RULES GOVERNING RELATED-PARTY TRANSACTIONS

PROCEDURE

PURSUANT TO ARTICLE 4 OF CONSOB REGULATION N. 17221 OF 12 MARCH 2010 AS AMENDED AND SUPPLEMENTED

EFFECTIVE STARTING 01 AUGUST 2024

MAIN NEW CHANGES:

- introduction of an explicit and detailed definition of "Transactions in Execution of a Unitary Plan";
- application of the immateriality exemption on an annual basis regarding the remuneration increases of Key Executives when they fall within the limits of the established immateriality thresholds.

Contents

1. INTRODUCTION

This procedure (the "**Procedure**"), approved on 11 November 2010 by the (former) Board of Directors of A2A S.p.A. ("**A2A**" or the "**Company**"), after obtaining the favourable opinion of the Control and Risk Committee, identified as the "Related-Party Committee" at the time, in accordance with Article 2391-*bis* of the Italian Civil Code and Article 4, paragraphs 1 and 3, of the "Regulation containing provisions on related-party transactions" adopted by Consob with resolution n. 17221 of 12 March 2010 and subsequently amended with resolution n. 17389 of 23 June 2010 (the "**Related-Party Regulation**" or "**Consob Regulation**"), was subsequently amended on 1 August 2012, 7 November and 18 December 2013, and 22 June 2015. As a result of a periodic review, the Procedure was subsequently amended/supplemented and approved by the Board of Directors on 20 June 2016, subject to the favourable opinion of the Control and Risk Committee, and then updated on 22 June 2017, in view of Consob Resolution n. 19925 of 22 March 2017, and on 16 December 2019, in view of the amendments to Article 192-*quinquies* of Legislative Decree n. 58 of 24 February 1998 (Consolidated Law on Finance "**TUF**") (Article 4 of Legislative Decree n. 49 of 10 May 2019) as well as on 25 June 2021, in order to comply with the Related-Party Regulation, as amended by Consob Resolution n. 21624 of 10 December 2020, in implementation of the so-called "Shareholders' Rights II" Directive.

Lastly, the Procedure was amended/supplemented, as a result of a periodic review, by resolution of the Board of Directors on [30] July 2024 - subject to the favourable opinion of the Related Parties Committee established by resolution of the Board of Directors on 11 May 2023 -– and, as of the effective date set for [1 August 2024], repeals and replaces the previous version approved on 25 June 2021 and effective as at 1 July 2021.

2. SCOPE E PURPOSE OF THE PROCEDURE

In compliance with the standards indicated in the Related-Party Regulation, the Procedure identifies the rules and measures aimed at ensuring the transparency and the substantial and procedural fairness of related-party transactions entered into force by A2A directly or through subsidiaries.

The Procedure has been prepared in compliance with the Consob Regulation and with the guidelines and instructions for the application of the same Regulation provided by Consob in its Communication n. DEM/10078683 of 24 September 2010 (the "**Communication**"), as well as in coordination with the current organisational procedures of A2A and in particular with the administrative and accounting procedures pursuant to Article 154-*bis* of the Consolidated Law on Finance (TUF) and subsequent amendments and additions.

3. PROCEDURES FOR APPLICATION, UPDATING AND DISSEMINATION OF THE PROCEDURE

The Procedure, as well as any amendments or additions thereto, are adopted by the Board of Directors of A2A, following the favourable opinion of the Related-Party Committee. Without prejudice to the fact that the Board of Directors is composed only of independent directors, if, exceptionally, the Related-Party Committee is not entirely made up of independent directors, the Committee issues an opinion containing only independent directors.

Amendments of a purely formal nature - including the updating of the definitions in Annex 1 if there is a change in the relevant accounting standards - may be made by the Chairman of the Board of Directors.

Amendments and/or supplements to the Procedure are published on the website of A2A (www.gruppo2a.it) and are adequately disseminated to the Corporate departments of the Company and of its subsidiaries.

The Company's Board of Directors periodically - and in any case at least once every three years - assesses whether to revise the Procedure, considering, inter alia, any changes in the ownership structure, and the effectiveness proven in application of the rules and measures adopted to ensure the transparency and the substantial and procedural fairness of related-party transactions.

For this purpose, the RPT Oversight Board (as defined in Section 4 below), with the cooperation of the competent Corporate departments, prepares proposals for revisions and submits them to the Related-Party Committee for its prior favourable opinion.

The Board of Statutory Auditors supervises the conformity of the Procedure with the standards indicated in the Consob Regulation, as well as its compliance and reports to the Meeting pursuant to Article 153 of the Consolidated Law on Finance (TUF).

The subsidiaries implement the Procedure in accordance with the guidelines defined by A2A, including when pursuing its policy and coordination activities and in accordance with the reference legislation. Foreign subsidiaries implement the Procedure in compliance with locally applicable regulatory requirements. Should any of the provisions contained in the Procedure be less restrictive than the local legislation, the company in question will adopt the most restrictive local regulation in force. Given the need to ensure substantial compliance at Group level with the relevant regulatory provisions, A2A undertakes to do everything possible in order to identify organisational and operating solutions that will enable the effective achievement of the above-mentioned goal, while ensuring compliance with the regulations in force in the Countries in which the Group operates.

As recipients of the Consob Regulation, the listed Italian subsidiaries are required to adopt their internal procedures according to the Regulation, in coordination with this Procedure.

Subsidiaries are required to promptly undertake the necessary steps in order to implement this Procedure, and also to take action against the subsidiaries belonging to their area of responsibility.

The Representatives (as defined in section 4 below) serve as a reference and contact persons for handling relations with the parent company A2A on related-party transactions and, in particular, with the RPT Oversight Board.

Through interfacing with the Representatives, the RPT Oversight Board continuously monitors the approval and implementation of the Procedure. The subsidiaries ensure full cooperation in implementing the indications and requests of the RPT Oversight Board.

4. DEFINITIONS

This section and Annex 1 provide the main definitions to help in applying this Procedure.

Directors involved in the Transaction	The directors of A2A who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of A2A.
Independent directors	Directors qualified as such by the Company pursuant to the Corporate Governance Code promoted by the Corporate Governance Committee of Borsa Italiana S.p.A.
Non-related directors	Directors other than the counterparty to a particular transaction and the counterparty's related parties.
Start of Negotiations	The moment when (i) the counterparty to a possible transaction is identified - also following a selective process - and (ii) discussions are started with that counterparty on the essential and ancillary terms of the transaction. However, “start of negotiation” activities do not include, by way of example, the signing of confidentiality agreements that exclusively regulate commitments concerning the confidentiality of information and documents; the exchange of expressions of interest; and *market sounding* activities.

Strategic Subsidiaries	The subsidiaries identified as follows by A2A pursuant to the Corporate Governance Code promoted by the Corporate Governance Committee of Borsa Italiana S.p.A.
Control	It is defined in IFRS 10 and it is used with the meaning specified in that standard. Please refer to Annex 1 for the current definition.
Joint control	It is defined in IFRS 11 and it is used with the meaning specified in that standard. Please refer to Annex 1 for the current definition.
Executives with strategic responsibilities	It is defined in IAS 24. Please refer to Annex 1 for the current definition.
Corporate department	An organisational structure or a first-level organisational unit of A2A or of Group companies.
Group	It means the group of companies with A2A as its parent company.
Significant influence	It is defined in IAS 28 and it is used with the meaning specified in that standard. Please refer to Annex 1 for the current definition.
Joint venture	It is defined in IAS 28 and it is used with the meaning specified in that standard. Please refer to Annex 1 for the current definition.
Transactions carried out through subsidiaries	Transactions carried out by Italian or foreign subsidiaries of A2A with Related Parties of A2A and subject to prior examination or approval by the Company pursuant to the provisions issued in connection with management and coordination activities of A2A, its internal decision-making processes and the powers granted to the corporate officers of A2A.
Transactions in Execution of a Unitary Plan	Transactions that *(i)* are carried out within a period of 12 months prior to the transaction in question, *(ii)* are carried out with the same related party (or with persons who are related both to the latter and to the Company), *(iii)* are intended to be the implementation of a specific plan aimed at achieving a single objective and *(iv)* when considered collectively, on the basis of their expected maximum total countervalue, exceed the materiality thresholds provided for in paragraph 6.3 or the immateriality thresholds provided for in paragraph 6.4.1.
RPT Oversight Board or Oversight Board	The structure responsible for managing Related-Party Transactions at Group level. The RPT Oversight Board operates with the continuous support from the Corporate Secretariat and the Legal Affairs and Compliance Department, each to the extent of its competence, as well as with the support of other Corporate departments, where necessary.
Representative	In the case of Strategic Subsidiaries, the person identified autonomously by each of those subsidiaries within the Corporate department considered most suited, while, with reference to all other subsidiaries, the head of each of the A2A Group's *Business Unit*s and *Corporate* departments. The Representative must actively cooperate, monitor and coordinate relations between A2A and the subsidiary from time to time involved in Related-Party transactions, without prejudice to the right of each Representative to appoint, in accordance with the Group's organisational rules, one or more persons reporting directly to them as focal points for the performance of specific tasks or obligations.
Non-related shareholders	Persons entitled to vote other than the counterparty to a given transaction and persons related both to the counterparty to a given transaction and to the Company.
Close family members	It is defined in IAS 24. Please refer to Annex 1 for the current definition.

5. Related Parties

5.1 Definition of Related-Party

For the purpose of this Procedure and pursuant to the provisions of the Consob Regulation, the related parties of A2A are the related parties identified in international accounting standards as such (the "**Related Parties**").

For the purposes of this Procedure, in accordance with the definition of a related party under IAS 24, to which the Consob Regulation refers (see Annex 1)[1], the related parties of A2A are[2]:

(a) a person (or a close family member of that person) if this person:

   (i) has the control or the joint control of A2A;

   (ii) has a significant influence on A2A;

   (iii) is an A2A or an A2A parent company executive with strategic responsibilities;

(b) an entity if any of the following terms apply:

   (i) the entity and A2A are part of the same group (which means that each parent, subsidiary and group company is related to the others);

   (ii) the entity is an associate or joint venture of A2A (or an associate or joint venture that is part of the group to which A2A belongs) or A2A is an associate or joint venture of the entity (or an associate or joint venture that is part of the group to which the entity belongs);

   (iii) the entity and A2A are joint ventures of the same third party;

   (iv) the entity is a joint venture of a third entity and A2A is an associate of the third entity or A2A is a joint venture of a third entity and the entity is an associate of the third entity;

   (v) the entity is represented by a post-employment benefit plan for the employees of A2A or an entity related to A2A;

   (vi) the entity is controlled or jointly controlled by a person identified in point (a);

   (vii) a person identified in point (a)(i) has a significant influence over the entity or is an executive with strategic responsibilities of the entity (or one of the entity's parent companies);

   (viii) the entity, or any member of a group to which it belongs, provides management services with strategic responsibilities to A2A or to the parent company of A2A.

For the above-mentioned purposes, it should be noted that the related entities of A2A also include the subsidiaries of those entities and that the joint ventures also include the subsidiaries of those joint ventures. Therefore, for example, a subsidiary of a related entity of A2A and an entity that has significant influence over the related entity are related to each other.

[1] Consultation of Annex 1 does not exempt the full consultation of the accounting standards relevant from time to time, the actual updating of which must always be verified. If the definitions contained in the relevant accounting standards change, Annex 1 is promptly updated by the RPT Oversight Board, which submits the changes to the Chairman of the Board of Directors for subsequent application, as indicated in section 3 of the Procedure.

[2] It should be noted that Related Parties include entities directly and indirectly subject to the control, including joint control, of the Municipality of Milan and/or the Municipality of Brescia.

The definitions in force when negotiations started on a transaction are taken into account, regardless of any amendments and/or updates to them that occur after the Start of Negotiations.

5.2 Related-Party Data Base

The Chief Executive Officer of A2A is responsible for identifying the subjective scope of the related-party transactions and it is assisted by the RPT Oversight Board in preparing the relative mapping; for this purpose, the Oversight Board operates with the support of the Corporate departments of A2A and those of its subsidiaries, each within the scope of their respective responsibilities. The Corporate departments of A2A and those of its subsidiaries provide the RPT Oversight Board with correct, complete and timely information, using specific forms, so that the scope of the related-party relationship can be promptly updated.

In order to allow for the prompt update of the subjective scope of the related parties, the RPT Oversight Board requests information from Executives with strategic responsibilities and from controlling entities on the existence of Related Parties on their behalf through a specific declaration form.

The people making the declaration are required to promptly inform the Board of any changes in the declarations made. The Board must update the database immediately after being informed of any changes, and in any case, it has to expressly ask the people making the declaration for any updates at least every six months.

The RPT Oversight Board is responsible for maintaining and updating the Related-Party database on the basis of the reports received.

6. RELATED-PARTY TRANSACTIONS

6.1 Definition of the Related-Party Transactions

Related-Party Transactions are transactions, as defined by the international accounting standards adopted in accordance with the procedure provided for in Article 6 of Regulation (EC) n. 1606/2002, carried out by A2A directly and/or through subsidiaries with the Related Parties of A2A. For the current definition, please refer to Annex 1.

In consideration of the rationale and the goals of the rules, a transaction, in the meaning indicated above, may be considered as such only if the related party can be identified in advance: for this reason, any transactions carried out on regulated markets, multilateral trading systems, organised trading systems and transactions on trading platforms that do not allow for the prior identification of the related party are not considered as Related-Party Transactions and, therefore, they are not subject to the application of this Procedure.

Moreover, Related-Party Transactions do not include transactions directed equally to all shareholders, on equal terms, such as:

- pre-emptive capital increases, including for convertible bonds;
- the free capital increases provided for in Article 2442 of the Italian Civil Code;
- demergers strictly speaking, whether total or partial, with proportional share allocation;
- the reductions of the share capital through reimbursement to shareholders provided for by Article 2445 of the Italian Civil Code;
- purchases of treasury shares pursuant to Article 132 of the Consolidated Law on Finance (TUF).

On the other hand, non-proportional mergers and demergers, as well as demergers in which a related party is the beneficiary, are considered Related-Party Transactions, since there is no equal treatment of related parties and other shareholders in such cases.

Pursuant to the Related-Party Regulation, the provisions of the above-mentioned Regulation - and therefore, of this Procedure - do not apply to:

- shareholders’ resolutions pursuant to Article 2389, paragraph 1, of the Italian Civil Code, concerning the remuneration of the members of the Board of Directors, and resolutions concerning the remuneration of the Directors holding special offices that may be included in the total amount previously established by the shareholders pursuant to Article 2389, paragraph 3, of the Italian Civil Code;
- shareholders' resolutions pursuant to Article 2402 of the Italian Civil Code on remuneration due to the members of the Board of Statutory Auditors.

In order to identify Related-Party Transactions and apply the relevant procedural process to the negotiation, preliminary investigation and approval stages, this Procedure, in compliance with the provisions of the Related-Party Regulation, envisages a **classification** of Related-Party Transactions as follows:

Minor Transactions (section 6.2) Major Transactions (section 6.3)

The Procedure also identifies the following **exclusions** (section 6.4):

Small Value Transactions (section 6.4.1)
Compensation plans pursuant to Article 114-*bis* of the Consolidated Law on Finance (TUF) and related transactions (section 6.4.2)
Remuneration of Directors with special offices and other executives with strategic responsibilities (section 6.4.3)
Ordinary transactions concluded on market-equivalent or standard terms (section 6.4.4)
Transactions with or between subsidiaries and transactions with associates (section 6.4.5)

6.2 Minor Transactions

“Minor Transactions” are defined as Related-Party Transactions other than Major Transactions and Small Value Transactions.

6.3 Major Transactions

This Procedure identifies the quantitative criteria for identifying “Major Transactions” according to the thresholds provided for in Annex 3 of the Related-Party Regulation.

For the identification of Major Transactions, there are no thresholds lower than those established by the Related-Party Regulation. Therefore, Major Transactions are those for which at least one of the following threshold values, depending on the specific transaction, is higher than the 5% threshold.

Threshold values
(A) ***Counter value threshold value*** It is determined by the ratio between the transaction's counter value and (i) the Group's shareholders' equity as shown in the most recent consolidated balance sheet published by A2A or, if higher, (ii) the capitalisation of A2A recorded at the close of the last trading day included in the reference period of the most recently published periodic accounting document (Annual or Half-Yearly Financial Report or Interim Report). If the economic terms of the transaction are established, the counter value of the transaction is: *(i)* for cash components, the amount paid to/by the contractual counterparty; *(ii)* for items made up of financial instruments, the *fair value* determined, at the transaction date, in conformity with the international accounting standards adopted by Regulation (EC) n. 1606/2002; *(iii)* for loan or guarantee transactions, the maximum amount that can be disbursed. If the economic terms of the transaction are wholly or partly dependent on amounts not yet known, the transaction counter value is the maximum value to be received or paid pursuant to the agreement.
(B) ***Assets threshold value*** This is determined by the ratio between the total assets of the entity involved in the transaction and the total assets resulting from the most recent consolidated balance sheet published by A2A. For transactions involving the acquisition and disposal of shareholdings in companies that have an impact on the consolidation area, the reference value is the total assets of the investee, regardless of the percentage of capital being disposed of. For acquisitions and disposals of investments in companies that do not affect the consolidation area, the value of the numerator is: *(i)* in the case of acquisitions, the transaction counter value plus any liabilities of the acquired company assumed by the acquiring company; *(ii)* in the case of disposals, payment for the asset disposed of. With regard to transactions involving the acquisition of equity investments in companies that do not affect the consolidation area, it should be noted that the liabilities of the acquired company will also be included in the calculation of the numerator value only if it is contractually agreed that the acquiring company must assume certain obligations with regard to these liabilities. If no contractual obligations exist, then the numerator of the indicator will be equal only to the transaction counter value. For transactions involving the acquisition and disposal of other assets, other than the acquisition of a shareholding, the value of the numerator is: *(i)* in the case of acquisitions, the higher between the price and the book value that will be attributed to the asset;

	(ii) in case of disposals, the book value of the asset.
(C)	***Liabilities threshold value*** It is determined by the ratio between the total liabilities of the acquired company and the total assets resulting from the most recent consolidated balance sheet published by A2A. With regard to the way in which the threshold value for liabilities is calculated, it should be noted that in the calculation of "total liabilities", liability items of the acquired company's balance sheet constituting equity components are to be excluded.

The Company has decided not to identify materiality thresholds lower than those indicated for transactions that could affect its management autonomy (e.g., the sale of intangible assets, such as trademarks and patents).

When calculating their major or minor value, Related-Party Transactions are assessed on an individual basis.

In the case of transactions qualified as Transactions in Execution of a Unitary Plan, the countervalue of each individual transaction is aggregated for the calculation of the materiality threshold. The RPT Oversight Board ensures that the above-mentioned Transactions are monitored for the purpose of calculating the accumulation.

The monitoring of the Transactions in Execution of a Unitary Plan that have exceeded the major threshold according to the values indicated above, is valid annually from the beginning of each financial year or from the publication of the information document provided for major transactions prepared following the exceeding of the above-mentioned threshold as a result of accumulation.

If a transaction or the Transactions in Execution of a Unitary Plan are identified as "major" and this result is manifestly unjustified in light of specific circumstances, Consob may indicate, at the Company's request, alternative methods to be followed in calculating the above-mentioned values. For this purpose, the Company communicates to Consob the essential features of the transaction and the specific circumstances on which the request is based before the conclusion of the negotiations.

6.4 Exclusions

6.4.1 Small Value Transactions

The Related-Party Regulation provisions - and thus, this Procedure - do not apply to Small Value Transactions.

In order to exclude Related-Party Transactions that do not involve significant risks for investor protection, considering the magnitude of the balance sheet, of the income statement and of the financial items of A2A and of the Group, the Company has established the following immateriality thresholds according to the various categories of Related Parties involved:

- 1,000,000.00 euro for transactions concluded with parties other than natural persons;
- 50,000.00 euro for transactions concluded with natural persons, it being understood that, with regard to increases in the remuneration of Key Executives, this threshold is deemed to be applied on an annual basis.

Small Value Transactions are not taken into account when verifying if the thresholds provided for Major Transactions are exceeded.

If several Small Value Transactions fall within the definition of Transactions in Execution of a Unitary Plan, each one's respective countervalue shall be aggregated for the purpose of calculating the possible exceeding of the immateriality threshold.

The manager of the Corporate department responsible for the transaction is responsible for the monitoring of Small Value Transactions and must promptly report to the Oversight Board any transaction that, although falling under the definition of Small Value Transactions, can be qualified as Transactions in Executing of a Unitary Plan. This without prejudice, in any case, to the independent supervisory activity of the competent bodies and structures on compliance with the Procedure.

In such circumstances, the provisions for Small Value Transactions shall apply.

*6.4.2 Compensation plans pursuant to Article 114-***bis** *of the Consolidated Law on Finance (TUF) and related transactions*

Without prejudice to the provisions of Article 5, paragraph 8, of the Related-Party Regulation, where applicable, the provisions of this Procedure do not apply to compensation plans based on financial instruments approved by the Shareholders pursuant to Article 114-*bis* of the Consolidated Law on Finance (TUF) and to the related executive transactions.

The transactions indicated in this section are not considered for the verification of whether the thresholds provided for identifying Major Transactions are exceeded.

6.4.3 Remuneration of Directors with special offices and other executives with strategic responsibilities

Without prejudice to the provisions of Article 5, paragraph 8, of the Related-Party Regulation, where applicable, the provisions of this Procedure do not apply to resolutions, other than shareholders' meeting resolutions referred to in Article 13, paragraph 1, subsection I, of the Related-Party Regulation, as well as to the shareholders' resolutions referred to in Article 2402 of the Italian Civil Code referred to in subsection II of the above-mentioned paragraph I, on the subject of the remuneration of directors holding special offices, as well as of other executives with strategic responsibilities, provided that:

- the Company has adopted a remuneration policy approved by the Meeting;
- a committee consisting exclusively of non-executive directors, the majority of whom are independent, was involved in the definition of the remuneration policy; and
- the remuneration allocated is identified in accordance with that policy and quantified based on criteria that do not involve discretionary assessments.

The transactions indicated in this section are not considered for the verification of whether the thresholds provided for identifying Major Transactions are exceeded.

6.4.4 Ordinary transactions concluded on market-equivalent or standard terms

Without prejudice to the disclosure requirements provided for in Articles 6 and 13, paragraph 3, letter c), of the Consob Regulation, to the extent applicable, the provisions of this Procedure do not apply to Ordinary Transactions that are concluded on market-equivalent or standard terms.

"Ordinary Transactions" are those that fall within the ordinary course of business and related financial activities of A2A, provided that they are carried out in compliance with the corporate procedures established for that purpose. Operating activities mean all of the Company's main revenue-generating activities and all other management activities that cannot be classified as "investment activities" or as "financial activities". For these purposes, investing activities include transactions that result in the acquisition and disposal of fixed assets, such as, for example, purchases and disposals of property, plants and equipment or intangible assets and financial investments that do not fall under "cash equivalents". Financial activities include activities that result in changes in the size and composition of the Company's paid-up equity and loans.

By way of example and without limitation, the following are to be considered Ordinary Transactions:

- the sale and distribution of electricity, the sale and distribution of gas, the sale of heat, environmental and integrated water cycle services, the sale of certificates and emission rights, irrespective of the *nomen iuris* (e.g. sale, distribution, administration, etc.) and the way in which the legal relationship governing this activity is finalised (e.g. signing of agreements between private parties, participation in tenders or other publicly relevant procedures, etc.);
- the provision of services to customers within the lines of business of the group (e.g. *facility management*);
- the purchase of goods, works and services functional to the above-mentioned sales and service activities;
- the provision of intra-group services (by way of example only: administrative and accounting, legal, procurement, personnel management, IT, communication services, etc.), also in centralised form for Group companies;
- treasury activities and cash pooling transactions concluded within the Group.

"Market-equivalent or standard terms" means terms similar to those usually applied to non-related parties for transactions of a similar nature, size and risk, or based on regulated tariffs or imposed prices, or those applied to parties with whom A2A is legally obliged to contract at a specific price. By way of example but not limited to, these are transactions concluded at market-equivalent or standard terms:

- transactions for which the price is fixed on the basis of tariffs defined by the competent Authorities (e.g. the Electricity and Gas Authority);
- transactions for which the price is based on objective and documented evidence, such as official prices or listings (e.g. currency, interest rate and commodity listings, public and market offers, to which internal listings based on documented and verifiable benchmark procedures are equated for these purposes);
- transactions concluded on terms which, although not predetermined, can nevertheless be ascertained to be on terms not different from those usually practised on the market.

Furthermore, the following elements will be taken into consideration when assessing whether a Related-Party Transaction is part of the ordinary course of business or of the related financial activity:

(i) *purpose of the transaction*: the fact that the purpose of the transaction does not relate to the activity typically carried out by the Company is an indication that it is not ordinary;

(ii) *recurrence of the type of transaction within the company's business activities*: the regular repetition of a transaction by the Company is a significant indication that it belongs to the ordinary course of business, in the absence of other values to the contrary;

(iii) *size of the transaction*: a transaction that is part of the company's operating activities may not be part of the ordinary course of business, because it is particularly significant in size, exceeding those that usually characterise similar transactions carried out by the Company;

(iv) *contractual terms and conditions, also with regard to the features of the price*: in particular, transactions for which a non-monetary price is paid, even if subject to appraisal by a third party, or transactions with contractual clauses that differ from customary negotiation practices, are generally considered not to be part of the ordinary course of business;

(v) *features of the counterparty*: as part of the transactions that are already subjectively qualified as related-party transactions, a subset of transactions can be identified that do not fall within the ordinary course of business or of the related financial transactions, as they are carried out with a counterparty that displays unusual features with respect to the type of transaction carried out.

In assessing whether a transaction qualifies as “ordinary”, the activity performed by the company carrying out the transaction will be taken into account. Therefore, if the transaction is carried out by a subsidiary of A2A, the activity carried out (or one of the activities normally carried out) by the subsidiary will be taken into account. Where, on the other hand, the company carrying out the transaction is a special purpose vehicle set up for the transaction, the ordinary course of business test must also be performed with regard to at least one of the activities carried out by the Group.

If the terms of the transaction are qualified as market equivalent or standard, the A2A and its subsidiaries' Corporate departments responsible for the Transaction must ensure - using, where necessary, the support of the RPT Oversight Board - that the documentation prepared contains objective evidence.

Ordinary Transactions that are concluded at market-equivalent or standard terms are not taken into account for the purposes of verifying whether the thresholds for identifying Major Transactions are exceeded.

6.4.5 Transactions with or between subsidiaries and transactions with associates

Without prejudice to the provisions of Article 5, paragraph 8, of the Related-Party Regulation, where applicable, the provisions of this Procedure do not apply to Transactions with and between subsidiaries, even jointly, as well as to transactions with associates, if in the subsidiaries or associates there are no interests qualified as significant by other corporate related parties.

The significance of any interests of other related parties is qualified from time to time based on the criteria identified below, which are absolute presumptions of significant interests:

- the companies party to the transaction share one or more directors or other executives with strategic responsibilities and these persons benefit from incentive plans based on financial instruments (or otherwise variable remuneration) depending for more than 25% of the total remuneration of the director or executive with strategic responsibilities on the results achieved by the subsidiaries or associates with which the transaction is carried out;
- the subsidiary or associate is owned, even indirectly, by the party that controls A2A and the actual weight of the interest held in the subsidiary or associate by the party exercising control or significant influence over A2A exceeds the actual weight of the interest held by the same party in A2A. For the purposes of assessing this effective weight, direct shareholdings are weighted according to their entirety, while indirect shareholdings are weighted according to their percentage of capital.

On the other hand, the mere holding of a shareholding in the subsidiary or associated company by other companies controlled by A2A or affiliated to it does not in itself represent a significant interest.

With respect to situations in which none of the above-mentioned absolute presumptions applies, the following must be ascertained - only with respect to the subsidiaries and on the basis of the documentation already available to A2A S.p.A.

- if other significant interests arise - in particular and above all - from the subsidiary's significant capital relations with the related party, particular contractual obligations between the subsidiary and the related party in any form stipulated, fees in connection with the sharing with the subsidiary of directors and/or executives with strategic responsibilities, without prejudice to the fact that the interests deriving from the mere sharing of one or more directors or other executives with strategic responsibilities between A2A and its subsidiaries are not considered significant interests.

The transactions indicated in this section are not considered for the verification of whether the thresholds provided for identifying Major Transactions are exceeded.

6.5 Identification of Related-Party Transactions

For the purposes of the prior identification of Related-Party Transactions and the timely implementation of the procedural measures aimed at ensuring the transparency and the substantial fairness of such transactions, the managers of the A2A and its subsidiaries' Corporate departments responsible for the Transaction must ascertain whether the proposed transactions fall within the scope of this Procedure by preliminarily identifying the Related-Party status of the counterparties and the classification of the individual transactions in accordance with the Procedure. In order to perform the required assessments, the A2A and its subsidiaries' Corporate departments responsible for the Transaction will have direct access to the Related-Party database.

Should any doubts arise regarding the qualification of a given transaction, the managers are required to promptly consult the RPT Oversight Board. Where subsidiaries are involved, the RPT Oversight Board is activated through the Representative.

If the transaction proposed falls within the scope of application of this Procedure, the managers of the A2A and its subsidiaries' Corporate departments responsible for the transaction are required (i) to refrain from continuing with the preliminary investigation of the transaction and from entering into any negotiations with the counterparty; and (ii) to promptly forward the information about the transaction, as well as the indication of the preliminary qualification carried out with respect to the transaction, to the RPT Oversight Board (for subsidiaries, through the Representative).

The Oversight Board checks the information received and sends it to the Chief Executive Officer who - with the support of the Oversight Board - issues operating instructions on the continuation of the transaction and communication to the Related-Party Committee in accordance with the provisions of this Procedure.

The managers of the A2A and its subsidiaries' Corporate departments responsible for the transaction must maintain and constantly make available to the RPT Oversight Board adequate records of all the Related-Party Transactions, whether they are included in or excluded from the scope of this Procedure (including those below the immateriality threshold or by assessing their alignment to market terms), in order to ensure the ongoing traceability of transactions, the correct and timely supply of periodic information flows to the Company's administration and control bodies and to the Related-Party Committee, as well as compliance with the requirements of the Related-Party Regulation on public disclosure.

7. "RELATED-PARTY COMMITTEE" AND SIMILAR STRUCTURES

A2A has established a Related-Party Committee, with the task of providing opinions as required by the Related-Party Regulation and this Procedure.

Furthermore, pursuant to Article 4, paragraph 1, letter e-*bis*), point i) of the Related-Party Regulation, the Committee examines, also through the use of sampling methods, the application of the cases of voluntary exclusions provided for in sections 6.4.2, 6.4.3 and 6.4.5 of this Procedure for Major Transactions, including those carried out by subsidiaries. For this purpose, the RPT Oversight Board sends to the Committee, within the month following the end of the six-month period, adequate information flows to review the exemptions applied during the six-month period of reference. The disclosure is also forwarded to the Board of Auditors for knowledge. The Oversight Board ensures that the documents supporting the Committee's review allow for complete tracking of the Transactions and also contain an adequate description of the reasons for the exemptions.

Pursuant to Article 4, paragraph 1, letter e-*bis*), point ii) of the Related-Party Regulation, the Committee is also responsible for verifying the correct application of the exemption terms under section 6.4.4 to Major Transactions defined as ordinary and concluded at market or standard terms, communicated to the Committee pursuant to Article 13, paragraph 3, letter c), point i) of the Consob Regulation and section 10.2, second paragraph, of this Procedure. Upon receipt of this disclosure, the Chairman of the Related-Party Committee immediately calls the Committee to proceed with the verification.

Without prejudice to the provisions of section 3 of this Procedure in relation to the issuance of the opinion on the approval of the Procedure and its amendments, if the Related-Party Committee is not entirely made up of non-executive Directors who are also independent and unrelated, it shall carry out its activities with a number of independent and unrelated Directors present, provided that there are no less than two; if only two independent and unrelated Directors are present, these Directors will take unanimous decisions. If there are not two independent and unrelated Directors, the Committee is supplemented by an independent and unrelated Director identified in order of seniority. Finally, if this integration is not possible, the Board of Directors will appoint an independent expert.

8. PROCEDURES FOR THE PREPARATION AND APPROVAL OF RELATED-PARTY TRANSACTIONS

8.1 Minor Transactions

Without prejudice to the decision-making structure adopted by the Company through the granting of authorisations and proxies, Minor Transactions must be examined and approved in accordance with the procedure described below.

(a) The Related-Party Committee of A2A is designated to express a non-binding reasoned opinion prior to the Company's competent body approval of a Minor Transaction.

(b) For the purpose of a prompt disclosure of adequate information flows and an efficient organisation of activities, immediately after the start of the negotiations on a Minor Transaction the body responsible for deciding on the transaction and the Related-Party Committee are provided with preliminary information on the transaction (counterparty, purpose, any additional information already available).

(c) For the subsequent approval of a Minor Transaction, the body competent to resolve on the transaction and the Committee are provided with complete and adequate information and with the relevant supporting documents well in advance. Specifically, the documents must contain a thorough and documented examination of the reasons for the transaction, the Company's interest in carrying it out, and the suitability and substantial fairness of its terms. If, at the outcome of the preliminary investigation, the economic terms of the transaction are defined as market equivalent or standard, i.e., similar to those usually applied to non-related parties of a corresponding nature, size and risk, the documents prepared must contain objective evidence.

This complete and adequate document is provided by the RPT Oversight Board normally within five business days and, in any case, no later than three business days prior to the Related-Party Committee meeting for the purpose of issuing the opinion referred to in point d) below.

(d) The Related-Party Committee expresses a non-binding reasoned opinion on the Company's interest in the execution of the Minor Transaction, as well as on the substantial fairness of the related terms. The Committee's opinion must be analytically drafted in writing and provide a precise and clear indication of the Committee's will, whether favourable or unfavourable, to the transaction being analysed in its conclusion. The opinion is annexed to the minutes of the Committee meeting in which it is approved.

(e) The Related-Party Committee may be assisted, with expenses borne by the Company, by one or more independent experts of its own choice whenever it deems it necessary for the purposes of assessing a Minor Transaction. The independence of the expert is verified in advance by the Committee, taking into account the reports indicated in section 2.4 of Annex 4 of the Consob Regulation.

(f) If the Board of Directors is the competent body allowed to deliberate on the Minor Transaction, it must receive, usually within five and no later than two days prior to the meeting, complete and adequate information, together with the documents on the transaction and the prior opinion issued by the Related-Party Committee. In any case, the Chief Executive Officer, in agreement with the Chairman of the Board of Directors and after consulting the Committee, must ensure that the Board of Directors' resolution date is defined in consideration of the time required for the Committee's activities.

(g) If the Minor Transaction is the responsibility of the Board of Directors, without prejudice to the provisions of Article 2391 of the Italian Civil Code, the Board of Directors is responsible for the execution of the transaction[3]; although the Directors involved in the Transaction can participate in the meeting, they abstain from voting. Directors required to abstain contribute to the quorum of the body, but they are excluded from the decision-making quorum.

(h) Minutes of resolutions approving Minor Transactions must include adequate justification of the Company's interest in carrying out the transaction, as well as of the suitability and substantial fairness of its terms.

(i) The Board of Directors and the Board of Statutory Auditors receive a full disclosure on the execution of Minor Transactions from the RPT Oversight Board, on a quarterly basis, when presenting the accounting data for the period. This former disclosure, addressed to the entire administrative body, also fulfils the obligations to inform the Related-Party Committee to be complied with following the execution of Related-Party Transactions pursuant to Article 4, paragraph 1, letter e) of the Consob Regulation.

8.2 Major Transactions

For Major Transactions, the provisions of the preceding paragraph are supplemented by the following additional procedural provisions.

(a) The Board of Directors of A2A is responsible for deciding on the execution of Major Transactions.

[3] If the Directors have an interest, on their own behalf or on behalf of a third party, in the Transaction, they must inform the other Directors, specifying its nature, terms, origin and scope.

(b) The Related-Party Committee of A2A, or one or more members delegated by it, are promptly involved in the start of negotiations and in the preliminary investigation stage by receiving a complete and up-to-date information flow, with the right to request information and make remarks to the delegated bodies and to the persons in charge of conducting negotiations or the preliminary investigation. The documents referred to in Article 8.1, letter c) are provided by the RPT Oversight Board usually seven business days and in any case no later than five business days before the meeting of the Related-Party Committee for the purpose of issuing the opinion referred to in point c) below.

(c) The Board of Directors of A2A may approve the Major Transaction:

c.1) subject to a reasoned favourable opinion about the Company's interest in carrying out the transaction, as well as the suitability and substantial fairness of the related terms issued by the Related-Party Committee; or

c.2) notwithstanding the contrary opinion of the Related-Party Committee, or in any case without taking into account the remarks made by the latter, provided that the execution of the Transaction is authorised, pursuant to Article 2364, paragraph 1, n. 5), of the Italian Civil Code, by the Ordinary Shareholders' Meeting, to be called without delay. Notwithstanding the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code and without prejudice to the provisions of the Articles of Association that may be required by law, pursuant to Article 11, paragraph 3, of the Consob Regulation, the shareholders' meeting resolution is approved provided that the majority of the unrelated shareholders present at the meeting do not vote against the resolution, provided, however, that the unrelated shareholders present at the meeting represent at least 10% of the share capital with voting rights. No later than the day following the Shareholders' Meeting, the Company discloses to the public, in the way indicated in Part III, Title II, Section I of the issuers' regulation, information on the outcome of the vote, with particular regard to the number of total votes cast by unrelated shareholders.

8.3 Transactions falling under the authority of the shareholders

If a Minor Transaction falls within the authority of the Shareholders or has to be authorised by the Shareholders’ Meeting, the provisions on Minor Transactions of this Procedure are applied in the preparatory stage and in the approval of the proposed resolution to be submitted to the Shareholders.

If a Major Transaction falls under the authority of the Shareholders or must be authorised by the Shareholders’ Meeting for the negotiation, the preliminary investigation and the approval stages of the proposed resolution to be submitted to the Shareholders’ Meeting, the Major Transaction provisions of this Procedure shall apply, mutatis mutandis.

If, with regard to a Major Transaction, the proposed resolution is submitted to the Shareholders’ Meeting despite the contrary opinion of the Related-Party Committee, or in any case without taking into account the remarks made by the latter, the proposal will have to state that the Transaction cannot be executed if - without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code and without prejudice to the provisions of the Articles of Association that may be required by law - the majority of the voting unrelated shareholders cast a vote against the Transaction, provided, however, that the unrelated shareholders present at the meeting represent at least 10% of the share capital with voting rights.

If there are material updates to be made to the published information document, the Company will make a new version of the document available to the public, no later than the twenty-first day before the Shareholders' Meeting, available at the Company's registered office and according to the procedures indicated in Part II, Title II, Section I of the issuers' regulation. The Company may incorporate the information already published by way of reference.

8.4 Framework resolutions

The Company can adopt framework resolutions for homogeneous series of transactions concluded with certain categories of related parties identified from time to time by the Board of Directors.

During the preliminary investigation and the approval stages of the framework resolution, the procedures provided for in section 8 of this Procedure apply, insofar as they are compatible, depending on the foreseeable maximum amount of the transactions subject to the resolution, cumulatively considered.

In any case, framework resolutions have to take effect for no longer than one year, they have to refer to sufficiently determined transactions, and they have to state at least the foreseeable maximum amount of the transactions to be executed during the reference period and the reasons for the proposed terms.

The Board of Directors receives a full quarterly disclosure on the implementation of the framework resolutions from the RPT Oversight Board when presenting the accounting data for the period.

The provisions of section 8 of this Procedure do not apply to individual transactions concluded in implementation of the framework resolution.

The transactions indicated in this section are not considered for the verification of whether the thresholds provided for identifying Major Transactions are exceeded.

9. TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES

Related-Party Transactions carried out through the subsidiaries of A2A and that do not fall into any exemption category, must be submitted to the prior non-binding opinion of the Related-Party Committee.

For this purpose, the managers of A2A Subsidiaries' Corporate departments responsible for the Transaction implement - through the Representatives - complete, timely and adequate information flows in compliance with this Procedure by interfacing with the RPT Oversight Board.

Sections 8.1 and 8.2 of this Procedure shall apply mutatis mutandis.

10. INFORMATION ON RELATED-PARTY TRANSACTIONS

The Company informs the public about Related-Party Transactions in accordance with the relevant provisions of the Related-Party Regulation and in compliance with current legislation and the internal provisions governing the handling of inside information.

The RPT Oversight Board interacts with the Corporate departments responsible for public disclosure, providing them with the necessary support.

10.1 Information to the public on Major Transactions

When Major Transactions with Related Parties are carried out, including through Italian or foreign subsidiaries, the Company prepares an information document containing the information reported in Annex 4 to the Related-Party Regulation. The disclosure document is also prepared if, during the same financial year, the Company concludes with the same related party, or with parties related both to the latter and to A2A, transactions that are homogeneous or carried out in execution of a unitary plan which, although not qualifying individually as Major Transactions, exceed, when considered cumulatively, the materiality thresholds indicated in this Procedure.

Without prejudice to the provisions of Article 17 of Regulation (EU) n. 596/2014, this disclosure document is made available to the public at the company's registered office and in the way indicated in Part III, Title II, Section I of the issuers' regulation within seven days of the approval of the transaction by the competent body or, if the competent body decides to submit a contractual proposal, from the time the contract, including a preliminary contract, is concluded in accordance with the applicable rules.

If the materiality thresholds are exceeded by an accumulation of transactions, the disclosure document is made available to the public within fifteen days from the approval of the transaction or from the conclusion of the contract that causes the materiality threshold to be exceeded and that contains information, even on an aggregate basis for homogeneous transactions, on all the transactions considered for the purposes of accumulation. If the transactions that result in exceeding the materiality thresholds are carried out by subsidiaries, the disclosure document is made available to the public within fifteen days from the time the Company required to prepare the same document is informed of the approval of the transaction or of the conclusion of the contract that determines materiality. Pursuant to Article 114, paragraph 2 of the Consolidated Law on Finance (TUF), the subsidiaries must promptly submit the information necessary for the preparation of the document.

Within the same terms provided by the two preceding paragraphs for the publication of the disclosure document, the Company shall make available to the public, as an annex to the disclosure document or on its website, any opinions of the Related-Party Committee and of any independent experts appointed, as well as the opinions issued by experts qualified as independent which may have been used by the administrative body. With reference to these opinions, A2A may indicate only the elements indicated in Annex 4 of the Related-Party Regulation, giving reasons for this choice.

When approving a framework resolution, the Company publishes a disclosure document pursuant to Article 5 of the Related-Party Regulation if the maximum likely amount of the transactions subject to that resolution exceeds the major materiality threshold.

10.2 Information to the Consob and to the Related-Party Committee on Major Transactions

At the same time as public disclosure, the Company must forward to Consob the documents and the opinions referred to in section 10.1 above through a link to the authorised storage device in accordance with the provisions of Article 65-*septies*, paragraph 3, of the issuers' regulation.

In respect of Ordinary Transactions concluded at market-equivalent or standard terms that exceed the major materiality threshold, excluded from the publication requirements provided for Major Transactions referred to in the preceding paragraph, the Company also notifies Consob within seven days of the approval of the transaction, or in the case of a contractual proposal, from the time when the contract, even a preliminary one, is concluded, the information concerning the counterparty, the purpose, the price of such transactions, as well as the reasons why the transaction is deemed to be ordinary and concluded at market-equivalent or standard terms, providing objective evidence. The RPT Oversight Board also sends the same communication to the Related-Party Committee for examination pursuant to Article 4, paragraph 1, letter e-*bis*), point ii) of the Related-Party Regulation, as well as to the Board of Statutory Auditors for information purposes.

10.3 Information to the public on Minor Transactions

No specific market disclosure obligations apply to Minor Transactions, except for transactions that are approved with a negative opinion from the Related-Party Committee.

In such case, without prejudice to what provided for by Article 17 of Regulation (EU) n. 596/2014, the Company makes available to the public, at the registered office and in the way indicated in Part II, Title II, Chapter I, of the issuers' regulation, within fifteen days from closing of each quarter of the financial year, a document containing an indication of the counterparty, of the object and of the price of the transactions approved in the reference quarter in the presence of a negative opinion of the Related-Party Committee, as well as of the reasons for which it was considered not to share such opinion. Within the same period, the opinion is made available to the public on the Company's website.

10.4 Periodic information to the public

Pursuant to Article 154-*ter* of the Consolidated Law on Finance (TUF), the Company provides information in the interim management report and in the annual management report on:

(a) individual Major Transactions concluded during the reporting period;

(b) any other individual Related-Party Transactions concluded during the reporting period that had a material effect on the Company's financial position or results;

(c) any modification or development in the Related-Party Transactions described in the last annual report that had a material effect on the Company's financial position or results during the reporting period.

Information on Major Transactions may also be included in the periodic financial documentation by referring to any disclosure documents published when such transactions were approved, and reporting any significant updates.

The RPT Oversight Board sees to the transmission of the necessary information to the manager in charge of drafting the corporate accounting documents for the purpose of preparing the periodic disclosure.

10.5 Timely market disclosure obligations

If the Company discloses Related-Party Transactions through the dissemination of a press release pursuant to Article 17 of Regulation (EU) n. 596/2014, the press release must contain, in addition to the other information to be published pursuant to the above-mentioned regulation, the following information:

(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 company name or the name of the counterparty of the transaction;

(d) if the transaction exceeds or does not exceed the materiality thresholds identified by this Procedure and an indication as to whether or not a disclosure document will be published subsequently;

(e) the procedure that has been or that will be followed for the approval of the transaction and, in particular, whether the Company has availed itself of a case of exclusion;

(f) the possible approval of the transaction despite the contrary opinion of the Related-Party Committee.

11. NON-EXERCISED OPTIONS

The Company did not make use of the exemptions for urgent transactions provided for in Articles 11, paragraph 5, and 13, paragraph 6, of the Related-Party Regulation.

12. Administrative penalties

In respect of listed companies that violate Article 2391-*bis* of the Italian Civil Code and the relevant implementing provisions adopted by Consob pursuant to the same Article, the administrative pecuniary penalty provided for in Article 192-*quinquies*, paragraph 1, of the Consolidated Law on Finance (TUF) shall apply.

Unless the action is a criminal offence, for the above-mentioned violations, the administrative and executive persons shall be subject, in the cases provided for in Article 190-*bis*, paragraph 1, letter a), of the Consolidated Law on Finance (TUF), to the administrative pecuniary penalty referred to in Article 192-*quinquies*, paragraph 2, of the Consolidated Law on Finance (TUF).

ANNEX 1

Definitions and interpretative standards

Below are the main definitions contained in the accounting standards in force to support the application of the Procedure. Consultation of Annex 1 does not exempt the full consultation of the accounting standards from time to time in force, the actual updating of which must always be verified.

Definition of related parties pursuant to the Consob Regulation

According to IAS 24, paragraph 9, to which the Consob Regulation refers, a related party is a person or an entity that is related to the reporting entity[4].

(a) A person or a close family member of that person is related to a reporting entity if that person:

  (i) has control or joint control over the reporting entity;

  (ii) has a significant influence over the reporting entity; or

  (iii) is one of the executives with strategic responsibilities of the reporting entity or one of its parent companies.

(b) An entity is related to an entity that prepares the financial statements if any of the following terms apply:

  (i) the entity and the reporting entity are part of the same group (which means that each parent, subsidiary and group company is related to the others);

  (ii) an entity is an associate or joint venture of the other entity (or an associate or joint venture of a group of which the other entity is a member);

  (iii) both the entities are joint ventures of the same third counterparty;

  (iv) an entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is represented by a post-employment benefit plan for the benefit of employees of the reporting entity or an entity related to the reporting entity. If the reporting entity qualifies as such, the employers sponsoring the plan are also related to the reporting entity;

  (vi) the entity is controlled or jointly controlled by a person identified in point (a);

  (vii) a person identified in point (a)(i) has a significant influence over the entity or is an executive with strategic responsibilities of the entity (or one of the entity's parent companies);

  (viii) the entity, or any member of a group to which it belongs, provides management services with strategic responsibilities to the reporting entity or the reporting entity's parent company.

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Thus, for example, a subsidiary of an associate and the investor who has significant influence over the associate are related to each other.

[4] In this case, the "reporting entity" is A2A S.p.A.

Definition of related-party transactions

According to IAS 24, paragraph 9, a related-party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price has been agreed upon.

Functional definitions of "related parties" and "related-party transactions"

Control (IFRS 10)

An investor controls an investment entity when it is exposed to variable returns, or has rights to such returns, arising from its relationship with that entity and, at the same time, has the capacity to affect those returns by exercising its power over that entity.

Joint control (IFRS 11)

Joint control is the sharing, on a contractual basis, of control of an arrangement, which exists only when the unanimous consent of all the parties sharing control is required for decisions on the relevant activities.

Executives with strategic responsibilities (IAS 24)

Individuals who have the direct or indirect power and responsibility for planning, directing and controlling the company's activities, including directors (executive or otherwise) of the company.

Significant influence (IAS 28)

Significant influence is the power to be involved in determining the financial and operating policies of the investee without having control or joint control over it. If an entity owns, directly or indirectly (e.g. through subsidiaries), 20%[5] or a greater share of the votes to be exercised in the investee's shareholders' meeting, the entity is deemed to have significant influence, unless the contrary can be clearly demonstrated. On the other hand, if the entity directly or indirectly (e.g. through subsidiaries) owns less than 20%[6] of votes that can be exercised in the investee's shareholders' meeting, it is assumed that the entity does not have a significant influence, unless such influence can be clearly demonstrated. Even if another entity owns an absolute or relative majority, this does not necessarily preclude an entity from having a significant influence. The existence of a significant influence by an entity is usually indicated by the occurrence of one or more of the following circumstances:

(a) representation on the administrative body, or on the equivalent body, of the investee;

(b) participation in the decision-making process, including participation in decisions on dividends or other distribution of profits;

(c) the presence of material transactions between the entity and the investee;

(d) the interchange of management personnel; or

[5] Under Italian law, the 20% percentage is reduced to 10% for companies listed on regulated markets.
[6] See footnote above.

(e) the provision of essential technical information.

Joint venture (IAS 28)

A joint venture is a jointly controlled arrangement over an entity whereby the parties with joint control have rights to the net assets of the entity.

Close family members (IAS 24)

Close family members of a person are those family members who are expected to influence, or be influenced by, that person in their relations with the company, including:

- the children and the spouse or the common-law partner of that person;
- the children of that person's spouse or common-law partner;
- the people who are dependent on that person, or on his or her spouse and on his or her common-law partner.

Interpretative standards of definitions

Pursuant to IAS 24, paragraph 10, in examining each related-party transaction, the focus is on the substance of the transaction and not merely its legal form.

The above-mentioned definitions above are interpreted with reference to the set of international accounting standards adopted in accordance with the procedure provided for in Article 6 of Regulation (EC) n. 1606/2002.