



INTERNAL REGULATIONS GOVERNING RELATED PARTY TRANSACTIONS

**Approved by the Board of Directors on 12 April 2017 as most recently updated on 24
June 2021**

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Background

In application of and pursuant to:

- art. 2391-*bis* of the Civil Code, which provides that management bodies of publicly quoted companies shall adopt rules such to ensure the transparency and substantial and procedural fairness of related party transactions;
- Consob Regulation adopted by way of resolution No. 17221/2010 as subsequently amended which contains provisions on related party transactions ("**RPT Regulations**");
- Consob Communication No. DEM/10078683 of 24 September 2010 which contains indications and guidelines for the application of the RPT Regulations;

and also taking into account Consob Resolution No. 21396 of 10 June 2020 on temporary suspension of the application of certain RPT Regulation provisions,

Unieuro S.p.A. ("**Unieuro**" or "**Company**"), has adopted the procedure herein ("**Procedure**"), which sets out the principles the Company shall apply to ensure the transparency and substantial and procedural fairness of related party transactions whether carried out directly or through any company controlled by it.

Said Procedure was adopted by the board of directors of the Company, having received the favourable opinion of the Related Parties Transactions Committee in accordance with the provisions of art. 4 paragraph 3 of the RPT Regulation, and following an evaluation on the part of the Company's board of statutory auditors of compliance of this Procedure with the principles laid down in said RPT Regulation.

To the extent not expressly provided for in the Procedure, you are referred to the laws and regulations in force and defined terms not specifically defined herein shall be ascribed their meanings under RPT Regulation and under the Corporate Governance Code of listed companies of the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. ("**Corporate Governance Code**"), to which Unieuro adheres.

Definitions

Articles of Association	The Company articles of association.
Company/Unieuro	Unieuro S.p.A., incorporated under Italian law duly registered in the register of companies of Forlì-Cesena, No. REA 177115, Tax code and VAT number 00876320409 having its registered office via Piero Maroncelli 10 Forlì.
Competent Body	For Transactions of Greater Importance, the Competent Body shall be the Company board of directors. For Transactions of Lesser Importance, the Competent Body shall be: (a) a Company director holding apposite powers to perform the transaction and who is not him or herself a Related Party in the Transaction or who is not an Interested Director; (b) the board of directors if: (1) all the Company directors holding apposite powers to perform the Transaction are related parties in the Transaction, and/or if (2) the RPT Committee has provided a negative opinion on the Transaction.
Controlled Company/ Controlled Companies	Any Italian or foreign company controlled by the Company pursuant to IFRS 10, IFRS 11 and IAS 28, the relevant parts of which, for the purpose of better describing the scope of this definition, are contained in <u>Appendix A</u> to this Procedure.
De Minimis Transaction	Any individual Transaction with a Related Party having a value of up to Euro 150,000 (one hundred and fifty thousand) if the Related Party is a natural person and up to Euro 300,000 (three hundred thousand) if the Related Party is an entity which is not a natural person.
Equivalent Market or Standard Terms	Terms equivalent to those usually applied at arms' length to a non-related third party for transactions of a corresponding nature, size and risk or terms based on regulated tariffs or on imposed prices or those applied to parties with which the Company is legally obliged to contract for a determined compensation.
Equivalent Safeguards	The internal safeguards provided for in art. 9 of this Procedure.
Exempted Transaction	Transactions with Related Parties deemed exempted transactions pursuant to art. 13 of the RPT Regulation as referred to under art. 3 of this Procedure.
Framework Resolution	Any resolution relating to series of similar transactions with certain categories of Related Parties the execution of which is governed by art. 12 of the RPT Regulations.
Independent Director	A director satisfying the independence requirements provided for under art. 148 paragraph 3 TUF and the Corporate Governance Code to which the Company declares it adheres.
Interested Director	A director having an interest in the Transaction whether on his/her own account or on account of any third party, in conflict with that of the Company.

Issuers' Regulations	Consob Regulations No. 11971 of May 14, 1999 implementing legislative decree No. 58 subsequently amended and integrated as concerns the regulation of issuers.
Manager with Strategic Responsibilities	Any managers having power and responsibility, whether directly or indirectly, as concerns the planning, management and control of the Company's activities, including directors (executive or otherwise) of the Company, identified as such by the board of directors pursuant to IAS Principle 24, paragraph 9.
Ordinary Transaction	Any Transaction within the remit of the ordinary business activities of the Company and its related financial activity ¹ .
Related Party/ Related Parties	Each party defined as such under the international accounting standards adopted according to the procedure referred to in art. 6 of Regulation (EC) No. 1606/2002 and indicated in art. 1 of this Procedure.
Related Party Transaction/ Transactions	Any transaction defined as such by the international accounting standards adopted according to the procedure referred to in art. 6 of Regulation (EC) No. 1606/2002 and thus any transfer of resources, services or obligations between the Company and one or more Related Parties, regardless of whether recompense has been agreed. Such Transactions include any: (i) merger, spin-off by incorporation or strictly non proportional spin-off, where carried out with related parties; (ii) any decision relating to the allocation of recompense and economic benefits howsoever envisaged, to the members of the administrative and control bodies and to managers with strategic responsibilities.
Related Party Transactions Committee (or RPT Committee)	The intra-board Committee comprised of at least 3 (three) Independent Directors specifically set up to provide grounded opinions on the Company's interest in entering into the transaction as well as on the convenience and substantial fairness of the terms and conditions thereof.
Responsible Function	The corporate officers responsible for the individual Related Party Transaction in accordance with the powers conferred in relation thereto and by the internal organisation system adopted by the Company/by its Subsidiaries, irrespective of whether said officers are competent to resolve on the individual transaction.
RPT Regulations	The regulations adopted by Consob by way of resolution No. 17221/2010 as subsequently amended and integrated.

¹The assessment as to whether a transaction falls within the remit of the company's ordinary business activities pursuant to Consob Communication DEM/10078683 of 24/09/2010, shall take into consideration the company's principal revenue-generating activities and all other management activities which are not classifiable as "investments" (meaning (i) transactions involving the purchase or disposal of fixed assets save for long-term tangible, intangible and financial assets held for sale and (ii) financial investments not deemed cash or cash equivalents) or "financial" (meaning those assets resulting in changes (i) to the size and composition of its paid-up equity and (ii) financing obtained by the Company). As regards related financial activities, CONSOB has clarified that an Ordinary Transaction may include those financing activities carried out to enable the Company's operating activities.

RPT Safeguard Team

The working group, comprised of the Chief Financial Officer (“CFO”) and the Head of the Legal Department, responsible for: Identifying Related Parties; evaluating Related Party Transactions in accordance with this Procedure; governing information flows with the Responsible Function, the Competent Body and with the corporate bodies, including by way of the Company secretary. In the event that any person on the RPT Safeguard Team has any interest in the operation under assessment or is unable to perform his/her function within the RPT Safeguard Team, then said party shall abstain from giving any input to the assessment. Should both parties have an interest in the Transaction or be unable to perform their functions within the RPT Safeguard Team, the Head of the Company's Internal Audit Function shall take over that assessment function.

Significant Interest

For the purposes provided for under art. 14 paragraphs 2 RPT Regulations and under art. 2.3 of this Procedure as concerns any Transaction with or between Controlled Companies, including where jointly, as well as any Transaction with a connected company, significant interest means those interests of another Related Party of the Company in the said Controlled Companies or connected companies which come into play in virtue of asset based or shareholding relations, where such relations have the effect of exclusively or primarily influencing the managerial choices of the Company and/or its Controlled Company or connected company to satisfy the interests of the Related Party. By way of example, and as clarified by Consob in communication No. DEM/100778683, the following circumstances are deemed to constitute a “Significant Interest”: (a) one or more of the company's directors or managers with strategic responsibilities benefit from incentive plans based on financial instruments that are dependent on the results of the Controlled Company or connected company with which the transaction is to be carried out²; (b) the individual exerting control over the Company or exercising significant influence thereover out holds a shareholding (including where such interest is indirectly held by individuals other than the Company) in any Controlled Company or connected company with which the transaction is to be carried out and this shareholding exceeds the effective threshold weighting held by such individual in the Company (such weighting calculated according to the indications provided by Consob). The mere fact that one or more directors or other Managers with Strategic Responsibilities holds office in tandem for both the Company and/or Controlled Company or connected company or the mere ownership of a shareholding by a Controlled Company or connected company of the Company in other controlled or connected companies is not deemed a Significant Interest

Transaction of Greater Importance

Any Transaction for which at least one of the relevance indices indicated in Appendix 3 to the RPT Regulations is greater than 5% (five percent).

Transaction of Lesser Importance

Any Transaction which is not a Transaction of Greater Importance or a De Minimis Transaction.

² The assessment of significant interest shall be in concrete terms, taking into account the weighting of remuneration linked to the performance of the Controlled Company or connected company (including of incentive plans) compared to the overall remuneration of the Director or Manager with Strategic Responsibilities.

TUF	The Italian Consolidated Finance Act enacted by Legislative Decree 24 February 1998 No. 58 as subsequently amended and integrated which consolidates the provisions on financial intermediation.
Unrelated Independent Director	A director that is not a director of the other party in the specific Related Party Transaction or of any related party of that other party.
Unrelated Shareholder	Any party holding voting rights other than i) the counterparty to a specific Transaction ii) parties related to both the counterparty to a specific transaction and to the Company.

1. Definition of Related Parties

1.1. For the purpose of these Regulations, in conformance with Appendix A of the RPT Regulations, (*“Definitions of related parties and related party transactions under international accounting”*), a related party shall be any person or entity related to the Company. More specifically:

- a) a person or close family member of that person is deemed related to the Company if that person:
 - (i) holds control or joint control of the Company;
 - (ii) exerts significant influence over the Company; or
 - (iii) is a manager with strategic responsibilities of the Company or of a controlling company;
- b) an entity is deemed related to the Company if any of the following conditions apply:
 - (i) the entity and the Company are part of the same group (meaning that each controlling, controlled or other group company is related to the others)
 - (ii) the entity is a connected company or joint venturer³ of the Company (or is a connected company or joint venturer in a group to which the other entity is connected);
 - (iii) both entities are joint venturers in the same third party entity;
 - (iv) the entity/Company is a joint venturer of a third entity and that other entity/the Company is a connected company of that third entity;
 - (v) the entity holds a post-employment benefit plan for employees of the Company or of a related entity;
 - (vi) the entity is jointly controlled or controlled by a person identified under paragraph (a);

³ “Joint venture” means “a joint arrangement whereby the parties that exert joint control of the arrangement have rights to the net assets of the arrangement”. [IAS 28, paragraph 3]

(vii) the person identified under paragraph (a)(i) exerts significant influence over the Company or is a Company (or its controlling company) manager with strategic responsibilities [IAS 24.9].

c) in the definition of a related party, a related company includes any controlled company of the related company and any joint venture includes the controlled companies of the joint venture. Therefore, by way of example, a controlled company of a related company and the investor that exerts significant influence over that controlled company are deemed related [IAS 24.12].

2. Register of Related Parties

- 2.1 The RPT Safeguard Team of the Company shall create and maintain a dedicated register of all Related Parties, identified pursuant to art. 1 above and a log of all Related Party Transactions (save for Exempted Transactions), which have been entered into by the Company or by its Controlled Companies (“**Register**”)
- 2.2 All of the interested functions of the Company and of its Controlled Companies shall have access to the Register. In addition, the list of Related Parties shall be made available to the Company and its Controlled Companies.
- 2.3 The RPT Safeguard Team shall inform Related Parties in writing as and when they are recorded on the Register and at the same time shall request that each interested party provide preliminary information identifying close relatives, the entities in which the interested party and/or its close relatives exercise control, including any joint control, or entities over which such parties exert significant influence or in which they hold a significant share (no less than 20%) of the voting rights. The information gathered shall be processed only to the extent required to perform the provisions of this Procedure and pursuant to the regulations in force from time to time.
- 2.4 The Related Parties shall promptly inform the RPT Safeguard Team of any significant change as may affect due identification the individuals related to them. In any case, the RPT Safeguard Team shall update the register at least on a quarterly basis.
- 2.5 Controlling entities and other parties referred to in art. 114 paragraph 5 TUF that are Related Parties of the Company, shall provide the Company with all information necessary to allow the Related Parties and the Transactions with such related parties to be identified and shall promptly notify of any updates thereto.

3. Exempted Transactions

3.1. This Procedure does not apply to:

- (i) De Minimis Transactions;

(ii) Shareholders' meeting resolutions provided for by art. 13 paragraph 1, of the RPT Regulations⁴;

(iii) Transactions resolved on by the Company and presented to all shareholders on equal terms including those resolutions provided for under art. 13 paragraph 1-*bis*, of the RPT Regulations⁵.

3.2. Without prejudice to art. 5 paragraph 8 of the RPT Regulations, this Procedure likewise does not apply to:

(i) compensation plans based on financial instruments approved at the shareholders' meeting pursuant to art. 114-*bis* TUF and transactions for the enactment thereof;

(ii) resolutions, other than those indicated in art. 13 paragraph 1 of the RPT Regulations, concerning the remuneration of directors and board members holding particular offices or remuneration of Managers with Strategic Responsibilities provided that:

- the Company has adopted a remuneration policy duly approved at the shareholders' meeting;

- a committee made up solely by independent directors or by a majority of independent non-executive board members has been involved in the determination of the remuneration policy;

- the remuneration awarded is deemed consistent with the remuneration policy and quantified on the basis of criteria that does not entail any discretionary assessment;

(iii) Ordinary Transactions entered into on Equivalent Market or Standard Terms save for as provided for by art. 13 paragraph 3 c) of the RPT Regulations and specified in paragraph 3.5 of this Procedure;

(iv) transactions entered into by the Company with any Controlled Company whether or not jointly, or entered into by a Controlled Company save for to the extent provided for below;

(v) transactions entered into by the Company with any Controlled Company of the Company save for to the extent provided for below.

3.3. The Procedure shall not be applicable to the items specified under paragraphs 3.2 (iii), (iv) and (v) however shall apply where the counterparty to the transaction is a related or controlled company in which other Related Parties hold a Significant Interest.

⁴ Meaning those shareholders' meeting resolutions referred to in the first paragraph of art. 2389 Civil Code, relating to the remuneration of the members of the board of directors and of the executive committees as well as resolutions on the remuneration of directors holding particular offices where such remuneration is within a total amount pre-determined at a shareholders' meeting in accordance with art. 2389, third paragraph Civil Code. Shareholders' meeting resolutions under art. 2402 Civil Code concerning the remuneration of the members of the board of statutory auditors and of the supervisory board shall also be taken into consideration as shall also be those shareholders' meeting resolutions relating to the remuneration of the members of the management board, if any, taken pursuant to art. 2409- *terdecies*, paragraph 1 letter a) Civil Code.

⁵ Transactions resolved on by the Company and put to all shareholders on equal terms shall include:
a) option-related capital increases, including to service convertible bonds, and gratuitous capital increases provided for under art. 2442 Civil Code;

b) demerger in strict sense, whether total or partial, providing a criterion for attribution of proportional shares;

c) share capital reduction by way of shareholder reimbursement pursuant to art. 2445 Civil Code and purchases of treasury shares pursuant to art. 132 TUF.

- 3.4. Without prejudice to the provisions of art. 12 below, the procedures described under arts. 5 and 6 of this Procedure shall not apply to transactions of an urgent nature that are not required to be approved at a shareholders' meeting or which do not require shareholders' authorisation, provided that the provisions under art. 13 paragraph 6 of the RPT Regulations are duly observed.
- 3.5. In all cases concerning any Transaction of Greater Importance that is an Ordinary Transaction entered into on Equivalent Market or Standard Terms, the Company shall comply with the following disclosure requirements:
- (i) it shall notify CONSOB, by way of the RPT Safeguard Team which shall copy the RPT Committee in the notice of the: Identity of the counterparty; subject matter and compensation for any exempted Transaction; the grounds on which the Transaction is deemed an Ordinary Transaction and deemed entered into on Equivalent Market or Standard Terms. Objective evidence in support shall be furnished within 7 days of the transaction approval date or of the date on which the contract (including any preliminary contract) is entered into where the Competent Body has resolved to submit a proposed contract or of the date of approval of the proposal to be submitted at the shareholders' meeting,
 - (ii) it shall indicate in the interim management report and in the annual management report, as part of the information made public on the financial reports provided for by art. 5, paragraph 8 of the RPT Regulations, which Transactions subject to the disclosure obligations indicated in said article have been entered into relying on the exemption.

4. Applicability of the Procedure

- 4.1. The Responsible Function, having received information regarding the individual transaction, also with support of the RPT Safeguard Team shall:
- (i) assess whether the counterparty is a Related Party;
 - (ii) promptly inform the RPT Safeguard Team of all the information in its possession regarding the transaction should the counterparty be assessed to be a Related Party, including the name of the counterparty, the nature of the relations, a description of the transaction, the economic terms and other proposed terms thereof.
- 4.2. The RPT Safeguard Team may at any time ask the Responsible Function to supplement and/or clarify the transaction information and documentation provided and shall ascertain whether the transaction is any of the following. Any party with an interest in the Transaction shall abstain from taking part in this process):
- (i) is a Related Party Transaction;
 - (ii) is an Exempted Transaction pursuant to art. 3 above and more specifically whether the transaction qualifies as an Ordinary Transaction entered into on Equivalent Market or Standard Terms;
 - (iii) is carried out in execution of a Framework Resolution pursuant to art. 8 of the Procedure;

- (iv) qualifies as a Transaction of Greater Importance or a Transaction of Lesser Importance;
- 4.3. The RPT Safeguard Team shall promptly inform the Responsible Function, the Chairman of the board of directors and the RPT Committee of the outcome of its findings as regards the issues under paragraph 4.2 above.
- 4.4. The assessment under paragraph 4.2 above shall be documented and grounded based on objective considerations.
- 4.5. Should the assessment of the transaction be subject to any disagreement, or all members of the RPT Safeguard Team (including where substituted by the Head of the Internal Audit Function), are involved in the Transaction, then said assessment shall be referred to the RPT Committee which may ask the RPT Safeguard Team and the Responsible Function to clarify or supplement the information and documents relied on.
- 4.6. In the event a transaction is deemed a Transaction of Greater Importance or a Transaction of Lesser Importance (which is not an Exempted Transaction) and such transaction is not envisaged under a Framework Resolution, then the RPT Safeguard Team shall implement the procedure described in arts. 5 and 6 below and shall promptly inform the Responsible Function, the Chairman of the board of directors and the RPT Committee thereof. On a quarterly basis, the RPT Safeguard Team shall provide the RPT Committee with an informative memo prepared with reference to the information and documents in support received from the Responsible Function. Said informative memo shall describe any Exempted Transactions (with grounds for their qualification as such) and any transactions entered in reliance on a Framework Resolution. Moreover, for any Transaction assessed by the RPT Safeguard Team to be a Transaction of Greater Importance which is an Ordinary Transaction entered into on Equivalent Market or Standard Terms, a copy of said assessment shall be attached to the report of the RPT Committee.
- 4.7. In the event the procedure described in arts. 5 and 6 applies, the Responsible Function shall request that the RPT Safeguard Team and Company secretary duly inform the RPT Committee so that this latter may convene a meeting.

5. Approval of Transactions of Lesser Importance

- 5.1. The Competent Body shall be entrusted with the role of approving Transactions of Lesser Importance having received the grounded non-binding opinion of the RPT Committee as concerns: The interest of the Company in entering into the Transaction; the convenience thereof; the substantial fairness of the economic terms and conditions thereof. Should the Company be subject to a management and coordination model, the grounded opinion of the RPT Committee on the convenience of the transaction shall also take into account, if opportune, the overall outcomes of the management and coordination activity or any direct action taken so as to fully eliminate any detriment deriving from the individual Transaction with a Related Party.
- 5.2. The Responsible Function shall promptly provide, including through the RPT Safeguard Team, information and documents regarding the transaction to the RPT Committee, including through

the Company secretary. Such information shall state: The name of the counterparty; the nature of the relations; a description of the transaction and the economic terms and other proposed terms thereof, the interest of the Company (or of the Controlled Company) in performing the Transaction; the convenience and substantial fairness of the terms thereof; the associated risks for the company (or for the Controlled Company).

- 5.3. Should it deem it opportune to do so, the RPT Committee may at the Company's charge engage independent experts of its choice. Any such independent expert shall be selected with reference to his/her professional competence and lack of conflict of interest (also taking into account the criteria set forth in Appendix 4 of the RPT Regulations) which shall be assessed by said RPT Committee before appointing the expert. Unless expressly consented to by the board of directors, the activity of independent experts selected by the RPT Committee in relation to an individual transaction shall not create any expense for the Company which is greater than 2% (two per cent) calculated on the value of the individual transaction. In any case expenses for independent experts shall not be greater than €150,000 per individual transaction.
- 5.4. The opinion of the RPT Office referred to under art. 5.1 above, attaching the opinion of any independent expert/s as may have been engaged in relation thereto shall be sent to the Responsible Function and in copy to the RPT Committee and the Chairman of the board of directors, which may be done by way of the Company secretary, in good time to allow approval of the Transaction of Lesser Importance. Said opinion shall be attached to the RPT Committee meeting minutes.
- 5.5. The Responsible Function shall forward the following documents to the Competent Body in good time to allow for the relative approval: (i) the grounded opinion of the RPT Committee; (ii) the opinions of any independent experts/s regarding the carrying out of the transaction; (iii) a comprehensive report on the Transaction of Lesser Importance to include: The name of the counterparty; the nature of the relations; a description of the transaction and the economic terms and other proposed terms thereof, the interest of the Company (or of the Controlled Company) in performing the Transaction; the convenience and substantial fairness of the terms thereof; the associated risks for the company (or for the Controlled Company).
- 5.6. The Competent Body shall approve each Transaction of Lesser Importance in writing duly stating in its report its reasons for approval as regards the interest of the Company (or of the Controlled Company) in performing the Transaction; the convenience and substantial fairness of the terms thereof; the associated risks for the company (or for the Controlled Company). Should any Transaction of Lesser Importance fall within the remit of responsibility of the board of directors, any Interested Directors shall abstain from voting on that Transaction.
- 5.7. As concerns the manner of performance of a Transaction of Lesser Importance, the authorised internal body shall, at least on a quarterly basis, provide a comprehensive report to the board of directors and board of auditors, prepared with reference to the information furnished by the Responsible Function, such report stating the counterparties, the economic compensation and other economic terms of the Transaction.
- 5.8. In the event the Equivalent Safeguards apply, then the provisions of this article relating to the RPT Committee shall apply *mutatis mutandis* to the body carrying out such Equivalent Safeguards.

6. Approval of a Transaction of Greater Importance

- 6.1. The board of directors is the sole body entrusted with powers to approve a Transaction of Greater Importance, subject to a favourable grounded opinion thereon having been received from the RPT Committee concerning the interest in the Transaction and the convenience and substantial fairness of the terms thereof. Said board shall resolve on the transaction having concluded an in-depth assessment of the Transaction and its characteristic elements. Such assessment shall be supported by adequate documentation that illustrates the grounds for the Transaction as well as the convenience and substantial fairness of the terms under which the Transaction is to be entered into.
- 6.2. The Responsible Function, also by way of the RPT Safeguard Team and Company secretary shall involve the RPT Committee - on a timely basis so as to enable this latter to provide its opinion - in the negotiation and assessment phases of each Transaction of Greater Importance through a comprehensive and updated flow of information and may request information from and make observations to the delegated bodies and other parties entrusted with the management of the negotiations and assessment phases.
- 6.3. Should it deem it opportune to do so, the RPT Committee may at the Company's charge engage independent experts of its choice. Any such independent expert shall be selected with reference to his/her professional competence and lack of conflict of interest (also taking into account the criteria set forth in by Appendix 4 of the RPT Regulations) which shall be assessed by said RPT Committee before appointing the expert. Unless expressly consented to by the board of directors, the activity of independent experts selected by the RPT Committee in relation to an individual transaction shall not create any expense for the Company which is greater than 2% (two per cent) calculated on the value of the individual transaction. In any case expenses for independent experts shall not be greater than €150,000 per individual transaction.
- 6.4. The opinion of the RPT Committee referred to under art. 6.1 above, attaching the opinion of any independent expert/s as may have been engaged in relation thereto shall be sent to the Responsible Function and in copy to the RPT Committee and the Chairman of the board of directors, by way of the Company secretary, in good time to allow approval of the Transaction of Greater Importance. Said opinion shall be attached to the RPT Committee meeting minutes.
- 6.5. The Responsible Function shall forward the following documents to the board of directors, by way of the Company secretary, in good time to allow for the relative approval: (i) the grounded opinion of the RPT Committee; (ii) any other opinion regarding the carrying out of the transaction; (iii) a comprehensive report on the Transaction of Greater Importance to include: The name of the counterparty; the nature of the relations; a description of the transaction and the economic terms and other proposed terms thereof, the interest of the Company (or of the Controlled Company) in performing the Transaction; the convenience and substantial fairness of the terms thereof; the associated risks for the Company (or for the Controlled Company).
- 6.6. The board of directors shall provide a written resolution on each Transaction of Greater Importance having received the prior favourable opinion thereon from the RPT Committee pursuant to art. 6.1 above, duly reporting its reasons for Transaction approval as regards the interest of the Company (or of the Controlled Company) in performing the transaction; the convenience and substantial fairness of the terms thereof; the associated risks for the

Company (or for the Controlled Company). In all cases, Interested Directors shall abstain from voting on that Transaction.

- 6.7. As concerns the manner of performance of a Transaction of Greater Importance, the authorised internal body shall, at least on a quarterly basis, provide a comprehensive report to the board of directors and board of statutory auditors, prepared with reference to the information furnished by the Responsible Function, such report stating the counterparties, the economic compensation and other economic terms of the Transaction.
- 6.8. The board of directors may approve a Transaction of Greater Importance notwithstanding any dissenting opinion from the RPT Committee, provided that the carrying out of the Related Party Transaction has been duly authorised at a shareholders' meeting pursuant to art. 2364 paragraph 1 number 5 Civil Code. In accordance with the provisions of art. 11 paragraph 3 of the RPT Regulations (the 'whitewash mechanism'), the shareholders resolution authorising the Transaction shall be deemed as duly passed on condition that:
- the quorum required to convene the meeting and take decisions as provided for under the Articles of Association has been determined and
 - in the event that unrelated shareholders in attendance at the meeting hold at least 10% of the share capital carrying voting rights, the majority of said unrelated shareholders have not voted against the Transaction.
- 6.9. For the purposes of this article, the status of related or Unrelated Shareholder shall be announced by the Chair of the meeting, based on the information in his/her possession and/or as may be specifically requested during the meeting.
- 6.10. In the event a Transaction of Greater Importance is to be carried out by the Company or by a Controlled Company, then the Company shall draw up (pursuant to art 114 paragraph 5 TUF) an informative document in accordance with Appendix 4 of the RPT Regulations ("Information document relating to transactions of greater importance with related parties") which shall be made available to the public together with the opinions given by the RPT Committee pursuant to art. 6.1 above and any opinion given by independent expert/s which the Committee has engaged as well as further opinions (if any) given by experts satisfying the independence requirements which have been engaged by the board of directors.

7. Transactions to be determined at a shareholder's meeting

- 7.1. In the event the Transaction falls within the remit of those transactions required to be determined or authorised at a shareholder's meeting, then the provisions of the preceding arts. 5 and 6 shall apply *mutatis mutandis*.
- 7.2. For each Transaction of Greater Importance subject to shareholders' determination, the Competent Body shall approve the resolution proposal to be put to vote at the shareholders' meeting even in the case the RPT Committee has given a dissenting opinion. Without prejudice to the provisions of arts. 2368, 2369 and 2373 Civil Code and any provisions in the Articles of Association on the topic, the Transaction shall not be carried out if the majority of the voting Unrelated Shareholders vote against the Transaction on condition that the Unrelated

Shareholders in attendance at the meeting hold a percentage of at least 10% (ten percent) of the share capital carrying voting rights.

8. RPT Committee

- 8.1. The board of directors shall establish an RPT Committee comprised of at least three (three) Independent Directors.
- 8.2. The RPT Committee shall meet each time the RPT Safeguard Team ascertains there is a Related Party Transaction in accordance with art. 4.2 and shall establish whether and to what extent each RPT Committee member is an Unrelated Independent Director. Each member of the RPT Committee shall promptly advise the RPT Committee of any circumstance that entails the loss of his/her status as Unrelated Independent Director and/or his/her lack of any interest in the Transaction and in such case, the affected member shall abstain from participating in the work of the Committee. Should this occur, then the board of directors may, if deemed appropriate and on an *ad hoc* basis, replace the affected member with an unrelated, non-interested and non-executive member for the specific Transaction to be approved.
- 8.3. If, during the performance of its functions, the RPT Committee is called to give an opinion and:
 - for a Transaction of Greater Importance, there are not at least 3 (three) members of the RPT Committee whom each qualify as an Unrelated Independent Director as well as a Director having no interest in the Transaction;
 - for a Transaction of Lesser Importance, there are not at least 2 (two) members of the RPT Committee whom each qualify as an Unrelated Independent Director as well as a Director having no interest in the Transaction;

then the RPT Committee shall promptly advise the RPT Safeguard Team (which in turn shall advise the Responsible Function and the board of directors) and the Equivalent Safeguards referred to in art. 9 below shall come into play. This provision shall not apply if the requisite minimum number of Unrelated Independent Directors being persons not otherwise related to the transaction has been formed by the board of directors in accordance with art. 8.2 above.

9. Equivalent Safeguards

- 9.1. If, during the performance of its functions, the RPT Committee is called to give an opinion and:
 - for a Transaction of Greater Importance, there are not at least 3 (three) members of the RPT Committee whom each qualify as an Unrelated Independent Director as well as a Director having no interest in the Transaction;
 - for a Transaction of Lesser Importance, there are not at least 2 (two) members of the RPT Committee whom each qualify as an Unrelated Independent Director as well as a Director having no interest in the Transaction;

then said opinion shall be given by the board of statutory auditors. This provision shall not apply if the requisite minimum number of Unrelated Independent Directors being persons not otherwise related to the transaction has been formed by the board of directors in accordance with art. 8.2 above.

- 9.2. Where the board of statutory auditors is required to give its opinion in virtue of art. 9.1 above, any member of the board of statutory auditors having an interest in the Transaction, whether directly or on behalf of a third party, shall advise the other statutory auditors thereof, specifying the nature, terms, origin and extent of the interest. In the event a member of the board of statutory auditors has a related interest to a particular Transaction, whether directly or on account of a Related Party, the affected member shall abstain from participating in the work on that Transaction.
- 9.3. If the safeguard measures provided for under paragraphs 9.1 and 9.2 above cannot be applied, then the opinion referred to under paragraph 9.1 shall be given by an independent expert as shall be selected by the board of directors on the basis of his/her established professional attributes and competency on the subject matter relevant to the Transaction, provided that said expert is assessed to be independent and having no conflict of interest.

10. Framework Resolution

- 10.1. The Company is permitted to adopt any Framework Resolution governing a series of analogous transactions by the Company or any Controlled Company with certain categories of Related Parties as identified by the board of directors.
- 10.2. Each Framework Resolution shall:
- (i) be valid for a maximum of a 1 (one) year;
 - (ii) refer to Transactions with Related Parties that are adequately described and shall contain at least the maximum amount envisaged for each Transaction to be carried out in the reference period and the grounds for the terms provided for therein.
- 10.3. Each Framework Resolution shall be adopted in conformance with the provisions of the previous arts. 5 and 6 as applicable to the particular Transaction taking into account, on a cumulative basis, the maximum amount envisaged for the Transactions subject to that Framework Resolution.
- 10.4. Each Framework Resolution shall be adopted on the initiative of the Chairman of the board of directors as well as that of the Chief Executive Officer where deemed appropriate pursuant to a proposal which shall set forth: (i) the type of transactions for which the Framework Resolution is proposed; (ii) the categories and typology of Related Parties; (iii) the duration of the Framework Resolution; (iv) the maximum amount envisaged for Transactions covered by the Framework Resolution; (v) the grounds therefor and terms thereof.

- 10.5. The delegated bodies shall provide to the board of directors, at least on a quarterly basis, comprehensive information on the implementation status of the each such Framework Resolution.
- 10.6. Should the maximum amount envisaged for the Transactions to be carried out in the reference period as identified in said resolution exceed any of the thresholds of significance referred to under art. 4 paragraph 1 lett. a) of the RPT Regulations as concern Transactions of Greater Importance at the time a Framework Resolution is put out for approval, then the Company shall publish an information document pursuant to art. 5 RPT Regulation.
- 10.7. The provision of arts. 5 and 6 above are not applicable to any individual Transaction with a Related Party entered into in implementation of a Framework Resolution.

11. Transaction by way of a Controlled Company

- 11.1. The procedures set forth in arts. 5, 6 and 7 above likewise apply if a Transaction with a Related Party is to be carried out by a Controlled Company and in such case the board of directors of the Company or the Chairman of said board of directors (or other person vested with powers for specific transactions), shall be free to decide, in compliance with the recommendations laid down in the Corporate Governance Code or other legal or regulatory requirements, whether to make advance assessment or approval of the transaction in question, without prejudice to the applicable provisions should the transaction be an Exempted Transaction.
- 11.2. For that purpose, Unieuro shall furnish the Controlled Company with all the information necessary to allow Related Parties to be ascertained, including the Register (as defined above) and shall provide support and clarifications on request.
- 11.3. Should one or more Controlled Companies intend entering into a Transaction with a Related Party, said Controlled Company shall advise Unieuro accordingly and shall not finalise any such Transaction until such time as the Company has duly completed the assessment provided for under this Procedure.

12. Information Requirements

- **Disclosures: Transaction of Greater Importance**
- 12.1. Pursuant to and for the purposes of art. 5 RPT Regulation, for each Transaction of Greater Importance, including those carried out through Italian or foreign Controlled Companies, the Company shall draw up with the support of the RPT Safeguard Team and the Responsible Function, an information document in conformance with Appendix 4 to the RPT Regulations in accordance with art. 114, paragraph 5 TUF.
 - 12.2. The Company shall likewise draw up the information document referred to in art. 12.1 if, during the business year, the Company concludes any multiple transactions having analogous characteristics or carried out in execution of a single scheme with the same

related party or with parties related to both said related party and the Company which transactions - although not individually classified as Transactions of Greater Importance - exceed the thresholds of significance under art. 4, paragraph 1, letter a), of the RPT Regulations when considered cumulatively. Transactions entered into by Italian or foreign Controlled Companies are also within the remit of this article, whereas Exempted Transactions are not.

12.3. The information document drawn up pursuant to arts. 12.1 and 12.2 shall be made available to the public at the registered office and in the manner prescribed by the laws and regulations in force within 7 days of the transaction approval date by the Competent Body or where the Competent Body has resolved to submit a proposed contract, the 7 days runs from the date on which the contract (including any preliminary contract) is entered into in accordance with the applicable legislation. For those matters for which shareholder's approval is required, the informative document shall be made available within 7 (seven) days of the approval of the proposal to be presented at the shareholders' meeting.

- **Disclosures: Transaction of Lesser Importance**

12.4. In the event of any Transaction of Lesser Importance approved notwithstanding the dissenting opinion of the RPT Committee and without prejudice to the provisions of art. 114 paragraph 1 TUF, a document stating the counterparty, the subject matter, compensation and the grounds on which the decision was made not to rely on the opinion of the RPT Committee shall be made available to the public at the registered office and in the manner prescribed by Title II, Chapter I of the Issuers' Regulations within 15 (fifteen) days of the close of each business quarter. The opinion shall be made available to the public as an attachment to the informative document or on the Company's website within the same deadline.

- **Disclosures: Framework Resolution**

12.5. Should the maximum amount envisaged for Transactions subject to the same resolution exceed the thresholds of significance set forth under art. 4, paragraph 1, letter a) of the RPT Regulations at the time of approval of a Framework Resolution, then the Company, shall, with the support of the RPT Safeguard Team and the other functions involved, draw up and publish an information document. Such information document shall be made available to the public within 7 (seven) days of Framework Resolution approval.

- **Disclosures: price sensitive issues**

12.6. In the even that any Transaction with Related Parties is also subject to the disclosure obligations provided for by the legislation on privileged information, the disclosure to the public shall contain the information listed below in addition to the further information required to be disclosed pursuant to the above-mentioned legislation:

- a) a description of the Transaction;
- b) an indication that the counterparty to the Transaction is a Related Party and a description of the nature of the relationship;
- c) the name of the person or entity which is the counterparty to the Transaction;

- d) an indication as to whether the Transaction exceeds the thresholds of significance identified pursuant to art. 4, paragraph 1, letter a) RPT Regulation and of subsequent publication of any information document pursuant to this art. 12;
- e) the procedure that has been or that shall be performed to approve the Transaction and whether the company has relied on an exemption provided for under arts. 13 and 14 RPT Regulation;
- f) any approval of the Transaction notwithstanding any dissenting opinion on the part of the RPT Committee.

- **Periodic disclosures**

12.7. In its interim and annual management reports provided for under art. 154-*ter* TUF, the Company shall provide information on:

- a) individual Transactions of Greater Importance concluded in the reference period;
- b) any other individual Transaction with Related Parties defined pursuant to art. 2427 paragraph 2 Civil Code, entered into in the reference period which has significantly influenced the Company financial situation or results;
- c) any amendment to or development of any Transaction with Related Parties described in the last published annual report having a material impact on the Company financial position or results in the reference period.

12.8. To ensure coordination with the administrative and accounting procedures referred to in art. 154-*ter* TUF, the periodic disclosures on any Transaction of Greater Importance, any Transaction of Lesser Importance and any further Transactions with related parties entered into in the period that have significantly influenced the Company financial position or results (including carried out by any Controlled Companies) shall be promptly sent by the RPT Safeguard Team and the delegated bodies, to the manager in charge of accounting document preparation.

12.9. To ensure compliance with the disclosure obligations set forth in this article, the Responsible Function for the Company or Controlled Company shall promptly communicate to the RPT Safeguard Team and the other functions involved, all information and documentation relating to the Transactions concluded. Such communication shall also set forth each Exempted Transaction and each Transaction carried out in implementation of a Framework Resolution.

13. Final Provisions

13.1. The procedure herein and any amendments hereto shall be promptly published on the Company website by the RPT Safeguard Team. The annual management report publication requirements (also through references on the Company website) as per art. 2391-*bis* Civil Code shall continue to apply.

- 13.2. The board of statutory auditors shall supervise compliance with and observance of the Procedure and shall report in this regard at the shareholders' meeting pursuant to art. 153 TUF.
- 13.3. The board of directors shall periodically assess, at least on a triennial basis, whether it may be appropriate to amend or supplement the Procedure also taking into account any legislative and regulatory changes and its application in practice as well as any changes to the Company ownership structure.
- 13.4. Any amendment to the Procedure herein shall be subject to approval by the board of directors having received a favourable opinion from the RPT Committee.
- 13.5. Any matters not expressly provided for herein shall be governed by the legal and regulatory provisions in force from time to time.

**APPENDIX A: RELEVANT DEFINITIONS EXTRACTED
FROM THE INTERNATIONAL ACCOUNTING STANDARDS**

A.1 Introduction

The terms and expressions “control”, “joint control”, “significant influence” and those deriving therefrom are defined in and shall be interpreted pursuant to IFRS 10 (“Consolidated Financial Statements”), IFRS 11 (“Joint Arrangements”) and IAS 28 (“Investments in Associates and Joint Ventures”), as in force in the European Union pursuant to Commission Regulation (EC) No. 1126/2008 of November 3 2008 which adopts certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

A.2 Definitions

Control (IFRS 10)

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure or rights to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the investor’s returns.

For the purposes of the provision *sub* letter a), an investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, *i.e.*, the activities that significantly affect the investee’s returns. Moreover, an investor can have power over an investee even if other entities have the existing rights that give them the current ability to participate in the direction of the relevant activities, for example when another entity has significant influence. However, an investor that holds only protective rights⁶ does not have power over an investee and consequently does not control the investee.

For the purposes of the provision *sub* letter b), an investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor’s returns from its involvement have the potential to vary as a result of the investee’s performance.

For the purposes of the provision *sub* letter c), an investor controls an investee if the investor not only has power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor’s returns from its involvement with the investee.

Joint control (IFRS 11)

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An entity that is a party to an arrangement shall assess whether the contractual arrangement gives all the parties, or a group of the parties, control of the arrangement collectively. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the activities that significantly affect the returns of the arrangement (*i.e.*, the relevant activities).

⁶ “protective rights” means, according to IFRS 10, rights designed to protect the interest of the party holding those rights without giving that party power over the entity to which those rights relate.

Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that control the arrangement collectively.

In a joint arrangement, no single party controls the arrangement on its own. A party with joint control of an arrangement can prevent any of the other parties, or a group of the parties, from controlling the arrangement.

Significant influence (IAS 28)

If an entity holds, directly or indirectly (e.g., through subsidiaries), 20 percent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g., through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways:

- (a) representation on the board of directors or equivalent governing body of the investee;
- (b) participation in policy-making processes, including participation in decisions about dividends or other distributions;
- (c) material transactions between the entity and its investee;
- (d) interchange of managerial personnel; or
- (e) provision of essential technical information.

An entity may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares, or other similar instruments that have the potential, if exercised or converted, to give the entity additional voting power or to reduce another party's voting power over the financial and operating policies of another entity (i.e., potential voting rights). The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether an entity has significant influence. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

In assessing whether potential voting rights contribute to significant influence, the entity examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential rights, except the intentions of management and the financial ability to exercise or convert those potential rights.

An entity loses significant influence over an investee when it loses the power to participate in the financial and operating policy decisions of that investee. The loss of significant influence can occur with or without a change in absolute or relative ownership levels. It could occur, for example, when an associate becomes subject to the control of a government, court, administrator or regulator. It could also occur as a result of a contractual arrangement.

Interpretative principles of the definitions

In examining each transaction with the related parties, attention shall be directed to the substance of the transaction rather than to its legal form.