to calculate the total liabilities relating to the company or business purchased.

**3.3** All RPTs that cannot be defined as Material RPTs pursuant to paragraphs 3.1 and 3.2 are defined for the purposes of these RPT Regulations as immaterial RPTs (“**Immaterial RPTs**”), without prejudice to the fact that transactions falling within the exclusions and exemptions described in paragraph 6 below do not form part of the definition of Material RPTs or Immaterial RPTs.



#### 4. INDEPENDENCE REQUIREMENTS

In all cases the Transaction with Related Party shall be approved by the committee composed of three independent directors (the “**RPT Committee**”) which could be the Internal Control Committee

Given that RDM has adopted the corporate governance code approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (the “**Corporate Governance Code**”), for the purposes of these RPT Regulations independent directors are those directors in possession of the independence requirements stated in the corporate governance code.



## 5. PROCEDURES FOR RELATED PARTY TRANSACTIONS

### 5.1 PROCEDURE FOR IMMATERIAL RPT'S

Unless explicitly stated otherwise in paragraph 5.1 or paragraph 5.2 the procedure set out below applies to Immaterial RPT's.

**5.1.1** Responsibility for the approval of Immaterial RPT's lies with the Board of Directors or with the delegated bodies which, depending on the case, have competence for the specific Immaterial RPT on the basis of the duties assigned to them under the board resolution appointing them as a delegated body of RDM (the “**Delegates**”).

**5.1.2** If they believe it appropriate, Delegates may always submit Immaterial RPT's for which they would have competence under paragraph 5.1.1 to the Board of Directors for its collegiate approval.

**5.1.3** In all cases Immaterial RPT's shall be approved subject to obtaining the non-binding approval RPT Committee. The RPT Committee may use the assistance of one or more experts of its choice at the Company's expense and up to an annual amount of Euro 50,000.00. The Committee shall inform the Board if it is necessary to come over the budget.

**5.1.4** If with respect to a specific RPT it is impossible to find at least two non-related independent directors who may become members of the RPT Committee, the functions of the RPT Committee shall be performed by the sole non-related independent director or subordinate to this by an external non-related independent expert suitably appointed by the Board of Directors.

**5.1.5** The subject of the opinion expressed by the RPT Committee shall be the Company's interest in carrying out the transaction, its convenience and the substantial correctness of the respective conditions; the Committee may not express an opinion on any additional aspects nor, in particular, on operational decisions, which are exclusively assigned to the discretionary power of the executive directors. The members of the RPT Committee meet on a collegiate basis and consult together in order to share and exchange their opinions. At the end of this consultation process the members of the RPT Committee hold an open vote. The RPT Committee shall express its opinion prior to the date established for the approval of the transaction.

**5.1.6** At least three [3] days prior to the date established for the approval of the transaction, complete and suitable information concerning the specific transaction to be approved shall be provided to the body competent to adopt a resolution on the Immaterial RPT (namely the Delegates or the Board of Directors, whichever may be the case) and to the RPT Committee; this shall include, in particular, information relating to the nature of the relationship, the means by which the transaction will be carried out, the terms and conditions for carrying out the transaction (including the economic terms and conditions), the underlying interest in and reasons for the transaction and any risks for the Company. By the same date all the documentation relating to the specific Immaterial RPT that is held by the parties and/or bodies involved in the negotiation stage and preliminary enquiry stage shall be provided to the above bodies. Any



information or documentation acquired subsequent to the above deadline of three [3] days prior to the date established for the approval of the transaction shall be provided to these bodies as soon as possible. In any case the transaction shall not be approved without the opinion and/or approval of RPT.

**5.1.7** On a regular basis and at least quarterly the Delegates or the Board of Directors, whichever may be the case, shall report in respect of the execution of any Immaterial RPTs and shall provide all the documentation required for a clear representation of the RPTs to the Board of Directors (in the case of Delegates), to the Board of Statutory Auditors and to the RPT Committee concerning the execution of any Immaterial RPTs.

**5.1.8** The minutes of the resolutions approving Immaterial RPTs shall be suitably motivated as concerns the Company's interest in carrying out the transaction, its convenience and the substantial correctness of the respective conditions for the Company. If the conditions of the transaction are defined to be equivalent to market conditions or standard conditions the documentation prepared must contain objective elements of comparison.

**5.1.9** If the RPT Committee issues an adverse opinion on an Immaterial RPT, RDM must make a document available to the public within fifteen days of the end of each quarter of the year (at its registered office and by the means described in Part III, Title II, Chapter I of the Issuers' Regulations) which contains details of the counterparty, the object and the consideration paid in respect of the Immaterial RPTs that have been approved in the quarter of reference despite the issuing of the above-mentioned adverse opinion, together with the reasons why there was disagreement with such opinion. Within the same term, the RPT Committee's opinion shall be made available to the public as an attachment to the information document or by means of the Company's website.

## **5.2 PROCEDURE FOR MATERIAL RPTs**

**5.2.1** The Board of Directors has sole competence for adopting resolutions concerning Material RPTs; resolutions are proposed at the end of a detailed review of the transactions and their characteristic features. This review must be supported by documentation that is sufficient for illustrating the reasons for carrying out an RPT, its convenience and the substantial correctness of the conditions under which it has been agreed.

**5.2.2** The Board of Directors adopts resolutions on Material RPTs subject to obtaining the motivated favourable opinion of the **RPT Committee** on the Company's interest in carrying out the transaction, its convenience and the substantial correctness of the respective conditions. This opinion shall be prepared in compliance with the requirements of paragraph 5.1.5. The RPT Committee may use the assistance of one or more experts of its choice at the Company's expense.

**5.2.3** The RPT Committee or one or more of its members delegated by the Committee may take part in the negotiation stage and preliminary enquiry stage of the Material RPT by means of a



complete and timely information flow and may request information from or make observations to the delegated bodies and the persons responsible for carrying out the negotiations or preliminary enquiries. To this end, in addition to the requirements of paragraph 5.1.6 (applicable by virtue of the reference contained in paragraph 5.2.4 below), in the case of a Material RPT, once negotiations have started the Delegate which initiated the negotiations or, depending on the case, the Board of Directors (in the person of its chairman or any one of its members) shall inform the RPT Committee that negotiations have begun and provide it with all the documentation and information in its possession. During the negotiation stage and the preliminary enquiry stage the RPT Committee must be constantly and promptly updated in writing as to how negotiations are evolving and concerning any changes in the conditions, terms and/or essential features of the transaction.

**5.2.4** The provisions contained in paragraphs 5.1.4, 5.1.5, 5.1.6, 5.1.7 and 5.1.8 shall be applied *mutatis mutandis*.

**5.2.5** The Board of Directors may approve Material RPTs despite any adverse advice received from the RPT Committee on condition that the RPT is authorised, pursuant to article 2364 of the Italian civil code, paragraph 1, section 5), by a general meeting of shareholders which adopts a resolution in accordance with the provisions of article 11, paragraph 3 of the CONSOB Regulations, provided that:

1. the quorums required by the Company's bylaws for the constitution of the meeting and for adopting resolutions are reached;
2. if the non-related shareholders attending the meeting represent at least 10% of the Company's share capital having voting rights, the majority of the voting non-related shareholders cast their votes in favour of the transaction.

For the purposes of paragraph 5.2.5, the Chairman of the meeting states whether a shareholder acts in a related or non-related capacity on the basis of the information available. The minutes of the meeting must indicate the means by which voting was carried out and the result of the vote and must enable those shareholders voting in favour or against the motion and those abstaining to be identified; this information may be provided in an annex.. The Chairman of the meeting will take care of identifying the related shareholders and the non-related shareholders as above.

**5.2.7** In the case of Material RPTs, including those carried out by subsidiaries, RDM shall prepare an information document (pursuant to article 114, paragraph 5 of the Consolidated Finance Law) drawn up in compliance with Annex 4 of the CONSOB Regulations, in accordance with the requirements of article 5 of such Regulations.

The Company shall prepare this information document even if during the year it carries out homogeneous transactions with the same Related Party or with parties which are related to both the latter and RDM, or those performed as part of a single project which - although not qualifying individually as Material RPTs - when considered together exceed the materiality thresholds identified pursuant to article 3 of these RPT Procedures.



### 5.3 PROCEDURES FOR WHICH THE SHAREHOLDERS' MEETING HAS COMPETENCE

**5.3.1** If the shareholders' meeting has competence for the RPTs on the basis of legislative provisions or the Company's bylaws, or if the RPTs must be authorised by that meeting, then during the negotiation stage, the preliminary enquiry stage and the stage of the approval of the draft resolution to be submitted to the shareholders' meeting, the procedure at paragraph 5.1 for Immaterial RPTs and at paragraph 5.2 for Material RPTs respectively shall be applied, save the provisions of paragraph 5.4.2 below.

**5.3.2** The Board of Directors may approve the draft proposal for Material RPTs to be submitted to the shareholders' meeting despite any adverse advice of the RPT Committee. In such case the shareholders' meeting may adopt a resolution, in accordance with the provisions of article 11, paragraph 3 of the CONSOB Regulations, provided that:

1. the quorums required by the Company's bylaws for the constitution of the meeting and for adopting resolutions are reached;
2. if the non-related shareholders attending the meeting represent at least 10% of the Company's share capital having voting rights, the majority of the voting non-related shareholders cast their votes in favour of the transaction.

### 5.4 PROCEDURES FOR TRANSACTIONS WITH SUBSIDIARIES

**5.4.1** In the case in which RDM reviews in advance or approves transactions arranged by Italian or non-Italian subsidiaries of the RDM Group with parties related to RDM, the procedural rules contained in this Procedure and the Company shall fulfil the informational requirements provided in article 5 of the CONSOB Regulations.



## 6. EXCLUSIONS AND EXEMPTIONS

6.1 The procedures provided in article 5 above do not apply to the following:

(i) resolutions adopted by shareholders' meetings regarding directors' compensation pursuant to article 2389, paragraph 1 of the Italian civil code;

(ii) resolutions adopted by the Board of Directors regarding the remuneration of directors vested with specific duties that is included in the total amount determined in advance by the shareholders' meeting pursuant to article 2389, paragraph 3 of the Italian civil code;

(iii) RPTs for small amounts ("**Small RPTs**"), meaning those for amounts less than Euro 100,000.00.

6.2 In addition, the following are excluded from the discipline of these RPT Regulations, apart from the informational obligations provided by article 5, paragraph 8 of the CONSOB Regulation:

(i) compensation plans based on financial instruments which have been approved by the shareholders' meeting pursuant to article 114-*bis* of Legislative Decree no. 58 of 24 February 1998 as subsequently amended (the "**Consolidated Finance Law**") and the related operational transactions;

(ii) resolutions (other than those which are already excluded from the scope of application of the CONSOB Regulation, pursuant to article 13, paragraph 1 of the same) regarding the remuneration of directors vested with specific duties and of managers with strategic responsibilities, provided that:

a. the Company has adopted a remuneration policy;

b. a committee made up exclusively of non-executive directors, the majority of whom independent, was involved in establishing the remuneration policy;

c. a report setting out the remuneration policy has been submitted for the approval or consultative vote of the shareholders' meeting;

d. the remuneration granted is consistent with that policy;

(iii) the RPT Standards, as defined in paragraph 6.4 and in accordance with the provisions of that paragraph;

(iv) RPTs with or between companies controlled (including jointly) by RDM and RPTs with associates, provided that there are no interests (qualifying as significant pursuant to paragraph 6.5 below) of other Related Parties of the Company in the controlled companies (subsidiaries) or associates that are counterparties to the RPT when the Operation will be agreed under conditions equivalent to market conditions or standard pursuant to 6.4.



**6.3** In addition, the procedural obligations required by the RPT Regulations do not apply to Urgent RPTs, under the conditions of article 6.6 below, without prejudice to the informational obligations required by article 5 of the CONSOB Regulation.

**6.4** For the purposes of these RPT Regulations, ordinary RPTs agreed under conditions equivalent to market conditions or standard RPTs (“**Standard RPTs**”) shall mean RPTs which form part of ordinary operations together with the related financial activities, agreed under conditions that are the same as those usually practised with non-related parties for transactions of a corresponding nature, size and risk, or are based on regulated tariffs or imposed prices, or are practised with parties with whom RDM is required by law to contract at a specific price. In all cases RDM must fulfil the following informational obligations in connection with Material Standard RPTs, namely it must:

**(i)** notify CONSOB of the counterparty, the object and the consideration for RPTs that benefit from the exemption within 7 days of the approval of the transaction or of the date on which the agreement (or preliminary agreement) has been signed or of the approval of the proposal to be submitted to the shareholders’ meeting;

**(ii)** indicate in its interim report and annual report of the directors, as part of the information required by article 5, paragraph 8 of the CONSOB Regulations, which of the RPTs subject to the informational requirements indicated in this latter provision were carried out by using the exemption provided in paragraph 6.1 (iv) above.

**6.5** For the purposes of the exemption as per paragraph 6.2 (iv) above (i.e. transactions with or between subsidiaries and associates), the following are considered significant:

**(i)** interests regarding items or assets of strategic importance for the Company pursuant to paragraph 3.1 (iii) if at least one of the Significance Indices exceeds 2.5%;

**(ii)** the interests existing in the case of the sharing of one or more managers having strategic responsibilities, if such managers benefit from incentive plans based on financial instruments or variable compensation that depends on the results of the subsidiaries or associates of the RDM Group with whom the transactions have been arranged;

**(iii)** the interests of the party controlling RDM, where the investment held by such (also indirectly) in the RPT counterparty company, being a subsidiary or associate of RDM, has an effective weight exceeding that of the investment which such holds in RDM;

**(iv)** the interests of the controlling party of RDM and/or executive directors of RDM for which an economic value exceeding the small threshold may be identified;

**(v)** all the interests of Related Parties defined as significant by means of an appropriate resolution of the Board of Directors. The Board of Directors adopts resolutions regarding the significance of the interests of a Related Party, including on the initiative of only one of its members or alternatively at the request of the Board of Statutory Auditors.



**6.6** If the Company intends to avail itself of the exemption as per paragraph 6.3 (i.e. Urgent RPTs) it must carry out the following:

**(A)** RPTs for which the shareholders' meeting does not have competence, or for which no authorisation is required from the shareholders' meeting:

**(i)** if the RPT to be carried out falls within the competence of a delegated body, the chairman of the Board of Directors and any lead independent director who may have been appointed must be informed as to the reasons of the urgency before the transaction is performed;

**(ii)** the RPTs must subsequently, assuming their effectiveness, be the object of a non-binding resolution adopted by the first possible shareholders' meeting;

**(iii)** the body calling the shareholders' meeting held to adopt a resolution pursuant to point (ii) above must prepare a report containing a suitable motivation of the reasons for the urgency;

**(iv)** the control body must report to the shareholders' meeting as to its assessment of the existence of reasons for the urgency;

**(v)** the report and assessment referred to at points (iii) and (iv) above must be made available to the public at least twenty one (21) days prior to the date established for the shareholders' meeting referred to at point (ii) above, at the Company's registered office and by the means described in Part III, Title II, Chapter I of the regulations adopted by CONSOB with resolution no. 11971/1999 (the "**Issuers' Regulations**"). These documents may be included in the information document as per article 5, paragraph 1 of the CONSOB Regulations;

**(vi)** by the end of the day following that of the shareholders' meeting as per point (ii) above, the information regarding the outcome of the vote must be made available to the public (by the means described in Part III, Title II, Chapter I of the Issuers' Regulations), with specific regard being given to the total number of votes cast by the non-related shareholders.

**(B)** RPTs for which the shareholders' meeting has competence, or which must be authorised by the shareholders' meeting:

**(i)** recurrence of "*cases of urgency connected with business crises*", meaning by way of example:

**i.** cases of significant losses pursuant to articles 2446 and 2447 of the Italian civil code;

**ii.** situations where the Company is subject to an insolvency procedure or situations where uncertainties about the Company's ability to continue as a going concern are expressed by the Company or its auditor;



**iii.** situations of financial difficulty most likely to end up in the short term in a reduction in capital that is significant pursuant to the above-mentioned articles 2446 and 2447 of the Italian civil code;

**(ii)** when the body held to call a shareholders' meeting prepares a report containing a suitable motivation of the reasons for the urgency;

**(iii)** when the control body reports to the shareholders' meeting its assessment concerning the existence of reasons for the urgency;

**(iv)** when the report and assessment referred to at points (ii) and (iii) above are made available to the public (at least 21 days prior to the date established for the shareholders' meeting) at the Company's registered office and by the means described in Part III, Title II, Chapter I of the Issuers' Regulations. These documents may also be included in the information document as per article 5, paragraph 1 of the CONSOB Regulations;

**(v)** if the assessments of the control body as per point (iii) above are adverse, when the shareholders' meeting adopts a resolution under the so-called "whitewash" mechanism;

**(vi)** if the assessments are positive, when by the end of the day following that of the shareholders' meeting the information regarding the outcome of the vote, with specific regard being given to the total number of votes cast by the non-related shareholders, is made available to the public (by the means described in Part III, Title II, Chapter I of the Issuers' Regulations).



## **7. INFORMATION REQUIREMENTS RELATING TO THE IDENTIFICATION OF RELATED PARTIES**

**7.1** In consideration amongst other things of the requirements of article 4, paragraph 8 of the CONSOB Regulations, all of the parties indicated at article 114, paragraph 5 of the Consolidated Finance Law, and in particular managers of the Company and companies of the RDM Group having strategic responsibilities and parties who directly or indirectly, through one or more intermediaries:

**(i)** control, also jointly with other parties, are controlled by or are under common control with the Company;

**(ii)** have an interest in the Company that gives them significant influence over the Company; or

**(iii)** are Related Parties,

must provide the Company in writing, on an annual basis and at least 90 days from the end of the corporate year, all the information required to enable a proper assessment to be made as to whether they are to be classified as Related Parties and as to the identification of other parties who may be qualified as Related Parties by virtue of the connections of various types with them.

**7.2** Any change occurring during the year in connection with the information/data that has been sent shall be communicated in writing to the Company on a timely basis by said parties within 10 days from the date on which the party becomes aware of the respective change.

**7.3** In order to implement the RPT Regulations the Company maintains and, on the basis of the evidence found and the statements received, keeps constantly updated, a list of Related Parties which is brought to the attention of the central and peripheral structures of the Company and the companies of the RDM Group.



## 8. FRAMEWORK RESOLUTIONS

**8.1** The Board of Directors of RDM may approve framework resolutions for RPTs that are included in the following categories:

- (i) RPTs relating to the provision of management services;
- (ii) RPTs relating to commercial distribution agreements and relative agreements;
- (iii) RPTs relating to the leasing of property;
- (iv) RPTs whose object is licence agreements, including agreement for trademark and patent,

(the RPTs forming part of each of the above RPT categories being jointly known as “**Homogeneous RPTs**”), but only if these are arranged with the Related Parties described in article 2 a) of these RPT Regulations (the “**Specified Related Parties**”). These resolutions must be drawn up in accordance with the following.

**8.2** If the Company plans to set up a series of Homogeneous RPTs with Specified Related Parties covering a specific period of time that shall not exceed one year, the Board of Directors may approve a single framework resolution, effective for not more than one year, whose object is all the Homogeneous RPTs with Specified Related Parties to be carried out during the effective period of the framework resolution.

The framework resolution must specify the expected maximum amount (the “**Maximum Amount**”) relating to the Homogeneous RPTs to be carried out during the effective period and must motivate the conditions envisaged for the Homogeneous RPTs.

**8.3** If the Maximum Amount exceeds any one of the applicable size thresholds identified in article 3.1, the Company **(i)** must approve the framework resolution in accordance with the procedure described in article 5.2 of these RPT Regulations and **(ii)** must publish a (single) information document pursuant to article 5.2.7.

**8.4** If the Maximum Amount calculated in accordance with the provisions of article 8.3 is lower than all the applicable size thresholds identified in article 3.1, the Board of Directors must approve the framework resolution in accordance with the procedure described in article 5.1 of these RPT Regulations.

**8.5** The procedures provided in article 5 of these RPT Regulations do not apply to the individual Homogeneous RPTs that form part of a framework resolution.

**8.6** The corporate bodies having competence for carrying out Homogeneous RPTs that are the object of a framework resolution must provide the Board of Directors with full information, on at least a quarterly basis, regarding the implementation of the framework resolution.



## 9. DEFINITIONS

All words and/or expressions not explicitly defined in these RPT Regulations which have relevance for the purpose of identifying Related Parties or RPTs or definitions used in applying the RPT Regulations/RPT Procedures shall have the same meaning as that attributed to them by the CONSOB Regulation and its attachments.