



**PROCEDURE  
ON RELATED PARTY TRANSACTIONS**

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## 1. DEFINITIONS

**“Independent Director”** means a director that has the independence requirements pursuant to article 148, paragraph 3 of the Consolidated Finance Act (TUF) – as referenced under article 147-ter, paragraph 4 of TUF – and the Code for listed companies approved by the Borsa Italiana S.p.A. Corporate Governance Committee, as amended and supplemented from time to time

**“A NAF Directors”** means the NAF directors appointed by holders of NAF A Shares in terms of the NAF articles of association

**“B NAF Directors”** means the NAF directors appointed by holders of NAF B Shares in terms of the NAF articles of association

**Unrelated Directors:** the directors other than the counterparty of a given operation and other than its related parties

**NAF A Shares:** means the NAF Shares in the special category referred to as “A”

**“NAF B Shares”** means the NAF Shares in the special category referred to as “B”

**Code:** the corporate governance code for listed companies approved by the Borsa Italiana S.p.A. Corporate Governance Committee, as amended and supplemented from time to time

**Audit and Risk Committee:** the committee established by ASTM and formed of three directors

**ASTM Group:** ASTM and the Italian or foreign entities that ASTM controls pursuant to art. 2359 of the Italian Civil Code

**ASTM or Company:** ASTM S.p.A.

**NAF:** means Nuova Argo Finanziaria S.p.A., with registered offices in Corso Romita 10, Tortona (AL), Alessandria-Asti Companies Register, Italian tax code and VAT number 02580070064

**Related Parties:** as defined in art. 3.1 of this Procedure.

**International Accounting Standards:** the international accounting standards adopted according to the procedure set out under art. 6 of Regulation (EC) no. 1606/2002 and which are applicable at the time

**Related Parties Regulation:** Regulation transposing provisions concerning related party transactions approved by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented

**Latest NAF A Shareholders:** means each of the natural persons that are directly or indirectly a shareholder of Aurelia S.r.l. at the Execution Date (namely Beniamino Gavio, Daniela Gavio, Raffaella Gavio, Marcello Gavio and Francesca Torti) and the combination (i) of the relative descendants and ascendants linked by a direct relationship of descent or ascent (by way of example, parents, children, grandchildren), (ii) the relative spouses that are not legally separated, and (iii) the relative relations to a second degree and their children (i.e. all the brothers and sisters and children of the brothers and sisters).

**Subsidiaries:** the Italian or foreign entities over which ASTM exercises a dominant influence pursuant to art. 2359, paragraphs 1 and 2 of the Italian Civil Code

## **2. PURPOSES AND ENTRY INTO FORCE OF THE PROCEDURE**

This procedure (the "Procedure") was approved on 16 December 2021 by the Board of Directors of ASTM, with the favourable opinion of the Audit and Risk Committee.

This procedure sets out the rules governing the approval and management of related-party transactions carried out by ASTM, directly or through Subsidiaries, in order to guarantee the transparency and procedural and substantive fairness of the transactions.

## **3. IDENTIFICATION OF RELATED PARTIES**

**3.1** For the purposes of this Procedure, related parties of ASTM are considered the parties identified as such in application of the International Accounting Standards, as referred to pursuant to Article 3, section 1, letter a) of the Related Parties Regulation, shown in Annex "A" (the "**Related Parties**").

**3.2** For the correct management of this procedure, the Related Parties of ASTM, identified on the basis of the provisions of section 3.1 above, are organised, in accordance with the provisions of Italian Legislative Decree no. 196/2003 (Italian personal data protection code) and Regulation (EU) 2016/679 (GDPR), into a specific database created using the records of equity investments and the statements issued by the Related Parties, every six months and on the basis of specific forms that shall be prepared by the Corporate Affairs and Compliance Function and which can be consulted by the Subsidiaries.

In particular, the Corporate Affairs and Compliance Function is tasked with identifying the Related Parties of ASTM on the basis of the information received and available. For the purposes of identifying the indirect Related Parties (understood as the related parties of ASTM other than those indicated in the previous clause), the direct Related Parties must provide information about their own related parties, through completion of specific declaration forms, as well as communicate without delay to the Corporate Affairs and Compliance Function the circumstances under which they discovered this and which may in any case impact, or influence, the qualification as direct or indirect related party. In cases in which the identification of a direct or indirect related party proves to be complicated or controversial and, in any case, in cases where it is deemed appropriate, the Corporate Affairs and Compliance Function may request an opinion from the Audit and Risk Committee.

## **4. RELATED PARTY TRANSACTIONS**

**4.1** A related party transaction is any transfer of resources, services or obligations implemented with one or several Related Parties, regardless of whether a consideration has been agreed.

**4.2** In the examination of each related party transaction:

- (a) attention must be paid to the substance of the relationship and not simply its legal form;
- (b) the value of long-term contracts must be equal to the considerations presumed for their entire duration in the matter of temporary contracts or, in the matter of permanent contracts, must be equal to the considerations presumed for the duration of one fiscal year or, where the notice period for withdrawal is greater than one year, for the entire notice period. In contracts with related parties it will not be possible to provide for automatic annual renewal clauses of the relationship.

**4.3** Before undertaking any operation, the Manager in charge of drawing up the corporate accounting documentation, with support from the competent function for that task, must preliminarily verify whether the operation may be considered a related party transaction

and assess, for the purpose of applying the related procedure, under which of the following types the transaction falls:

- ❑ Excluded Transactions
- ❑ Material Transactions

## **5. EXCLUDED TRANSACTIONS**

**5.1** The category of excluded transactions includes:

- a) transactions concluded with Subsidiaries on the condition that (i) no holders of NAF A Shares, (ii) nor any member of the A NAF Shareholder Latest directly or indirectly holds a stake of more than 2% (two percent) of the share capital of said Subsidiaries;
- b) transactions concluded with related parties that, for each fiscal year, do not exceed EUR 1 million overall at Group level.

## **6. REGULATION OF MATERIAL TRANSACTIONS**

**6.1** Material Transactions are all related party transactions that do not fall under the cases envisaged under section 5 above (Excluded Transactions).

**6.2** The prior approval of Material Transactions carried out by ASTM is reserved for the Board of Directors, which shall make a resolution, following the reasoned opinion of the Audit and Risk Committee, with majority attendance and favourable vote of the directors in office including at least 1 (one) Director appointed by the B NAF Directors (not the Independent Director appointed by the B NAF Directors) and 1 (one) Director appointed by the A NAF Directors (not the Independent Director appointed by the A NAF Directors).

**6.3** The Audit and Risk Committee must be involved through the receipt of complete and timely information flows and with the power to request information and to send observations to the delegated bodies and to the parties appointed to conduct the negotiation and the investigation.

**6.4** The Audit and Risk Committee, while undertaking its tasks, may opt to receive assistance, at the company's expense, from one or more independent experts of its choice. The expert indicated by the Committee may also assist ASTM in undertaking the Operation provided that the appointment expressly states that the expert also and specifically assists the Committee in the completion of its tasks pursuant to the Procedure. The Audit and Risk Committee shall make its decisions according to the majority vote of its members.

**6.5** If, with reference to a given Material Transaction, one or several of the Directors forming the Audit and Risk Committee are found to be related, they shall be replaced, limited to the transaction in question, by any other unrelated Directors present on the Board of Directors, so that the number of members of the Committee is still equal to three. The unrelated Directors, other than those appointed, shall replace the related members of that Committee in order of age, without prejudice to the fact that the unrelated replacement Director shall be chosen, respectively, from the A NAF Directors, or from the B NAF Directors, based on whether an A NAF Director or a B NAF Director is being replaced, in accordance with the composition of the Audit and Risk Committee envisaged by art. 23 of the ASTM articles of association. If, in relation to a given Material Transaction, the unrelated replacement Director cannot be selected, respectively, from the A NAF Directors or from the B NAF Directors according

to the composition of the Audit and Risk Committee envisaged by art. 23 of the ASTM articles of association, the transaction must be approved subject to the reasoned favourable opinion of an independent expert appointed by the Board of Directors, having consulted the Board of Statutory Auditors.

**6.6** Nevertheless, this is without prejudice to the fact that:

- a) the replacement procedure pursuant to article 6.5 above does not apply if the unrelated Directors have an interest, including potential or indirect, in the company transactions; and
- b) for the purposes of applying the replacement procedure under article 6.5 above, the fact that a Director of ASTM is an *executive with strategic responsibilities* of Nuova Argo Finanziaria S.p.A. does not constitute a "correlation".

**6.7** The minutes of the resolutions of approval of the Board of Directors must contain adequate reasoning regarding the Company's interest in completing the transaction, as well as the advantage and substantive fairness of its conditions. Should the conditions of the transaction be defined as equivalent to those of the market or as standard, the documentation prepared must contain objective evidence.

**6.8** The provisions of this section shall also apply for the Material Transactions pertaining to the Shareholders' Meeting or which it must authorise pursuant to the law or the articles of association.

The resolutions of the Shareholders' Meeting shall be adopted with the majorities envisaged by current legislation or by the ASTM articles of association.

## **7. REGULATION OF TRANSACTIONS PURSUANT TO FRAMEWORK RESOLUTIONS**

**7.1** For series of similar transactions concluded with certain categories of related parties, identified from time to time by the Board of Directors, ASTM may make framework resolutions that are not effective for longer than one year and that provide for the maximum foreseeable amount of the transactions to be performed and the motivation for the envisaged conditions.

**7.2** On a quarterly basis, the Chief Executive Officer shall provide the Board of Directors and the Board of Statutory Auditors with complete information about the implementation of the framework resolutions.

## **8. TRANSACTIONS CARRIED OUT BY SUBSIDIARIES**

**8.1** Without prejudice to the principles of management autonomy of the competent company bodies, the transactions with parties related to ASTM implemented by Subsidiaries, which do not fall under the cases set out under section 5.1, letters a) and b) of this procedure (Excluded Transactions), must be approved in advance by the Board of Directors of ASTM, which shall make a decision following an opinion from the Audit and Risk Committee.

In relation to each transaction, the Board of Directors of ASTM must receive, from the subsidiary, suitable information that allows for a prior examination of said transaction and in particular:

- general characteristics of the transaction, indicating the subject, reasons, consideration, time frames as well as the nature of the correlation;
- methods for calculating the consideration and/or the main conditions liable to generate obligations for the Company;

- foreseeable economic, equity and financial effects of the transaction;
- any interests, including indirect interests, of the members of the company bodies.

For the issue of its opinion, the Audit and Risk Committee shall have the right to request information from the delegated bodies of the subsidiary and may request assistance, at the expense of ASTM, from one or more independent experts of its choice.

- 8.2** For the purposes of the provisions of section 8.1 above, it is specified that should for reasons of urgency the transaction be unable to be submitted for the examination of the Board of Directors of ASTM in advance, the Subsidiary: (i) before undertaking the transaction, shall inform the Chief Executive Officer of ASTM, including verbally, of the reasons of urgency and (ii) after undertaking the transaction, without prejudice to its effectiveness, shall prepare a report to be submitted to the next Board of Directors meeting of ASTM and to the Audit and Risk Committee, containing an adequate description of the main characteristics of the transaction as well as the reasons of urgency.
- 8.3** In order to allow for the implementation of section 8, the Subsidiaries must guarantee information flows with regard to ASTM according to the methods and time frames established by ASTM.

## **9. FINAL PROVISIONS**

- 9.1** The Chief Executive Officer of ASTM is tasked with issuing the provisions implementing this procedure and with making the amendments and merely formal supplements that become necessary, after consulting the Audit and Risk Committee.