

Procedure for transactions with related parties

Updated by the Board of Directors
on 28 June 2021, with effect from 1 July 2021



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1 - PREAMBLE AND OBJECTIVES

This procedure (the "**Procedure**") was approved and adopted on June 28th, 2021, effective as of July 1st, 2021, by the Board of Directors of Iren S.p.A. (hereinafter "**Iren**" or the "**Company**") in application of the regulations on related party transactions in force as of the same date, subject to the opinion rendered by the Company's Related Party Transactions Committee issued on June 25th, 2021.

The purpose of the Procedure is, in particular, to:

- regulate the performance of transactions with related parties by Iren, directly or through subsidiaries, identifying internal procedures and rules capable of ensuring the substantial and procedural transparency and correctness of such transactions;
- establish the methods for fulfilling the related disclosure obligations, including those provided for in legal and regulatory measures in force and applicable.

2 - REFERENCE REGULATIONS

The Procedure is issued in implementation:

- of the provisions regarding transactions with related parties set out in section 2391-*bis* of the Italian Civil Code;
- of the provisions of Section 17 of EU Regulation n° 596/2014;
- of the regulation containing provisions on related party transactions, adopted by Consob with resolution n° 17221 on March 12th, 2010, as amended by subsequent resolutions and, most recently, updated with the amendments made by resolution n° 21624 on December 10th, 2020 (the "**Consob Regulation**"), taking into account the indications contained in Consob Communication n° DEM/10078683 on September 24th, 2010 ("**Consob Communication**"), if and to the extent applicable.

The Procedure was defined in coordination with the provisions of the administrative and accounting procedures under sect. 154-*bis* of Legislative Decree of February 24th, 1998, n°58 (the "**Consolidated Finance Act**")

3 - DEFINITIONS

3.1. "Related Parties": parties defined as such by the international accounting standards adopted in accordance with the procedure set out in section 6 of EC Regulation 1606/2002 in the version in force at the time.

In particular, for ease of reading, the following is an extract of the definitions of related parties and transactions with related parties under IAS 24 in force at the date of this report, a reference to the additional definitions of the same function provided by the international accounting standards and some additions and specifications of the definitions identified by the Company.

A Related Party is a person or entity that is related to the entity that prepares the financial statements.

- (a) A person or a Close Family Member of that person is related to the entity that prepares the financial statements, if that person:
 - (i) Has control or joint control over the entity that prepares the financial statements;

- (ii) Has significant influence¹ over the entity that prepares the financial statements; or
 - (iii) Is one of the Directors with Strategic Responsibilities (as defined below) of the entity that prepares the financial statements or one of its parent companies.
- (b) An entity is related to the entity that prepares the financial statements if any of the following conditions applies:
- (i) The entity and the entity that prepares the financial statements are members of the same group (which means that each parent, subsidiary and group member is related to the others);
 - (ii) An entity is an associate or *joint venture* of the other entity (or an associate or joint venture that is part of a group of which the other entity is a member);
 - (iii) Both entities are *joint ventures* of the same third party;
 - (iv) One entity is a *joint venture* of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is represented by a post-employment benefit plan for the benefit of employees of the entity that prepares the financial statements or an entity related to the entity that prepares the financial statements;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is one of the Directors with Strategic Responsibilities of the entity (or a parent of the entity)².

For the purposes of this Procedure, a "Related Party" is a company³ controlled⁴, directly or indirectly, by one of the Municipalities of Genoa and Turin, or by the Municipalities of Parma, Piacenza, Reggio Emilia, in their capacity as signatories of the current Voting and Blocking Agreement entered into between FSU s.r.l. and the Emilian Parties and not withdrawing from it.

3.2. "Related Party Transaction" (hereinafter also "**Transaction**"): the transactions defined as such by the international accounting standards adopted according to the procedure set out in section 6 of EC Regulation n° 1606/2002 in the version in force at the time.

In particular, a Related Party Transaction, under IAS 24, paragraph 9, means any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price has been agreed.

However, the following are considered to be included:

- Mergers, demergers by incorporation or demergers in the strict non-proportional sense, if carried out with Related Parties;
- Any decision relating to the assignment of remuneration and economic benefits, in any form, to members of the management and control bodies and to Directors with Strategic Responsibilities (except as otherwise provided for in the Consob Regulations and except for the exemptions referred to in paragraph 6 below);
- Capital increases with the exclusion of option rights in favour of a Related Party are included among Related Party transactions.

¹ The terms "control", "joint control" and "significant influence" are defined in IFRS 10, IFRS 11 (Arrangements for Joint Control) and IAS 28 (Investments in Associates and *Joint Ventures*) and are used with the meanings specified in those IFRSs.

² In the definition of Related Party, an Associated Company includes the subsidiaries of the Associated Company and a *Joint Venture* includes the subsidiaries of the *Joint Venture*. Therefore, for example, a subsidiary of an Associated Company and the investor who has significant influence over the Associated Company are related to each other.

³ For the purposes of this paragraph, reference is made to the companies referred to in Volume V, Head V, of the Italian Civil Code.

⁴ Reference is made to the concept of control as per Section 2359, paragraph 1, n° 1) of the Italian Civil Code.

In the examination of each relationship with Related Parties, the attention of the bodies involved in the examination and approval of transactions and of the bodies responsible for supervising compliance with this Procedure, each to the extent of its authority, must be focused on the substance of the relationship and not simply on its legal form.

3.3. For the purposes of this Procedure, unless otherwise specified, the terms "**Directors Involved in the Transaction**", "**Unrelated Directors**", "**Independent Directors**", "**Non-Executive Directors**", "**Market Equivalent or Standard Conditions**", "**Directors with Strategic Responsibilities**", "**Ordinary Transactions**", "**Unrelated Shareholders**" and "**Close Family Members**" shall have the meaning respectively attributed to them by the Consob Regulation.

In particular:

3.3.1 "Directors Involved in the Transaction": under section 3, first paragraph, letter i-bis) of the Consob Regulation, shall mean the directors who have an interest in the Transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company.

3.3.2 "Unrelated Directors": under Section 3, first paragraph, letter i) of the Consob Regulation, shall mean the directors other than the counterpart of a given transaction and the Related Parties of the counterpart.

3.3.3 "Independent Directors": under Section 3, first paragraph, letter h) of the Consob Regulation, shall mean the directors who meet the independence requirements set out in Sections 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Finance Act and the additional requirements set out in the current Corporate Governance Code for Listed Companies, to which the Company has declared to adhere.

3.3.4 "Non-Executive Directors": shall mean directors who hold no delegated powers.

3.3.5 "Market Equivalent or Standard Conditions": shall mean the terms and conditions usually applied to unrelated parties for transactions of a corresponding nature, size and risk, or based on regulated tariffs or imposed prices, or those applied to parties with which the issuer is obliged by law to contract at a given price. Without prejudice to the *ad hoc* assessment that is the responsibility of the Transaction Manager, to be shared with the Commission and carried out on a case-by-case basis, as a general rule, the conditions defined in the context of a competitive procedure that is adequately documented and verifiable, a) that also involves entities that do not qualify as Related Parties, in a number that is appropriate with respect to the characteristics of the reference market; b) that allows a reasonable comparability of the subject matter of the bids; c) that provides for objective, traceable, rigorous and reasoned selection and awarding methods, in which the application of best market practices is guaranteed and which is adequately advertised, can be considered equivalent to market or *standard* conditions.

3.3.6 "Directors with Strategic Responsibilities": under IAS 24, paragraph 9, shall mean those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the Company's business, including the directors (executive or otherwise) and the members of the Company's Board of Statutory Auditors itself⁵.

3.3.7 "Ordinary Transactions": shall mean transactions that fall within the ordinary course of business and related financial activities.

⁵ The Directors with Strategic Responsibilities of IREN S.p.A. other than the Directors and the effective members of the Company's Board of Statutory Auditors are identified by decision of the Chief Executive Officer and General Manager from among the 1st level managers of IREN S.p.A., after informing the Board of Directors and without prejudice to the authority of the Remuneration and Appointments Committee. As things stand, they are the Directors of the Energy, Networks, Market and Environment *Business Units*, besides the Director of Administration, Finance and Control, the Director of Personnel, Organisation and Information Systems and the Director of Procurement, Logistics and Services of the Company.

- 3.3.8 "Unrelated Shareholders":** shall mean parties, defined as such under section 3, paragraph 1, letter l) of the Consob Regulations, who have the right to vote other than the counterpart of a given Transaction and parties related both to the counterpart of a given Transaction and to the Company.
- 3.3.9 "Close Family Members":** within the meaning of IAS 24, paragraph 9, shall mean those family members of a party who are expected to influence, or to be influenced by, that person in their dealings with the Company, including:
- (a) The children and spouse or domestic partner of that person;
 - (b) The children of that person's spouse or partner;
 - (c) The dependants of that person or of his or her spouse or partner.
- 3.4.** For the purposes of this Procedure, unless otherwise specified, the following terms shall mean:
- 3.4.1 "Corporate Governance Code"** means the *Corporate Governance Code* issued on January 31st, 2020, effective January 1st, 2021, by the *Corporate Governance Committee* and promoted by Borsa Italiana S.p.A., to which IREN S.p.A. adheres.
- 3.4.2 "RPT Evaluation Committee" or "Committee":** shall mean the permanent body set up within the IREN Group to monitor the evaluation process for Related Party Transactions. The members of the RPT Evaluation Committee are the Director of Administration, Finance and Control, the Director of Legal and Corporate Affairs, the Director of *Risk Management*, the Head of Corporate Affairs - or such other persons as may be identified from time to time by specific Company measures - in addition to, depending on the Transaction to be examined, the First Level Managers concerned.
- 3.4.3 "First Level Managers":** shall mean the first level of Directors holding particular positions at IREN S.p.A. on the basis of the organisation chart published on the *intranet* as and when amended, including the Directors of the Energy, Market, Networks and Environment *Business Units*.
- 3.4.4 "Company Function":** shall mean the set of activities performed within the company, grouped according to the criterion of uniformity of the skills needed to perform them.
- 3.4.5 "Transaction Manager":** shall mean a person with the appropriate powers to perform acts with effect upon third parties in the name and on behalf of IREN S.p.A. or its subsidiaries and who is responsible for ensuring the completeness and timeliness of the data required to guarantee the information to the corporate bodies required by this Procedure. In IREN S.p.A., this ultimately corresponds to the First Level Managers.

4 - LIST OF RELATED PARTIES

- 4.1. Without prejudice to the requirement for timely adjustment in the event of circumstances liable to modify the extent of Related Parties, the list of Related Parties (the "**List**") shall be updated periodically and, in any case, at least on the occasion of the approval by the Company's Board of Directors of the draft consolidated financial statements for the financial year and the half-yearly report, by the Commission, also taking into account any communications received from First Level Managers, and from the delegated bodies of directly or indirectly controlled companies⁶ besides from the Corporate Functions concerned.
- 4.2. The Corporate Affairs Department shall inform each Director and Company's Statutory Auditor, besides the Directors with Strategic Responsibilities for the Company or its parent company of their inclusion in the list of Related Parties, at the same time requesting each of the above to provide data relating to (i) close family members; (ii) entities in which they or their family members exercise control, joint control or significant influence or hold, directly or indirectly, a significant portion, in any case no less than 20%, of the voting rights.
- 4.3. The Directors and the Company's Statutory Auditors, besides the Company's Directors with Strategic Responsibilities or of its parent company, undertake to promptly notify the Corporate Affairs Department of any significant changes in the identification of persons related to them, without prejudice to the periodic update referred to in paragraph 1 of this section.
- 4.4. After updating, the List of Related Parties shall be sent to the Committee for Transactions with Related Parties (as per art. 7 of this Procedure) and, subsequently, to the Company's Board of Directors for acknowledgement; subsequently, this List, in compliance with confidentiality legislation, shall be published on the IREN Group *intranet* and passed on to companies controlled directly or indirectly by IREN S.p.A. subject, in whole or in part, for the procedural and disclosure requirements of this Procedure⁷.

5 - QUALIFYING TRANSACTIONS

- 5.1. Related Party Transactions other than Major Transactions and Small Amount Transactions shall be considered Minor Transactions⁸.
- 5.2. Major Transactions with a Related Party shall be those in which at least one of the following Relevance Indices, applicable depending on the specific Transaction, is higher than the 5% threshold ("**Relevance Threshold**"):
 - (a) Consideration Significance Index: this is the ratio between the Consideration in a Transaction and the shareholders' equity taken from the most recent consolidated balance sheet published by the Company or, if higher, the capitalization of the Company recorded at the close of the last trading day included in the reference period of the most recent periodic accounting document published (annual or half-yearly financial report or additional periodic financial information, if prepared).

If the economic conditions of the Transaction are determined, its Consideration shall be:

 - (i) For cash components, the amount paid to/by the contractual counterpart;

⁶ Reference is made to the Italian or foreign companies referred to in art. 11 of this Procedure that are directly or indirectly controlled, on an individual basis, by IREN S.p.A., under sect. 2359 of the Italian Civil Code. The list of companies within the scope is represented by the attachment "subsidiary companies" from the last approved consolidated financial statements. Therefore, companies under joint control are not included.

⁷ Please refer to the note above.

⁸ The cases of exclusion referred to in art. 6 of this Procedure remain valid.

(ii) For components consisting of financial instruments or other assets, the *fair value* determined, at the date of the transaction, in accordance with the international accounting standards adopted by EC Regulation n° 1606/2002;

(iii) For financing transactions or the provision of guarantees, the maximum amount payable. If the economic terms of the Transaction depend as a whole or in part on magnitudes not yet known, its Consideration shall be the maximum value receivable or payable under the agreement.

(b) Asset Size Index: this is the ratio of the total assets of the entity involved in the Transaction to the total assets of the Company. The data to be used for the calculation of this index shall be taken from the most recent consolidated balance sheet published by the Company; where possible, similar data must be used for the determination of the total assets of the entity subject to the Transaction.

For transactions involving the acquisition and sale of investments in companies that affect the scope of consolidation, the value of the numerator shall be the total assets of the subsidiary, regardless of the percentage of capital involved.

For Transactions involving the acquisition and disposal of investments in companies that do not affect the scope of consolidation, the value of the numerator shall be:

- (i) in the case of acquisitions, the value of the transaction plus any liabilities of the acquired company assumed by the purchaser⁹;
- (ii) in the case of disposals, the consideration for the asset disposed of.

For Transactions involving the acquisition and disposal of other assets (other than the acquisition of an equity interest), the value of the numerator shall be:

- (i) in the case of acquisitions, the higher of the consideration and the book value that shall be attributed to the asset¹⁰;
- (ii) in the case of sales, the book value of the asset.

(c) Liability Size Index: this is the ratio of the total liabilities of the acquired entity to the total assets of the Company. The data to be used must be taken from the most recent consolidated balance sheet published by the Company; where possible, similar data must be used to determine the total liabilities of the company or business acquired¹¹.

5.3. In the event of an accumulation of more than one transaction under section 5, paragraph 2, of the Consob Regulation, it shall be necessary to determine first of all the relevance of each Transaction on the basis of the Index or Indices, provided for in section 5.2 of this Procedure, applicable to it. In order to verify whether the thresholds provided for in Section 5.2 are exceeded, the results for each Index are then added together¹².

⁹ The value of the numerator shall also include the liabilities of the company acquired only if it is contractually foreseen that the purchaser must assume certain obligations in relation to such liabilities, as may occur in the event of acceptance by the transferee of debts the company acquired under Section 1273 of the Italian Civil Code. In the absence of such obligations, therefore, the numerator for the indicator shall be equal only to the consideration in the transaction.

¹⁰ As specified by para. 2 of the Consob Communication, reference is made to the book value that shall be reasonably attributed to such assets in financial statements.

¹¹ In determining "total liabilities", the elements of the liabilities of the balance sheet of the entity acquired that are components of equity shall be excluded (i.e. item (r) of paragraph 54 of IAS 1, or, in the case of financial statements prepared in accordance with Italian accounting principles, item A of liabilities under Section 2424 of the Italian Civil Code).

¹² In checking if the thresholds referred to in sect. 5.2 of this Procedure have been exceeded, only Transactions carried out since the beginning of the financial year that do not fall within the Cases of Exclusion by Nature and/or Value referred to in art. 6 of this Procedure are considered. A similar effect at the end of the financial year shall also be obtained by publishing the disclosure document following exceeding the size thresholds due to the effect of accumulation: Transactions disclosed in that document shall no longer be taken into account, even if the financial year has not yet elapsed, when verifying whether the thresholds are again exceeded on a cumulative basis.

- 5.4. If a Transaction or several Transactions combined under section 5, paragraph 2, of the Consob Regulation, are identified as Major according to the Indices referred to in section 5.2 and this result appears manifestly unjustified in view of specific circumstances, the Company may request that Consob indicate alternative methods to be followed in calculating the above Indices. To this end, the Company shall communicate to Consob the essential features of the Transaction and the specific circumstances on which the request is based before concluding negotiations.
- 5.5. In the case of the assignment of remuneration and economic benefits, in any form, to members of the Board of Directors, the Board of Statutory Auditors or Directors with Strategic Responsibilities, each Transaction of this nature involving an individual party shall be considered individually and independently for the purposes of selecting the applicable procedural rules¹³.
- 5.6. Following the publication of periodic accounting documents (additional periodic financial information, if prepared), the amounts to be taken as reference for the calculation of the Size Indices in the terms set out in the preceding paragraphs shall be published on the company *intranet* by the Commission.
- 5.7. The Commission shall have the right to report to the Board of Directors, for its assessment, the existence of qualitative and quantitative elements relating to individual Related Party Transactions such as to lead to their being classified as Major Transactions, even when they do not exceed the Significance Indices referred to in sect. 5.2.

¹³ With reference to transparency obligations, the rules on accumulation, to be performed with reference to an individual party, relating to Homogeneous Transactions or Transactions Linked by a Combined Design apply.

6 - CASES OF EXCLUSION BY SUBJECT AND/OR VALUE

6.1. Without prejudice to the provisions of sect. 5 of the Consob Regulations, concerning "*Public disclosure of related party transactions*", where applicable due to a specific case, the provisions of the Procedure shall not apply to:

- (a) Compensation plans based on financial instruments approved by the Shareholders' General Meeting under sect. 114-bis of the Consolidated Finance Act and related transactions;
- (b) Resolutions passed by a Shareholders' General Meeting under section 2389, p. 1, of the Italian Civil Code, relating to the remuneration due to the members of the Board of Directors, nor the resolutions relating to the remuneration of the Directors holding particular offices included in the total amount previously determined by a Shareholders' General Meeting under section 2389, p. 3, of the Italian Civil Code;
- (c) Resolutions passed by a Shareholders' General Meeting under Section 2402 of the Italian Civil Code, concerning the remuneration of the members of the Board of Statutory Auditors;
- (d) Transactions on small amounts, i.e. transactions with an equivalent value of no more than:
 - (i) €500,000 if the Related Party is a corporate body;
 - (ii) €100,000 if the Related Party is a private individual;
 - (iii) €1,000,000.00 when the Transaction involves the purchase or sale of equity investments;("Small Amount Transactions"). It is understood that it is not permitted to split a Transaction into a number of separate transactions in order to benefit, despite the overall value of the Transaction itself, from the exemption relating to the low threshold;
- (e) Ordinary Transactions that are concluded at Market Equivalent or Standard Conditions, as defined under art. 3 of this Procedure;
- (f) Resolutions, other than those referred to in letters b) and c) above, regarding the remuneration of Directors holding special offices besides Directors with Strategic Responsibilities, where the conditions set out in section 13, paragraph 3, letter b), n° (i), (ii) and (iv) of the Consob Regulations;
- (g) Transactions with and between Subsidiaries, even jointly, besides transactions with Associated Companies¹⁴ ("**Intra-Group Transactions**"), if there are no Significant Interests of other Company's Related Parties in the Subsidiaries or Associates that are counterparts to the Transaction.

Significant Interest shall mean any interest from which an economic benefit may arise - of an amount which, taking into account all the circumstances of the case, is significant for the beneficiary - dependent on or related to the operating results or the value of the shares or units of the Subsidiary or Associated Company or to the results or performance of the Transaction in question.

Significant Interests are not considered to be those arising from the mere sharing of one or more Directors or other Directors with Strategic Responsibilities between the Company and its Subsidiaries or Associates.

There is no Significant Interest in entering into a domestic tax consolidation and VAT consolidation agreement involving parties that qualify as Related Parties, when such transactions are made on an equal and reciprocal basis.

¹⁴ For the purposes of the exclusion referred to in this letter (g), reference is made to the definitions in Appendix 1 of the Consob Regulations, taken from art 3.3 of this Procedure.

- (h) Transactions to be made on the basis of instructions for stability purposes issued by the Supervisory Authorities, or on the basis of instructions issued by the Parent Company for the execution of instructions issued by the Supervisory Authorities in the interest of the Group's stability;
- (i) Urgent Transactions made by the Company or its subsidiaries¹⁵, where they do not fall within the authority of a Shareholders' General Meeting and do not need to be authorised by it, without prejudice to the disclosure requirements under article 14 of this Procedure and the reservation of the Board of Directors' right to decide under article 10, letter a) of this Procedure, applicable to Ordinary Major Transactions, provided that
 - (i) If the Transaction to be made falls within the authority of a Director with delegated powers, the Chairman of the Board of Directors shall be promptly informed of the reasons for the urgency in a timely manner and, in any case, before the Transaction is completed;
 - (ii) Such Transactions are subsequently subject, without prejudice to their effectiveness, to a non-binding resolution of the first ordinary Shareholders' General Meeting;
 - (iii) The body convening the Shareholders' General Meeting shall prepare a report containing adequate reasons for the urgency. The supervisory body shall report to the shareholders' meeting on its assessment of the existence of the reasons for urgency;
 - (iv) The report and the assessments referred to in letter (iii) shall be made available to the public at least twenty-one days prior to the date set for the Shareholders' General Meeting at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations. Such documents may be contained in the disclosure document;
 - (v) By the end of the day following that of the Shareholders' General Meeting, the Company shall make available to the public, in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations, information on the results of the vote, with particular regard to the number of total votes cast by Unrelated Shareholders.

The Board of Statutory Auditors shall report to the Shareholders' General Meeting on its assessment of the existence of reasons for urgency.

- (l) Transactions approved by the Company and addressed to all shareholders on equal terms, including:
 - (i) Rights issues, including those servicing convertible bonds, and bonus issues under section 2442 of the Italian Civil Code;
 - (ii) Full or partial demergers in the strict sense of the word, with proportional share allocation; and
 - (iii) Reductions in share capital by means of reimbursement to shareholders under section 2445 of the Italian Civil Code and purchases of treasury shares under section 132 of the Consolidated Finance Act.

6.2. The Committee or the Independent Directors who express opinions on Transactions shall receive, on an annual basis, by the date scheduled for the meeting of the Board of Directors that approves the draft annual financial statements and the consolidated financial statements, information on the application of the cases of exemption identified under article 6 of this Procedure with reference to Major Transactions.

¹⁵ In the case of Transactions made through subsidiary companies under Section 2359 of the Italian Civil Code, the exclusion is applicable only if incorporated in the Articles of Association of the said companies

In particular, the Independent Directors shall receive a report prepared by the Transaction Manager and the Corporate Functions containing the Transaction Description Document, the assessments of the Transaction Manager and the Commission regarding the application of the exemption and the documentation relating to Major Transactions, kept in accordance with article 8.6 of this Procedure.

7 - IDENTIFYING PERSONS RESPONSIBLE FOR INVESTIGATING TRANSACTIONS WITH RELATED PARTIES AND FOR ISSUING OPINIONS

- 7.1. The functions and responsibilities regarding Related Party Transactions, including the formulation of an opinion on Transactions, where required under this Procedure, are entrusted by the Company's Board of Directors, with a specific resolution, to a Committee made up of at least three Independent Directors called the Related Party Transactions Committee (also the "**Committee**"), which shall appoint a Chairman. Alternatively, if the Committee has not done so, the Board of Directors may proceed to appoint the Chairman of the Committee.
- 7.2. In the case of transactions involving the remuneration of Directors with Specific Duties and Senior Directors with strategic responsibilities, the Remuneration and Appointments Committee is responsible for the preliminary work, where this duty has not been specifically assigned the TRP Committee, and in any case is limited to cases where the Remuneration Committee meets the minimum requirements of independence and non-relation of its members as required by the Consob Regulation.
- 7.3. To ensure the Independence and/or Non-Relation requirement in the Transactions to be examined, the Committee shall firstly verify that its members have both these requirements, on the basis of the declarations included in the minutes of the first available meeting¹⁶.
- 7.4. If it is ascertained that one or more members of the Committee do not meet the requirement of independence and/or non-relation in the Transaction to be examined and (i) for Minor Transactions, there are not at least two Independent Unrelated Directors or (ii) for Major Transactions, there are not at least three Independent Unrelated Directors, a Person responsible, alternatively, for the preliminary investigation shall be identified as follows:
- (i) If the Company's Board of Directors should have other independent Directors unrelated to the transaction in question, the composition of the CTRP shall be supplemented by appropriate replacements; the Board of Directors shall be responsible for identifying a Sub-Committee in order of seniority, and taking into account the duties already assigned in terms of the Procedure and/or Italian *Corporate Governance* Code, comprising at least three independent Directors not associated with the related parties in the individual transaction in question;
 - (ii) If there is not even one member of the Committee or of the Board of Directors that has the above requisites of independence and non-relation to the transaction in question, the investigation shall be assigned, to (a) the Company's Board of Statutory Auditors or (b) an Independent Expert appointed by the Company's Board of Directors as Alternative Overseers.
- 7.5. Any member of the Committee who, subsequent to appointment, loses the quality of independence must immediately notify the Chairman of the Committee and the Chairman of the Board of Directors for the consequent measures to ensure compliance with the provisions of current legislation, this Procedure and the *Corporate Governance* Code.
- 7.6. The functioning of the Committee shall comply with the criteria established in Section 4 of the *Corporate Governance* Code, for any aspect not expressly regulated in this Procedure.
- 7.7. For its operation, the Committee for Transactions with Related Parties may adopt *ad hoc* regulations or supplement any pre-existing regulations.

¹⁶ With reference to the requirement of Independence, reference shall be made to the verification carried out by the Company's Board of Directors in compliance with section 3 of the Code of Conduct.

8 - ACTIVITIES PREPARATORY TO THE START OF A PRELIMINARY INQUIRY

- 8.1. On starting negotiations regarding any Transaction, the Transaction Manager shall promptly inform the Commission, well in advance of its completion, of the possibility of concluding a Related Party Transaction.
- 8.2. The Transaction Manager shall ascertain, with the support of the Commission, whether or not the Transaction falls within the scope of this Procedure.

In particular, the Transaction Manager, on the basis of the List available for consultation on the Company's *intranet*, shall check in advance, with the support of the Commission:

- (i) Whether the counterpart or counterparts to the Transaction are among the parties that can be identified as Related Parties;
- (ii) Whether the Transaction falls within the cases of exclusion under art. 6 of this Procedure;
- (iii) Whether the Transaction falls under Major Transactions or Minor Transactions;
- (iv) Which provisions of this Procedure apply in relation to the specific case.

The Commission shall check:

- (i) The decision-making authority, in accordance with the law and the Articles of Incorporation, taking into account the fact that authority is reserved to the Company's Board of Directors if the Transaction can be qualified as Major;
- (ii) The applicability of Section 17 of EU Regulation No. 596/2014.

- 8.3. In order to facilitate subsequent verification and the preliminary investigation, on the basis of the *tools/formats* made available, a document is prepared by the Transaction Manager and by the Corporate Functions concerned and sent to the Commission besides to the relevant company's delegated body carrying out the Transaction, which contains at least the following information (the "**Descriptive Document**"), such as:

- (i) An indication of the company making the Transaction¹⁷;
- (ii) An indication of the Related Party and the nature of the relationship, under art. 3.1 of this Procedure;
- (iii) An indication of the Relevance Indices calculated with reference to the Transaction.

If it is ascertained that the Transaction does not fall into a case of exclusion under art. 6 of this Procedure, a complete presentation of the Transaction must be prepared together with the Descriptive Document, containing the information provided in the *formats* made available. If the terms of the Transaction are defined as equivalent to market or *standard* conditions, the documentation prepared shall also contain objective verification items.

In the case of Major Transactions, the information to be provided by the Transaction Manager and the Corporate Functions concerned is that contained in Appendix 4 to the Consob Regulations.

- 8.4. The Commission may request additional documentation.
- 8.5. If it is ascertained that the Transaction does not fall into a case of exclusion under art. 6 of this Procedure, taking into account the information received from the Transaction Manager, the Commission shall confirm the classification of the Transaction as Major or Minor and proceed, through the Secretary of the Committee, to transmit it to the Chairman of the Committee for Transactions with Related Parties or the Remuneration and Appointments Committee, depending on the matter, for the subsequent fulfilments envisaged by art. 9 and 10 of this Procedure.

¹⁷ If the Transaction is to be made by a subsidiary, reference is made to art. 11 of this Procedure.

The activities referred to in this section must be performed in such a way as to allow the receipt of the relative documentation by the parties appointed to perform the preliminary investigation (the Committee for Transactions with Related Parties or another party identified under art. 7 of this Procedure) at least five days before the meeting called to start the investigation.

In any case, this is without prejudice to the timing considered necessary and appropriate by the Committee or another person identified in accordance with art. 7 of this Procedure, in order to allow it to carry out an adequate investigation.

The appropriateness of the time required for the preliminary investigation must be assessed and weighed up in relation to the qualitative and quantitative profiles of the Transaction. Except in special circumstances, and without prejudice to the assessment of the appropriateness of the time required for the preliminary investigation to be carried out on a case-by-case basis, it shall be considered that, for a Transaction that is not significant and not particularly complex, a period of time of 3 weeks between the first involvement of the Committee (or in any case of the person identified under art. 7 of this Procedure) and the final date for completion of the Transaction can be considered appropriate.

- 8.6.** If the Transaction falls among the cases of exclusion under art. 6 of this Procedure, the Transaction Manager and the Corporate Functions shall in any case keep track of it, after keeping adequate documentary evidence, for the purposes of internal information flows, and shall verify, with the support of the Commission, whether the transparency requirements of art. 14 of this Procedure apply.

9 - PROCEDURE FOR MINOR TRANSACTIONS

If Minor Transactions with Related Parties are made, without prejudice to the right to apply the provisions of art. 10 below of this Procedure, the following procedure must be followed:

- (a) Once the activities referred to in art. 8 have been completed, the Committee, through the Secretary of the Committee, shall promptly inform the Chairman of the Committee, who, after having preliminarily ascertained for himself and the other members of the Committee that the requirements of Independence and/or Non-Correlation exist for the Minor Transaction to be examined, shall convene a meeting of the Committee;
- (b) The body responsible for deciding on the Minor Transaction and the Committee shall be provided with complete and adequate information well in advance. If the terms of the Minor Transaction are defined as equivalent to market or standard conditions, the documentation prepared must contain objective elements of verification;
- (c) If one or more members of the Committee are found not to meet the requirements of Independence and/or Non-Correlation in the Minor Transaction to be examined, in accordance with art. 7 of this Procedure, a person shall be appointed to perform the investigation as per the following paragraphs and to issue an opinion;
- (d) Prior to the approval¹⁸ of a Minor Transaction, the Committee, subject to a vote in favour by the majority of its members, must express a reasoned, non-binding opinion on the Company's interest in carrying out the Minor Transaction, besides on the appropriateness and substantial correctness of the related conditions; this opinion shall be attached to the minutes of the Committee meeting;
- (e) The Committee shall have the right to be assisted, at the Company's expense, by one or more Independent Experts of its own choice, for maximum expenditure of €50,000.00 per individual Minor Transaction, or for any greater amount that must be approved in advance and expressly by a resolution of the Company's Board of Directors; the Committee shall verify in advance the independence of the Experts, taking into account the reports indicated in paragraph 2.4 of Appendix 4 of the Consob Regulation¹⁹;
- (f) The minutes of the resolutions approving a Minor Transaction must contain adequate justification regarding the Company's interest in making the Minor Transaction, besides the convenience and substantial correctness of the relative conditions;
- (g) The Corporate Affairs Department shall communicate the outcome of the Committee's preliminary investigation or that of the persons identified under art. 7 of this Procedure to the Transaction Manager, to the corporate functions involved and, if the Transaction falls within the authority of the Company's Board of Directors or the administrative bodies of the subsidiaries, to the relevant delegated bodies;

¹⁸ Reference shall be made:

- (i) To cases in which the Board of Directors of IREN S.p.A. or the administrative body of the subsidiary is responsible for deciding on the execution of the Minor Transaction, if the Minor Transaction is carried out by the latter company;
- (ii) To cases in which the decision on the conclusion of the Minor Transaction is the responsibility of the Transaction Manager or of a delegated body of IREN S.p.A. or of the subsidiary company, if the Minor Transaction is made by the latter company. If the Transaction falls within the authority of the Board of Directors of IREN S.p.A., the Directors involved in the Transaction shall abstain from voting on the Transaction, it being understood that they shall be counted for the purposes of calculating the majority required by sect. 2388, paragraph 1, of the Italian Civil Code while they shall not be counted for the purposes of calculating the majority required by the same sect. 2388, paragraph 2, of the Italian Civil Code. The provisions of section 2391 of the Italian Civil Code shall remain in effect.

¹⁹ For the purposes of verifying the independence of experts, paragraph 2.4 of Appendix 4 of the Consob Regulations considers the economic, equity and financial relations between the independent experts and: (i) The Related Party, its subsidiaries, its controlling entities, the companies subject to common control and the directors of the above companies; (ii) the company, its subsidiaries, its controlling entities, the companies subject to common control and the directors of the above companies taken into consideration for the purposes of qualifying the expert as independent and the reasons why such relationships were considered irrelevant for the purposes of the opinion on independence. Information on any reports may be provided by attaching a statement from the independent experts themselves.

- (h) If the Minor Transaction falls within the authority of the Board of Directors, the Directors involved in the Transaction shall abstain from voting on it;
- (i) The Committee shall be kept constantly updated, even after the conclusion of the Minor Transaction, on the performance of the executive activities performed by the parties involved, receiving a copy of relevant documentation, in the context of which any critical aspects or anomalies must be reported;
- (j) Full information must be provided at least quarterly to the Board of Directors, the Board of Statutory Auditors and the Committee on the execution of transactions;
- (k) In the event of a negative opinion from the Committee, if the relevant body is a director with delegated powers of IREN S.p.A. or of a subsidiary company, and considers that the Transaction must nevertheless be performed, it must refer the matter to the Board of Directors of IREN S.p.A. or to the administrative body of the subsidiary company;
- (l) Without prejudice to the fulfilment set out in sect. 17 EU Regulation n° 596/2014, a document shall be made available to the public, within fifteen days from the end of each quarter of the financial year, at the registered office and according to the procedures indicated in Part Three, Title II, Chapter I, of the Issuers' Regulation, containing an indication of the counterpart, the object and the consideration of the transactions approved in the quarter of reference under a negative opinion, besides the reasons why it was decided not to share this view. Within the same period, the opinion shall be made available to the public as an attachment to the information document or on the Company's website.

10 - PROCEDURE FOR MAJOR TRANSACTIONS

In the event that Major Transactions are carried out, in addition to the provisions of art. 9, letters (b), (f), (h) and (j) and art. 8 of this Procedure²⁰, the following procedure must be followed:

- (a) Any decision relating to the conclusion of Major Transactions must be adopted by resolution of the Company's Board of Directors;
- (b) The Committee - or one or more of its members, delegated by the Committee itself - shall be involved in a timely manner in the negotiation and preliminary investigation phases by receiving a complete and updated flow of information and with the power to request information and make observations to the delegated bodies and the persons in charge of conducting the negotiations or the preliminary investigation;
- (c) The Committee shall have the right to be assisted, at the Company's expense, by one or more Independent Experts of its choice; the Committee shall verify in advance the independence of the Experts, taking into account the reports indicated in paragraph 2.4 of Appendix 4 of the Consob Regulations;
- (d) The Company's Board of Directors may approve the Major Transaction only after receiving a reasoned favourable opinion from the Committee on the Company's interest in carrying out the Major Transaction, besides on the appropriateness and substantial correctness of the related conditions. This opinion shall be attached to the minutes of the Committee meeting.

²⁰ For the sake of clarity, it should be noted that also with reference to Major Transactions, the Directors involved in the Transaction shall abstain from voting on the same, it being understood that they shall be counted for the purposes of calculating the majority required by section 2388, paragraph 1, of the Italian Civil Code, whilst they shall not be counted for the purposes of calculating the majority required by the same section 2388, paragraph 2, of the Italian Civil Code. The provisions of section 2391 of the Italian Civil Code shall remain in effect.

11 - TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES

- 11.1.** In the case of transactions with Related Parties entered into by the Company through subsidiaries²¹, the involvement of the Committee in the decision-making process within the subsidiary is required. To this end, reference shall be made to the provisions of this Procedure (and, in particular, art. 9 and 10).
- 11.2.** With reference to transactions that require the approval of the Company by virtue of the Articles of Incorporation in force at the time or of different procedures/regulations existing at Group level, the Chairman of the Committee shall inform the Chairman of the Board of Directors and the Company's Chief Executive Officer of the opinion expressed by the Committee, so that the Company's relevant bodies may take the measures for which they are responsible. The Chairman of the Board of Directors and the Chief Executive Officer of the subsidiary company shall then be informed of the outcome of these investigations, so that the relevant bodies of the latter may take the relevant measures.
- 11.3.** With reference to transactions for the completion of which approval by the Company is not required, the Chairman of the Committee: (i) Shall inform the Chairman of the Board of Directors and the Company's Chief Executive Officer of the opinion expressed by the Committee, for any measures falling within their authority; (ii) Shall also inform the Chairman of the Board of Directors and the Chief Executive Officer of the subsidiary company of the opinion expressed by the Committee, so that the competent bodies of the subsidiary company may take the measures falling within their authority.
- 11.4.** The provisions of this paragraph shall be applied to subsidiaries subject to functional separation in accordance with and subject to the limits of the sector regulations to which they are subject.

²¹ Reference shall be made to the concept of control envisaged by Section 2359 of the Italian Civil Code.

12 - TRANSACTIONS SUBJECT TO A GENERAL MEETING OF SHAREHOLDERS

- 12.1.** When a Minor Transaction with Related Parties falls within the authority of the Shareholders' General Meeting or has to be authorised by it, the same procedures indicated in article 9 shall apply to the preliminary investigation phase and to the phase of approval of the proposed resolution to be submitted to the Shareholders' General Meeting, insofar as they are applicable.
- 12.2.** When a Major Transaction falls within the authority of the Shareholders' General Meeting or has to be authorised by it, for the negotiation phase, the preliminary investigation phase and the approval phase of the resolution proposal are to be submitted to the Shareholders' General Meeting, the same procedures indicated in article 10 shall apply, as far as applicable.

13 - FRAMEWORK RESOLUTIONS

- 13.1.** The Board of Directors may adopt Framework Resolutions for the combined approval of a series of homogeneous Transactions, to be made by the Company directly, or via directly and/or indirectly controlled companies, with certain categories of Related Parties, which shall be identified by the Company's Board of Directors.
- 13.2.** In such a case, the following steps shall be taken:
- (a) The Transactions Manager, with the support of the Commission, shall determine the foreseeable maximum amount of the Transactions subject to the Framework Resolution, considered cumulatively;
 - (b) Under art. 5 of this Procedure, the Transactions covered by the Framework Resolution, considered cumulatively, shall be classified as Major or Minor;
 - (c) In the preparatory phase to the start of the preliminary investigation by the Committee or another party identified under art. 7 of this Procedure, art. 8 of the Procedure shall apply;
 - (d) In the preliminary investigation phase and during the approval phase of Framework Resolutions, depending on the qualification referred to in letter (b), art. 9 and 10 of this Procedure shall apply, respectively;
 - (e) The Transaction Manager must provide a full report at least quarterly on the implementation of Framework Resolutions to the Commission, which shall inform the Company's Board of Directors;
 - (f) If the Transactions that are the subject of a Framework Resolution, considered cumulatively, exceed the Relevance Thresholds as per art. 5 of this Procedure, the Company shall publish a Disclosure Document, in accordance with the terms and procedures set out in art. 14.5 letter (a) of this Procedure;
 - (g) Framework Resolutions may not be effective for more than one year and shall refer to sufficiently determined Transactions, indicating at least the foreseeable maximum amount of the Transactions to be carried out in the reference period and the reasons for the conditions envisaged, besides specifying the features that justify the attribution of the Transactions to a homogeneous category.
- 13.3.** The provisions of articles 9 and 10 of this Procedure shall not apply to individual Related Party Transactions made in application of a Framework Resolution.
- 13.4.** Transactions made in application of a Framework Resolution that is the subject of an Information Document published under letter (f) above shall not be counted for the purposes of the accumulation provided for in Section 5, paragraph 2, of the Consob Regulations.

14 - INTERNAL REPORTING AND MARKET COMMITMENTS

- 14.1. After receiving the opinion referred to in articles 9 and 10 of this Procedure, the Corporate Affairs Department shall convey the outcome of the Committee's preliminary investigation or that of the persons identified under article 7 of this Procedure to the Manager of the Transaction, to the Corporate Functions concerned and, if the Transaction falls within the authority of the Company's Board of Directors or the administrative bodies of the subsidiaries, to the relevant delegated bodies.
- 14.2. The Transaction Manager and the Corporate Functions shall promptly inform the Commission of any critical items or anomalies occurring in the execution of Related Party Transactions on which the Committee or one of the persons identified under art. 7 of this Procedure has expressed an opinion.
- 14.3. In any case, the Transaction Manager and the Corporate Functions shall promptly notify the Commission of events or circumstances occurring during the execution of the Transactions, on which the Committee or one of the persons identified in accordance with art. 7 of this Procedure has expressed an opinion, such as to entail the reopening of the relevant investigation.
- 14.4. On a quarterly basis, evidence shall be given of all the Related Party Transactions examined during the reference period.
- 14.5. As provided for by the Consob Regulation, without prejudice to the fulfilments set out in sect. 17 of EU Regulation n° 596/2014, in relation to making Transactions with Related Parties, transparency charges towards the market shall be applied, which shall be diversified according to the qualification of the Transaction:

(i) **Major Transactions**

On the occasion of Major Transactions, the Commission shall ensure that, with the collaboration of the Transaction Manager and the competent Corporate Functions, an Information Document is prepared in accordance with Appendix 4 of the Consob Regulations.

Without prejudice to the provisions of Section 17 of EU Regulation n° 596/2014, an Information Document shall be made available to the public at the registered office and in the manner indicated in Part III, Title II, Chapter I, within seven days of the approval of the Transaction by the relevant body (final approval by the Board of Directors or approval of the proposal to be submitted to the Shareholders' General Meeting) or, if the relevant body resolves to submit a contractual proposal, from the time when the contract, including a preliminary one, is made according to applicable regulations. In cases where the Shareholders' General Meeting has jurisdiction or authorisation, the same information document shall be made available within seven days of approval of the proposal to be submitted to the Shareholders' General Meeting.

The Commission shall ensure that an Information Document is also prepared if, during the financial year, the Company or its subsidiaries make with the same Related Party, or with parties related both to the latter and to the Company itself, transactions that are homogeneous or carried out in execution of a unitary design which, although not qualifying individually as Major Transactions, exceed, when considered cumulatively, the Relevance Thresholds as per art. 5.2 of this Procedure²².

²² For these purposes, transactions made by Italian or foreign subsidiaries are also considered and any transactions that may be excluded under art. 6 of this Procedure shall not be considered

In the event that exceeding the Relevance Thresholds is brought about by the accumulation of Transactions, the Information Document shall be made available to the public within fifteen days from the approval of the Transaction or from making the contract that causes the Relevance Threshold being exceeded and contains information, also on an aggregate basis for homogeneous Transactions, on all the Transactions considered for the purposes of the accumulation.

If the Transactions that cause the Relevance Thresholds to be exceeded are made by subsidiaries, the Information Document shall be made available to the public within fifteen days of the Parent Company receiving notice of approval of the Transaction or of the completion of the contract that determines its size.

The Commission shall ensure that the Transaction Manager and the relevant Company Functions provide the necessary information for the preparation of the Information Document in a timely manner.

The Commission shall ensure that the Information Document is prepared, in accordance with the above terms and procedures, even in the event of approval of a Framework Resolution as per art. 13 of this Procedure, if the foreseeable maximum amount of the Transactions subject to such resolution exceeds the Relevance Threshold identified under art. 5.2 of this Procedure.

Within the terms set out in the preceding paragraphs, the Company shall make available to the public, as an appendix to the Information Document or on its website, any opinions issued by independent directors or advisors and by independent experts chosen by the Committee, besides the opinions issued by experts qualified as independent which may have been used by the Board of Directors. With reference to the above opinions of independent experts, the Company may decide to publish only the elements indicated in Appendix 4 of the Consob Regulations, giving reasons for this choice.

If a Major Transaction is subject to disclosure under articles 70, paragraphs 4 and 5, and 71 of the Issuers' Regulations²³, the Commission shall ensure that a single Information Document containing the required information is prepared and published. In that case, the Information Document shall be made available to the public at the company's registered office and according to the procedures indicated in Part III, Title II, Chapter I of the Issuers' Regulations, at the company's registered office and according to the procedures indicated in the Issuers' Regulations, within the shortest period of time among those provided for by each of the applicable legal provisions.

The opinions of the Committee or of the other parties identified under art. 7 of this Procedure²⁴ shall be made available in the same terms as above, in an appendix to the Information Document. The Corporate Affairs Department, at the same time as public dissemination, shall be responsible for transmitting to Consob and Borsa Italiana the Information Documents and Opinions in connection with the authorized dissemination and storage mechanism, in accordance with the provisions of the Issuers' Regulations²⁵.

²³ Art. 70 of the Issuers' Regulations specifies provisions on "*Mergers, demergers and capital increases through the contribution of assets in kind*", while Art. 71 deals with "*Acquisitions and disposals*".

²⁴ In particular, reference shall be made to the opinions of the Independent Experts used by the Committee and the opinions issued by experts qualified as independent which may have been used by the Board of Directors. With reference to the above opinions of Independent Experts, the Company may publish only the elements indicated in Appendix 4 of the Consob Regulations, giving reasons for its choice.

²⁵ Art. 65-septies of the Issuers' Regulations, which provides for "*Storage and deposit of regulated information*".

(ii) Ordinary Major Transactions²⁶

In case of Major Transactions that qualify as Ordinary Transactions and therefore do not give rise to the application of the provisions of art. 10 of this Procedure, without prejudice to the provisions of Section 17 of EU Regulation N° 596/2014, the Commission shall ensure that - within the term of seven days from the approval of the Transaction by the relevant body (final approval by the Board of Directors or approval of the proposal to be submitted to the Shareholders' General Meeting) or, if the relevant body resolves to submit a contractual proposal, from the time when the contract, even preliminary, is made according to the applicable regulations - the following shall be notified to Consob and to the Independent Directors who express opinions on the Transactions, the counterpart, the scope and the consideration of the Transactions that have benefited from the exclusion, besides the reasons why the Transaction is to be considered Ordinary and concluded at Conditions Equivalent to Market or *Standard* ones, providing objective elements of proof.

As soon as possible and, in any case, within three days of receipt of the above communication from the Commission, the Committee (or the Independent Directors who express opinions on the Transactions) shall meet and verify the correct application of the exemption conditions to Major Transactions that have been qualified as Ordinary Transactions.

The Company shall indicate in an interim management report and in the annual management report, as part of the information required by section 5, paragraph 8, of the Consob Regulations, which of the transactions subject to the disclosure obligations indicated in the latter provision were concluded taking advantage of the exclusion provided for Ordinary Major Transactions.

(iii) Minor Transactions with a Negative Opinion

In the event of approval by the Board of Directors of a Minor Transaction for which the Committee or one of the persons identified under art. 7 of this Procedure has expressed a negative opinion, the Committee shall ensure that, without prejudice to the provisions of sect. 17 of EU Regulation n° 596/2014, a summary document stating the counterpart, the object and the consideration of the Transactions approved shall be made available to the public²⁷, within fifteen days of the end of each quarter of the financial year, a summary document containing a statement of the counterpart, the object and the consideration of the Transactions approved in the reference quarter, besides the reasons why the Board of Directors decided not to share this opinion. Within the same period, the opinion shall also be made available to the public as an attachment to the above document or on the company's website.

(iv) Disclosure of Related Party Transactions in the Interim Management Report and the Annual Management Report

The delegated bodies shall ensure that all Transactions with Related Parties are promptly notified to the Manager responsible for preparing the company's financial reports.

For the purpose of complying with the disclosure requirements of sect. 154-*ter* of the Consolidated Finance Act, IREN S.p.A. shall provide information in interim management reports and in the annual management report²⁸:

²⁶ With the benefit of exclusion under art. 6 letter (e) of this Procedure.

²⁷ At the registered office of IREN S.p.A. and in accordance with the procedures indicated in Title II, Chapter I of the Regulation implementing the Consolidated Finance Act, adopted by Consob with resolution 11971 of May 14th, 1999 as amended. (Hereinafter the "**Issuers' Regulations**").

²⁸ In accordance with sect. 154-*ter* of the Consolidated Finance Act

- (a) On individual Major Transactions concluded in the reference period, also by reference to the Information Documents published, reporting any significant updates;
- (b) On any other individual Related Party Transactions made in the reference period which have had a significant impact on the financial position or results of the company;
- (c) On any change or development of Related Party Transactions described in the last annual report that had a material effect on the financial position or results of companies during the reporting period.

(v) **Related Party Transactions subject to Section 17 of Regulation (EU) No. 596/2014**

If a Related Party Transaction is disclosed through the publication of a press release under Section 17 of EU Regulation n° 596/2014 and even if the Transaction does not, in itself, have the characteristics of privileged information, the latter shall contain at least the following information, in addition to that required under the above regulation:

- (a) A description of the Transaction;
- (b) An indication that the counterpart of the Transaction is a Related Party and a description of the nature of the relationship;
- (c) The company name or the name of the counterpart to the Transaction;
- (d) Whether or not the Transaction exceeds the Relevance Thresholds identified under art. 5.2 of this Procedure and a statement of whether or not an Information Document shall be published at a later date;
- (e) The procedure that has been or that shall be followed for the approval of the Transaction and, in particular, whether the company has availed itself of a case of exclusion provided under art. 6 of this Procedure;
- (f) Any approval of the Transaction despite a contrary opinion by the Committee or of persons identified under art. 7 of this Procedure.

Controlling parties and the other parties indicated in section 114, paragraph 5, of the Consolidated Finance Act, which are Company's Related Parties, shall provide the Company with the information necessary to permit the identification of Related Parties and Transactions with them and shall communicate any updates in a timely manner.

15 - OFFICIAL NOTICE

This Procedure shall be published on the IREN Group's website *www.gruppoiren.it* and reference shall also be made to it in the Annual Management Report and the Report on Corporate Governance and the Ownership Structure.

16 - FINAL PROVISIONS

- 16.1.** The Company's Board of Directors shall periodically assess and, in any case, do so at least every three years, as to whether to revise this Procedure, taking into account, among other things, the effectiveness demonstrated in its application and any changes in the ownership structure of the Company.
- 16.2.** Any amendment to this Procedure shall be approved by the Company's Board of Directors, subject to an opinion in favour by the Committee of Independent Directors referred to in art. 7.1. and shall be published without delay on the Company's website, without prejudice to any obligation to publish it, also by reference to the website itself, in the annual report on management, under sect. 2391-*bis* of the Italian Civil Code.

16.3. The Company's Board of Statutory Auditors shall supervise compliance of this Procedure with the principles indicated in the Consob Regulations, besides its observance and shall report to the Company's Shareholders' General Meeting under sect. 153 of the Consolidated Finance Act.



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