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## **RELATED PARTY TRANSACTIONS POLICY**

adopted in accordance with Article 2391-*bis* of the Civil Code and Article 4 of the Consob Related Party Regulation approved with motion No. 17221 of March 12, 2010, as subsequently amended

Approved by the Board of Directors of Elica S.p.A. on November 11, 2010 - updated on August 28, 2012, on October 28, 2016 and on May 5, 2021.

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## CONTENTS

REGULATORY FRAMEWORK .....	3
1. INTRODUCTION .....	4
1.1. Scope of application and exclusions .....	4
1.2. Definitions .....	5
1.3. Identification of Related Parties .....	6
2. RELATED PARTY TRANSACTIONS DATABASE .....	7
2.1. Related Party transactions database .....	7
2.2. Reconciliation with administrative and accounting procedures as per Article 154- <i>bis</i> CFA .....	7
2.3 Disclosure to the Committee and verification as per Article 4, paragraph 1, letter e- <i>bis</i> ) of the Regulation .....	7
3. RELATED PARTY TRANSACTIONS .....	7
3.1. Significant transactions .....	7
3.2. Ordinary transactions concluded at standard or market conditions .....	9
3.3. Transactions concluded by Italian or overseas subsidiaries with Related Parties .....	9
3.4. Transactions to be concluded with or between Subsidiaries and Associates .....	10
4. APPROVAL OF RELATED PARTY TRANSACTIONS .....	10
4.1 Committee opinion .....	10
4.2. Transactions within the scope of senior directors and/or executives .....	11
4.3. Transactions within the scope of the Board of Directors .....	11
4.4. Urgent procedure for Transactions not within the scope of the Shareholders' Meeting .....	12
4.5. Transactions within the scope of the Shareholders' Meeting .....	12
4.6. Standard motions .....	13
5. DISCLOSURE TO THE PUBLIC OF RELATED PARTY TRANSACTIONS .....	14
6. FINAL PROVISIONS .....	15
6.1. Policy Compliance .....	15
6.2. Adoption and amendment of the policy .....	15
6.3. Entry into force .....	16
Annex A - Minor Transactions .....	17
Annex B - Transaction Types .....	17

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## REGULATORY FRAMEWORK

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<b>Civil Code</b>	<i>Civil Code, with particular reference to Article 2391-bis</i>
<b>CFA</b>	<i>Consolidated Finance Act (Legislative Decree No. 58 of 24/2/1998 and subsequent amendments and supplements)</i>
<b>Issuers' Regulation</b>	<i>Regulation enacting Legislative Decree No. 58 of 24/2/1998 concerning issuers (Consob motion No. 11971 of 14/5/1999 and subsequent amendments and supplements).</i>
<b>Regulation</b>	<i>Regulation enacting the provisions concerning related party transactions (adopted by Consob with motion No. 17221 of March 12, 2010, amended with motion No. 17389 of June 23, 2010 and subsequent amendments and supplements, updated with the amendments made by motion No. 21624 of December 10, 2020)</i>
<b>Com. DEM/10078683</b>	<i>Consob Communication of 24/09/2010 – “Indications and guidelines for application of the Related Party Transactions Regulation adopted with motion No. 17221 of March 12, 2010, as subsequently amended”</i>
<b>EC Regulation No. 1606/2002</b>	<i>Regulation (EC) No. 1606/2002 of the Parliament and Council of July 19, 2002 concerning the application of international accounting standards</i>
<b>Corporate Governance Code</b>	<i>Code of listed companies prepared by the Corporate Governance Committee, promoted by Borsa Italiana (January 2020 version)</i>
<b>MAR</b>	<i>Regulation (EC) No. 596/2014 of the European Parliament and Council of April 16, 2014</i>

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## 1. INTRODUCTION

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Legislative Decree No. 310 of December 28, 2004 enacting “*Supplements and corrections to corporate law and to the banking and lending act*” introduced, to Article 2391-*bis* of the Civil Code<sup>1</sup>, specific governance concerning related party transactions by companies utilising the risk capital markets, referring to the regulatory power Consob the setting of “general principles” by which the Board of Directors of the mentioned companies may adopt procedures to govern, in terms of transparency and substantial and procedural correctness, these transactions.

In executing this requirement, Consob approved on March 12, 2010, with motion No. 17221, the related party transactions regulation, which was subsequently amended with motion No. 21624 of December 10, 2020 (“Regulation”).

The provisions of this Regulation, governing transparency with the market and the transparency and substantial and procedural correctness principles to be applied to related party transactions, supplement, on the one hand, the general principles concerning the duties of directors in conflict of interest contained in Article 150 of the CFA and the procedural correctness principles of the Corporate Governance Code for listed companies and, on the other, the accounting disclosure obligations for such transactions established in terms of financial reporting contained in the Civil Code (Article 2423 and subsequent) and in Article 77 and subsequent of the Issuers’ Regulation.

The main objective of the Regulation is to improve the protection of minority shareholders and other interest holders, countering any abuses which may arise from transactions in potential conflict of interest undertaken with related parties. The Regulation covers a set of rules, including:

- i. principles regarding the procedures which companies should adopt to ensure conditions of correctness throughout the related party transactions process;
- ii. the obligations concerning market disclosure for such transactions.

In light of that outlined above, the Board of Directors of Elica S.p.A. (hereafter “Elica” or the “Company”) on November 11, 2010 adopted this policy (the “**Policy**”), having heard the favourable opinion of the Independent Directors. Subsequently, the Policy was assessed annually and amended, also with the favourable opinion of the Independent Directors, on August 28, 2012, on October 28, 2016 and on May 5, 2021.

### 1.1. Scope of application and exclusions

**1.1.1.** The Policy governs - as per Article 2391-*bis* of the Civil Code and the Regulation and any subsequent amendments - related party transactions undertaken directly by the company or through the subsidiaries, in order to ensure the transparency and substantial and procedural correctness of these transactions.

**1.1.2.** The provisions of the Policy do not apply, subject to Article 154-*ter* CFA:

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<sup>1</sup> Article 2391-*bis* of the Civil Code (“Related party transactions”) establishes:

“1. The boards of directors of companies which utilise the risk capital market adopt, in accordance with the general principles of Consob, rules which ensure the transparency and substantial and procedural correctness of the related party transactions and outline such in the directors’ report; they may be assisted in this by independent experts in consideration of the nature, value or features of the transaction.

2. The principles established in the first paragraph apply to transactions carried out directly or through subsidiaries and govern such transactions in terms of the remit, basis and documentation. The board monitors the regulations adopted under paragraph one, which are included in the report to the shareholders’ meeting.”

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- a) to minor Related Party Transactions, i.e. those identified at Annex A;
  - b) to Related Party Transactions undertaken as part of Elica's ordinary operations, as such transactions are concluded at market or standard conditions;
  - c) to transactions undertaken by Elica's subsidiaries with other Elica related parties, on the condition that no senior director or executive has reviewed or approved the transaction in advance (point 3.3. of the Policy);
  - d) to transactions to be carried out with or between subsidiaries and associates, on the condition that interests considered as significant with other Related Parties of the company do not arise (point 3.4. of the Policy);
  - e) to financial instrument-based remuneration plans approved by Elica's Shareholders' Meeting as per Article 114-*bis*, CFA, and relative executive operations;
  - f) to motions, other than those submitted to the Shareholders' Meeting in accordance with Article 2389, first paragraph of the Civil Code and Article 2402 of the Civil Code, concerning the remuneration of senior directors, in addition to other senior executives, on the condition that:
    - i. Elica has adopted a remuneration policy that has been approved by the Shareholders' Meeting;
    - ii. in the drawing up of the remuneration policy a committee exclusively made up of non-executive directors, the majority of whom Independent, was involved;
    - iii. the remuneration awarded is set in accordance with this policy and quantified according to criteria that do not involve discretionary assessments.

The Policy does not apply to shareholders' meeting motions pursuant to article 2389, first paragraph of the civil code, relating to remuneration paid to the members of the board of directors and the executive committee (where established) and motions concerning the remuneration of senior directors within the overall amounts previously determined by the shareholders' meeting in accordance with article 2389, third paragraph of the civil code, nor to shareholder meeting motions as per article 2402 of the civil code concerning board of statutory auditor remuneration.

The provisions of this Policy are not applied, in addition, to transactions approved by the Company and addressed to all shareholders on equal terms, including:

- a) rights issues, including those servicing convertible bonds, and free share capital increases provided for by Article 2442 of the Civil Code;
- b) total or partial spin-offs in the strict sense of the word, with proportional share allocation criteria;
- c) share capital reductions by means of reimbursement to shareholders pursuant to Article 2445 of the Civil Code and the purchase of treasury shares pursuant to Article 132 of the Consolidated Finance Act.

## 1.2. Definitions

The following definitions apply to this Policy:

- **"Independent Directors"**: directors recognised as such by the company in accordance with the principles and recommendations of the Corporate Governance Code, to which the company complies as per Article 123-*bis*, CFA;
- **Directors Involved in the Transaction**: the Directors who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company;
- **"Unrelated Directors"**: directors not qualifying as a counterparty to a specific transaction and the counterparty's Related Parties;
- **"Committee"**: the Committee required to express an opinion on Related Party Transactions as per point 4.1. of the Policy, identified as: (a) where composed adequately as per the Regulation, the Control, Risks and Sustainability Committee, set up as per the Corporate Governance Code, with which the company complies as per Article 123-*bis*, CFA; or (b) where its composition is not adequate as per the Regulation, all of the Independent Directors; subject to the option for the Board to set up an *ad hoc* Committee by individual transaction, in addition to the option to assign the duty to express an opinion on the remuneration of related parties to the Appointments and Remuneration Committee.

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- **“Market or Standard Conditions”**: conditions similar to those usually undertaken with unrelated parties for transactions of a corresponding nature, size and risk, or based on regulated tariffs or prices set or practiced with parties with whom the company is obliged to contract at a fixed price;
  - **“Senior Executives”**: in addition to Elica’s directors and statutory auditors, the Elica executives identified in the Remuneration Report;
  - **“Elica Group”**: the Group of companies headed by the company;
  - **“Minor Transactions”**: those transactions identified in **Annex A**;
  - **“Significant transactions”**: the Related Party Transactions identified at point 3.1. of the Policy;
  - **“Less significant transactions”**: Related Party Transactions other than significant transactions and minor transactions, identified as per Article 4, paragraph 1, letter a) of the Regulation;
  - **“Related Party Transactions”** (or **“Transactions”**): the transactions defined as such by the international accounting standards adopted according to the procedure at Article 6 of Regulation (EC) No. 1606/2002;
  - **“Ordinary Transactions”**: transactions undertaken as part of ordinary operations and related financial activities, as identified, for example purposes and not to be considered exhaustive, in **Annex B**;
  - **“Related Parties”**: the parties defined as such by the international accounting standards adopted according to the procedure at Article 6 of Regulation (EC) No. 1606/2002
  - **“Unrelated Shareholders”**: parties with voting rights not acting as a counterparty in a specific transaction or related to the counterparty or the Company;
  - **“Associate”**: an entity, also without legal form (as in the case of a partnership), over which the company exercises significant influence but not control or joint control;
  - **“Subsidiary”**: an entity, also without legal form (as in the case of a partnership), controlled by the company;
  - **“Contact Person”**, i.e. the contact person for related party transactions, identified by the Board of Directors as the “Statutory Reporting & Compliance” contact;

### 1.3. Identification of Related Parties

The company has set up a computerised database containing the identification details of Related Parties (the “Related Parties database”).

The Related Parties database is maintained and updated by the Contact Person, with the support of the Legal & Corporate Affairs function, which:

- registers Related Parties on the basis of the information and documentation available to the company;
- requests from Related Parties the data and information required to update the Related Parties database;
- annually, on notifying the Related Parties, confirms and updates the data and information previously provided;
- updates the database with the data and information collated.

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The Related Parties are required to promptly inform the Contact Person and/or the Legal & Corporate Affairs Function Manager of any changes or updates to the data or information previously communicated, as is the case for all useful information to identify a Related Party in accordance with the Policy.

The Contact Person, with the support of the Legal & Corporate Affairs function, makes the Related Parties database available to the Management of the company and of the subsidiaries.

## **2. RELATED PARTY TRANSACTIONS DATABASE**

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### **2.1. Related Party transactions database**

**2.1.1.** Elica sets up the computerised database of Related Party Transactions (the “RPT database”). The Contact Person and/or the Legal & Corporate Affairs function inputs the relative information received to the RPT database. The personal data provided is processed in accordance with the applicable regulation.

**2.1.2.** In this regard, Management and/or the Chief Executive Officer should communicate to the Chief Financial Officer the execution of Related Party Transactions; this latter shall inform the Contact Person.

### **2.2. Reconciliation with administrative and accounting procedures as per Article 154-*bis* CFA**

The Contact Person, in agreement with the corporate financial reporting manager, ensures compliance of the Policy with the administrative-accounting procedures as per Article 154-*bis* of the CFA.

### **2.3 Disclosure to the Committee and verification as per Article 4, paragraph 1, letter e-*bis*) of the Regulation**

The Committee receives, at least on an annual basis at the meeting preceding the approval of the financial statements by the Board of Directors, or on the request of the Lead Independent Director or of the Chairperson of the Committee, information with regards to the application of the exemptions as per point 1.1 of the Policy, at least with regard to Significant Transactions.

The Committee verifies the correct application of the conditions for the exemption of significant transactions defined as ordinary and concluded at market or standard conditions, communicated to the Committee as per point 5.9 (i) of the Policy.

## **3. RELATED PARTY TRANSACTIONS**

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### **3.1. Significant transactions**

**3.1.1.** Elica, as defined as a smaller company, utilises the option as per Article 10, paragraph 1 of the Regulation to apply procedures as per Article 7 of the Regulation, or in accordance with paragraph 1 of Annex 2 of the Regulation, also to significant transactions. In the case of Significant Transactions, the provisions of Article 5 of the Regulation and the Board's decision-making scope as per Article 8, paragraph 1, letter a) of the Regulation remain unaffected.

**3.1.2.** Under this Policy, significant transactions are those transactions where one or more of the following thresholds, applicable depending on the specific transaction, exceeds **5%**:

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a) **Value threshold:** the ratio of the transaction value to equity (as reported as per the latest consolidated balance sheet prepared and published by the company or, if greater, the capitalisation of the company at the end of the last trading day of the most recent published financial report (annual accounts, half-yearly report or quarterly report)).

Should the economic conditions of the transaction be established, the value of the transaction shall be:

- i) for the cash components, the amount paid to/by the counterparty;
- ii) for the components comprised of financial instruments, the fair value at the date of the transaction in accordance with international accounting standards adopted under EC Regulation No.1606/2002;
- iii) for funding transactions or the guarantees given, the maximum amount issuable.

Should the economic conditions of the transaction depend, in whole or in part, upon amounts not yet known, the equivalent transaction is the maximum amount receivable or payable under the agreement.

b) **Asset threshold:** the ratio between total assets of the counterparty to the transaction and the total assets of the Company. The most recent balance sheet published by the company must be utilised (consolidated); if possible, similar data for the determination of the total assets of the counterparty to the transaction should be utilised.

For transactions involving the acquisition or disposal of investments in entities impacting the scope of consolidation, the value of the numerator is the investee's total assets, regardless of the percentage of capital available.

For transactions involving the acquisition or disposal of investments in entities not impacting the scope of consolidation, the value of the numerator is:

- i) in the event of acquisitions, the value of the transaction plus the liabilities of the company assumed by the acquirer;
- ii) in the event of disposals, the carrying amount of the asset.

For transactions involving the acquisition or disposal of other assets (other than equity interests acquired), the value of the numerator is:

- i) in the event of acquisitions, the purchase price consideration or, if higher, the carrying amount attributable to the asset;
- ii) in the event of disposals, the carrying amount of the asset.

c) **Liabilities threshold:** the ratio between the total liabilities of the entity acquired and the total assets of the company. The most recent balance sheet published by the company must be utilised (consolidated); if possible, similar data for the determination of the total liabilities of the company or the business unit acquired should be utilised.

**3.1.3.** For the purposes of point 5.2 below, the Chief Financial Officer verifies, on the basis of the information received, any excess of the significance threshold at point 3.1.2 referring to:

- individual transactions;
- similar transactions or undertaken for a common purpose, concluded with the Related Party, or with parties related both to the latter and the company.

For the purposes of point 5.2. below, transactions carried out by Italian or overseas subsidiaries are also considered, while transactions excluded as per point 1.1. of the Policy are not considered.

The Chief Financial Officer first and foremost establishes the significance of each Transaction on the basis of the applicable threshold or thresholds, established at point 3.1.2. above. To verify whether the above thresholds have been exceeded, the results relating to each indicator are accordingly added together.

The Chief Financial Officer communicates in a timely manner to the Investor Relations Manager, following the approval of a Significant Transaction, the information and documents necessary to discharge the disclosure obligations as per point 5 below, including the information concerning transactions considered by the Shareholders' Meeting.

**3.1.4.** Where a Transaction or a set of cumulative Transactions as per point 5.2. below are identified as "significant" according to the thresholds at point 3.1.2. above and such appears manifestly unjustified in view of the specific circumstances, the Chief Financial Officer reports such to the Chief Executive Officer. The Chief Executive Officer may request Consob to provide alternative methods for the calculation of the above thresholds; for this purpose, the key features of the transaction and the specific circumstances on which the request is based, before conclusion of negotiations, shall be communicated to Consob.

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### **3.2. Ordinary transactions concluded at standard or market conditions**

**3.2.1.** Elica utilises the option as per Article 13, paragraph 3, letter c) of the Regulation and therefore does not apply the Policy and, with regards to Significant Transactions, the disclosure obligations as per points 5.1. to 5.7. of the Policy, to Transactions concluded at market or standard conditions.

**3.2.2.** The Chief Financial Officer assesses, before approval or execution of the Transaction, whether the transaction:

- a) is part of ordinary operations as per annex B of the Policy and/or however falls within the scope of ordinary operations of the company;
- b) is to be concluded at market or standard conditions.

In terms of the valuation as per sub a), the Chief Financial Officer will take into consideration, at least, the following factors:

- that the subject of the transaction is not outside Elica's typical operations;
- the absence of this type of transaction over the preceding 12 months;
- the excessive size of the transaction compared to average ordinary transactions;
- atypical terms and conditions, in view of market practice and Elica's scope of operations.

In terms of the valuation as per sub b), the Chief Financial Officer will take into consideration, at least, the following factors:

- non-deviation from prices applied on the market to/by third parties;
- the usual financial parameters used for loan contracts;
- in the case of administrative services provided to the Subsidiaries and/or Associates, compliance with the conditions applied with the structure of costs incurred by Elica for the provision of these services;
- compatibility of the conditions applied with the structure of standard Elica production costs.

The Chief Financial Officer may request the party proposing the Transaction and the competent departments for any information to determine the ordinary nature of the transaction. Where not in a position to express an opinion in this regard, the Chief Financial Officer establishes the non-exclusion of the Transaction from the Policy.

**3.2.3.** Where an ordinary Transaction concluded at market or standard conditions is "significant" as per point 3.1.2., the Chief Financial Officer, for the purposes of point 5.9. below, reports in a timely manner to the Investor Relations Manager the information as per Article 13, paragraph 3, letter c), i), of the Regulation and precisely: the counterparty, subject and consideration of the transactions which benefited from the exclusion, in addition to the reasons for which it is considered that the transaction is ordinary and concluded at market or standard conditions, providing objective corroborated evidence.

### **3.3. Transactions concluded by Italian or overseas subsidiaries with Related Parties**

**3.3.1.** Where, due to the approval of Group policies differing from current policies or particular circumstances, a Transaction of a subsidiary with a Related Party of Elica is submitted for the prior review or authorisation of Elica or of a member of company personnel, the Policy shall be applied to this Transaction.

**3.3.2.** Elica communicates to its subsidiaries, in accordance with Article 17, Regulation 596/2014, in addition to Article 114, paragraph 2, CFA (as far as applicable), the necessary provisions so that they may send in a timely manner the information necessary, also to ensure compliance with any disclosure obligations as per Article 5 of the Regulation.

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### **3.4. Transactions to be concluded with or between Subsidiaries and Associates**

**3.4.1.** Elica avails of the option as per Article 14, paragraph 2, of the Regulation for all Transactions to be concluded with or between Elica subsidiaries or associates, where interests considered significant of other Related Parties of Elica are not present.

Significant interests may stem from:

- a holding of not less than 20% of the voting rights in the subsidiary;
- the sharing with the Subsidiary of directors or senior directors or executives benefitting from financial instrument-based incentive plans or variable remuneration systems, depending on the results achieved by the subsidiaries or associates with whom the transaction is carried out, in the case in which this remuneration constitutes more than 30% of the total remuneration of the beneficiary.

Where a significant interest of an Elica Related Party in such companies is established, this Policy shall be applied to the transactions to be concluded with such.

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## **4. APPROVAL OF RELATED PARTY TRANSACTIONS**

### **4.1 Committee opinion**

**4.1.1.** Related Party Transactions within the scope of the Policy are approved, following receipt of the non-binding opinion of the Committee on the company's interest and on the benefit and substantial correctness of the relative conditions, as per Article 7, paragraph 1, letter a) of the Regulation (hereafter the "Opinion"). The opinion is annexed to the Committee meetings minutes.

**4.1.2.** The Chief Executive Officer or the Chief Financial Officer, at least 5 days before conclusion of the Transaction (where undertaken by an executive director or a senior executive) or of the Board of Directors meeting reviewing the Transaction, informs the Chairman of the Committee.

The Committee has 5 days to meet and issue its reasoned opinion.

The Committee receives at least the following information/documentation concerning the transaction:

- the features of the transaction (price, execution conditions, payment deadlines etc.);
- the economic reasons for the transaction;
- a description of the operating, equity and financial effects of the transaction;
- the means for calculating the consideration, in addition to assessments on the appropriateness of such against similar market transactions; in the case of availing of an independent expert's opinion, the report of this latter, accompanied by the elements considered in terms of the consideration's appropriateness;
- where the conditions of the Transaction are considered as market or standard equivalent, objective corroborated evidence.

The Committee may request the Contact Person, the Chief Financial Officer, the relevant departmental heads and the Chief Executive Officer to provide any information and data considered useful for the issue of the Opinion.

**4.1.3.** For the issue of the Opinion, the Committee may be assisted by, at the expense of Elica, one or more chosen independent experts. This Committee verifies in advance the independence of the experts, taking account of any economic, equity and financial relations between the independent experts and: (i) the related party, its subsidiaries, the parties controlling it, the companies subject to common control, in addition to the above-mentioned directors; (ii) the company, its subsidiaries, the parties controlling it, the companies subject to common control, in addition to the directors of the above-mentioned companies taken into account for the purpose of qualifying the expert as independent and the reasons why such relations were not considered relevant for the purpose of the independence assessment. Information about possible relationships can be provided by attaching a declaration from these independent experts. The involvement of the independent experts should not

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result in an expense of greater than Euro 10,000 for each transaction, or more than 0.2% of each Transaction.

**4.1.4.** An opinion subject to completion, by Elica, of the actions suggested by the Committee is considered a favourable Committee opinion. In addition, an opinion subject to the materialisation of the events and circumstances expressly indicated by the Committee are considered a favourable opinion. In this case, proof of compliance with the indications should be provided in the disclosure concerning execution of the transactions to be provided to the administration or control bodies.

**4.1.5.** Where a member of the Committee is a Related Party or related to the counterparty of the Transaction for which the Opinion is sought, this circumstance should be brought to the attention of the other members and the party should abstain, from this point, from accessing information concerning the transaction and from involvement in the issue of the Opinion. In this case, the Opinion should be signed by both the unrelated members.

Where at least two unrelated independent directors are not present on the Committee, the company should adopt equivalent measures as those at sub 4.1.1., in protection of the substantial correctness of the transaction, such as (for example purposes) an opinion issued by an independent expert or by the Board of Statutory Auditors.

**4.1.6.** The Committee may request that the transaction (for example where significant) be approved by the Board of Directors.

## **4.2. Transactions within the scope of senior directors and/or executives**

**4.2.1.** Where a Transaction falls within the scope of the powers and duties of an executive director or an executive of Elica, this latter should provide in a timely manner to the Chief Financial Officer the information required for the assessments of the Chief Financial Officer or the activation of a request for an opinion from the Committee in accordance with point 4.1. of the Policy. The executive director or executive with the appropriate powers to conclude the transaction abstains from its conclusion where he/she is involved in the Transaction, or if he/she has an interest in the Transaction, on his/her own behalf or on behalf of third parties, which is in conflict with that of the company.

Where the Transaction is part of ordinary operations, to be concluded at market or standard conditions, the executive director or the executive provides all necessary elements for assessment to the Chief Financial Officer.

Any Opinion of the Committee is communicated to the executive director or the executive through the Chief Financial Officer.

**4.2.2.** The Chief Executive Officer - with the support of the Chief Financial Officer - should provide complete disclosure at least quarterly on the execution of Transactions subject to Committee Opinion, to be sent to the Board of Directors and to the Board of Statutory Auditors.

**4.2.3.** Where the Transaction is executed following a negative Opinion from the Committee expressed as per point 4.1., point 4.3.5. of the Policy is applied.

## **4.3. Transactions within the scope of the Board of Directors**

**4.3.1.** In the case of Transactions undertaken by the Board of Directors, the Opinion at point 4.1 of the Policy is required from the Chief Executive Officer or from the Chief Financial Officer. The Directors involved in the Transaction abstain from voting upon it.

**4.3.2.** The Chief Executive Officer, at least 5 days before the meeting of the Board of Directors called to approve or authorise the Transaction, in collaboration with the Chief Financial Officer, sends to the Directors the following documentation:

- the features of the transaction (price, execution conditions, payment deadlines etc.)
- the economic reasons for the transaction;

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- a description of the operating, equity and financial effects of the transaction;
  - the means for calculating the consideration, in addition to assessments on the appropriateness of such against similar market transactions; in the case of availing of an independent expert's opinion, the report of this latter, accompanied by the elements considered in terms of the consideration's appropriateness;

in addition, at the latest during the board meeting, he/she informs the directors upon the non-binding Opinion of the Committee.

The above documentation is due also in the case in which the Transaction is considered by the Shareholders' Meeting and the Board of Directors approves the relative proposal to be submitted to the Shareholders' Meeting.

**4.3.3.** The minutes outlining the approval motion of the Transaction or the documents maintained in the company records should indicate an adequate interest of the Company in the transaction, as well as the favourable and substantial correctness of the relative conditions.

**4.3.4.** The Chief Executive Officer - with the support of the Chief Financial Officer - should provide complete disclosure at least quarterly on the execution of the Transaction, to be sent to the Board of Directors and to the Board of Statutory Auditors.

**4.3.5.** In the case of Transactions approved amid a negative opinion expressed by the Committee in accordance with point 4.1. above, subject to Article 17, MAR, the Chief Executive Officer or an appointee thereof should prepare a document indicating the counterparty, the subject and the consideration of the transactions approved in the quarter, in addition to the reasons for which it was considered appropriate not to share this opinion. The disclosure document must be published within 15 days from the end of each quarter, available at the registered office and in the manner indicated in Part III, Section II, Heading I of the Issuers' Regulations. Within the same time period, the negative opinion is made available to the public as an annex to the disclosure document or on the company website.

#### **4.4. Urgent procedure for Transactions not within the scope of the Shareholders' Meeting**

**4.4.1** Where expressly permitted by the company By-Laws and the Transaction is not within the scope of the Shareholders' Meeting and does not require its authorisation, in cases of urgency, subject to point 5 of the Policy, where applicable, while also subject to the decision-making scope of the Board of Directors, as per Article 8, paragraph 1, lett. a) of the Regulation, Related Party Transactions may be concluded in exception to the other provisions of points 4.1., 4.2. and 4.3. above, on the condition that:

- a) where the Transaction to be concluded falls within the scope of the Chief Executive Officer (or the executive committee, where established), the chairman of the Board of Directors is informed promptly upon the reasons for its urgency, and however, before execution of the transaction;
- b) such Transactions are subject subsequently, subject to their efficacy, to a non-binding motion of the next possible Shareholders' Meeting;
- c) the body calling the Shareholders' Meeting prepares a report containing adequate reasoning for the urgency. The Board of Statutory Auditors reports to the Shareholders' Meeting its assessments with regards to the justification for urgency;
- d) the report and the assessments as per letter c) shall be made available to the public no later than twenty-one days prior to the date set for the Shareholders' Meeting to be held at the company's registered office and in the form and manner set out in Part III, Section II, Heading I of the Issuers' Regulations. These documents may be contained in the disclosure document as per point 5 of the Policy;
- e) within the day immediately after the Shareholders' Meeting, the Company shall make available to the public, in the form and manner set out in Part III, Section II, Heading I of the Issuers' Regulations, details on the voting and particularly the number of total votes cast by unrelated shareholders.

#### **4.5. Transactions within the scope of the Shareholders' Meeting**

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**4.5.1.** Where a Related Party Transaction falls within the scope of the Shareholders' Meeting or requires authorisation by this latter, during the preparatory and approval phase of the proposal to be presented to the Shareholders' Meeting, the following rules apply:

- a) before approval of the Transaction, the Committee expresses a non-binding reasoned Opinion on the interest of the company in the Transaction, as well as on the benefit and substantial correctness of the relative conditions. Point 4.1 of the Policy is applied;
- b) at the Shareholders' Meeting complete and adequate information should be provided sufficiently in advance; where the conditions of the Transaction are defined as market or standard equivalent, the documentation prepared should contain objective corroborated evidence.
- c) the approval motions of the transaction must sufficiently be based on the interests of the company, as well as the favourable and substantial correctness of the relative conditions;
- d) the Chief Executive Officer ensures complete disclosure at least quarterly to the Board of Directors and to the Board of Statutory Auditors on execution of the Transactions.

**4.5.2.** In the case of Transactions approved amid a negative opinion expressed by the Committee in accordance with point 4.1. above, subject to Article 17, MAR, the Chief Executive Officer or an appointee thereof should prepare a document indicating the counterparty, the subject and the consideration of the transactions approved in the quarter, in addition to the reasons for which it was considered appropriate not to share this opinion. The disclosure document must be published within 15 days from the end of each quarter, available at the registered office and in the manner indicated in Part III, Section II, Heading I of the Issuers' Regulations. Within the same time period, the negative opinion is made available to the public as an annex to the disclosure document or on the company website.

**4.5.3.** Where, in relation to a "significant transaction", the proposal to be submitted to the Shareholders' Meeting is approved amid the opposition of the Committee, the Transaction should not be completed where a majority of voting Unrelated Shareholders oppose the transaction. The Transaction may only be halted where the Unrelated Shareholders present at the Shareholders' Meeting represent at least 10% of the share capital with voting rights.

**4.5.4.** Where significant updates are to be made to the disclosure document published in accordance with point 5 of the Policy, the company, by the twenty-first day before the Shareholders' Meeting, makes available to the public at the registered office and according to the means indicated at Part III, Section II, Heading I of the Issuers' Regulation, a new version of the document.

**4.5.5.** Where expressly permitted by the company By-Laws, in the case of urgency in view of company crisis situations, subject to point 5 of this Policy, where applicable, Related Party Transactions may be concluded in exception to the previous points 4.5.1., 4.5.2. and 4.5.3., on the condition that:

- a) the Board calling the Shareholders' Meeting for approval, prepares a report outlining an adequate basis for urgency;
- b) the control body reports to the Shareholders' Meeting its assessments with regards to the reasons for urgency;
- c) the report and the assessments as per letters a) and b) shall be made available to the public no later than twenty-one days prior to the date set for the Shareholders' Meeting to be held at the company's registered office and in the form and manner set out in Part III, Section II, Heading I of the Issuers' Regulations. These documents should be contained in the disclosure document as per point 5.1. of this Policy.

Where the assessments of the control board in accordance with letter b) above are negative, the shareholders' meeting considers the matter as per point 4.5.3. above; in the opposing case, by the day immediately after the shareholders' meeting, the company shall make available to the public, in the form and manner set out in Part III, Section II, Heading I of the Issuers' Regulations, details on the voting and particularly the number of total votes cast by Unrelated Shareholders.

## **4.6. Standard motions**

**4.6.1.** The Board of Directors or the bodies appointed by it may adopt - in accordance with this Policy - standard motions concerning a series of similar transactions, to be concluded with established categories of Related Parties, on a case by case basis.

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A number of transactions under a single contract or an irrevocable commitment to conclude a contract, in addition to a common purchase order, are considered groups of similar transactions.

The standard motion should have effect for not greater than one year and:

- refer to sufficiently definable transactions, reporting at least the expected maximum amount of the transactions to be carried out in the period and the reasons behind the established conditions;
- provide for complete disclosure at least quarterly to the Board of Directors on implementation of the standard motions.

**4.6.2.** Where the expected maximum amount of the Transactions considered by the standard motion exceeds the thresholds as per Article 3.1.2. of the Policy, adoption of the standard motion requires publication of the disclosure document as per point 5 of the Policy.

**4.6.3.** The rules of this Policy are not applicable to individual Transactions concluded under the standard motion. The Transactions concluded under a standard motion subject to a disclosure document published in accordance with point 4.6.2. are not considered for the cumulative calculation as per point 5.2. of the Policy.

## **5. DISCLOSURE TO THE PUBLIC OF RELATED PARTY TRANSACTIONS**

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**5.1.** For significant transactions, to be carried out also by Italian or overseas subsidiaries, the company prepares a disclosure document in accordance with Annex 4 of the Regulation ("Disclosure Document").

**5.2.** The company shall also prepare the Disclosure Document even if, during the period, it conducts with the same Related Party, or related parties to the latter or to the company itself, transactions that are similar or of similar design which, albeit not qualifying as individually as significant transactions, exceed, when considered cumulatively, the thresholds identified at point 3.1.2. of the Policy, indicating for the present purposes also the transactions carried out by Italian or overseas subsidiaries, while not considering transactions excluded as per point 1.1.

**5.3.** Subject to that established by Article 17, MAR, the Disclosure Document shall be made available to the public at the company's registered office as established by Part III, Section II, Heading I of the Issuers' Regulation, **within seven days** of the approval of the transaction by the competent body or, where the competent body decides to present a contractual proposal, from the moment in which the contract, whether preliminary or otherwise, is drawn up according to applicable governance. In the case of the Shareholders' Meeting scope or authorisation, the Disclosure Document is made available within seven days from approval of the proposal submitted to the Shareholders' Meeting.

**5.4.** Should the significance thresholds and the threshold for cumulative transactions as per Article 5.2 above be exceeded, the Disclosure Document shall be made available to the public no later than **fifteen days** from approval of the transaction or from conclusion of the contract leading to the surpassing of the significance threshold, and shall contain information, including aggregated by similar transactions, on all transactions under consideration for the aggregate. Should transactions exceeding the significance thresholds be carried out by subsidiaries, the Disclosure Document shall be made available to the public no later than fifteen days from the moment in which the company preparing the document became aware of the transaction approval or the conclusion of the contract leading to the significance threshold excess.

**5.5.** In accordance with the preceding points 5.3 and 5.4, the company makes available to the public, as an annex to the Disclosure Document or on the website, any opinions of the directors or independent directors (or of the Committee) and of the independent experts, chosen as per point 4.1.3, and opinions issued by experts qualifying as independent, which may have been utilised by the Board of Directors. In relation to above-mentioned independent experts' opinions, the company may publish only the elements indicated at Annex 4 of the Regulation, providing the reasoning for this decision.

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**5.6.** Where, in relation to a “significant” transaction, the company also must prepare a disclosure document in accordance with Articles 70, paragraphs 6 and 7, and 71 of the Issuers’ Regulation, such may be published in a single document containing the information required by Article 5.1 and Articles 70 and 71 above. In this case, the disclosure document is made available to the public at the registered office according to the means indicated at Part III, Section II, Heading I of the Issuers’ Regulation, in the shorter of the periods indicated by the various applicable provisions; where the company publishes this information in separate documents, such may be included through reference to information previously published.

**5.7.** The company, together with communication to the public, sends to Consob the documents and the opinions indicated at points 5.1, 5.2, 5.5 and 5.6 through the authorised storage mechanism in accordance with Article 65-*septies*, paragraph 3 of the Issuers’ Regulation.

**5.8.** The company, as per Article 154-*ter* of the CFA, provides in the Interim Report and in the Annual Report information on:

- a) individual “significant” Transactions entered into during the reporting period;
- b) information regarding other individual Related Party Transactions entered into during the reporting period, having a significant impact on the company’s balance sheet or overall performance;
- c) information regarding any change or development in the Related Party Transactions discussed in the previous Annual Report and having a significant impact on the company’s balance sheet and overall performance in the reporting period.

For the above purposes, the information on the individual “significant” Transactions may be provided through reference to the disclosure documents published in accordance with points 5.1, 5.2 and 5.6, reporting also any significant updates.

**5.9.** With regards to Ordinary transactions concluded at market or standard conditions considered “significant” Transactions, where applying the exception to the publication obligations under the previous points 5.1. to 5.7., subject to Article 17, MAR, the company:

- i) communicates to Consob and to the directors or independent directors expressing opinions on related party transactions (or to the Committee), by the deadline indicated at point 5.3 above, the counterparty, the subject, the consideration for the transactions benefitting from the exclusion, in addition to the reasons for which it is considered that the transaction is ordinary and concluded at market or standard conditions, providing objective corroborated evidence;
- ii) indicates in the interim report and the annual directors’ report, within the disclosure under point 5.8 above, which of the transactions subject to disclosure requirements within this latter provision were concluded using the exclusions established by the present point.

**5.10.** in the case of Related Party Transactions subject to the public disclosure obligations under Article 17 MAR, the press release should contain, in addition to the information to be published in accordance with the above-stated regulation, the information listed at Article 6 of the Regulation.

## **6. FINAL PROVISIONS**

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### **6.1. Policy Compliance**

Compliance of the Policy with the principles contained in the Regulation and Elica’s compliance with such is overseen by the Board of Statutory Auditors of the company, which reports to the Shareholders’ Meeting in accordance with Article 2429, second paragraph, Civil Code, or Article 153 CFA.

### **6.2. Adoption and amendment of the policy**

**6.2.1.** This Policy and the relative amendments are approved by the Board of Directors of Elica following receipt of a favourable reasoned opinion from the Independent Directors.

**6.2.2.** Annually and however in the case of changes to the relative laws and regulations, the Board of Directors assesses whether to amend the Policy.

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**6.2.3.** This Policy and the relative amendments are published without delay on Elica's website, subject to the publication obligation, also through reference to the website, in the annual report.

**6.3. Entry into force**

**6.3.1.** This Policy is applicable from July 1, 2021, subject to that stated below.

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### **Annex A - Minor Transactions**

Minor related party transactions are all those related party transactions with an annual value not exceeding **Euro 100,000** where concerning natural persons, sole proprietorships, associations or foundations and **Euro 500,000** where concerning other legal entities.

The countervalue of long-term contracts should equal the expected fees for their entire duration for fixed-term contracts, or in the case of open-ended contracts should equal the expected fees for one financial year or, where the termination notice period is longer than one year, for the entire notice period - in any case excluding the optional renewal period, where contractually stipulated.

### **Annex B - Transaction Types**

For example, purposes only and not to be considered exhaustive, the company identifies the following types of transactions as ordinary and the funding of ordinary transactions:

<b>Transaction type</b>
<ul style="list-style-type: none"><li>- Acquisition, sale, disposal of: finished products, semi-finished products, raw materials.</li><li>- Granting to clients of payment extensions and/or loans for the purchase of finished and semi-finished products.</li><li>- Agreements with suppliers concerning: the granting of advances, payment extensions and/or loans for the purchase of raw materials and semi-finished products.</li><li>- Acquisition of services for ordinary operations, also in favour of subsidiaries and associates.</li><li>- Acquisition and disposal of cash and cash equivalents.</li><li>- Acquisition, sale and disposal of current assets/liabilities (including tax receivables and financial instruments traded for currency risk and interest rate hedging purposes and forward currency contracts).</li><li>- Purchase, sale or disposal of non-current fixed assets available-for-sale.</li><li>- Vehicle or equipment leasing contracts.</li></ul>