



PROCEDURE FOR RELATED PARTY TRANSACTIONS

APPROVED BY THE BOARD OF DIRECTORS OF ERG S.P.A.

ON 13 OCTOBER 2022

We are #SDGsContributors



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1. INTRODUCTION

This procedure (the "**Procedure**") governs – without prejudice to the provisions of Articles 2391 of the Italian Civil Code – related party transactions carried out directly by ERG S.p.A. ("**ERG**" or the "**Company**") and/or by the latter through companies controlled by it (the "**Related Party Transactions**" or the "**Transactions**"), in accordance with the provisions of the Regulations adopted by the National Commission for Companies and the Stock Exchange (Consob), under resolution no. 17221 dated 12 March 2010, as amended and supplemented (the "**Consob Regulations**").

The Company's Board of Directors will periodically assess – at least once a year – the need to amend and supplement the Procedure, also taking into account any legislative and regulatory changes and future implementation practice, in addition to any changes in the organisational structure of ERG and the ERG Group (as defined below). Any amendments to the Procedure shall be approved subject to the favourable opinion of the Control, Risk and Sustainability Committee (as defined below), provided that it consists entirely of Independent Directors (as defined below). In the event that a member of the Control, Risk and Sustainability Committee no longer qualifies as an Independent Director for the purposes of the aforementioned opinion, the Chairperson of the Nominations and Remuneration Committee (as defined below) or, if he or she is unable to attend, another Independent Director who is a member of the Nominations and Remuneration Committee, in order of seniority, will be called upon to attend in that Director's place.

ERG's Chief Executive Officer, having consulted the Control, Risk and Sustainability Committee, is furthermore authorised to introduce to the Procedure any amendments of a purely formal nature that do not materially alter the content of the Procedure, subsequently informing ERG's Board of Directors thereof during its first appropriate meeting.

Moreover, associated with the Procedure is the Related Party Transactions Manual which governs the operational activities that need to be implemented by ERG Group staff for the management of Transactions (such as, for example: control activities; determined levels of authorisation; information flows; activities connected with updating the list of Related Parties). ERG's Chief Executive Officer will periodically – at least annually – assess the need for amendments and additions to the Related Party Transactions Manual.

2. DEFINITIONS

2.1

In addition to the definitions contained in other articles, the capitalised terms and expressions used in the Procedure shall have the meaning attributed to them below, it being specified that the same meaning shall apply both to the singular and to the plural:

Directors: members of the Board of Directors of ERG.

Chief Executive Officer: the Chief Executive Officer of ERG.

Independent Directors: Directors who meet the requirements of Article 148(3) of the Italian Consolidated Finance Act and are also recognised as independent by the Company pursuant to the Corporate Governance Code.

Directors involved in the Transaction: those 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 other than the counterparty in a certain transaction and the Related Parties of that counterparty.

Non-Executive Directors: Directors other than those Directors recognised as executive in accordance with the provisions of the Corporate Governance Code.

Shareholders' Meeting: the Shareholders' Meeting of ERG.

Corporate Governance Code: the Corporate Governance Code promoted by Borsa Italiana S.p.A. and adopted by the Company.

Control, Risk and Sustainability Committee: ERG's Control, Risk and Sustainability Committee.

Nominations and Remuneration Committee: ERG's Nominations and Remuneration Committee.

Control: as defined by international accounting standards adopted in accordance with the procedure in Article 6 of EC Regulation no. 1606/2002, as referred to in the Consob Regulations.

Joint Control: as defined by international accounting standards adopted in accordance with the procedure in Article 6 of EC Regulation no. 1606/2002, as referred to in the Consob Regulations.

Board of Statutory Auditors: the Board of Statutory Auditors of ERG.

Board of Directors: the Board of Directors of ERG.

Key management: as defined by the Company on the basis of international accounting standards adopted in accordance with the procedure in Article 6 of EC Regulation no. 1606/2002, as referred to in the Consob Regulations.

ERG Group: ERG and ERG's Subsidiaries.

Significant Influence: as defined by international accounting standards adopted in accordance with the procedure in Article 6 of EC Regulation no. 1606/2002, as referred to in the Consob Regulations.

Significant Interests: with respect to a company refers to: *(i)* possession by ERG's Parent Company of a percentage of integrated ownership in the Transaction counterparty that exceeds the percentage it holds, as appropriate, in ERG or in the Subsidiary, or Associated Company, of ERG carrying out the Transaction, or, *(ii)* ownership by ERG's Related Party of a stake greater than 5% in the Transaction counterparty's share capital, or, *(iii)* the sharing by the Company and the Subsidiary or Associated Company of one or more directors or Key Managers who benefit from incentive plans based on financial instruments (or in any case from variable remunerations) directly depending, to the extent of 30% or more, on the results achieved by the Subsidiaries or Associated Companies with which the Transaction is carried out. For the purpose of Intragroup Transactions, no Significant Interests are considered to exist within the ambit of the Transactions set up directly or indirectly with a company in which ERG holds a percentage of integrated ownership corresponding to 100% of the related share capital.

Joint Venture: as defined by international accounting standards adopted in accordance with the procedure in Article 6 of EC Regulation no. 1606/2002, as referred to in the Consob Regulations.

Related Party Transaction or Transaction: with respect to the Company, those transactions defined as such by the international accounting standards adopted in accordance with the procedure in Article 6 of Regulation (EC) no. 1606/2002, as referred to in the Consob Regulations.

Transactions of Limited Value: this refers to the Related Party transactions in which the expected maximum sum of the consideration payable by the Company or in any case the expected amount of the same does not exceed, for each transaction:

- (a) EUR 100,000.00 per year, as regards the allocation and increase in remuneration and financial benefits, in whatever form, to a Director or to an Auditor or to a Key Manager;
- (b) EUR 100,000.00 per year, per individual Transaction with natural person Related Parties or for Transactions concluded with the same natural person Related Party insofar as the transactions are of a similar nature or carried out in execution of a single plan;
- (c) EUR 1,000,000.00 per year, per individual Transaction with legal person Related Parties or for Transactions concluded with the same legal person Related Party insofar as the transactions are of a similar nature or carried out in execution of a single plan.

In the event that the legal person Related Party is under the Control of a natural person Related Party, the threshold as per subparagraph (b) above shall apply.

Transactions of Greater Significance: this refers to the Related Party Transactions in which at least one of the following indicators of significance, applicable depending on the specific transaction, exceeds the 5% threshold:

- (a) Equivalent value significance ratio: the ratio of the Transaction's equivalent value to shareholders' equity as reported in the Company's most recently published (consolidated, if drawn up) statement of financial position or, if higher, the Company's capitalisation at the end of the last trading day included in the reporting period for the most recently published financial report (annual or half-year financial report or other interim management report). If the economic conditions of the Transaction are determined, the equivalent value of the Transaction shall be:
 - (i) for cash components, the amount paid to/by the contractual counterparty;
 - (ii) for components comprising financial instruments, the fair value determined, at the date of the Transaction, in accordance with the international accounting standards adopted by EC Regulation no. 1606/2002;
 - (iii) for Transactions involving the granting of loans or guarantees, the maximum amount disburseable.

If the economic conditions of the Transaction depend, in whole or in part, on amounts that are not as yet known, the equivalent value of the Transaction is the maximum amount receivable or payable under the agreement;

- (b) asset significance ratio: the ratio of the total assets of the entity involved in the Transaction to the Company's total assets. The data used must be taken from the Company's most recently published (consolidated, if drawn up) statement of financial position; where possible, similar data should be used to determine the total assets of the entity concerned with the Transaction. For Transactions involving the acquisition and sale of investments in companies that have an impact on the area of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital subject to disposal. For Transactions involving the acquisition and sale of investments in companies that have no impact on the area of consolidation, the value of the numerator is:

- (i) in the case of acquisitions, the value of the Transaction plus any liabilities of the acquired company that may be assumed by the purchaser;
- (ii) in the case of sales, the consideration paid for the asset sold.

For Transactions involving the purchase or sale of other assets (as opposed to the acquisition of an investment), the value of the numerator is:

- (i) in the case of purchases, the higher of the consideration paid and the book value which will be attributed to the asset;
 - (ii) in the case of sales, the book value of the asset sold;
- (c) liability significance ratio: the ratio of the total liabilities of the acquired entity to the company's total assets. The data used must be taken from the Company's most recently published (consolidated, if drawn up) statement of financial position; where possible, similar data should be used to determine the total liabilities of the acquired company or business unit.

Transactions of Lesser Significance: Related Party Transactions other than Transactions of Greater Significance and Transactions of Limited Value.

Intragroup Transactions: Related Party Transactions with or between Subsidiaries, even jointly, pursuant to Article 5 below, as well as with Associated Companies.

Ordinary Transactions: Related Party Transactions that: **(a)** fall within the normal course of the Company's operating activity or related financing activity; and **(b)** are concluded at terms and conditions: *(i)* similar to those normally applied to transactions with unrelated parties of a similar nature, size or risk, or *(ii)* based on regulated tariffs or fixed prices, or again *(iii)* corresponding to those offered to parties with which the Company is legally obliged to trade at a fixed price.

Related Party: with respect to the Company, a person defined as such by the international accounting standards adopted in accordance with the procedure in Article 6 of Regulation (EC) no. 1606/2002, as referred to in the Consob Regulations.

Issuers' Regulations: the regulations adopted under Consob resolution no. 11971 dated 14 May 1999, as subsequently amended and supplemented.

Regulations: regulations designed to define the duties and operating procedures of the Board of Directors, the Control, Risk and Sustainability Committee and the Nominations and Remuneration Committee.

Auditors: members of the Board of Statutory Auditors of ERG.

Unrelated Shareholders: the parties holding voting rights exercisable at the Shareholders' Meeting, other than the counterparty in a certain Transaction, the Related Parties thereof and the Related Parties of the Company.

Associated Company: an entity, including an unincorporated entity such as a partnership, over which an investor exercises Significant Influence, but not Control or Joint Control.

Parent Company: natural person or any entity, including an unincorporated entity such as a partnership, that exercises Control over another entity.

Subsidiary: an entity, including an unincorporated entity such as a partnership, that is Controlled by another entity.

Close Family Member: as defined by international accounting standards adopted in accordance with the procedure in Article 6 of EC Regulation no. 1606/2002, as referred to in the Consob Regulations.

Consolidated Act: Legislative Decree no. 58 dated 24 February 1998, as subsequently amended and supplemented.

2.2

For the sake of completeness, it should be noted that the interpretation of the definitions of Related Party and Related Party Transaction and of the other definitions mentioned above shall be based on the international accounting standards adopted in accordance with the procedure as per Article 6 of EC Regulation no. 1606/2002.

3. SPHERE OF APPLICATION

3.1

The provisions of the Consob Regulations and this Procedure shall not apply to Transactions of Limited Value.

3.2

Without prejudice to the provisions set forth by Article 5, paragraph 8 of the Consob Regulations and section 3.3 here below, the instructions contained in the Consob Regulations and in this Procedure shall not apply:

- (a) to the shareholders' resolutions referred to in Article 13, first paragraph of the Consob Regulations;
- (b) to compensation plans based on financial instruments approved by the Shareholders' Meeting in accordance with Article 114-bis of the Consolidated Act and the related executory transactions;
- (c) to the remuneration of directors holding particular offices – other than the resolutions taken pursuant to Article 2389, paragraph 3, last sentence of the Italian Civil Code – as well as to the remuneration of Key Managers and in any case the persons holding the positions listed in Annex 1, provided that:
 - (i) the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
 - (ii) the Nominations and Remuneration Committee has been involved when defining the remuneration policy;
 - (iii) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary valuations;
- (d) to Ordinary Transactions;
- (e) to Intragroup Transactions, provided that in the Subsidiaries or Associated Companies which are counterparties of the Transaction there are no Significant Interests of other Related Parties.
- (f) to Transactions resolved by the competent bodies of the Company and addressed to all shareholders on equal terms, including: (i) option capital increases, including to service convertible bonds, and gratuitous capital increases provided for in Article 2442 of the Italian Civil Code; (ii) demergers, total or partial, with proportional share allocation criteria; and (iii) reductions in share capital through reimbursement to shareholders provided for in Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the Consolidated Act.

3.3

Without prejudice to the provisions set forth by Article 5, paragraph 8 of the Consob Regulations, Article 114, first paragraph of the Consolidated Act and section 3.2 above, whenever a Transaction of Greater Significance constitutes an Ordinary Transaction for the purpose of this Procedure:

- (a) the Company shall communicate to Consob, within the term specified in Article 5, paragraph 3 of the Consob Regulations, the counterparty, the purpose and the consideration involved in Transactions benefiting from exemption;
- (b) the Company shall indicate in its interim management report and annual management report, as part of the information required by Article 5, paragraph 8 of the Consob Regulations, which of the Transactions subject to disclosure obligations as indicated in the latter provision have been concluded using the exemption contemplated in this article.

4. RULES GOVERNING RELATED PARTY TRANSACTIONS

4.1 Transactions of Lesser Significance

- (a) The Board of Directors is exclusively competent to approve Transactions of Lesser Significance subject to the reasoned and non-binding opinion of a committee, comprising Non-Executive and Unrelated Directors, the majority of whom are independent, regarding the interest of the Company in carrying out the Transaction as well as the suitability and substantial correctness of the related terms and conditions.
- (b) The committee referred to in (a) above:
- (i) with regard to Transactions of Lesser Significance concerning the allocation or increase of wages or economic benefits, in whatever form, to a Director or Auditor or to a Key Manager or in any case to one of the persons holding the positions listed in Annex 1, is the Nominations and Remuneration Committee;
 - (ii) with regard to all other Transactions of Lesser Significance, is the Control, Risk and Sustainability Committee;
 - (iii) shall act by an absolute majority of its members, and minutes shall be kept of its meetings, to which the opinion required under this Article 4.1 shall be attached.
- (c) In the event that a member of the committee at the time responsible is the counterparty of the Transaction of Lesser Significance being evaluated or a Related Party thereof, the other members of the committee shall call upon the Unrelated Chairperson of the other committee or, failing that, another Unrelated Independent Director who is also a member of the other committee in order of seniority or, failing that, the Chairperson of the Unrelated Board of Statutory Auditors or, failing that, a standing member of the Unrelated Board of Statutory Auditors in order of seniority; in the event that it is not possible to supplement the composition of the committee, the opinion referred to in (a) above will be issued by an independent expert.
- (d) The delegated bodies shall ensure that the members of the competent committee pursuant to letter (b) above promptly receive complete and adequate information regarding the Transaction of Lesser Significance as well as objective elements of confirmation to such effect. The delegated bodies shall also ensure that the same information is promptly forwarded to the Directors and members of the Board of Auditors. The information that must be provided shall include, in particular:
- (i) indication of the Related Party who is a counterparty in the Transaction;
 - (ii) indication as to the nature of the relationship;
 - (iii) the reasons why the transaction has been qualified as a Transaction of Lesser Significance;
 - (iv) a description of the Transaction terms and conditions, the related procedures for execution, the procedures for determining the consideration;
 - (v) a description of the Company's interest in carrying out the Transaction;
 - (vi) indication of the reasons behind the Transaction and the risks, if any, that might derive from its execution.

- (e) Based on the information reported pursuant to letter (d) above, if a member of the committee is the counterparty of the Transaction of Lesser Significance under assessment or a Related Party thereof, the same shall immediately inform the Chairperson of the Board of Directors and the Committee in order to enable their replacement according to the procedure indicated under letter (c) above.
- (f) The Committee must render its opinion prior to approval of the Transaction of Lesser Significance by the Board of Directors.
- (g) The committee shall have the right to use the assistance of one or more independent experts of its choice, at the expense of the Company. The committee shall verify the independence of experts in advance, taking into account the reports specified in section 24 of Annex 4 to the Consob Regulations.
- (h) Directors Involved in the Transaction shall abstain from voting on the Transaction (but may take part in the discussion).
- (i) The resolutions of the Board of Directors to approve a Transaction of Lesser Significance must be adequately motivated, taking into account the Company's interest in carrying out the Transaction, as well as the suitability and substantial correctness of the related terms and conditions. Whenever the Board of Directors intends to deviate from the opinion provided by the committee, the report must furnish a detailed account of the reasons for each decision.
- (j) The delegated bodies shall report to the Board of Directors and to the Board of Statutory Auditors, on at least a quarterly basis, regarding the execution of Transactions of Lesser Significance.
- (k) The Company shall ensure the timely fulfilment of all public disclosure obligations set forth by each applicable legal and regulatory provision with regard to the Transactions of Lesser Significance.

4.2 Transactions of Greater Significance

- (a) The Board of Directors shall have exclusive competence for the approval of Transactions of Greater Significance and shall pass resolution on the same subject to the prior favourable, reasoned and binding opinion of a committee, made up only of Independent and Unrelated Directors, regarding the interest of the Company in carrying out the Transaction as well as the suitability and substantial correctness of the related terms and conditions.
- (b) The committee referred to in subsection (a):
 - (i) with regard to Transactions of Greater Significance concerning the allocation or increase of wages or economic benefits, in whatever form, to a Director or Auditor or to a Key Manager or in any case to one of the persons holding the positions listed in Annex 1, is the Nominations and Remuneration Committee;
 - (ii) with regard to all other Transactions of Greater Significance, is the Control, Risk and Sustainability Committee;
 - (iii) shall act by an absolute majority of its members, and minutes shall be kept of its meetings, to which the opinion required under this Article 4.2 shall be attached.

- (c) In the event that a member of the committee at the time responsible is the counterparty of the Transaction of Greater Significance being evaluated or a Related Party thereof, the other members of the committee shall call upon the Unrelated Chairperson of the other committee or, failing that, another Unrelated Independent Director who is also a member of the other committee in order of seniority or, failing that, the Chairperson of the Unrelated Board of Statutory Auditors or, failing that, a standing member of the Unrelated Board of Statutory Auditors in order of seniority; in the event that it is not possible to supplement the composition of the committee, the opinion referred to in (a) above will be issued by an independent expert.
- (d) The delegated bodies shall ensure the involvement of the committee having competence pursuant to letter (b) above, in a timely manner, during the negotiation and preliminary examination phases, via the receipt of complete, adequate and up-to-date information regarding the Transaction of Greater Significance; in this connection, reference is made insofar as applicable to the information specified in section 4.1(d) above. The committee may also request information and make observations to the delegated bodies and to the persons in charge of conducting the negotiations and the preliminary examination.
- (e) The above sections 4.1(e), 4.1(f), 4.1(g), 4.1(h) and 4.1(j) shall apply mutatis mutandis.
- (f) The resolutions of the Board of Directors to approve a Transaction of Greater Significance must be adequately motivated, taking into account the Company's interest in carrying out the transaction, as well as the suitability and substantial correctness of the related terms and conditions.
- (g) The Company shall ensure the timely fulfilment of all public disclosure obligations set forth by each applicable legal and regulatory provision concerning the Transactions of Greater Significance.

4.3 Transactions within the competence of the shareholders' meeting

Whenever a Transaction of Lesser Significance or a Transaction of Greater Significance falls within the competence of the Shareholders' Meeting, or requires authorisation from the same, the provisions of sections 4.1 and 4.2 shall apply insofar as concerns the approval – by the Board of Directors – of the proposed resolution to be submitted to the Shareholders' Meeting.

4.4 Framework resolutions

- (a) The Board of Directors may approve, with a single resolution, a series of Related Party Transactions of a similar nature with the same Related Parties or with certain categories of Related Party.
- (b) In the case referred to under letter (a) above and without prejudice to the provisions set forth by Article 3 above:
 - (i) the provisions of sections 4.1 and 4.2 above shall apply to the Board of Directors's framework resolution according to the foreseeable maximum amount of the Related Party Transactions concerned with the same, considered on a cumulative basis;

- (ii) the provisions of sections 4.1 and 4.2 above shall not apply to individual Related Party Transactions concluded in execution of a framework resolution of the Board of Directors, provided that the resolution:
 - (1) has a validity of no more than one year;
 - (2) refers to sufficiently definite Related Party Transactions;
 - (3) specifies the foreseeable maximum amount of the Transactions which, during the period of validity of the resolution, may be carried out in implementation thereof;
 - (4) contains an adequate description of the terms and conditions of the Transactions;
- (iii) on a quarterly basis, the delegated bodies shall provide the Board of Directors with a complete report regarding the implementation of the framework resolutions.

4.5. Urgent transactions

Insofar as expressly allowed by the Company's Articles of Association, wherever the Transaction does not fall within the competence of the Shareholders' Meeting and does not have to be authorised by the same, in case of urgency and without prejudice to the public disclosure obligations set forth by all applicable legal and regulatory provisions, the Related Party Transactions may be concluded as a departure from the requirements set forth by section 4.1 and 4.2, provided that:

- (i) such Transactions, without prejudice to their effectiveness, are subsequently covered by a non-binding resolution on the part of the first appropriate ordinary Shareholders' Meeting;
- (ii) a report is prepared by the Board of Directors calling the Shareholders' Meeting, setting out an adequate explanation of the grounds for urgency. The Board of Statutory Auditors shall report to the Shareholders' Meeting on their considerations regarding the existence of the reasons for urgency;
- (iii) the report and the considerations referred to in the previous section (ii) are made publicly available within the terms required by laws and regulations;
- (iv) by the day following the Shareholders' Meeting, the Company makes available to the public in the manners indicated in Title II, Chapter I, of the Issuers' Regulations, information concerning the outcome of the voting, with special reference to the total number of votes expressed by Unrelated Shareholders.

5. RELATED PARTY TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES

5.1

Without prejudice to the exemptions referred to in Article 3 above, in the case of Transactions carried out through Subsidiaries, the same shall be subject to prior approval by the Board of Directors, which shall be communicated to the corporate bodies or delegated bodies of the Subsidiaries competent to deliberate or decide on the relevant Transaction (the "Prior Approval"), and the procedure set forth in Section 4.1 above or that set forth in Section 4.2 above shall apply, as the case may be, subject to the provisions set out below.

5.2

The Prior Approval must always be approved by the Board of Directors having first obtained issuance of the reasoned opinion referred to in section 4.1(a) or 4.2(a) above by the competent committee pursuant to section 4.1(b) or 4.2(b) above, without prejudice to the following:

(a) the committee's reasoned opinion:

(i) shall not be binding for the Board of Directors if the transaction is qualified as a Transaction of Lesser Significance, within the meaning set forth in Article 2, while it shall be binding for the Board of Directors if the Transaction is qualified as a Transaction of Greater Significance, within the meaning set forth in Article 2;

(ii) must be addressed to the Board of Directors in accordance with section 5.1 above;

(b) the above sections 4.1(c), 4.1(e), 4.1(f) and 4.1(g) shall apply *mutatis mutandis* to the committee called upon to render its opinion.

The above sections 4.1(d) or 4.2(d), 4.1(h), 4.1(i) or 4.2(f) and 4.1(j) shall apply *mutatis mutandis*.

5.3

Without prejudice to the provisions set forth by Article 5, paragraph 8 of the Consob Regulations, section 4.1(k) above or section 4.2(g) above shall apply, according to the foreseeable maximum amount of the consideration or the foreseeable maximum value of the obligations to be borne by the Subsidiary.

6. DISCLOSURE AND VERIFICATION OF THE APPLICATION OF EXEMPTIONS

Except for Transactions of Limited Value, the committee that would have been competent to give an opinion under Articles 4.1 or 4.2 above:

- (a) at least annually, shall receive information about the application of the cases of exemption provided for in the Consob Regulations and this Procedure, with reference to Transactions of Greater Significance and Transactions of Lesser Significance approved or executed during the reporting period, in order to carry out an ex post review of the application of the cases of exemption, including through sample selection procedures;
- (b) within seven days of approval of the Related Party Transaction by the competent body, shall be informed by the delegated bodies of the application of the exemption for Ordinary Transactions with reference to Transactions of Greater Significance (with particular regard to the counterparty and to the fee, as well as the reasons why it is considered that the Transaction is an Ordinary Transaction, providing objective evidence) and shall verify the correctness of that application within the next seven days.

7. COMMUNICATIONS TO THE COMPANY

- (a) The Related Parties shall promptly communicate the information necessary to enable the Company to fulfil the obligations set forth by the Consob Regulations and by the Procedure to the Company's Corporate Affairs Department to the following address: **particorrelate@erg.eu**.
- (b) The delegated bodies shall ensure that all the Related Party Transactions approved in accordance with the Consob Regulations and this Procedure are promptly communicated to the Manager Responsible for preparing the Company's financial reports, for the purpose of compliance with the disclosure obligations referred to in Article 154-bis of the Consolidated Act.

8. GENERAL PROVISIONS

8.1 Updates

- (a) The Manager Responsible for preparing the Company's financial reports shall monitor the continuing adequacy of the significance thresholds referred to in the Procedure, reporting thereon to the Chief Executive Officer and the Control, Risk and Sustainability Committee;
- (b) The Corporate Affairs Department shall be responsible for periodically updating the list of Related Parties also by sending requests for information pursuant to Article 4, paragraph 8 of the Consob Regulations.

8.2 Information flows

- (a) The parties responsible for setting up a transaction must first ascertain; (i) whether the counterparty for such transaction is a Related Party; (ii) whether the transaction in question falls within the sphere of application of the Procedure, following the operational procedures established by the Company; (iii) in the case of Intragroup Transactions, whether in the Subsidiaries or Associated Companies which are counterparties of the transaction there are any Significant Interests of other Related Parties of the Company; and (iv) in the event that the transaction counterparty is a trust company or Controlled by a trust company, the identity of the transaction beneficiary and, in particular, whether such beneficiary is a related party.
- (b) The delegated bodies, conferring as necessary with the Chairperson of the Control, Risk and Sustainability Committee or the Nominations and Remuneration Committee (according to their respective areas of competence), shall assess whether the proposed Transaction qualifies as a Transaction of Greater Significance or Lesser Significance, based on the parameters calculated pursuant to section 2.1 above.
- (c) The Company's delegated bodies shall ensure that all the Related Party Transactions approved in accordance with the Consob Regulations and this Procedure are promptly communicated to the Manager Responsible for preparing the Company's financial reports, for the purpose of compliance with the disclosure obligations referred to in Article 154-bis of the Consolidated Finance Act.
- (d) All company departments involved in the process defined by this Procedure are required to promptly report any and all departures, violations or suspected violations of the provisions contained in this Procedure and in the Consob Regulations to the Supervisory Committee set up in accordance with Legislative Decree 231/2001.

9. SANCTIONS

The provisions set out in the Procedure constitute a relevant protocol of the Organisation and Management Model adopted by the Company pursuant to Legislative Decree 231/01.

Violation of such rules shall therefore constitute a disciplinary offence, providing for application of the current Sanction System.

10. ANNEXES

Annex 1: Figures subject to the Procedure;

Annex 2: Parties to whom the Procedure is applicable pursuant to Article 4, paragraph 2 of the Consob Regulations.



ANNEX 1

Figures subject to the Procedure

Key Managers

1. Members of the ERG S.p.A. Board of Directors
2. Chief Business Development and M&A Officer
3. Chief Engineering Development Officer
4. Chief Financial Officer
5. Chief Human Capital Officer
6. Chief Operating Officer
7. General Counsel
8. Manager Responsible for Preparing the Company's Financial Reports

Other parties

1. Members of the ERG S.p.A. Board of Statutory Auditors



ANNEX 2

Parties to whom the Procedure is applicable pursuant to Article 4, paragraph 2 of the Consob Regulations

1. **Edoardo Garrone Foundation**

ERG S.p.A.

Torre WTC
via De Marini, 1
16149 Genoa
Tel 01024011
Fax 0102401585
www.erg.eu

Registered Office:
via De Marini, 1
16149 Genoa

Share Capital Euro 15.032.000 fully paid
R.E.A. Genoa n. 354265
Company Register Genoa
and Fiscal Code 94040720107
VAT 10122410151

www.erg.eu

