

REGULATIONS

FOR RELATED-PARTY TRANSACTIONS

**(in accordance with Art. 2391-*bis* of the Italian Civil Code,
and the Consob Regulations for related parties approved with Resolution No. 17221
of 12th March 2010 and subsequent amendments and additions)**

**Document approved by the Board of Directors of Recordati S.p.A. in a meeting held
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PARTE I - Introduction

01.01 Introduction

These regulations – designed to govern related-party transactions (the “**Regulations**”), adopted by Recordati S.P.A. (“**Recordati**” or the “**Company**”) in implementation of Art. 2391-*bis* of the Italian Civil Code and the regulations entitled “provisions concerning *related-party transactions*”, adopted by the National Commission for Companies and the Stock Market (“**Consob**” – stock exchange authority) with Resolution No. 17221 of 12th March 2010 and as last amended (the “**Consob Regulations**”) - define the guidelines and criteria for the identification of Related-Party Transactions (as defined below) and they give details of the roles, responsibilities and operating procedures designed to ensure adequate reporting transparency and the relative proper conduct in form and substance for those transactions.

01.02 References to legislation, regulations and Consob (stock exchange authority) communications

Art. 2391 -bis “related-party transactions” of the Italian Civil Code;

Communication No. DEM/10078683

(the “Applicative Communication”)

Consob communication of 24th September 2010 containing instructions and orientations for the application of the Consob Regulations;

Corporate Governance Code

Corporate Governance Code of Borsa Italiana S.p.A. adopted by the Corporate Governance Committee;

Consob Regulations

Regulations entitled “provisions concerning related-party transactions”, adopted by Consob Resolution No. 17221 of 12th March 2010 and subsequent amendments and additions;

Issuers’ Regulations

Regulations to implement Legislative Decree No. 58 of 24th February 1998 governing issuers, adopted by the Consob with resolution No. 11971 of 14th May 1999 and subsequent amendments and additions;

Consolidated Finance Act

Legislative Decree No. 58 of 24th February 1998.

01.03 Definitions

A list of the main definitions used in these Regulations is given below, also pursuant to Appendix to Consob Regulations (*Definitions of related parties and transactions with related*

parties as well as definitions related thereto in accordance with international accounting standards), as Attachment 2 to the Implementing Provisions (as defined below).

For:

Directors Involved in the Transaction are defined as directors who have an interest in the transaction, on their own behalf or on behalf of third parties, in conflict with the interest of the Company.

Independent Directors are defined as directors in possession of the requirements of independence pursuant to (i) article 148, paragraph 3, of the Consolidated Finance Act (as referenced by Art. 14 of the by-laws of the Company) and (ii) the provisions of the Corporate Governance Code as applied by Recordati. The independence of these directors is assessed after the appointment of the directors, and subsequently on a yearly basis by the Board of Directors of the Company in accordance with and for the purposes of Art. 2, Recommendation 7 of the Corporate Governance Code.

The **Committee Responsible** is defined for the purposes of these Regulations, as the committee responsible for the expression of a reasoned opinion on both Transactions of Major Importance and Transactions of Minor Importance. That committee is identified as the Risk, Control and CSR (Corporate Social Responsibility) Committee, except for Related-Party Transactions concerning remuneration, for which it is identified as the Remuneration and Nominations Committee. The **Risk, Control and CSR Committee** is defined as the committee, formed in compliance with the provisions of the Corporate Governance Code from among the members of the Board of Directors of the Company and it consists solely of Independent Directors.

The **Remuneration and Nominations Committee** is defined as a committee formed in compliance with the provisions of the Corporate Governance Code from among the members of the Board of Directors of the Company and is composed solely of Independent Directors.

The **Key Manager Personnel** are defined as those persons who have the power and responsibility for, directly or indirectly, the planning, management and control of the Company's activities, including Board of Directors Members (executive or non-executive) and Statutory Auditors of the Company, as identified by the Company's Board of Directors, upon the proposal of the Company's Chief Executive Officer (see IAS 24, Section 9).

The **Implementing Provisions** are defined as the internal implementing provisions adopted by the Company pursuant to Section 05.02 of the Procedure.

MAR means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation).

Transactions with Related Parties are understood, pursuant to the Consob Regulation, as those transactions defined as such by the international accounting standards adopted according to the procedure of Article 6 of EC Regulation No. 1606/2002, i.e. a transfer of resources, services or obligations between a company and a related party, regardless of whether a consideration has been agreed upon¹.

Transactions of Major Importance are defined as those Related-Party Transactions for which at least one of the relevance indicators contained in Attachment No. 3 of the Consob Regulations and which are applicable according to the characteristics of each Related-Party Transaction (i.e. value of the transaction in relation to shareholders' equity or, if greater, to capitalisation; total assets of the entity involved in the transaction compared to the total assets of the Company; total liabilities of the entity acquired compared to the total assets of the Company) exceeds 5%. Furthermore, thresholds of significance mentioned above are to be

¹ By way of example, as indicated in the Consob Regulation and the Implementing Communication, the following are considered to be Related Party Transactions: (i) mergers involving the Company and a related party; (ii) demergers involving a related party; (iii) demergers in the strict non-proportional sense; (iv) demergers in which a related party is the beneficiary; (v) capital increases of the Company with the exclusion of option rights in favour of a related party.

considered exceeded also in the event of more than one transaction - when considered cumulatively, although not qualifying individually as a transaction of major significance - is concluded during the same year with the same related party or with parties related both to the latter and to Recordati, being such transactions homogeneous or performed in execution of a single plan ("cumulative transactions"). For the purposes of the above, (i) transactions carried out by Subsidiaries are also relevant, and (ii) exempt transactions under paragraph 02.01 of the Procedure are excluded from the calculation.

Transactions of Minor Importance are defined as those Related-Party Transactions which are not Transactions of Major Importance and not Transactions of Negligible Amount (as defined below).

Intercompany Transactions are defined as transactions which take place between Recordati and its Subsidiaries and/or its Associate Companies or between Subsidiaries of Recordati.

Subsidiaries are defined as companies controlled, directly or indirectly, by Recordati pursuant to Art. 93 of the Consolidated Act on Finance or which qualify as subsidiaries in compliance with the accounting standards applicable from time to time or which are included in the consolidation.

Associate Companies are defined as companies associated with Recordati pursuant to Art. 2359, paragraph three of the Italian Civil Code.

Furthermore, the expression "**interest on behalf of third parties**" is used, amongst other things, to refer to an interest arising from legally significant relations, including positions held in another company or relations of cohabitation or *de facto* social relationships, potentially able to influence a Director or member of the Board of Statutory Auditors and induce him/her to give preference to non corporate interests.

The "**own interest**" of a Director or of a member of the Board of Statutory Auditors arises each time they may draw any benefit from the corporate transaction under consideration, for themselves or for others, even if not of a strictly capital nature, independently of the effects of the transaction for the Company.

For the definitions of "*control*", "*joint control*", "*significant influence*", "*joint venture*", "*related party*", and "*close family members*" reference is made to Attachment 2 of the Implementing Provisions, as reported in the extract from international accounting standards which is Appendix to the Consob Regulations².

01.04 To whom it applies

The persons to whom these Regulations apply are the Board of Directors (including the Chief Executive Officer), the Risk, Control and CSR Committee, the Remuneration and Nominations Committee; the Board of Statutory Auditors; the other Key Manager Personnel, the Group Corporate Legal Affairs Department, the Group Investor Relations Department, the Group Finance Department, the Group HR Department, the other management bodies and the general managers, where present, of the Subsidiaries of Recordati and also other corporate functions of Recordati and its Subsidiaries identified in the Implementing Provisions.

PART II – Context

⁽²⁾ For the definition of "related party", as specified by Consob reference is made to the definition of related parties in force at the time of the start of negotiations relating to the transaction.

02.01 Scope of application and exemptions

The contents of these Regulations apply in general to all Recordati's Related-Party Transactions to be performed by Recordati and/or one of its Subsidiaries.

These Regulations do not apply to:

- (a) Related-Party Transactions with an individual value of less than Euro 150,000 (one hundred and fifty thousand), if the related party is a natural person, or not more than Euro 300.000 (three hundred thousand) if the related party is a person other than a natural person ("**Transactions of Negligible Amount**"). This exemption does not apply in case of more than one Transaction of Negligible Amount performed as part of a single plan whose total value exceeds the abovementioned amounts, depending on the nature of the related party;
- (b) Intercompany Transactions provided that no significant interests of other Related Parties of the Company exist in the Subsidiaries of Recordati or in Associate Companies of Recordati which are counterparties to the transaction. It is considered that the existence of "**Significant Interests**" of other Related Parties could be determined by: (i) the existence of a significant amount receivable from a Subsidiary by the Chief Executive Officer of the parent company; (ii) one or more directors or other Key Manager Personnel shared between companies who benefit from share based incentive schemes (or in any case variable remuneration) dependent on the results of Subsidiaries or Associate Companies with which the transaction is performed; (iii) the shareholding held in the Subsidiary or Associate Company (even indirectly) by the party that controls the parent company.

Generally, the mere sharing of one or more directors or other Key Manager Personnel between the Company and its Subsidiaries (and, even more so, its Associate Companies) does not give rise, in itself, to the creation of Significant Interests which would exclude exemption.

- (c) shareholders' resolutions pursuant to Art. 2389, paragraph one, of the Italian Civil Code, concerning the remuneration due to members of the Board of Directors and resolutions concerning the remuneration of Directors appointed to special positions which forms part of the total amount determined in advance by shareholders in accordance with Art. 2389, paragraph three, of the Italian Civil Code;
- (d) shareholders' resolutions pursuant to Art. 2402 of the Italian Civil Code, concerning the remuneration due to members of the Board of Statutory Auditors;
- (e) remuneration schemes based on financial instruments approved by shareholders in accordance with Art. 114-*bis* of the Consolidated Finance Act and the relative transactions to implement them;
- (f) decisions (other than those referred to under the preceding letter c) concerning the remuneration of Directors, Directors appointed to special positions and other Key Manager Personnel, when (i) the Company has adopted a remuneration policy approved by the Shareholders' meeting (the formulation of which involved a committee formed exclusively of non executive directors, the majority of which are independent), and (ii) the remuneration actually granted is in accordance with that policy and quantified on the basis of criteria that do not involve discretionary assessments. It is understood that, if the resolutions related to remuneration are subject to these Regulations because they are not covered by the exemption cases provided for in this lett. f), as well as in lett. c), d), and e) of this sub-section 02.01, would be in any case applied the exemption case referred to in the lett. a) of this sub-section 02.01 with regard to the Transactions of Negligible Amount.
- (g) transactions which fall within the ordinary performance of Operating Activities and the related financial activities concluded under conditions equivalent to market conditions or standards (i.e. conditions similar to those normally practiced with non related parties for transactions of an analogous nature, magnitude and risk or based on regulated tariffs or on compulsory prices or those practised for parties with which the Company is obliged by law to negotiate a determined consideration). The "**ordinary performance**" is identified by

considering the contents, recurrence, function or purpose and timing of the transaction and also the nature of the counterparty, even if it is a Related Party. **Operating Activities** are defined as the main revenue generating activities and all other normal activities of the Company that are not classifiable as investment or financial activities pursuant to International Financial Reporting standard seven adopted by EC Regulation No. 1126 of 2008, as subsequently amended from time to time. Should the exemption contained in this letter g) apply, the Company is nevertheless required, without prejudice to Art. 17 MAR, to comply with the provisions of Art. 13, paragraph 3 of letter c), points i) and ii) of the Consob Regulations. In particular, in the event that the transactions provided in this lett. g) are of major importance in accordance with the subsequent sub-section 03.03, the Company shall communicate to Consob and to the Committee Responsible, within seven days from the approval of the transaction, the counterparty, the object, the consideration of the transaction, as well as the reasons why the transaction is considered to be ordinary and concluded under conditions equivalent to the market conditions or standards, providing objective supporting evidence. The Committee Responsible shall verify without delay, and in any case, within seven business days as from the communication, the correct application of the aforementioned exemption;

- (h) transactions resolved by the Company and addressed to all the shareholders under the same conditions, including: (i) demerger transactions in the strict sense, in whole part or in portion, with proportional allocation of the shares, (ii) share capital increases with option rights reserved to shareholders and to any holders of financial instruments (therefore issuances which are performed without excluding their option rights), also to serve convertible bonds, and share capital increases for free pursuant to art. 2442 of the Italian Civil Code³; (iii) share capital decreases by refund to shareholders pursuant to art. 2445 of the Italian Civil Code and (iv) purchases of own shares pursuant to art. 132 of the Consolidated Finance Act;
- (i) transactions to be performed on the basis of instructions for the purposes of stability issued by the Supervisory Authority, without prejudice to disclosure obligations under Consob Regulations.

02.02 Principal roles and responsibilities

The primary roles and responsibilities of the main parties involved in the management of Related-Party Transactions are detailed below in relation to the greater or lesser importance of the transaction.

Parties	Transactions of Minor Importance	Transactions of Major Importance
Board of Directors of Recordati	It takes decisions on the adoption of these Regulations and on subsequent updates to it.	It approves the review of operations (annual and interim), containing periodic

³ As clarified by Consob, the transaction benefiting from the exemption is the one resolved by the company on an equal footing for all its shareholders (including any shareholders who are related parties as controlling shareholders or shareholders exercising significant influence over the company), and not the one in which the company possibly participates as a shareholder of a related party. For example, if the company resolves on a capital increase in option, the circumstance that such capital increase is also addressed to a related party (e.g. controlling shareholder) does not make the rules of the Related Party Transaction regulations applicable to the transaction. Conversely, if the company has to assess whether to subscribe to a capital increase, albeit under option, of one of its subsidiaries or affiliates, it will not be able to apply this exemption, it being understood that it may possibly apply the exemption envisaged for Intragroup Transactions (see par. 02.01, letter b)) if there are no Significant Interests of other Related Parties in the concrete transaction.

Parties	Transactions of Minor Importance	Transactions of Major Importance
	<p>information on Related-Party Transactions (i.e. information on (i) single Transactions of Major Importance performed during the year/period; (ii) other individual Related-Party Transactions performed in the period, which, although not considered of Major Importance, have affected the capital position or the results of the Company to a considerable extent; (iii) Transactions reported in previous reports, which have been subject to modification or developments, which have affected the capital position or the results of the Company to a considerable extent) detailed in the subsequent sub section 04.03.</p> <p>It takes decisions on Transactions of Minor Importance which do not fall within the decision-making powers of the Chief Executive Officer or for which the latter holds an interest.</p>	<p>It takes decisions on Transactions of Major Importance and on the relative report on them.</p>
<i>Chief Executive of Recordati</i>	<p>Takes decisions on Transactions of Minor Importance which fall within his decision-making powers.</p> <p>Approves, prior to distribution, the periodic report on Transactions of Minor Importance performed with a contrary opinion of the Committee Responsible pursuant to the subsequent sub-section 04.02, in compliance with Art. 7, paragraph 1, letter g) of the Consob Regulations.</p> <p>If he/she has an interest, on his own behalf or on the behalf of third parties, shall refrain from performing the operation, pursuant to Article 2391 of the Italian Civil Code</p>	N/A
Committee Responsible	<p>It examines Transactions of Minor Importance and issues a non binding and reasoned prior opinion on the interest of the Company in the performance of them and on the appropriateness and fairness in substance of the relative conditions. The opinion shall be attached to the minutes of the Committee meeting.</p>	<p>It examines Transactions of Major Importance.</p> <p>It is promptly involved in the investigation phase and in that of negotiations by receiving continuous, full and updated reports and with the right to request information and to make observations.</p> <p>It issues its own binding and reasoned, prior opinion on the interest of the Company in the performance of those transactions and on the appropriateness and fairness, in substance, of the relative conditions. The opinion shall be attached to the minutes of the Committee meeting.</p>
<i>Risk, Control and CSR Committee of Recordati</i>	<p>Furnishes a prior opinion, before approval by the Board of Directors, on these Regulations and on the relative amendments.</p>	
<i>Board of Statutory Auditors of Recordati</i>	<p>It supervises compliance of these Regulations with the Consob Regulations and observance of them and it reports to Shareholders' Meetings.</p> <p>If one or more members of the Committee Responsible should find themselves in circumstances of incompatibility pursuant to the subsequent sub-section 03.06 concerning Related-Party Transactions on which the Committee itself is required to express an opinion and it is not possible to replace them due the shortage of the requirements of independence among the other members of the Board of Directors, the Board of Statutory Auditors performs the functions of the Committee Responsible, but solely for the specific transaction over which the circumstance of incompatibility arose.</p>	
<i>The Group Corporate Legal Affairs Department of Recordati</i>	<p>It co-ordinates the periodic process of compiling and updating the list of Related Parties.</p> <p>It monitors the adequacy of the criteria on the basis of the which the absence of "Significant Interests" in Intercompany Transactions is assessed, in addition to the</p>	

Parties	Transactions of Minor Importance	Transactions of Major Importance
	absence of those same interests.	
	N.A. It performs, if necessary and in observance of procedures concerning the internal management and external communication of non public information, disclosures to the public pursuant to Art. 17 MAR.	
<i>Group Investor Relations Department of Recordati</i>	Supports, if necessary, the Group Corporate Legal Affairs Department of Recordati, for example in the preparation of reports.	
<i>Group Finance Department of Recordati</i>	Prepares periodic reports on Related-Party Transactions (i.e.: reports on (i) single Transactions of Major Importance performed during the year/period; (ii) other single Related-Party Transactions performed in the period, which, although not considered of Major Importance, have affected the capital position or the results of the Company to a considerable extent; (iii) Transactions reported in previous reports, which have been subject to modification or developments and which have affected the capital position or the results of the Company to a considerable extent) detailed in the subsequent sub-section 04.03; (iv) the implementation of the exemption cases, at least with reference to the Transactions of Major Importance, as well as the execution of the aforementioned Transactions.	
	Prepares, in case of Transactions of Major Importance which are considered "ordinary transactions with standard or market equivalent conditions", the information to be provided to Consob and to the Committee Responsible, within seven days of approval of the transaction.	
	For each Transaction of Minor Importance (other than those concerning remuneration), it prepares, with the assistance of other corporate functions in the Company that may be involved in the Transaction, the documentation required for the assessments and internal decisions.	For each Transaction of Major Importance other than those concerning remuneration, it prepares, with the assistance of other corporate functions in the Company that may be involved in the Transaction, the documentation required for the assessments and internal decisions and also, in co-operation with the Group Corporate Legal Affairs Department, the relative report.
<i>The Group HR Department of Recordati</i>	For each Transaction of Minor Importance which concerns remuneration, it prepares the documentation required for the assessments and internal decisions.	For each Transaction of Major Importance which concerns remuneration, it prepares the documentation required for the assessments and internal decisions and also, in co-operation with the Group Corporate Legal Affairs Department, the relative report.
<i>Management body of each of the Subsidiaries of Recordati</i>	Ensures co-ordination with Recordati	

PART III – Management of related-party transactions

03.01 **Criteria for the identification of Related Parties**

In the management of its activities, each corporate function (as identified in the Implementing Provisions) of Recordati and its Subsidiaries is required to promptly and preliminarily verify whether a transaction, that it is responsible for processing, qualifies as a Related-Party Transaction carried out by Recordati directly or through Subsidiaries.

To achieve this, on the basis of information received from the Company or in any case already available, the Group Corporate Legal Affairs Department compiles and constantly updates a list of Recordati's Related Parties and in any case distributes it to the corporate functions of the

Company and its Subsidiaries, performing these tasks as better defined in the Implementing Provisions.

If after checking the list just mentioned a corporate function finds that a transaction it is about to perform is in fact a Related-Party Transaction and it does not fall within the cases that are exempt pursuant to sub-section 02.01, then the function informs the Group Finance Department so that it can set the appropriate procedures in motion for Transactions of Minor Importance or Transactions of Major Importance, as detailed in the following sub-sections. The corporate function in question first consults the Group Corporate Legal Affairs Department if doubts exist over whether the cases of exemption apply pursuant to the previous sub-section 02.01.

03.02 Management of Transactions of Minor Importance

If it has been decided to proceed with a Transaction of Minor Importance, the Group Finance Department prepares a dossier summarising the main elements of the Transaction, with the assistance of the other corporate functions in the Company that may be involved in the Transaction or, if it concerns a decision relating to the remuneration of Directors and other Key Manager Personnel, that of the Group HR Department. This documentation must be received by the third day prior to the date or meeting in which the transaction is to be dealt with by:

- the Committee Responsible;
- the Chief Executive Officer or, if the Transaction of Minor Importance exceeds his decision-making powers, the Board of Directors (the "**Body Responsible**").

After examining the dossier and consulting external independent experts if considered necessary, the Committee Responsible issues a non binding and reasoned opinion on the interest of the Company in the performance of the Transaction of Minor Importance and also on the appropriateness and fairness, in substance, of the relative conditions. The opinion shall be attached to the minutes of the Committee Responsible meeting

If external independent experts are brought in, after consultation with the Committee Responsible, the Board of Directors makes an appropriate sum available to that committee, with account taken of the nature of the Transaction of Minor Importance for which the intervention of the experts just mentioned is required.

The assignment of independent expert shall not be conferred to subjects who are counterparties of the Transaction or Related Parties of the Company or the counterparty of the transaction.

The independent external expert shall state his/her independence at the moment of the appointment, specifying the reasons why any economic, equity and/or financial relationships indicated in paragraph 2.4 of Annex No. 4 to the Consob Regulations are not relevant for the purposes of the independence assessment. The Committee Responsible shall preliminarily verify the independence of the independent external experts taking into account (if any) the aforementioned relationships mentioned in paragraph 2.4 of Annex No. 4 to the Consob Regulations.

The expert valuations and/or fairness and/or legal opinions shall be transmitted to the Committee Responsible (or, as the case may be, to the persons replacing the Committee) in the days preceding the meeting of the Committee Responsible, reasonably in advance of it.

The Committee Responsible reports its opinion, with reasons, without delay to the Body Responsible which having taken note, then proceeds to take a decision on the Transaction of Minor Importance. This decision can be taken, provided detailed reasons are given, despite a contrary opinion from the Committee Responsible.

An opinion is considered "**in favour**" where the Committee Responsible: (i) has expressed its full agreement with the Transaction of Minor Importance submitted to it for prior approval or

(ii) has requested that the Transaction of Minor Importance submitted to it for prior approval is subject to conditions that are subsequently and fully accepted and performed by the Body Responsible. On the contrary an opinion cannot be considered “**in favour**” where the Committee Responsible has opposed the Transaction even because of one single aspect of the Transaction of Minor Importance submitted to it for its prior examination.

In any case, the Body Responsible which approves the Transaction of Minor Importance must give (in the minutes of the meeting, where the Transaction has been approved by the Board of Directors) adequate reasons concerning the interest of the company in performing the Transaction and also concerning the appropriateness and fairness, in substance, of the relative conditions.

Without prejudice to the provisions of Article 2391 of the Italian Civil Code, the directors involved in the transaction shall refrain from voting on the transaction.

Those parties identified by the Body Responsible for the purpose of performing the Transactions of Minor Importance approved, provide the Board of Directors and the Board of Statutory Auditors with full quarterly reports on the performance of each Transaction of Minor Importance. Those reports provide evidence of compliance with the conditions, if set, to which the Committee Responsible has subordinated its opinion in favour for the performance of a determined Transaction of Minor Importance.

03.03 Management of Transactions of Major Importance

In the case of Transactions of Major Importance, once the necessary changes have been made, the same provisions of the previous sub-section 03.02 relating to Transactions of Minor Importance apply, also with regard to independent external experts, except for the following:

(i) the Body Responsible is in any case the Board of Directors⁽⁴⁾. Decisions concerning Transactions of Major Importance cannot be delegated.

(ii) the Committee Responsible for Transactions of Major Importance is promptly involved in the negotiations and in the investigation phase of those transactions – on the initiative of the Group Finance Department – by means of: (a) receipt of full and updated information on the related parties involved and the characteristics and conditions of the Transaction of Major Importance that the authorised bodies and/or parties appointed by the Board of Directors to conduct the negotiations or the investigation are obliged to report as promptly as possible during these stages of the negotiations and investigation and in any case until they are concluded; (b) the right to make observations and to request information from the parties appointed at any moment prior to the conclusion of the Transaction of Major Importance;

(iii) the Committee Responsible expresses a prior and binding opinion on each Transaction of Major Importance which, if negative, requires the transaction to be abandoned by the Board of Directors.

03.04 Transactions which shareholders must approve.

Where responsibility for the approval of a Related-Party Transaction is reserved to a shareholders’ meeting by law or on the basis of provisions in the corporate by-laws, the same procedural rules apply for resolutions of the Board of Directors concerning the proposal to be submitted to shareholders’ as those followed for the approval by the Body Responsible of

(4)Except for transactions which shareholders must approve.

Transactions of Minor Importance pursuant to the preceding sub-section 03.02 or of Transactions of Major Importance pursuant to the preceding sub-section 03.03.

03.05 *Transactions performed by subsidiaries of Recordati*

All Recordati's Related-Party Transactions to be performed by Subsidiaries of Recordati are reported to Recordati and in particular to the Group Finance Department, by the management body or, where one exists, by the General Manager of the Subsidiary concerned.

Should the Group Finance Department consider that those transactions do not fall within those cases that are exempt pursuant to the previous sub-section 02.01, consulting the Group Corporate Legal Affairs Department if necessary, that department reports them to the Body Responsible for the prior approval of them.

For the purposes of that approval the provisions of these Regulations apply, with any necessary adjustment, that relate to the management of Transactions of Major Importance or Transactions of Minor Importance (according to the case) and, where applicable, also the transparency procedures pursuant to the subsequent sub-section 04.02.

03.06 *Transactions in which a member of the Committee Responsible is a related party or holds an interest*

If, in relation to a single Related-Party Transaction for which the Committee Responsible must express an opinion, one of the members of that Committee Responsible:

(i) is a Related Party or a Director Involved in the Transaction, he is required to promptly report the circumstance to the Board of Directors so that the latter can proceed to declare the incompatibility of that member and to replace him at the same time, but solely for the single transaction over which the incompatibility has arisen⁵;

(ii) is an interest holder on his own behalf or on behalf third parties, he must immediately inform the other members, stating the precise nature, the terms, origin and extent of the interest. If the other members of the Committee Responsible should consider that circumstance would compromise the independent judgement of the member who has declared that they hold an interest in the transaction, then they must promptly inform the Board of Directors so that the latter can proceed to declare the incompatibility of that member and to replace him at the same time, but solely for the single transaction for which the member has declared an interest.

03.07 *Equivalent bodies*

If (i) one or more members of the Committee Responsible should find themselves in circumstances of incompatibility pursuant to the preceding sub-section 03.06 concerning Related-Party Transactions on which the committee itself is required to express an opinion and (ii) it is not possible to replace them due the shortage of the requirements of independence among the other members of the Board of Directors, the functions of the Committee Responsible under these Regulations will be performed by the Board of Statutory Auditors, but solely for the specific transaction over which the circumstance of incompatibility arose.

⁵ It being understood that if, with regard to a specific Related Party Transaction, it is necessary to adopt the equivalent remedies set out in sub-section 03.07 of these Regulations, any reference to the Committee Responsible mentioned in these Regulations shall be considered as referring to the Board of Statutory Auditors or to the independent expert, as the case may be.

With regard to Transactions of Minor Importance, recourse to the Board of Statutory Auditors shall only be necessary where the majority of the members of the Committee Responsible find themselves in one of the circumstances of incompatibility pursuant to the preceding subsection 03.06.

If an opinion is issued by the Board of Statutory Auditors, the equivalence may, nevertheless, only be considered valid if the members of that body are not Related Parties and, where they have an interest on their own behalf or on behalf of third parties in the Related-Party Transaction, they inform the other members of the Board of Statutory Auditors, stating the nature, the terms, the origin and the extent of the interest.

If that equivalence is not valid, the Company may delegate the performance of the functions of the Committee Responsible to an independent expert.

PART IV – Transparency

04.01 Internal information on Related-Party Transactions

The Group Finance Department, supported by the Group Corporate Legal Affairs Department of Recordati and of the competent corporate offices of the Subsidiaries, provides the Committee Responsible with full information on the application of the exemption cases provided for in paragraph 02 of these Regulations by sending a relevant report, also with regard to the performance of Related-Party Transactions subject to exemption, on an annual basis and at least with regard to Transactions of Major Importance.

04.02 Public disclosures on Related-Party Transactions

When Transactions of Major Importance are performed with Recordati Related Parties, the Group Finance Department, with the assistance of other corporate functions in the Company that may be involved in the Transaction, prepares a report containing the information indicated in the Consob Regulations. That document is disclosed to the public and distributed, subject to approval by the Board of Directors, in those cases required by the Consob Regulations and according to the terms and the procedures therein.

Finally, at the end of each quarter of the financial year, the Group Finance Department prepares a document which summarises any Transactions of Minor Importance that may have been performed in the period just ended where the Committee Responsible has expressed a negative opinion.

That document must provide the following information for each of those transactions:

- the counterparty;
- description of the transaction;
- the consideration;
- the reasons why the opinion of the Committee Responsible was not adhered to.

The document in question, validated by the Chief Executive Officer, together with the negative opinion expressed by the Competent Committee, is made available at the headquarters of the

company and disclosed in accordance with the procedures required by the Consob Regulations within 15 days of approval at the end of each quarter of the financial year.

All the documentation provided is attached to the official records of the Body Responsible and archived at the Group Finance Department.

04.03 *Periodic financial reporting and price sensitive communications*

Without prejudice to disclosure obligations required by international accounting standard IAS 24 concerning Related-Party Transactions, the Company includes the additional information required by the Consob Regulations in its interim (half-yearly) financial reports and in its annual financial reports.

If a Related-Party Transaction is also subject to the disclosure obligations contained in Art. 17 MAR, the disclosure to the public must also contain the information required by the Consob Regulations, as well as the information set out in the Instructions to the Rules of the Markets organised and managed by Borsa Italiana S.p.A.

PART V - Other matters

05.01 *Supervision*

The Board of Statutory Auditors of the Company supervises compliance of these Regulations with the principles contained in the Consob Regulations and observance of them. The Board of Statutory Auditors reports on its supervision in periodic reports to shareholders in accordance with Art. 153 of the Consolidated Law on Finance.

05.02 *Implementation of the Regulations*

The Board of Directors of Recordati ensures that these Regulations are implemented, by making use of the different corporate functions of Recordati involved in their application. To achieve this, as the occasion arises the Company defines and distributes the necessary Implementing Provisions.

Pursuant to and for the purposes of Article 114(2) of the Consolidated Law on Finance, the Procedure, together with the Implementing Provisions, is also transmitted, by the Company's Group Corporate Legal Affairs Department, to the legal representatives and main corporate functions of the Subsidiaries, so that the Subsidiaries may acknowledge them and, to the extent of their competence or responsibility, comply.

05.03 *Reporting to the Financial Reporting Officer*

The Manager responsible for preparing the company's financial reports, in accordance with Art. 154-*bis* of the Consolidated Finance Act, is promptly furnished with adequate information concerning the approval of Related-Party Transactions in accordance with these Regulations in order for that manager to be able to take account of it in the performance of their functions.

05.04 Co-ordination with company regulations in general

These Regulations form part of the general company regulations of Recordati. As concerns rules for interrelations between corporate processes and these Regulations, reference should be made to specific rules and procedures, including those relating to the internal management and external communication of non public information and the management of Significant Transactions.

05.05 Adoption, amendment, update, distribution and validity of the regulations

These Regulations were approved unanimously by the Board of Directors of Recordati with a unanimous favourable opinion of the Risk, Control and CSR Committee, composed exclusively of independent directors, on 24th November 2010, and are operational since 1st January 2011. These Regulations were last updated by the Board of Directors on 30th July 2024.

These Regulations may be amended solely by a resolution of the Board of Directors, adopted in accordance with the By-Laws and subject to the prior opinion in favour of the Risk, Control and CSR Committee.

These Regulations are subject to periodic review, and must in any case be reviewed every three years from the date of entrance into force by the Risk, Control and CSR Committee, in order to identify the possible need for revisions and updates resulting from changes in the structure of the Company and the Group, from the results of supervision performed by the Board of Statutory Auditors and from difficulties encountered in their application.

These Regulations and the relative amendments are published without delay on the website of the Company, www.recordati.it in the Corporate Governance section and, also available on that website, in the annual report in accordance with Art. 2391-*bis* of the Italian Civil Code.