

SO.PA.F. – SOCIETÀ PARTECIPAZIONI FINANZIARIE S.P.A.
PROCEDURES FOR INTERNAL MANAGEMENT AND EXTERNAL DISCLOSURE OF
CONFIDENTIAL INFORMATION, WITH PARTICULAR REFERENCE TO PRIVILEGED
INFORMATION

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1. Introduction

Confidential information (as defined in the section hereunder) constitutes an integral part of the company's assets and, as such, shall be adequately safeguarded. An important category of such information is so-called "privileged information" since the processing and the means for disclosing that privileged information are governed by provisions of laws and regulations¹ which are referenced hereunder.

In view of the foregoing and of SOPAF S.p.A.'s status as an issuer of publicly traded financial instruments, SOPAF S.p.A. (hereinafter, also referred to as **SOPAF**" or the "**Company**") is adopting the procedures set out here, with the objective of governing the operational means for the internal management, external communication and market disclosure of confidential information and privileged information, as well as the rules and regulation for conduct with regard to the same, and the roles and responsibilities of the various company areas involved in the process.

In particular, the following phases are defined and governed by the procedures:

- a) identification of the confidential information and procedures for determining if such information is privileged information;
- b) internal management and conservation of the confidential information, with particular reference to the privileged information;
- c) external communication of the confidential information, with particular reference to the privileged information;
- d) market disclosure of privileged information pursuant to applicable laws and regulations.

The means and responsibilities for compiling, updating and maintaining the register of persons with access to privileged information, which is set up pursuant to Article 115-bis of the Financial Consolidation Act, and the related CONSOB regulations are governed by the "Procedures for the Register of Persons with Access to Privileged Information" approved by the SOPAF Board of Directors.

The disclosure obligations and the rules and regulations for conduct with regard to the purchase, sale, subscription or trading of shares or other financial instruments related to shares by so-called "Material Persons" (including transactions effected by Material Persons through an intermediary) and by the persons closely related to such Material Persons are governed by the "Code of Conduct for the Management, Processing and Communication of Information relating to Transactions in Shares or Other Financial

¹ The reference is to: the EU Directives about market abuse; Articles 114, 115-bis and 181 of Legislative Decree 58/1998 ("Financial Consolidation Act", as amended by Law n. 262 of 28 December 2005); the regulations for the activation of the Financial Consolidation Act adopted with CONSOB Resolution n. 11971 of 14 May 1999 and the subsequent modifications and additions thereto ("CONSOB Regulations"); the Regulations for the Markets Organized and Managed by Borsa Italiana S.p.A., adopted by Borsa Italiana with a resolution of 21 December 2005, approved by CONSOB with Resolution n. 15319 of 8 February 2006 and the subsequent modifications and additions thereto ("Stock Market Regulations"); Article 4 of Borsa Italiana's Corporate Governance Code (March 2006), which the Company has adopted, which recommends the adoption of procedures for the internal management and external communication of documents and information regarding the Company, with particular reference to privileged information; to the recommendations and clarification contained in CONSOB Notice n. DME/6027054 of 28 March 2006 concerning "Information to the public about material events and circumstances and compliance for the prevention of market abuses".

Instruments Associated with Shares by Material Persons" approved by the Board of Directors.

The procedures set out herein apply to SOPAF and to the companies controlled by SOPAF (hereinafter, also referred to as the "**Group**") and with reference to such companies, any person who handles, or has access to, confidential information regarding the Group, with particular reference to privileged information. More specifically, the procedures set out herein are addressed to the directors, statutory auditors, department managers, business unit managers, and all full-time employees and all associates² who, in acting for any reason for the account of, or in the interest of, the Group, have knowledge, in the execution of their assigned tasks or duties, of confidential information regarding the Group (hereinafter, "**Addressees**").

2. Definitions

The definitions of various terms for the purposes of the procedures set out herein are provided as follows:

- A. "**Confidential information**" is any information of a confidential nature in relation to the Group which, if disclosed in an unauthorized or involuntary manner, could cause damages to the Company or to the Group.

Confidential information includes, but is not limited to, information about a project, a proposal, an initiative, negotiations, an understanding, a commitment, an agreement, a fact or an act, including if future or uncertain, regarding the sphere of SOPAF's activity and/or the activity of the companies controlled by SOPAF, if such information is not available to the public.

- B. "**Privileged information**" and "**Potentially Privileged Information**" (hereinafter, also referred to as "privileged information") is a subset of confidential information.

Pursuant to Article 181, Paragraph 1 of the Financial Consolidation Act, privileged information is understood to be "Any information:

- a) of a precise nature,
- b) that has not been made public,
- c) concerning, directly or indirectly, one or more issuers of financial instruments³ or one or more financial instruments,

² Associates are defined exclusively as those persons who are working in the name of, or for the account of, SOPAF under a project collaboration contract or program collaboration contract ("Para-employees") and temporary workers in relation to the activity carried out within the Group.

³ The "financial instruments" as defined by Article 1, Paragraph 2 of the Financial Consolidation Act: a) the shares and other securities representative of risk capital tradable on the capital markets; b) the bonds, government securities and other debt securities tradable on the capital markets; b-bis) the financial instruments, tradable on the capital markets, as provided by the Italian Civil Code; c) the mutual investment fund units; d) the securities normally traded on the money market; e) any other security normally traded that allows for acquiring the instruments indicated in the preceding letters and the related indices; f) futures on financial instruments, interest rates, currencies, commodities and the related indices, including when the execution occurs through the payment of differentials in cash; g) interest-rate swaps, foreign-currency swaps, commodity swaps and equity swaps, including when the execution occurs through the payment of differentials in cash; h) forward contracts related to financial instruments, interest rates, currencies, commodities and the related indices, including when the execution occurs through the payment of differentials in cash; i) option contracts for purchasing or selling the instruments indicated in the preceding letters and the related indices, as well as

d) that, if made public, could significantly influence the prices of such financial instruments".

The law governs the terms and conditions through which any information, at the time it becomes privileged, is to be communicated to the market.

For the purposes of the procedures set out herein, "*in itinere*" privileged information (i.e. information that can become privileged information pursuant to Article 181, Paragraph 1 of the Financial Consolidation Act, but for which all of the requisites that would make its disclosure to the market obligatory have not yet been verified) is to be considered as potentially privileged information. The aforementioned requisites are discussed below. Potentially privileged information is subject to the most stringent confidentiality obligations.

A listing of examples of information that might be considered as privileged information, if it meets all of the requisites of the law, is reported in Exhibit 1; the list is not all inclusive. See Section 5.1 for details of how to ascertain whether confidential information is privileged information.

C. **"Privileged information requisites"**: Pursuant to Article 181 of the Financial Consolidation Act, information is considered "privileged" if it is **precise** and **material**.

In particular, information is "**precise**" when:

a) it refers to an existing set of circumstances or a set of circumstances that one might reasonably be able to predict will come into existence, or it refers to an event manifested or an event that one might reasonably be able to predict will be manifested;

b) it is sufficiently specific so as to be able to draw conclusions about the possible effect of the information on the prices of the financial instruments.

The moment when the precise nature of the information is manifested is also defined as a "significant moment". The precise nature of the information is also considered manifested in the presence of a set of circumstances or an underlying event not yet formalized or made official or not yet legally perfected (in order to determine the effectiveness thereof), but that is reasonably certain to happen in any case, or that has, in substance, already happened. In order to make the decision about the occurrence of a "significant moment" less arbitrary, the rules of governance in effect at the Company and suitable for generating binding commitments for the Company shall be taken into consideration.

Information instead qualifies as "**material**" whenever it could, if made public, significantly influence prices of financial instruments. This means it is information that a reasonable investor would presumably use as one of the elements on which to base his investment decisions. In this regard, the law does not provide any quantitative threshold; such a threshold thus needs to be evaluated from time to time, based on the principles of propriety and good faith.

options on currencies, interest rates, commodities and related indices, including when the execution occurs through the payment of differentials in cash; j) combinations of the contracts or the securities indicated in the preceding letters.

In the event of any reasonable doubts about the actual suitability of such information to exert a significant influence on the trend of securities prices, SOPAF shall embark, in the presence of the other elements typifying the privileged information, on the disclosure of the same, pursuant to the provisions of Section 5.4 hereunder.

- D. **"Register"** is the Register of persons with access to privileged information maintained by SOPAF pursuant to Article 115-bis of the Financial Consolidation Act and related regulations handed down by CONSOB. The Register has been set up by the Company pursuant to the law, and indicates the persons who, by virtue of their professional or job activity or their duties, have access to such information.

3. **General rules and regulations for conduct**

The Addressees of the procedures set out herein, regardless of the manner in which they are involved in the processing, external communication or disclosure to the market of confidential information or privileged information, are required to comply with: the provisions of existing law on the subject, the principles of conduct referenced in the Code of Ethics (which contains a specific section dedicated to the processing of confidential information), which are based on principles of transparency, completeness and timeliness; and the provisions of the procedures set out herein.

All of the Addressees shall comply with the following, with respect to their duties and responsibilities. They shall:

- maintain the confidentiality of the documents and the information which they get hold of in the execution of their duties;
- not communicate to others, except for official reasons, the confidential information of which they have knowledge by virtue of the execution of assigned duties;
- ensure that the internal and external circulation of documents containing confidential information and, in particular, potentially privileged information, is subject to the care and precautions necessary, so as to avoid any damages to the Group and any undue disclosure;
- have consultants, auditors and other associates (not full-time employees) used by the Group sign a confidentiality commitment with regard to the confidential information with which such persons may become familiar by virtue of the execution of their respective mandates;
- promptly inform the Company's Oversight Authority of any act, fact, omission or violation of the procedures set out herein.

4. Roles and responsibilities

The process governed by the procedures set out herein contemplates the involvement, for various reasons, of the persons within the Company who are listed below. The responsibilities of each person are also indicated.

- Managing Director - He/She is responsible at a Group level for:
 - ascertaining, with the support of the General Counsel, the privileged nature of the confidential information;
 - authorizing the disclosure to the market of press releases or other information documents containing privileged information (in the latter case, subject to the approval, if necessary, of the SOPAF Board of Directors);
 - authorizing the dissemination of presentations to the shareholders and to institutional investors;
 - approving, in the event of rumours or in the event of information leaks⁴, and subject to the verification of the existence of the requisites established by the law, the press releases referenced in Article 66, Paragraph 8 of the CONSOB Regulations;
 - evaluating and activating the delay procedures in communicating privileged information to the market.

- Company managers (COO, Department Managers, Business Directors and Managing Directors of Subsidiary Companies) - They are responsible for:
 - ensuring the proper segregation of the information within their respective areas, limiting the internal or external circulation only to persons who need to be familiar with the information for work-related reasons or for the execution of the relationship;
 - ensuring that the documents (paper and electronic) containing confidential information and, in particular, potentially privileged information, are handled, within the areas for which they are responsible, in accordance with the rules defined by the procedures set out herein;
 - promptly reporting to the General Counsel, in accordance with the principles of propriety and good faith, all potentially privileged information (i.e. the events, data and information which, by directly or indirectly affecting SOPAF's capital, earnings or financial position or portfolio of investments, could significantly influence the prices of publicly traded financial instruments), supplying all useful information for evaluating the impact thereof;
 - identifying the persons who have access, on a regular or occasional basis, to the privileged information and communicating promptly to the General Counsel the names to be recorded in the Register, as well as any change to be effected at a later date;
 - processing and validating the data that are originated by their respective areas and are to be communicated to analysts, institutional investors, or the market.

⁴ The "information" is information concerning SOPAF's capital, earnings or financial position, extraordinary financing transactions related to the Company or the performance of the Company's business that could cause the price of various instruments in the market in which such financial instruments are admitted to trading upon the application of SOPAF as the issuer to change significantly with respect to the closing price of the preceding day.

- Chief Financial Officer - He/She is responsible for:
 - initially validating any information regarding capital, earnings or financial position that is to be disclosed to third parties or to the market;
 - signing the certification referenced in Article 154-bis, Paragraph 2 of the Financial Consolidation Act, which is to accompany all of the Company's acts and communications provided by law or disseminated to the market (including press releases), containing information or data about SOPAF's capital, earnings or financial position;
 - transmitting to the Managing Director the documents (other than press releases) containing information to be disclosed about earnings and financial position.

- General Counsel - He/She is responsible for:
 - supporting the Managing Director in evaluating, on the basis of the information received from internal committees, department managers, and managing directors of the subsidiary companies, the privileged nature of the information reported, so as to assess the measures to be adopted (including therein the activation of the procedures for making entries in the Register and the disclosure to the market of the same);
 - making entries in the Register as provided by "Procedures for the Register of Persons Who Have Access to Privileged Information";
 - monitoring the contents of the presentations to analysts and investors, for the purpose of identifying any other reporting obligations;
 - monitoring the maintenance over time of the adequacy of the procedures set out herein and presenting proposals for any necessary adjustments to the Managing Director.

- Corporate Communications Manager - He/She is responsible for:
 - preparing, on the basis of input from the Managing Director and the CFO, the documents and information to be presented to analysts and institutional investors;
 - preparing, sending out, and publishing on the Company's Web site, the press releases;
 - managing relationships with the media.

5. Phases of the process and operational procedures

5.1 Identification of the confidential information and procedures for ascertaining the privileged nature of the information

The identification and the classification of confidential information and documents is the responsibility of each manager within the Company, in relation to the information actually generated or received from third parties.

Should the managers within the Company believe they are in possession of information and documents of a potentially privileged nature, they shall provide prompt notice thereof to the General Counsel, supplying all necessary details in order to make it possible for the General Counsel to evaluate the existence of the requisites for

privileged information, including therein the impact of the external communication of such information.

The ascertainment of the privileged nature of any information is the exclusive responsibility of the Managing Director of SOPAF, who shall verify, with the support of the General Counsel, its **precise** and **material nature** as required by Article 181 of the Financial Consolidation Act (as referenced in the "Definitions").

The ascertainment of the privileged nature of the information mentioned above may regard internally generated information (i.e. information relative to events and transactions generated by the Group) and externally generated information (i.e. information related to external events that is not directly generated by the Group, but that is referable to SOPAF as an issuer, and reasonably capable of influencing, in the event of its dissemination to the market, the performance of the SOPAF shares).

In the event of news in the public domain that has not been disseminated as provided by Article 66 of the CONSOB Regulations (and not transmitted to CONSOB, Borsa Italiana and at least two press agencies), and concerns the Group's capital, earnings or financial position, extraordinary financing transactions undertaken by the Group, or the trend of the Group's business (so-called "rumours"), SOPAF shall be required to confirm or deny such rumours through prompt public disclosure pursuant to the provisions of Section 5.4 hereunder at any time when the market price of the financial instruments issued by the Group varies materially with respect to the closing price on the preceding day.

In this regard, it is noted that the obligation arises following a change in the price that is to be measured a posteriori. Should the change in the price be in line with the performance of the market or of the sector to which the financial instruments belong, the change is not considered material. The supplement to, or the correction of, the content of the news, if necessary, is designed to restore information parity and fair conditions.

Should information determined to be privileged information at the end of the ascertainment process, the General Counsel shall evaluate the need for making entries to the Register prepared and maintained pursuant to Article 115-*bis* of the Financial Consolidation Act. The General Counsel shall make such entries, if necessary, as provided by the "Procedures for the Register of Persons Who Have Access to Privileged Information".

5.2 Internal management and conservation of confidential information, with particular reference to privileged information

The Group adopts suitable measures and precautions to ensure limited and controlled access to the confidential information, with particular reference to potentially privileged information. The Addressees shall be required to respect the security measures outlined below:

- The circulation of confidential information shall occur only between persons who have an actual need to know the content thereof for the execution of their assigned duties (the so-called "need-to-know" principle).
- Senior management (Chairman and Managing Director of SOPAF) and the managers within the Company shall be aware of the persons (inside or outside of the organization) who are the recipients of such information, and shall inform the same of the nature of the information communicated to them.
- The users of documents (paper or electronic) containing confidential information shall exercise the maximum diligence in the holding and handling of the same.
- Documentation containing confidential information (whether produced or received) shall be filed and held in a safe location that is not easily accessible by third parties.
- Each Addressee shall undertake not to leave documentation containing confidential information unattended during his/her absence, even if temporary, particularly during non-business hours and at the end of his/her shift.
- Electronic documents (whether produced or received) shall be filed and held by the person who produces or receives them in a network folder with access limited to authorized persons only.
- Should files be kept on the hard disks of personal computers, the user shall ensure that his/her password remains secret, and that his/her password is protected through restricting the access to the computer when the person leaves his/her work station.

The following additional measures shall apply with regard to documentation (paper or electronic) containing privileged information:

- The persons originating such documents (paper or electronic) shall mark them as "CONFIDENTIAL" prior to circulation to third parties, so that the nature of the information contained therein may be recognized.
- In the event of the distribution of such documents, the persons mentioned in the preceding point shall keep track of the documents distributed and of the recipients of the same, and shall be responsible for requesting a receipt for the document sent.

5.3 External communication of confidential information, with particular reference to privileged information

a) Communication to third parties working with the Group as associates or consultants

Without prejudice to the rules applicable for the circulation of confidential information as outlined in the preceding Section 5.2, the following measures shall apply whenever it is necessary to communicate or to send confidential information or documents to third parties:

- The persons who transmit the confidential documents or information shall ensure that the third-party recipients are required by law, regulation, statute or

contract to maintain the confidentiality of the documents and information received.

- Contracts with third parties shall, as a general rule, include confidentiality clauses to be respected by the counterparty. It is the responsibility of each manager within the Company to ensure the presence of such clauses that shall be inserted into the contracts in accordance with the standard wording issued by the General Counsel. Any deviation from the standard wording shall be submitted to the General Counsel for advance review.
- Should it be necessary to communicate information in the absence of a specific contract (e.g. information supplied to financial institutions prior to the granting of financing, or delivery of confidential documentation to potential business partners prior to signing the contracts), it shall be the responsibility of the Company managers involved to have the third parties execute confidentiality agreements. Such confidentiality agreements shall be drafted in line with the standard wording issued by the General Counsel. Any deviation from the standard wording shall be submitted to the General Counsel for advance review.
- In the event of the communication of privileged information to third parties, the Company managers involved shall promptly report the third-party recipients to the General Counsel, who shall check about making new or updated entries to the Register.
- Should a third party not be capable of complying with the confidentiality obligations required in the case of privileged information, the Company manager becoming aware of any default shall provide prompt notice thereof to the General Counsel, so that the General Counsel may propose to the Managing Director the measures to be adopted, including the possible implementation of the market disclosure procedures, pursuant to the provisions of Section 5.4 hereunder.
- The same measures shall apply in the event of the communication of privileged information, as part of regular job or professional activity, to a third party who is not subject to a confidentiality obligation by virtue of a law, regulation, statute or contract. In such cases, Article 114, Paragraph 4 of the Financial Consolidation Act provides for the simultaneous disclosure to the public in the event of intentional communication, and disclosure to the public without delay in the event of unintentional communication.

b) Communications to analysts and institutional investors

The relationships with financial analysts and institutional investors developed through confidential meetings, large-scale presentations, road shows, one-on-one meetings, the launch of specific financing transactions (e.g. capital increases or issuance of debt instruments) or sessions held for providing updates about the Company's earnings and business performance, are managed by senior management, including COO, the CFO and the Corporate Communications Manager.

The phases and the operational means for managing communications with such persons are summarized below:

- The preparation of the presentations to analysts/institutional investors is the responsibility of the Corporate Communications Manager, who coordinates the process of gathering the data and information to be used for the presentations from the various departments / business units involved.
- The departments / business units are responsible for the accuracy and completeness of the information prepared and provided to the Corporate Communications Manager, and they shall validate the content thereof.
- The CFO shall initially check the content of the presentations prepared by Corporate Communications Manager and if the presentations contain data and information about capital, earnings or financial position, shall also evaluate the possibility of releasing the certification referenced in Article 154-*bis*, Paragraph 2 of the Financial Consolidation Act, which is to accompany all acts and communications containing such types of information that are required by the law or are disclosed to the market.
- The General Counsel shall assist the COO in checking for the presence of any privileged information that has not yet been made public, so as to activate a process of evaluating the measures to be adopted, including the possible disclosure to the market pursuant to the provisions of Section 5.4 hereunder.
- The Corporate Communications Manager shall therefore:
 - provide advance notice to CONSOB and Borsa Italiana of the date, location, and time of the meeting with the analysts or investors, and principal matters to be covered during the meeting;
 - transmit to CONSOB and Borsa Italiana (at the latest, at the start of the meeting) the related presentations to be made to the participants;
 - make the presentation available on the Company's Web site.
- In order to ensure information parity, the Corporate Communications Manager shall invite members of the business press to meetings open to all analysts and investors. Should this not be possible, the Corporate Communications Manager shall provide prompt notice to the COO and the General Counsel, so that they may evaluate the measures to be adopted, including, if necessary, the disclosure to the market, pursuant to the provisions of Section 5.4 hereunder, of the main matters to be covered in the meeting.
- In any event, it shall be the responsibility of the SOPAF representatives present at meetings with investors or analysts to monitor the information supplied verbally to the meeting participants, so as to report promptly to the COO and the General Counsel any communication of privileged information (e.g. forecast data or quantitative targets); in such case, the General Counsel shall activate the process of evaluating the measures to be adopted, including the possible disclosure to the market pursuant to the provisions of Section 5.4 hereunder.

c) Information at the shareholders' meetings

Should SOPAF intend to disclose privileged information at a shareholders' meeting, the senior management shall notify the General Counsel who shall activate the procedures for prior disclosure to the market pursuant to the provisions of Section 5.4 hereunder. Such procedures must be activated promptly whenever any privileged information is disclosed at a shareholders' meeting and has not yet been disclosed to the market.

d) Information to press organizations

The Corporate Communications Manager shall be responsible for handling all relationships with the press or other members of the media involving confidential documents and information. The following measures shall apply in this regard:

- All requests of the media for interviews or statements shall first be submitted to the Corporate Communications Manager.
- Should the Corporate Communications Manager be of the opinion that the contents of an interview or statement to be released will include information governed by the procedures set out herein, he/she shall promptly inform the COO and the General Counsel.
- The General Counsel shall verify, including with the support of other areas of the Company, the consistency of the contents of the interview/statement with what has been represented by SOPAF in its relationships with the market and, if the content includes privileged information, the General Counsel shall activate the process of evaluating the necessary measures to be adopted, including the possible disclosure to the market.
- Should privileged information involuntarily be disclosed during the course of an interview or press conference, it will be necessary to provide prompt disclosure of the same to the market pursuant to the provisions of Section 5.4 hereunder.

5.4 *Disclosure of privileged information to the market, pursuant to the provisions of applicable laws and regulations*

a) Ordinary disclosure of privileged information

The disclosure of privileged information to the market is to be handled within the Group exclusively by SOPAF. In particular, following SOPAF's Managing Director's ascertainment of the privileged nature of information, the Corporate Communications Manager shall:

- prepare, on the base of the information received, a draft of a press release, which is to be submitted to the COO and General Counsel for their related checks;
- send the press release to the Managing Director or, in his absence, to the Chairman for the authorization of the disclosure;
- transmit the press release to CONSOB, Borsa Italiana and two press agencies (via NIS), as required by prevailing regulations (Article 66 of the CONSOB Regulations);
- verify the status of the agencies' dissemination of the press release;
- add the press releases to the Web site prior to the opening of the market on the day following the day in which the disclosure was made (Article 66 of the CONSOB Regulations).

Each Company manager supplying data for the preparation of press releases shall be responsible for the accuracy and completeness of the data supplied, and shall validate the content thereof. Should the draft of the press release contain references to data

regarding the Company's or the Group's capital, earnings or financial position, such data shall be initially verified by the CFO with the support of other areas of the Company. The CFO shall then sign certification referenced in Article 154-bis, Paragraph 2 of the Financial Consolidation Act, which is to accompany all of the acts and communications provided by law or disseminated to the market, containing information of a financial nature.

b) Delays in disclosure

After having evaluated the privileged nature of the information, SOPAF's Managing Director may, under his own responsibility, judge it necessary to delay the communication of such information, or partial elements of material events or circumstances, to the public, should such communication be deemed suitable to damage the Company's or the Group's legitimate interests. Such judgement shall be considered to be of an exceptional nature.

Pursuant to the procedures set out herein, the communication of privileged information to the public may not be delayed when:

- such delay could mislead the public about material events and circumstances;
- such delay is not supported by confidentiality obligations on the part of the persons receiving the information;
- SOPAF is of the opinion that it cannot guarantee the confidentiality of the information.

Pursuant to Article 66-*bis*, Paragraph 2 of the CONSOB Regulations, the following are considered material circumstances for delaying disclosure:

- Negotiations in process, or related factors, whose communication to the public could compromise the outcome thereof or the normal course of business. In particular, in the event of the serious and imminent danger to an issuer's financial solidity, even if the issuer is not subject to provisions applicable to insolvency, the disclosure of the information to the public can be delayed for a limited period of time, should the disclosure seriously risk compromising the interests of existing or potential shareholders, inasmuch as it would jeopardize the conclusion of the negotiations aimed at reinstating the issuer's financial solidity over the long term.
- Decisions taken or contracts signed by a governing body of an issuer, whose effectiveness is subordinated to approval by another governing body of the issuer, other than the shareholders, if the issuer's structure provides for the separation between the two bodies, on the condition that the disclosure of the information to the public prior to the approval, combined with the simultaneous announcement that the approval is still in progress, might compromise the public's proper evaluation of the information.

Other material circumstances in order to exercise the option to delay disclosure shall be decided by the Managing Director, in order to limit the use of the option to cases in which the premises therefor are demonstrable. The delay begins to accrue as of the time

at which the information was ascertained by the Managing Director to be "privileged", pursuant to the provisions of Section 5.1 above.

c) Confidentiality in the event of delays in disclosure

In the event of delayed disclosure of privileged information, the General Counsel shall promptly notify senior management and the other Company managers in possession of such information that a request has been submitted to CONSOB to delay disclosure, so as to ensure greater care in the handling of the information. At the same time, it shall be the responsibility of the senior management and the other Company managers to provide prompt notice of the delay to any subordinates who are in possession of the information, thereby increasing the awareness of the need to exercise the maximum caution in the handling and circulation of the information (both internally, and with respect to external parties).

The request to delay the disclosure must be prepared by the General Counsel and communicated to CONSOB without delay. The request shall provide an indication of the fundamental reasons for the decision to delay disclosure, and the interests of the Company that might be damaged by immediate public disclosure.

Any person in possession of such information shall promptly inform the COO and the General Counsel about any disclosure of the same to third parties who are not bound by any confidentiality obligation by law, regulation, statute or contract.

Should a decision be taken to delay the disclosure to the public, the General Counsel shall advise the Corporate Communications Manager, who shall prepare a draft of a press release, keeping the release updated in relation to the developments about the privileged information not disclosed, and ready for immediate publication if requested by CONSOB or if the persons with access to such privileged information have not been able to ensure its confidentiality.

In such case, the Managing Director shall immediately disclose the privileged information to the public, in order to reinstate a situation of information parity in the market.

d) Requisites for press releases

Press releases are prepared by the Corporate Communications Manager, who shall ensure that the communications meet the following requisites:

Clarity: Press releases shall contain the elements necessary for guaranteeing the complete and correct representation of repercussions on capital, earnings or financial position of the event, or the set of circumstances, to which the privileged information refers. The dissemination of the privileged information shall occur in a manner such that any commingling with marketing activity is avoided, so as to ensure the public can make a clear distinction between information inherent to the valuation of the issuer and the valuation of the financial instruments, and information inherent to the issuer's products and services (see letter g) below).

In addition to the foregoing, press releases covering the following material and recurring events must have the minimum information content indicated by Section IA.2.9. of the instructions to the Borsa Italiana Market Regulations:

- approval of quarterly, semi-annual and annual accounting data;
 - opinions of the independent auditors;
 - forecast data or quantitative targets;
 - appointment or resignation of members of the Board of Directors or Board of Statutory Auditors, or appointments or resignations of key managers;
 - acquisitions/sales;
 - capital increases and/or issuance of convertible bonds, with the aim of tapping financial resources;
 - issuance of bonds;
 - transactions by an issuer's involving that issuer's own shares;
 - mergers/divestitures.
- **Consistency:** Press releases shall contain the elements suitable for allowing a complete and correct evaluation of the events and circumstances represented and, assuming the updating of privileged information disclosed previously, shall be consistent with what has already been published. The press releases shall be structured in a manner so as to make it possible for the market to evaluate the developments over time for a set of circumstances or events discussed therein. It is appropriate that forecasts be accompanied by a clear indication of the base assumptions leading to their formulation, and that any factors outside of the issuer's control be indicated among the key assumptions.
 - **Information symmetry:** The disclosure to the public shall be done in the most synchronized manner possible with respect to the various categories of investors, in respect of the principle of information symmetry and the prohibition against selective information (see Article 114, Paragraph 4 of the Financial Consolidation Act).

e) Dissemination of forecast data or quantitative targets

The forecast data and the quantitative targets concerning the trend of operations are not per se subject to the obligation of disclosure to the market. However, in the event of their disclosure to third parties, such data and targets must be made available to the public, applying the procedures for the preparation and publication of press releases. Such treatment also applies to any subsequent material shift with respect to previously published forecast data and quantitative targets.

In the event of disclosure of forecast data and quantitative targets, the CFO, with the support of other designated areas of the Company, shall be responsible for:

- guaranteeing a regular and frequent flow of financial information so as to reduce the valuation uncertainty of investors;

- clearly specifying upon the publication of any forecast data that the data represent forecasts or strategic (quantitative) targets established as part of the business planning activity;
- verifying the consistency of the actual trend of operations with the forecast data and the quantitative targets published, and providing the public with notice (via press release) of any material variance (positive or negative), with the reasons therefor;
- monitoring, with the support of the Corporate Communications Manager, the results expected by the market (consensus estimates), including through the examination of the financial analyses published;
- examining, with the support of the Corporate Communications Manager, any significant variances between the consensus estimates and the Company's actual results, identifying the reasons therefor and consequently, suggesting the analysts revise their projections through the publication of a press release prepared on the basis of internally updated forecasts.

The ascertainment of variances from the forecast data needs to be effected with reference not only to the results indicated with the formal approval of the financial statements, but also with regard to any updates made by the Company to previously published forecasts with reference to the same periods.

f) Web site

The Corporate Communications Manager shall be responsible for ensuring that any press release prepared and published pursuant to the procedures set out herein, is posted on the SOPAF Web site in Italian and in English by the opening of the market on the day following the publication of the press release; the press releases posted on the Web site shall remain there for at least two years from the publication date.

In addition to the press releases, the Web site shall make available the most recent version of (i) the Company's corporate governance documentation (by-laws, internal dealing code, corporate governance report, etc.); (ii) the Company's financial statements (consolidated and non-consolidated); (iii) semi-annual reports; (iv) quarterly reports; and (v) documentation distributed at meetings with the financial community. Such documentation shall also remain on the Web site for at least two years from the publication date.

The Web site is managed and kept up to date by the Corporate Communications Manager, in accordance with the principles of veracity, clarity and completeness, and more specifically, in accordance with the following standards (which are in line the provisions of CONSOB Notice n. 6027054 of 28 March 2006, point 93):

- The data and news on the pages of the Company's Web site should be reported in accordance with proper publishing criteria, taking into account the nature of information used for communicating financial data to investors, and that such information is not for promotional purposes.

- If a second language (other than Italian) is used for publishing news, the content of the two versions should be the same, with any differences appropriately evidenced.
- Should there be any errors in the contents of the information published on the Web site, a corrected text should be disseminated as soon as possible, with the corrections being evidenced.
- The publication of data and news prepared by third parties should always include the source of the information.
- The press releases required by applicable laws and regulations should provide notice of the publication, if any, of other documents on the Web site that refer to the events discussed in the press releases and that have not been disseminated to the public in another manner.
- It is preferable to publish the full version of any document on the Web site, or to ensure that any summaries faithfully reflect the information content of the original document.
- For documents published on the Web site, information should be provided to indicate whether the document published is the full version, or an extract or summary. Information should also be provided as to where the original format of the document may be found.
- References to other sites, if any, should be indicated on the basis of the principles of correctness and neutrality, and in a manner so as to permit the user to understand easily if he is navigating to another site.
- The reporting of data about prices and trading volumes of any financial instruments should also include an indication of the source and the time of the data.
- The Web site should be available for consultation without restriction, including in the case in which the management of the pages is handled by third parties. Access to the Web pages should not require any prior inputting of data and information by investors, except for data input as part of normal security measures. Access may be restricted in cases in which the consultation of certain sections of the site by persons in a country or jurisdiction in which the distribution or use of the site content is in violation of local laws and regulations, or in cases that would force SOPAF or any other Group company to register in such country or jurisdiction.
- The maximum care should be exercised when doing any work on financial-information or discussion-forum sites so as not to alter the information parity between investors.

g) Marketing communications

SOPAF may publish press releases for marketing reasons that do not contain any privileged information, i.e. marketing communications issued by the Company or its subsidiaries, as part of the promotion of the Company's and subsidiaries' activities and products.

In any event, pursuant to Article 66, Paragraph 6, letter c) of the CONSOB Regulations, the communication of privileged information to the public and business marketing should not be combined in a manner that could be misleading.

Therefore, in order to ensure marketing communications do not contain privileged information, the Corporate Communications Manager shall transmit a copy of any marketing communication to the public to the COO and the General Counsel prior to publication. The General Counsel shall coordinate the process of evaluating the potential presence of privileged information and shall activate, if necessary, the process for disclosing the privileged information to the market, in accordance with the procedures set out herein.

6. Administrative and penal sanctions

According to prevailing legislation regarding financial crimes (Legislative Decree 58 of 1998, also known as the Financial Consolidation Act), the abuse of privileged information and market manipulation are criminal offences (pursuant to Articles 184 and 185 of the Financial Consolidation Act) and administrative offences (pursuant to Articles 187-bis and 187-ter of the Financial Consolidation Act).

As further specified hereunder, the criminal offences referenced in Articles 184 and 185 of the Financial Consolidation Act and the administrative offences referenced in Articles 187-bis and 187-ter of the Financial Consolidation Act are essentially configured in an identical manner.

With regard to the crime of abusing privileged information (Article 184 of the Financial Consolidation Act), the law establishes that anyone in possession of privileged information who buys or sells financial instruments or executes transactions in financial instruments, directly or indirectly, for his own account or for the account of third parties, with the use of such information or anyone who communicates such information to others or recommends or prompts others on the basis of such information to effect financial transactions, shall be punished with a prison term of 2-12 years and fines of between €20,000 and €3 million⁵.

With regard to the crime of market manipulation (Article 185 Financial Consolidation Act), the law establishes that anyone spreading false information or effecting simulated or other artificial transactions concretely suitable for provoking a significant alteration of the price of financial instruments shall be punished with a prison term of 2-12 years and fines of between €20,000 and €5 million⁶.

With regard to the administrative offence of abusing privileged information (Article 187-bis of the Financial Consolidation Act), the law establishes that anyone in possession of privileged information who buys or sells financial instruments or executes transactions in financial instruments, directly or indirectly, for his own account or for the account of third parties, with the use of such information or anyone who

⁵ The aforementioned penal sanctions have been doubled by Article 39, Paragraph 1 of Law 265 of 2005 (Savings Law). Originally, the crime was punishable under Article 184 of the Financial Consolidation Act with a prison term of 1-6 years and a fine of between €20,000 and €3 million (fine unchanged); the crime referenced in Article 185 of Financial Consolidation Act was instead punishable with a prison term of 1-6 years and a fine of between €20,000 and €5 million (fine unchanged). The reason for the "fixed" nature of the fines lies in the fact that Article 39 of Law 265 of 2005 establishes that the limits set for each type of penalty under Articles 23, 24, 25 and 26 of the Penal Code could be doubled. According to the provisions of the General Part of the Penal Code, the prison term may run up to 24 years, and the fine may not exceed the limit of €5,164.

⁶ See Note 1.

communicates such information to others or recommends or prompts others on the basis of such information to effect financial transactions, shall be punished with pecuniary administrative sanctions of between €100,000 and €15 million.

With regard to the administrative offence of manipulating the market (Article 187-ter of the Financial Consolidation Act), the law establishes that anyone who spreads information, rumours or false or misleading information through the media (including the Internet and all other types of media) when the same supplies, or may be susceptible to supplying, false or misleading indications in relation to financial instruments, shall be punished with pecuniary administrative sanctions of between €100,000 and €25 million⁷.

Another provision (Article 187-quinquies of the Financial Consolidation Act) is also worth noting since it is a new and exceptional aspect of the law that also contemplates application of pecuniary administrative sanctions⁸. This provision establishes that companies may also be responsible for the payment of a sum equal to the pecuniary administrative sanctions imposed for the administrative offences of abusing privileged information (Article 187-bis of the Financial Consolidation Act) and market manipulation (Article 187-ter of the Financial Consolidation Act) when such offences are committed by persons who are representatives, directors, or senior managers of the company, or of a company organisational unit with operational or financial autonomy, and by persons who manage or control, including de facto, the company, or persons subject to the management and oversight of the aforementioned persons.

The company shall naturally not be responsible for the administrative offences if it demonstrates that the referenced persons acted exclusively in their own interest or in the interest of third parties. Moreover, assuming the commission of the aforementioned crimes by the referenced persons, Article 187-quinquies of the Financial Consolidation Act references Articles 6, 7, 8 and 12 of Legislative Decree 231 of 2001.

In essence, Article 187-quinquies introduces a new assumption about the administrative responsibility of an entity dependent not on crime, but on administrative offences - a responsibility that is completely outside of the scope of Legislative Decree n. 231 of 2001, but structured in accordance with the same principles.

In all of the cases indicated, CONSOB is responsible for applying any pecuniary administrative sanctions.

7. Procedural changes and updates

Any substantial changes or supplements to the procedures set out herein shall be approved by the SOPAF Board of Directors.

⁷ The pecuniary administrative sanctions are instead quintupled (compared with the original amounts) by Article 39, Paragraph IV 1bis of Law 265 of 2005.

⁸ Article 187-quinquies of the Financial Consolidation Act was introduced by Law 62 of 2005 (EU Directive of 2004).

The General Counsel is responsible for monitoring the adequacy of the procedures over time, taking into account the indications provided by the Company's Oversight Authority.

8. **Distribution of the procedures**

SOPAF shall advise all of the Addressees regarding the issuance of the procedures set out herein. In order to make the procedures more easily accessible to all of the Addressees, the procedures will be published on the Company's Intranet, and distributed in paper format to any Addressees not having access to the Intranet.