

RCS MediaGroup S.p.A.

**RELATED PARTY TRANSACTION
PROCEDURE**

Version effective as from 1 October 2015

Procedure approved by the Board of Directors on 10 November 2010 and subsequently amended by the Board of Directors on 18 December 2013 and 30 September 2015.

CONTENTS

I.	INTRODUCTION	4
II.	DEFINITIONS	5
III.	PROCEDURE APPROVAL AND AMENDMENT	8
IV.	RELATED PARTY TRANSACTIONS	9
A)	Preliminary check	9
B)	Designated Person	9
C)	Related Party Transaction Committee and Equivalent Bodies.....	10
D)	Minor Transactions	12
E)	Major Transactions	13
F)	Transactions approved by the General Meeting	13
G)	Related Party Transactions included in Framework Resolutions.....	13
H)	Related Party Transactions carried out through Subsidiaries	14
I)	Exempt Transactions	14
V.	AUTONOMOUS TRANSACTIONS WITH RELATED PARTIES.	16
VI.	ADDITIONAL AND FINAL PROVISIONS	17

I. INTRODUCTION

This procedure was approved by the Board of Directors of RCS MediaGroup S.p.A ("**RCS**" or the "**Company**") pursuant to article 4 of the Regulation adopted by Consob resolution No. 17221 of 12 March 2010, and governs related party transactions undertaken by the Company either directly or through its subsidiaries in order to ensure their transparency and the substantial and procedural correctness (the "**Related Party Transaction Procedure**").

II. DEFINITIONS

For the purposes of the Related Party Transaction Procedure, the following terms shall have the meaning set forth below:

- "**Managing Director**" the Managing Director *pro tempore* of RCS.
- "**Independent Directors**" RCS Directors recognised as such in accordance with the independence requirements prescribed by the Code of Conduct.
- "**Related Directors**": RCS Directors who, with respect to a transaction, are transaction counterparties or related to the transaction counterparty in accordance with Consob Related Parties Regulation.
- "**General Meeting**": the General Meeting of RCS Shareholders.
- "**Code of Conduct**": the listed companies' Code of Conduct adopted by the Committee for the *Corporate Governance* of listed companies and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, of which the Company is a member.
- "**Control and Risk Committee**": the committee that performs the functions assigned to the control and risk committee, established by the Board of Directors of RCS under the Code of Conduct.
- "**Executive Committee**": the Executive Committee of RCS, if appointed.
- "**Remuneration Committee**": the committee that performs the functions assigned to the remuneration committee, established by the Board of Directors of RCS under the Code of Conduct.
- "**Related Party Transaction Committee**": the committee that performs functions relating to Related Party Transactions as provided in Section IV, Paragraph C, of the Related Party Transaction Procedure.
- "**Board of Directors**" the Board of Directors of RCS.
- "**Framework Resolution**": resolution concerning a series of homogeneous Related Party Transactions with certain categories of Related Parties, as provided in Section IV, Paragraph G, of the Related Party Transaction Procedure.
- "**Responsible Officer**" the officer responsible for the preparation of the Company's accounting documents appointed pursuant to article 154-*bis* of the Consolidated Finance Law.
- "**List of Related Parties**": the list of related parties, maintained and updated by the Administration function with the support of the Corporate Affairs function, using a software application or other method allowing appropriate tracking.
- "**Independent Expert**": individual possessing adequate professional skills and expertise selected by the Related Party Transaction Committee to express an independent opinion concerning a Related Party Transaction. Independence is assessed taking into account in particular the relations listed in Annex 4 of Consob Related Parties Regulation.
- "**Autonomous Transaction**": a transaction carried out by a Subsidiary other than a Related Party Transaction carried out by RCS "through" a Subsidiary in accordance with Section IV, Paragraph H of the Related Party Transaction Procedure.
- "**Related Party Transaction**": any activity carried out by RCS or one of its Subsidiaries, as defined in Annex 1 of Consob Related Parties Regulation. In particular, the definition includes:
 - capital increases with exclusion of the pre-emption right in favour of a Related Party,

except for proportional demergers (in the strict sense of the term), as well as capital increases without limitation of pre-emption rights, as these are addressed to all shareholders on equal terms;

- any decision concerning the allocation of compensation and benefits, in any form, to the members of the management and control bodies and to key management personnel.

Transactions addressed either to all shareholders on equal terms, such as capital increases with shareholders' pre-emption rights and proportional demergers in the strict sense of the term should not be considered Related Party Transactions.

- "**Small Amount Transaction**": a transaction involving an amount up to Euro 500,000 (five hundred thousand).
- "**Major Transactions**": a transaction that exceeds at least one of the thresholds set out in Annex 3 of Consob Related Parties Regulation, referred to in Section IV, Paragraph E of the Related Party Transaction Procedure, without prejudice to the option provided for in point 2 of Annex 3 of Consob Related Parties Regulation.
- "**Minor Transaction**": an transaction referred to in Section IV, Paragraph D of the Related Party Transaction Procedure, which is not a Major Transaction or a Small Amount Transaction.
- "**Non-material Transaction**": a Related Party Transaction not subject to the provisions of Consob Related Parties Regulation, and in particular: (i) any General Meeting resolution in accordance with article 2389, Section 1 of the Italian civil code; (ii) any resolution concerning the remuneration of Directors holding special offices, if it is included within the total amount previously determined by the General Meeting in accordance with article 2389, Section 3 of the Italian civil code; (iii) any resolution of the General Meeting referred to in article 2402 of the Italian Civil Code concerning remuneration to the members of the Board of Statutory Auditors; (iv) each Autonomous transaction.
- "**Ordinary Transaction**": a transaction that is part of the ordinary course of business and related financial activities of the Company or Subsidiary that performs the transaction, carried out under terms similar to those usually applied to non-related parties for transactions of a comparable nature, extent and risk, or based on regulated rates or imposed prices or prices applied to entities with which the Company is required by law to transact at a predetermined price; if the transaction is carried out by a special purpose subsidiary, established for the sole purpose of carrying out this transaction, a check to verify that the transaction is part of the ordinary course of business must be carried out not only with respect to the subsidiary but also to at least one of the business activities ordinarily carried out by RCS Group, consisting of the companies included in the consolidated financial statements.
- "**Related Parties**": the parties identified in accordance with Annex 1 of Consob Related Parties Regulation. With particular reference to pension funds, it should be noted that the definition includes only pension funds established or promoted by the Company, as well as those on which RCS can exercise significant influence.

The following are also Related Parties: (i) the Company's Permanent Statutory Auditors; (ii) the Responsible Officer; (iii) the heads of Company departments reporting directly to the Company's Managing Director and/or General Manager, indicated by the Board of Directors as key management personnel, subject to favourable opinion of the Appointments Committee; (iv) the chief operating officer of a subsidiary having strategic importance; (v) any other individual or entity within the Company or a Subsidiary determined by the Board of Directors.

Entities that are not corporate in nature (e.g. foundations), whose governing bodies are mainly appointed by the Company and/or by Subsidiaries and whose ordinary operations

are mainly financed by the latter are not considered Related Parties.

The Related Party Transaction Procedure also applies to relations with shareholders of RCS and its groups (parents, subsidiaries, or companies under common control) that have a stake in the voting capital of RCS of more than 3% calculated on the basis of owned or managed shares only. Relationships with intermediaries that engage in asset management are excluded from the scope of application of the Related Party Transaction Procedure, if the conditions of independence required by the Issuers Regulation are complied with.

- "**Consob Related Parties Regulation**: the regulation adopted by Consob resolution No. 17221 of 12 March 2010, as subsequently amended.
- "**Issuers Regulation**: the regulation adopted by Consob resolution No. 11971 of 14 May 1999, as subsequently amended.
- "**Subsidiary**": any company, whether Italian or foreign, controlled by RCS in accordance with article 2359 of the Italian civil code.
- "**Designated Person**": the person responsible for performing the tasks referred to in Section IV, Paragraph B of the Related Party Transaction Procedure.
- "**Consolidated Finance Law**": the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended.

III. PROCEDURE APPROVAL AND AMENDMENT

1. The Related Party Transaction Procedure and the subsequent amendments thereto shall be approved by the Board of Directors, subject to the favourable opinion of the Related Party Transaction Committee. In this regard, the Board of Directors determines at least once every three years whether to revise procedure provisions taking into account, *inter alia*, the effectiveness demonstrated by the Related Party Transaction Procedure in its day-to-day application.
2. When first approving and when revising the Related Party Transaction Procedure, the Board of Directors shall identify the provisions of the Articles of Association of RCS that may be subject to amendment, and submit its proposals during the next General Meeting for approval; in these cases, the effectiveness of the provisions of the Related Party Transaction Procedure is subject to the General Meeting's approval of the amendments.

Lastly, it should be noted that the Responsible Officer must first be consulted to ensure coordination of the Related Party Transaction Procedure provisions with administrative and accounting procedures in accordance with article 154-*bis* of the Consolidated Finance Law.

IV. RELATED PARTY TRANSACTIONS

A) Preliminary check

A.1 The Parties related to the Company are identified on the basis of the List of Related Parties.

For this purpose, the Administration function with the support of the Corporate Affairs function shall update the List of Related Parties, once the same function has identified such Related Parties on the basis of information requested and promptly provided by the Related Parties, as well as of data generally available to the Company.

When in doubt on whether an individual or entity should be identified as a Related Party, the Administration function may consult with the Related Party Transaction Committee.

The List of Related Parties, as updated from time to time, shall be promptly provided to the relevant functions of each of the Subsidiaries and used by them in accordance with their respective internal operating procedures to check whether a transaction is to be considered a Related Party Transaction.

A.2 With reference to transactions that could be classified as Related Party Transactions, the Designated Person is required to consult the List of Related Parties in advance, once the identity of the counterparty and the essential characteristics of the transaction have been identified.

A.3 If the evaluation of a transaction is doubtful, the Designated Person shall consult with his/her function/department managers and the Administration Finance Control and Legal Manager, the Corporate Affairs Manager or the Head of the Company's Administration function and, in the case of transactions to be carried out through a Subsidiary, the latter's chief executive officer, and conducts the relevant evaluations. If a reasonable doubt remains, the Related Party Transaction Committee is called upon to make a final assessment.

A.4 If the transaction is classified as Minor or Major Transaction, the Designated Person shall initiate the process set out in Paragraphs D and E, respectively, of the Related Party Transaction Procedure.

A.5 For a transaction to be classified as Exempt Transaction, compliance with the requirements for exemption must first be ascertained.

B) Designated Person

B.1 The Designated Person is the individual of the Company or a Subsidiary who is responsible, under delegated powers and/or internal organisational provisions (also in coordination with various structures of the Company or a Subsidiary), for performing an activity which, if carried out with a Related Party, constitutes a Related Party Transaction.

If necessary, the Designated Person may be assisted by the Administration Finance Control and Legal Manager, the Corporate Affairs Manager or the Head of the Company's Administration function.

If the Related Party Transaction concerns (i) compensation plans based on the financial instruments referred to in article 114-*bis* of the Consolidated Finance Law and its implementing provisions, and the related executive Transactions, or (ii) resolutions concerning the remuneration of Directors holding special offices and other key management personnel, the Designated Person is assisted by the Company's Human Resources and Organisation Department Manager, who shall in any case coordinate with the Chairman of the Related Party Transaction Committee.

B.2 If the decision-making responsibility for the transaction lies with the Executive Committee,

the Board of Directors or a collegiate body of a Subsidiary, Designated Person shall mean the Managing Director and the Chief Operating Officer, respectively, of that Subsidiary. If these are Related Parties with respect to the transaction, the relevant functions shall be performed by and under the supervision of the Chairman of the Executive Committee, the Board of Directors or the collegiate body. The foregoing without prejudice to the provisions for transactions carried out in accordance with Framework Resolutions referred to in Paragraph G of the Related Party Transaction Procedure.

B.3 If the Designated Person is included in the List of Related Parties and is related to the proposed Transaction, said Party shall report the circumstance promptly in writing and shall not take part in the activities related to the Transaction.

B.4 The Designated Person supports the Related Party Transaction Committee in accordance with the provisions of the Related Party Transaction Procedure. For this purpose, the Designated Person collects all appropriate information and documentation from the manager of the relevant Company's function/department reporting directly to the Managing Director (and/or the Company's General Manager) and from the Subsidiaries.

In particular, the Designated Person is required to provide promptly the Related Party Transaction Committee with information on the key characteristics of the transaction, and specifically on the counterparty, type, object, reasons, main terms (particularly financial terms) and how such terms have been determined, and other material terms and conditions, including time frame. The report must be submitted in a manner that ensures adequate traceability.

If the transaction is carried out through a Subsidiary, the Designated Person shall also request information from the latter's chief executive officer who, in consultation with the manager of the relevant Company's function/department, is principally responsible for collecting information and documentation concerning the proposed transaction. The Designated Person may also request information from the Chairman of the Board of Directors and the Managing Director (as well as the General Manager of the Company), excluding Related Parties with respect to the transaction.

B.5 In performing his/her duties, the Designated Person shall ensure adequate traceability of all material activities and shall inform the Chairman of the Board of Directors and the Managing Director, periodically or upon specific request, omitting any information already known to them in accordance with the Related Party Transaction Procedure, as well as in connection with Transactions in which the latter are Related Directors.

C) Related Party Transaction Committee and Equivalent Bodies

C.1 The functions of the Related Party Transaction Committee are carried out by the Audit and Risk Committee.

If the Transaction concerns (i) compensation plans other than the plans approved by the General Meeting in accordance with article 114-*bis* of the Consolidated Finance Law, or (ii) resolutions on the remuneration of directors holding special offices and other key management personnel, the functions of the Related Party Transaction Committee shall be performed by the Remuneration Committee.

C.2 For the purposes of the Related Party Transaction Procedure, members who are not Independent Directors, as well as any related members with respect to a Transaction are excluded from the Related Party Transaction Committee if a Transaction is identified as a Major Transaction. In this case, non-related Independent Directors are added to the Related Party Transaction Committee until the minimum number of three is reached; the additional members shall be selected on the basis of seniority or, as a secondary criterion, of age.

C.3 If the number of non-related Independent Directors in the Board is not sufficient to provide

the required additional Related Party Committee members, an Independent Expert is appointed on the recommendation of non-related Independent Directors. The Independent Expert shall issue mandatory opinions prior to the approval and execution of a Major Transaction or Minor Transaction in accordance with the Related Party Transaction Procedure. In this case, the functions of the Related Party Transaction Committee concerning the execution of Major or Minor Transactions, including those approved by the General Meeting and the approval of Framework Resolutions, shall be carried out by the Independent Expert.

C.4 With reference to the provisions of Paragraph C.2, each member of the Related Party Transaction Committee shall submit a written statement of their situation as potential related party with respect to a transaction to the Corporate Affairs Manager of RCS, who in turn shall inform the Designated Person and the Related Party Transaction Committee members, the Chairman of the Board of Directors, the Managing Director and the Chairman of the Board of Statutory Auditors of the Company. The Company's Corporate Affairs function communicates the composition of the Related Party Transaction Committee resulting from this statement, in accordance with the Related Party Transaction Procedure.

C.5 If the Chairman of the Related Party Transaction Committee is excluded from the Committee in accordance with the provisions of Paragraph C.2, or if he/she is absent or unable to participate in Related Party Transactions Committee proceedings, the Committee shall be chaired by a member of the Related Party Transaction Committee previously indicated by the Committee who is physically present at the place of the meeting, or, in the absence of said member, by the most senior or oldest member.

C.6 With reference to the preliminary activities required under the Related Party Transaction Procedure, including involvement in the negotiations in the case of Major Transactions, the Related Party Transaction Committee acts through its Chairman or other member designated by the Committee, without prejudice to the possibility for the latter to involve other members of the Related Party Transaction Committee, or the possibility for the latter to request such involvement and except as otherwise provided by the Related Party Transaction Procedure or approved by the Related Party Transaction Committee.

These activities shall in any case be performed in such a way as to safeguard the independence of the mandatory opinions to be given before approval and execution of a Major or Minor Transaction.

C.7 Related Party Transaction Committee meetings are called by the chairman, or by whoever takes his/her place, at least three days before the meeting, and at least one day before in the case of urgency. At a minimum, the Chairman of the Board of Statutory Auditors or another Auditor appointed by him/her shall be invited to the meetings. The meetings can also be held by remote connection and their minutes are recorded.

The proceedings of and the decisions approved by the Related Party Transaction Committee are valid if the minimum number of non-related Independent Directors indicated in Paragraph C.2 are present and vote in favour. In this regard it should be noted that, for Minor Transactions, if only two Independent Directors are present in the Related Party Transaction Committee, the favourable vote must be unanimous.

The foregoing without prejudice for the possibility for the Related Party Transaction Committee members to express themselves in written form without the need of a formal meeting, except for Major or Minor Transactions.

C.8 The Related Party Transaction Committee performs the duties referred to in the Related Party Transaction Procedure in a manner that will ensure adequate traceability of the relevant activities.

D) Minor Transactions

D.1 Except as provided for Related Party Transactions approved by the General Meeting or for Related Party Transactions concluded in implementation of a Framework Resolution, the conclusion and execution of Minor Transactions are subject to obtaining a non-binding justified opinion from the Related Party Transaction Committee on the Company's interest in carrying out the Minor Transaction and on the substantial fairness and correctness of the terms under which it is carried out.

If Minor Transactions are approved despite the presence of an unfavourable opinion of the Related Party Transaction Committee, the provisions of article 7, paragraph 1, letter g) of Consob Related Parties Regulation shall apply.

D.2 The Related Party Transaction Committee shall be promptly notified of the Minor Transaction by the Designated Person and shall receive the relevant documentation well in advance (usually five days), unless otherwise indicated by the Related Party Transaction Committee.

Before issuing its opinion, the Related Party Transaction Committee has the right to request additional information and supporting documentation. If the terms of the Minor Transaction are comparable to market or standard conditions, the documentation must contain objective comparison elements.

The Related Party Transaction Committee may decide to use the assistance of one or more Independent Experts of its choice, at the Company's expense.

D.3 The Related Party Transaction Committee shall issue its opinion in time for approval of the Minor Transaction. In this regard, it should be noted that:

(i) "favourable opinion" means an opinion that approves the Minor Transaction in its entirety; if a negative comment is expressed on even a single aspect of such transaction, the opinion cannot be considered favourable, unless the opinion contains an indication to the contrary, specifying the reasons why the negative comment does not affect the overall favourable opinion;

(ii) an opinion issued under the condition that the Minor Transaction must be executed in compliance with one or more prescriptions can be considered favourable, provided that the required conditions are met at the time of executing the Transaction.

The opinion, together with the Independent Expert's opinion, if any, shall be transmitted by the Chairman of the Related Party Transaction Committee to the Chairman of the Board of Directors, the Managing Director or the Designated Person for the subsequent procedures, as well as to the Chairman of the Company's Board of Statutory Auditors.

D.4 If the Minor Transaction is subject to the prior approval of the Board of Directors or the Executive Committee, the Chairman thereof shall ensure that the members of the relevant body and the Auditors are provided well in advance (at least three days) with copies of the opinion issued by the Related Party Transaction Committee (along with the Independent Expert's opinion, if any), as well as with adequate and complete information and documentation on the Minor Transaction. If the terms of the transaction are comparable to market or standard conditions, the documentation must contain objective comparison elements.

A copy of the documentation concerning the Minor Transaction is kept by the Company's Corporate Affairs function. The minutes of the approval resolutions shall contain details clarifying the Company's interest in executing the Minor Transaction, as well as the substantial fairness and correctness of terms under which it is carried out, making reference to the opinion issued by the Related Party Transaction Committee, if appropriate.

D.5 The Managing Director, assisted by the Designated Person and other relevant functions, shall ensure that complete reports are provided to the Board of Directors and the Board of Auditors, at least on a quarterly basis, on the execution of Minor Transactions. Upon consultation with the Chairman of the Board of Directors, these reports may be submitted during Board meetings held to approve the annual or semi-annual Financial Report and Interim Reports on Operations. In particular, the information provided on these occasions shall contain evidence of compliance with the conditions under which or subject to which the Related Party Transaction Committee has given its favourable opinion.

E) Major Transactions

E.1 Except as provided for Related Party Transactions approved by the General Meeting or for Related Party Transactions concluded in implementation of a Framework Resolution, the conclusion and execution of Major Transactions are subject to approval by the Board of Directors, following a justified favourable opinion from the Related Party Transaction Committee on the Company's interest in carrying out the Minor Transaction and on the substantial fairness and correctness of the terms under which it is carried out.

E.2 The Related Party Transaction Committee, through one or more delegated members, is involved in the negotiations and preliminary phase of the transaction through the receipt of complete and timely information, with the authority to request information and to submit comments to the bodies and individuals responsible for conducting the negotiations or preliminary phase.

In this regard, the provisions for Minor Transactions in Paragraphs D.2, D.3 and D.5 of the Related Party Transaction Procedure shall apply *mutatis mutandis*.

F) Transactions approved by the General Meeting

F.1 When a Minor Transaction is subject to the approval or must be authorised by the General Meeting, the provisions for Minor Transactions in Paragraph D of the Related Party Transaction Procedure shall apply *mutatis mutandis* during the preliminary and approval phases of the proposed resolution to be submitted to the General Meeting.

F.2 When a Major Transaction is subject to the approval or must be authorised by the General Meeting, the provisions for Major Transactions in Paragraph E of the Related Party Transaction Procedure shall apply *mutatis mutandis* during the preliminary and approval phases of the proposed resolution to be submitted to the General Meeting.

G) Related Party Transactions included in Framework Resolutions

G.1 The Board of Directors may approve Framework Resolutions concerning sets of homogeneous Related Party Transactions to be carried out directly by RCS or through Subsidiaries, with certain categories of Related Parties, effective for periods not exceeding one year, subject to the disclosure requirements referred to in article 12, paragraph 2, of Consob Related Parties Regulation.

G.2 Framework Resolutions must refer to sufficiently well-specified transactions, and indicate at least the expected maximum amount of the transactions to be carried out during the reference period and the reasons of the established terms.

G.3 The provisions for Minor Transactions, in Paragraph D of the Related Party Transaction Procedure, and the provisions for Major Transactions, in Paragraph E of the Related Party Transaction Procedure, respectively, shall apply to Framework Resolutions, depending on the expected maximum amount of the Transactions covered by the Framework Resolution

considered as a whole.

- G.4** In order to conclude and execute the Transactions included in the Framework Resolution, the Managing Directors shall designate one of managers of the Company's departments/functions reporting directly to himself/herself to act as Designated Person in charge of monitoring the conclusion and execution of individual Transactions in accordance with the terms of the Framework Resolution.

H) Related Party Transactions carried out through Subsidiaries

- H.1** The provisions of the Related Party Transactions Procedure also apply to Related Party Transactions carried out through a Subsidiary, subject to the prior review or approval by RCS. In this regard, it is sufficient for an RCS representative or body to review or approve the transaction in advance by virtue of the powers vested in him or it, without the need for the review or approval to be conducted under internal regulations or by express resolution. In particular, "review" shall not mean the mere receipt of information on the Related Party Transaction, but rather an assessment that may lead to an intervention able to influence the process for approval of the transaction by the Subsidiary. For this purpose, due consideration shall be given to the actual importance of the assessment on the basis, among other things, of legal and contractual obligations and of requirements contained in the Articles of Association and/or Code of Conduct applicable in the specific case.

I) Exempt Transactions

- I.1** Without prejudice to the mandatory provisions of Consob Related Parties Regulation, in addition to Non-relevant Operations the following Related Party Transactions, even when carried out through Subsidiaries, are excluded from application of the procedural and transparency rules laid down in Consob Related Parties Regulation and the provisions in the Related Party Transaction Procedure relating to Major and Minor Transactions ("**Exempt Transactions**"):
- a) financial instrument based compensation plans approved by the General Meeting in accordance with Article 114-*bis* of the Consolidated Finance Law and relevant executive transactions;
 - b) resolutions on the remuneration of the Directors holding special offices and of other key management personnel in cases where:
 - (i) the Company has adopted a remuneration policy;
 - (ii) the Remuneration and Appointments Committee has been involved in defining the remuneration policy;
 - (iii) a report explaining the remuneration policy has been submitted to the General Meeting (for approval or vote);
 - (iv) the assigned remuneration is consistent with said policy;
 - c) Small Amount Transactions;
 - d) Ordinary Transactions;
 - e) Transactions concluded between RCS and a Subsidiary or between Subsidiaries, or with associates that are Related Parties, directly or indirectly, if in the Transaction counterparty there are no significant interests of other Related Parties of the Company, specifying that such interests shall be deemed to exist when:
 1. a subsidiary of RCS is also associated directly or indirectly to a Related Party that

exercises control, joint control or significant influence over RCS, and

2. an RCS associated company is also controlled by, or associated (in this case, only if the interest in the voting capital is higher than that held by RCS) to a Related Party as set out in paragraph a).

The mere holding of a stake in the Subsidiary or associate by other RCS Subsidiaries or associates is not considered a significant interest.

V. AUTONOMOUS TRANSACTIONS WITH RELATED PARTIES.

- 1.** The Subsidiaries are required to consult the List of Related Parties prior to any transaction also for Autonomous Transactions not included in Exempt Transactions.
- 2.** If the proposed counterparty is included in the List of Related Parties, Autonomous Transactions must be carried out by the Subsidiaries in such a way as to ensure their substantial and procedural correctness with regard, in particular, to the nature of the Related Party and the size, terms (in particular economic and financial terms), reasons, methods, risks, including prospective risks, and time frame of the transaction, as well as whether its execution is in the interest and advantage of the Company. This evaluation may be performed with the assistance of one or more Independent Experts, requested to issue a justified favourable opinion on the substantial correctness of relevant conditions, particularly on the adequacy of the financial terms.
- 3.** the Designated Party, or the chief executive officer of the Subsidiary, shall inform the Administration Finance Control and Legal Manager, the Corporate Affairs Manager or the Head of the Company's Administration function of the terms and methods of approval and execution of the proposed Autonomous Related Party Transaction. The latter shall monitor the Autonomous Related Party Transactions in order to verify their substantial and procedural correctness, and inform the Related Party Transaction Committee. The foregoing without prejudice for the possibility for the Board of Directors or the Managing Director to request that the Autonomous Related Party Transaction be subject to review or approval by RCS. In this case, the Procedure provisions governing Major or Minor Transactions shall apply.

VI. ADDITIONAL AND FINAL PROVISIONS

- 1.** The Managing Director, assisted by the Designated Person and other relevant functions as appropriate, shall ensure that reports (in aggregate form or otherwise) are provided to the Board of Directors, the Related Party Transaction Committee and the Board of Auditors, at least every six months, on Related Party Transactions not covered in the reports required under the Related Party Transaction Procedure. Upon consultation with the Chairman of the Board of Directors, these reports may be submitted during Board meetings held to approve the annual or semi-annual Financial Report.
- 2.** Information on Related Party Transactions in accordance with the Related Party Transaction Procedure and their implementing provisions, shall be accessible to the staff of the functions designated by the Company to supervise the activities/checks prescribed by administrative and accounting procedures according to the respective purposes. The Responsible Officer, in consultation with the Designated Person, shall ensure coordination of the Related Party Transaction Procedure provisions with administrative and accounting procedures in accordance with article 154-*bis* of the Consolidated Finance Law.
- 3.** Disclosures to the public and to Consob concerning Related Party Transactions shall be made in compliance with the requirements set out in Consob Related Parties Regulation. In particular, RCS shall lay down internal provisions and give instructions to Subsidiaries (which shall provide information in accordance with the provisions applicable to them) based on principles of necessary completeness and timeliness of information and of adequate traceability, as well as for the maintenance of documentary evidence on the execution and conditions under which the Transaction was concluded, also to ensure the verifiability of the provided information.
- 4.** The Related Party Transaction Committee, in the person of its Chairman or other designated member, shall be informed in advance of, and may comment on, the content of the documents to be published in accordance with article 5 of Consob Related Parties Regulation; he/she shall also monitor all additional information issued by the Company pursuant to Consob Related Parties Regulation.
- 5.** The Related Party Transaction Procedure constitutes an internal code of conduct; for Subsidiaries and applicable thereto respectively, it constitutes an instruction also in accordance with article 114, paragraph 2 of the Consolidated Finance Law, where relevant. The Managing Director, upon proposal of the Designated Person, shall implement the Related Party Transaction procedure through implementing provisions.
- 6.** The provisions of the Related Party Transaction Procedure shall be effective as of 1 October 2015.