



TESSELLIS S.P.A.

PROCEDURE FOR CONTROLLING TRANSACTIONS WITH RELATED PARTIES

Approval: Board of Directors of 21 July 2021

In force and effect: Since 1 August 2021

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## 1 Definitions

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In addition to the definitions contained in other paragraphs, the terms and expressions starting with a capital letter used in the proceedings ("**Proceedings**") have the meaning provided hereunder:

<b>Chief Executive Officer (CEO)</b>	The CEO of the Company .
<b>Independent Directors</b>	the directors recognised as independent by the Company, pursuant to the Article 148, paragraph 3, of the TUF and of the Corporate Governance Code.
<b>Directors Involved in the Transaction</b>	the directors of the Company who have an interest in the Transaction, personal or on behalf of third parties, in conflict with that of the Company.
<b>Unrelated Directors</b>	the directors other than the counterparty of a given transaction and its Related Parties.
<b>Meeting</b>	The Shareholder Meeting of the Company.
<b>Civil Code</b>	the Royal Decree of 16 March 1942 n. 262 as subsequently amended and integrated.
<b><i>Corporate Governance Code</i></b>	<i>Corporate Governance Code</i> of the quoted companies approved by the Corporate Governance Committee of Borsa Italiana S.p.A, on 31 January 2020 and in force from 1 January 2021, as at the time amended and supplemented.
<b>Board of Auditors</b>	The Board of Auditors of the Company
<b>Committee namely Related Parties Committee</b>	the committee for transactions with related parties of Tessellis referred to in art. 4 of the Procedure.
<b>Market equivalent or Standard conditions</b>	They refer to the conditions similar to those usually applied to unrelated parties for transactions of a corresponding nature, size and risk, or based on regulated tariffs or imposed prices, or applied to subjects with whom Tessellis and/or the Subsidiaries are obliged by law to contract for a certain compensation.
<b>Board of Directors</b>	The Board of Directors of the Company
<b>Legal Affairs Department</b>	This division is also responsible for the drawing and updating of the Company's Related Parties Register.
<b>Manager in Charge</b>	It refers to the person responsible for drawing the Company's accounting documents, pursuant to art. 154-bis of the TUF
<b>Managers with Strategic Responsibilities</b>	In compliance with the definition of the International Accounting Standards, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
<b>List of Related Parties Transactions</b>	the list referred to in art. 13 of the Procedure

<b>Tessellis Group</b>	Tessellis and its Subsidiaries.
<b>Indexes of Significance</b>	indicates the indexes of significance provided by Annex 3 to the Related Parties Regulations for the identification of the Transactions of Greater Significance.
<b>MAR</b>	Regulations (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.
<b>Transaction with Related Party or Transaction</b>	In compliance with the definition adopted by the International Accounting Standards, « <i>a transfer of resources, services or obligations between Tessellis (or the Subsidiaries) and one or more Related Parties, regardless of the fact that a compensation has been agreed. For example, the following shall be included: (a) merger, demerger by incorporation or disproportionate demerger in the strict sense of the word if done with Related Parties; (b) every decision regarding the assignment of remuneration and economic benefits, in any form, to the members of the management and audit bodies and to the executives with strategic responsibility</i> ».
<b>Transactions of Slight Amount</b>	<p>Operations up to:</p> <p>i) euro 100.000 if the counterparty is a legal entity and</p> <p>(ii) euro 50.000 if the counterparty is a natural person (or a legal person controlled by a Related Party, a natural person)</p> <p>For the purposes of calculating such amounts, due account is taken of the cumulation, on an annual basis, of Transactions concluded with the same Related Party that are homogeneous or carried out in execution of a unitary plan.</p>
<b>Transactions of Greater Significance</b>	the Transactions in which at least one of the Significance Indexes, applicable depending on the specific Transaction, is over the threshold referred to in Annex 3 of the OPC Regulations.
<b>Transactions of Lesser Significance</b>	the Transactions with Related Parties other than the Transactions of Greater Significance and the Transactions of Slight Amount.
<b>Exempt Transactions</b>	The Transactions with Related Parties in relation to which the Procedure does not apply in compliance with the exemption provisions referred to in the Related Parties Regulations and pursuant to art. 11 of the Procedure.
<b>Ordinary Transactions</b>	The Transactions within the ordinary exercise of operational activity and the related financial activity of the Company and/or its Subsidiaries, as specified in their objects.
<b>Delegated Bodies</b>	Indicates the CEO or the Management, the function or the entity responsible for approving an Operation, based on the distribution of delegations and the organizational structure of the Tiscal Group.
<b>Related Party</b>	<p>As defined by the International Accounting Standards, a person or entity that is related to the reporting entity.</p> <p>(a) A person or close family member of that person is related to a reporting entity if that person:</p>

- i. has control or joint control of the reporting entity;
- ii. has a significant influence on the reporting entity; or
- iii. is one of the key management personnel of the reporting entity or one of its subsidiaries.
- iv. An entity is related to a reporting entity if any of the following conditions applies:
- v. the entity and the reporting entity are part of the same group (which means that each parent, subsidiary and group company is related to the others);
- vi. an entity is an associate or joint venture of the other entity (or an associate or a joint venture that is part of a group to which the other entity belongs).
- vii. both entities are joint ventures of the same third party;
- viii. an entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- ix. the entity is a post-employment benefit plan for the employees of the reporting or a related entity.
- x. the entity is jointly controlled or controlled by a person identified at point (a);
- xi. a person identified in (a) (i) has significant influence on the entity or is one of the executives with strategic responsibilities of the entity (or of a parent of the entity);
- xii. the entity, or any member of a group to which it belongs, provides strategic management services to the reporting entity or to the parent of the reporting entity.

As a related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associate and the investor with a significant influence on the related company are related to each other.

**Equivalent Safeguards**

The equivalent safeguards referred to in art. 8 of the Procedure to be adopted by the Company for the purpose of operating the Procedure where, in relation to a given Transaction, one or more members of the Committee are a counterparty to the Transaction or its Related Parties.

**International Accounting Principles**

the international accounting standards adopted in accordance with art. 6 of Regulations (EC) no. 1606/2002, *pro tempore* applicable.

**Procedure**

this Related Party Transactions Procedure

**Related Party Register**

the register referred to in art. 3 of the Procedure

**Issuers Regulation**

the Regulations adopted by Consob Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.

**OPC Rules or Related Parties Regulations**

the Regulations for related party transactions issued by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.

**Unrelated Shareholders**

pursuant to art. 3, paragraph 1, lett. l), of the Related Parties Regulations, «*entities with voting rights other than the counterparty of a given*

*transaction and related entities to both the counterparty of a given transaction and the company».*

<b>Subsidiaries</b>	the Subsidiaries of Tessellis
<b>Related Company</b>	any entity in which a shareholder of the company exercises considerable influence but not control, not even joint.
<b>Close Family Members</b>	each family member expected to be able to influence or be influenced by the interested party in their relations with the company, among which: (a) the children and the spouse or life partner of that person; (b) the children of the spouse or partner of that person; (c) persons dependent on the party or the spouse or life partner.
<b>Tessellis or The Company or The Issuer</b>	Tessellis S.p.A.
<b>TUF</b>	the legislative decree of 24 February 1998 n. 58, as subsequently amended and supplemented.

## **2 General Principles**

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This procedure was adopted pursuant to the “Transactions with Related Parties” Regulations, implementing Art. 2391-bis of the Italian Civil Code, for the purpose of providing for the rules for the identification, approval and execution of related party transactions carried out by the Company, directly or through Subsidiaries, intended to ensuring transparency and substantial and procedural correctness in the Related Party Transactions, by virtue of the share price of ordinary shares issued by Tessellis on the screen-based stock market organised and managed by Borsa Italiana S.p.A. The Procedure and its amendments are approved by the Board of Directors of Tessellis, following a favourable opinion of the Transactions with Related Parties Committee. Together with the approval of the Procedure by the Board of Directors, the Company’s Board of Statutory Auditors assesses the compliance of the Procedure with the principles set out in the “Transactions with Related Parties” Regulations.

The Procedure is published on the Company’s website <http://investors.tiscali.it/it/>.

## **3 Identification of the Related Parties**

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The Legal Affairs Department, through IT tools and with the support of any other relevant business function, prepares and keeps up to date, on a at least 4-monthly basis, the Register of Related Parties in which the direct and indirect Related Parties of the Company are registered.

The Legal Affairs Department shall, without delay, update the Register of Related Parties on the occasion of the replacement or renewal of the corporate bodies.

To ensure the correct application and updating of the Related Party Register, the subjects qualified as Direct Related Parties of the Company are required to provide information on their related parties. For this purpose, the Legal Affairs Department shall communicate the correct registration of the direct related parties in the Related Parties Register and forward the statement of correlation referred to in Annex A to the Procedure.

The Related Parties Register, which is updated from time to time, is made available to the Key Managers with Strategic Responsibilities and of the main corporate functions of the Company and its Subsidiaries.

#### **4 Related Parties Committee**

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The Related Parties Committee is made up of three non executive and unrelated Directors, mostly independent, appointed by resolution of the Board of Directors.

The Committee shall elect its Chairman from among its members and shall also identify which of its members shall be called upon to perform the functions of Chairman in the event of his absence or inability to attend. The members of the Committee shall hold office until the expiry of the Board of Directors which appointed them.

Provided the aforesaid, on condition that the composition and functioning requirements provided for under this art. 4 of the Procedure are respected, the functions of the Committee may be carried out by the Control and Risks Committee of the Company.

The Committee shall meet whenever called by the Chairman of the Committee. The notice of call, containing the date, time and place of the meeting and the matters to be discussed, shall be sent by the secretariat of the Company, on the indication of the Chairman, at least two days before the date fixed for the meeting, except in cases of urgency. Meetings of the Committee may also be called at the request of the Chairman of the Board of Directors, the Chief Executive Officer or the Legal Affairs Department.

Meetings of the Committee may also be held by means of telecommunications, provided that all participants can be identified - and this identification is noted in the minutes of the meeting - and are allowed to follow the discussion and to intervene in real time to the discussion of the topics discussed, exchanging, where appropriate, the relevant documentation. The Chairman may, from time to time, invite to the meetings of the Committee other persons whose presence may be considered useful for the best possible performance of its tasks.

The Related Parties Committee shall perform the functions provided for by current legislation and the Procedure with appropriate arrangements to ensure proper traceability of the relevant activities.

For the validity of the Committee's meetings, the presence of a majority of the members in office is required. Without prejudice to the following art. 8 of the Procedure, the Committee shall act by a majority of the members in office.

The meetings of the Committee result in the minutes of the meeting, signed by the Chairman and the Secretary and kept in chronological order.

#### **5 Identification of the Transactions with Related Parties**

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Parties who are responsible for approval and/or execution of a given transaction on behalf of the Company or of the Subsidiaries, also in agreement with the CEO and with the support of the Legal Affairs Department, before opening negotiations, check (i) whether the counterparty of the transactions is, or is not, to be considered a related party, making reference, *inter alia*, to the Related Parties Register and (ii) does not constitute the execution of a Framework Resolution (as below described) pursuant to art. 10 of Procedure. If such verification is successful, they promptly notify the Legal Affairs Department of the intention to start negotiations to carry out the transaction. The communication shall contain, within the limits of the data and elements available at that date, the parties, the type and purpose and any critical elements, the terms and conditions of the Transaction.

If the terms and conditions of the transaction are found to be Equivalent to those of the Market or *Standard*, the prepared documents contain objective terms of reference.

Having received the notification referred to above and checked for the existence of the related party relationship with the counterparty of the transaction, the entities competent to approve and/or implement the Transaction, with the support of the Legal Affairs Department, promptly assess whether:

- (a) the Transaction qualifies as a Greater or Lesser Significance one; or
- (b) the Transaction qualifies as an Exempt Transaction, pursuant to art. 11 of the Procedure

In the case referred to in point (a) above, the entities competent in relation to the approval and/or execution of the Transaction, through the Legal Affairs Department, submit the Transaction to the attention of the Related Parties Committee, providing the Committee, including at a meeting specially called, with all

available information on the date, in relation to the Operation. The Related Parties Committee shall apply the provisions referred to in Art. 6 of the Procedure if it is a Lesser Significance Transaction, or those referred to in the following art. 7 of the Procedure if it is a Greater Significance Transaction.

In the case referred to in letter (b) above, the Legal Affairs Department will update the List of Related Party Transactions, pursuant to art. 13 of the Procedure.

## **6 Transactions of Lesser Significance**

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The Board of Directors or the Delegated Body approves the Transactions of Minor Importance upon reasoned non-binding opinion of the Related Parties Committee.

In particular, the Committee shall receive, from the competent persons, in relation to the approval and/or execution of the Transaction and/or from the Chairman of the Board of Directors or the Chief Executive Officer, well in advance before the approval of the Transaction, through the Legal Affairs Department, complete and adequate information in respect of each Lesser Significance Transaction, taking care to ensure updates whenever it is necessary and/or appropriate. The information flows must relate, in particular, to (i) the nature of the relation, (ii) the main terms and conditions of the Transaction, (iii) the expected timing for its implementation, (iv) the evaluation procedure followed, (v) the reasons behind the transaction itself and (vi) the risks the Company and its Subsidiaries may have to face.

Once all the complete and adequate information regarding the characteristics of the Lesser Significance Transaction the Company intends to carry out have been received, the Committee expresses – well in time to allow the Delegated Body to decide on the matter within the time provided - a reasoned non-binding opinion on the interest of the Company in carrying out the Transaction, and on the convenience and substantial correctness of the relevant conditions. This opinion shall be annexed to the minutes of the meeting of the Committee which approved the transaction.

The Committee may use, one or more independent experts of its choice, at the expense of the Company, within the limits of a maximum expenditure of EUR 10,000 (ten thousand) for each Lesser Significance Transaction. These experts shall be selected from among subjects of recognized professionalism and competence on matters of interest for which the Committee has previously assessed the independence and the absence of conflicts of interest, taking into account the reports referred to in paragraph 2.4 of the Annex 4 of the Related Parties Regulations. The Committee shall transmit to the Board of Directors [to the Delegated Body to decide on the Transaction] any opinions of independent experts it may have previously acquired in relation to the Transaction of Lesser Significance.

In the event of a negative opinion from the Committee, the approval of the Transaction is delegated to the Board of Directors.

If the Transaction is the responsibility of the Board of Directors, the Directors involved in the Transaction shall abstain from voting on it.

The minutes relating to the resolutions of the Board of Directors approving a Transaction of Lesser Significance shall provide adequate justification regarding the interest of the Company in carrying out the transaction, and regarding the advantage and substantive correctness of the relevant terms and conditions. If a transaction is the responsibility of the CEO or another Delegated Body, however, a written record of the reasons for the transaction is kept, with particular regard to the Company's interest in carrying out the Transaction, as well as the convenience and substantial correctness of the related conditions, attaching to the minutes of the Board of Directors a copy of the documentation supporting the interest, convenience and substantial correctness of the Company in carrying out the Transaction.

If a Transaction is the responsibility or must be authorized by shareholders' meeting, the provisions of this paragraph are applied, *mutatis mutandis*, for the approval of the resolution proposal by the Board of Directors, to submit to the shareholders' meeting.

Pursuant to art. 14 of the Related Parties Regulations, where the Company is subject to management and coordination, pursuant to art. 2497 of the Civil Code, in Transactions of Lesser Significance affected by such activity, the opinion issued by the Committee, pursuant to the Procedure, shall contain a precise indication of the reasons and convenience of the transaction, where appropriate, also considering the overall result of the management and coordination activity or of operations designed to entirely remove the damage resulting from the individual Transaction.

Without prejudice to the disclosure obligations referred to in Articles. 5, paragraph 8, and 6 of the Transaction with Related Parties Regulations, the CEO, based on the information received from the function responsible for the Transaction, provides the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, with appropriate information on the Lesser Significance Transactions carried out by the Company, even through Subsidiaries, during the reference period, and on the state of execution of the Framework Resolutions (as below described).

## 7 Transactions of Greater Significance

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Without prejudice to the Transactions for which the Shareholder's Meeting is responsible or have to be authorised by it, the Board of Directors is exclusively competent for the approval of Greater Significance Transactions, upon the the approval of the Committee.

The amount of the materiality threshold is calculated in accordance with the Ratios of Relevance set out in Annex 3 to the Regulations.

In particular, the Committee receives, from the competent persons in relation to the approval and/or execution of the Transaction and/or from the Chairman of the Board of Directors or from the CEO, in due time before the approval of the Transaction, through the Legal Affairs Department, complete and adequate information about each Major Transaction, taking care to ensure updates whenever necessary and/or appropriate. In particular, information flows should concern (i) the type of the relationship; (ii) the main terms and conditions of the Transaction; (iii) the timing for its implementation; (iv) the evaluation procedure followed; (v) the reasons behind the Transaction itself and (vi) the risks the Company and its subsidiaries may incur. For the purposes set out above, the adequacy of the advance with which the flows of information relating to the Transaction are transmitted shall be assessed by taking into account, *inter alia*, the specific characteristics of the Transaction, and, in particular, its value, the complexity of the proposal and/or the fact that the Committee may reasonably request for the advise of an independent expert.

The Related Parties Committee, after receiving all the complete and adequate information regarding the characteristics of the Major Transaction the Company intends to carry out and the investigation phase has been completed, expresses – well in time so to allow the Delegated Body to deliberate on the matter within the timescale provided - a reasoned and binding favourable opinion on the Company's interest in carrying out the Major Operation and on the convenience and substantial correctness of the underlying conditions. This opinion shall be annexed to the minutes of the meeting of the Committee which approved Transaction.

In accordance with art. 4 of the Procedure, in the performance of its duties, the Committee may seek the assistance of one or more independent experts of its choice, at the expense of the Company. These experts are chosen from subjects of recognized professionalism and competence on matters of interest for which the Committee has previously assessed independence and the absence of conflicts of interest, taking into account the reports referred to in paragraph 2.4 of Annex 4 of the Related Parties Regulations. The Committee shall also forward to the Delegated Body to decide on the operation any opinions of independent experts acquired in relation to the Operation of Greater Importance. The Committee shall transmit to the Delegated Body to decide on the Transaction any opinions of independent experts it may have previously acquired in relation to the Operation of Greater Significance.

If the Committee, by a majority of its members, delivers a favourable opinion, but one or more of its members votes against or abstain from carrying out the Transaction, the minutes of the Committee shall give an account of it and state in detail the reasons for any disagreement or abstentions.

In the event that one of the members of the Committee is related to the Transaction of Greater Significance, he is required not to take part in the work of the Committee and the Equivalent Presidia referred to in art. 8 of the Procedure are applied.

If the Committee has issued a prior reasoned negative opinion to the completion of the Major Transaction or an opinion which sets out conditions and/or comments, the approval of the Transaction is delegated to the Board of Directors, which, without prejudice to the necessity for eventual Administrators Involved in the Transaction, may:

- (i) decide to approve the Major Transaction after fully transposing the conditions and/or comments issued by the Committee; or

- (ii) where provided for in the Statute of Tessellis, decide to approve the Major Transaction despite the contrary advice, or, in any event, without taking into account the conditions and/or observations of the Committee, provided that the completion of the Major Transaction is subject to the authorization of the Shareholders' Meeting, pursuant to art. 2364, paragraph 1, number 5), of the Italian Civil Code. In this case, without prejudice to the majority of shareholders' meetings prescribed by the law and by the Tessellis Bylaws, the execution of the Transaction with Related Party cannot be carried out if:
- the Unrelated Shareholders present at the Shareholders' Meeting represent at least 10% of the voting share capital;
  - the majority of the voting Unrelated Shareholders present in the Shareholders' Meeting - excluding any abstentions - vote against the Operation of Greater Significance.

The proposed resolution of the meeting specifies the above conditions for the effectiveness of the resolution.

- (iii) decide not to approve the Transaction of Greater Significance and therefore not to execute it.

The minutes relating to the resolutions of the Board of Directors approving the Transactions of Greater Significance must be adequately justified on the Company's interest in completing the Transaction, as well as for its convenience, correctness and the substantive nature of the relevant conditions, notwithstanding the provisions of art. 7, par. (ii) of the Procedure.

As to the Operations of Greater Significance, which are the responsibility of the Shareholders' Meeting, or must be authorized by it, pursuant to art. 2364, paragraph 5, n. 1), of the Italian Civil Code, for the negotiation, the investigation and the approval phases of the proposed resolution to be submitted to the Shareholders' Meeting, the provisions of art. 7 of the Procedure shall apply *mutatis mutandis*.

Without prejudice to the disclosure requirements set out in Article. 5 and 6 of the Related Parties Regulations, based on the information received from the competent entity in relation to the approval/execution of the Transaction, the CEO provides the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, with specific information on the Major Transactions carried out by the Company, also through Subsidiaries, during the reference period and on the state of execution of the Framework Resolutions (as below described).

## **8 Equivalent Safeguards**

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Pursuant to the provisions of art. 6 and 7 and the following art. 9 of the Procedure, if one or more members of the Committee are a counterparty or Related Parties to the counterparty of a given Transaction, those members will not be allowed to attend meetings of the Related Parties Committee concerning such Operations and the following equivalent safeguards shall be adopted in the following order:

- (i) if one of the members of the Committee is in the above-mentioned situation, the opinion shall be issued unanimously by the remaining two Unrelated Directors members of the Committee;
- (ii) if two of the members of the Committee are in the aforementioned situation, the opinion shall be issued by the remaining Unrelated Director of the Committee and by the Independent Unrelated Director, older in age - who is not already a member of the Related Parties Committee – if present in the Board of Directors;
- (iii) if the controls referred to in the above points (i) and (ii) cannot be applied, the opinion of the Committee is issued by the Board of Statutory Auditors, provided that the auditors, if they have an interest, on their own behalf or on behalf of third parties, in the operation, inform the other auditors, specifying its nature, terms, origin and scope;

- (iv) if the controls referred to in points (i), (ii) and (iii) above cannot be applied, the opinion is issued by an independent expert identified by the Board of Directors among subjects of recognized professionalism and competence on the matters of interest, whose independence and absence of conflicts of interest have been assessed.

## **9 Transactions carried out through Subsidiaries**

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The Transactions carried out through Subsidiaries are subject to the same rules, as set out in art. 6 and 7 of the Procedure, as far as compatible, if such Subsidiaries are subject to the direction and coordination of Tessellis. If Tessellis does not exercise the management and coordination of Subsidiaries, the Transactions carried out through such Subsidiaries will be submitted to the Committee's non-binding prior opinion.

For the purposes laid down in this art. 9 of the Procedure, before starting a Transaction, and as soon as possible, due to its characteristics and the minimum information available, the legal representative/CEO of the Subsidiary verifies that (i) the counterparty is among the entities identified as Related Parties and (ii) the Transaction is subject to prior examination or approval by the competent bodies of the Company. If such verification is successful, it shall promptly inform the Legal Affairs Department of the Company; the communication shall contain, to the extent allowed by the information available at the date, the parties, the nature, the reasons for the transaction and any critical elements, the terms and conditions of the Transaction.

The Legal Affairs Department verifies, possibly with the support of the legal representative/CEO of the Subsidiary, whether the Transaction applies to one of the exemption cases referred to in art. 11 of the Procedure, informing, in case of positive feedback, the legal representative/CEO of the Subsidiary for the Operation. If the Transaction cannot be qualified as an Exempt Transaction, the legal representative/CEO of the Subsidiary provides the Legal Affairs Department with complete and adequate information about it, in order the Transaction, together with the relevant information, can be submitted to the Committee.

The Related Parties Committee issues its opinion well in time to allow the Executive Board of both the Company and the Subsidiary to examine or approve the Transaction within the scheduled time.

Following the examination or approval of the Transaction, the Company's Legal Affairs Department will promptly inform the legal representative/CEO of the Subsidiary.

After the approval or completion of the Transaction by the Company, the legal representative/CEO of the Subsidiary:

- (i) promptly provides the Legal Affairs Department with the necessary information for the purpose of reporting, pursuant to art. 13 of the Procedure; this information must be provided even if the Transaction is part of one of the exemption cases referred to in art. 12 of the Procedure;
- (ii) prepares a specific disclosure for the first Board of Directors of the Company.

Without prejudice to the rules governing transactions carried out through subsidiaries referred to in this article, the Subsidiaries are, however, required to promptly provide the Legal Affairs Department with information on the transactions carried out, so that the Company may publish the information document or the press release referred to, respectively, in art. 5 and art. 6 of the Regulations.

## **10 Framework Resolutions**

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Pursuant to the provisions of art. 12 of the Related Parties Regulations, transactions that are homogeneous with certain categories of Related Parties from time to time identified by the Board of Directors, to be carried out also through Subsidiaries, may be approved by way of adoption of framework resolutions (the "Framework Resolutions").

The Framework Resolutions shall not have a temporal efficacy exceeding one year and must indicate, sufficiently determined, the operations subject to them, the predictable maximum amount of Transactions to be carried out in the reference period, and the reasons for the conditions laid down in relation to those Transactions.

Art. 6 or 7 of the Procedure shall apply *mutatis mutandis* to the approval of the Framework Resolutions, depending on the predictable maximum amount of related party transactions covered by it, taken cumulatively. Articles 6 or 7 of the Procedure shall not apply to individual transactions concluded in implementation of the Resolutions Framework.

If the predictable maximum amount of Transactions to be carried out in the reference period identified in the Framework Resolution exceeds any of the thresholds set for Major Transactions, the Company publishes, on the occasion of the approval of the relevant Resolution-Framework by the Board of Directors, an information document, pursuant to art. 5 of the Related Parties Regulations.

The transactions concluded in implementation of a Resolution Framework tracked by an Information Document published pursuant to art. 5 of the Related Parties Regulations, are not counted for the purposes of the cumulation provided by the Related Parties Regulations, for the publication of the Information Document provided for Major Transactions.

The execution of the Framework Resolutions is communicated to the Board of Directors on a quarterly basis by the Chairman or by one of the Chief Executive Officers.

## 11 Cases of Exclusion

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The provisions of the Procedure shall not apply:

- a) to the resolutions of the Shareholders' Meeting referred to in art. 2389, paragraph 1, of the Italian Civil Code, relating to the remuneration due to members of the Board of Directors, nor to any resolutions regarding the remuneration due to directors with special positions falling within the total amount previously determined by the Shareholders' Meeting, pursuant to art. 2389, par. 3, of the Civil Code;
- b) to the resolutions of the Shareholders' Meeting, pursuant to art. 2402 of the Italian Civil Code, concerning the remuneration due to the members of the Board of Statutory Auditors;
- c) to transactions approved by the Company and addressed to all shareholders on equal terms, including:
  - the capital increase in option, also on convertible bonds, and the free capital increases provided for by art. 2442 of the Italian Civil Code;
  - total or partial demergers in the strict sense, with the criterion of allocation of proportional actions;
  - the reductions in share capital, through reimbursement to members provided for by art. 2445 of the Italian Civil Code and the purchase of treasury shares, pursuant to art. 132 of the Consolidated Law on Financial Intermediation;
- d) to Transactions of Small amount;

Without prejudice to the application of the periodic accounting reporting requirements provided for by art. 5, par. 8, of the Related Parties Regulations, the Procedure shall also not apply:

- a) to the remuneration plans based on financial instruments approved by the shareholders' meeting, pursuant to art. 114-bis of the Consolidated Law on Financial Intermediation and the related executive operations;
- b) to the resolutions of the Board of Directors on the remuneration due to directors with special positions, as well as to directors with strategic responsibilities, provided that:
  - the Company has adopted a remuneration policy approved by the Shareholders' Meeting;

- a committee consisting exclusively of non-executive directors, the majority of which being Independent Directors, has been involved in the definition of the remuneration policy;
  - the defined payment is identified in accordance with that remuneration policy and quantified on the basis of criteria that do not involve discretionary assessments;
- c) to Ordinary Transactions concluded on terms equivalent to those of the Market, or *Standard*. In this case of exclusion, and without prejudice to the disclosure obligations provided for by art. 17 MAR, with regard to operations of Greater Significance, the Company is still required to:
- communicate to CONSOB and the Committee, within the 7-day deadline referred to in art. 5, paragraph 3, of the Related Parties Regulations, the counterparty, the object, the consideration for the Transactions benefiting from the exclusion as well as the reasons for which the transaction is considered ordinary and concluded under conditions equivalent to those of Market or Standard, providing an objective feedback;
  - indicate in the interim and in the annual report, as part of the information required by art. 5, paragraph 8, of the Related Parties Regulations, which of the Transactions subject to the disclosure requirements set out in that last provision have been concluded on the basis of the exclusion provided for in this point b);
- d) to Transactions with or between Subsidiaries, also jointly, by the Company as well as Transactions with Associates to the Company itself, if in the Subsidiaries or Associated Companies counterparties of the Transaction there are no significant interests of other Related Parties to the Company;
- e) To Transactions to be carried out based on instructions for stability issued by the Supervisory Authority (without prejudice to immediate and periodic market disclosure obligations, specifically provided for in the Related-Party Regulations).

In an emergency, and where this is provided for in the articles of association of the Company, Related Party Transactions that are not assigned by law or by statute to the competence of the Shareholders' Meeting, and should not be authorized by it, may be concluded by the Board of Directors or by the Delegated Body (where it is part of the scope of the powers delegated to it and without prejudice to art. 2391 of the Civil Code and the obligation of abstention in the vote for the Administrators involved in the Transaction, where the decision is referred to the Board of Directors) notwithstanding the provisions of Art. 7 and without prejudice to the information obligations referred to in art. 5 of the Related-Party Regulations - provided that the conditions laid down in art. 13, paragraph 6 of the Related- Party Regulations are fulfilled, and, in particular, provided that:

- a) if the operation to be carried out falls within the competence of the Delegated Body, the Chairman of the Board of Directors is informed of the reasons for the urgency promptly and, anyway, before the completion of the Transaction;
- b) without prejudice to their effectiveness, the Transactions are subsequently subject to a non-binding resolution of the first ordinary Shareholders' Meeting of the Company;
- c) the Board of Directors prepares a report containing an adequate reason for urgency. The Board of Statutory Auditors reports to the Shareholders' Meeting of the Company its assessments regarding the existence of urgent reasons;
- d) the report and the assessments referred to in point c) are made available to the public at least twenty-one days before the date set for the Shareholders' Meeting of the Company at the registered office and in the manner set forth in Part III, in Title II, Chapter I, of the Issuers Regulations. These documents may be contained in any information document prepared pursuant to the Related-Party Regulations;
- e) within the day following that of the Company's Shareholders' Meeting, the latter makes information on the results of the vote, with particular regard to the number of votes cast by the Unrelated Shareholders, in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations, available to the public.

The reasons of exclusion provided for in this article, also apply, *mutatis mutandis*, to the Transactions carried out pursuant to the previous art. 9 of the Procedure. Specifically with regard to the exemption for Ordinary Transactions, for the purpose of evaluating the ordinary nature of the Transaction, it notes the activity carried out by the Subsidiary, except where that subsidiary is a Special Purpose Vehicle, set up for the purpose of carrying out this Transaction, in which case the verification of the ordinariness must also be carried out with regard to at least one of the activities carried out by the Tessellis Group.

## 12 Information Note

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For each Transaction of Greater Significance carried out with a Related Party, also through Subsidiaries, or for multiple transactions that are homogeneous or carried out in execution of a single plan, which - although cannot individually qualify as Transactions of Greater Significance – exceed - when cumulatively considered - at least one of the Significance Indicators, the Company, with the support of the Legal Affairs Department, assisted by the relative corporate functions, prepares an information document, pursuant to art. 5 of the RPT Regulation, drawn up in accordance with Annex 4 to the RPT Regulation.

Without prejudice to the disclosure obligations pursuant to art. 17 of MAR (Market Abuse Regulation), in the case of Transactions of Lesser Significance, approved in the presence of a negative opinion of the Committee, the Company makes available to the public, within 15 days of the end of each quarter of the year, at the registered office and in the manner set out in Part III, Title II, Chapter I of the Issuers' Regulation, a quarterly information document prepared by the Company, with the support of the Legal Affairs Department, assisted by the competent corporate functions, containing the indication of the counterparty, the object and the consideration of the Related Party Transactions approved in the reference quarter, despite the negative opinion expressed by the Committee, as well as the reasons for which it was decided not to share this opinion. Within the same term, the opinion of the Related Parties Committee is made available to the public as an attachment to the information document or on the Company's website.

The Related Parties Committee receives, at least annually, information on the application of all cases of exclusion referred to in art. 11 of the Procedure, relating to Transactions of Greater Significance and Transactions of Lesser Significance, with the sole exclusion of Transactions of a Slight Amount. Furthermore, based on the information received pursuant to the previous art. 11 of the Procedure, the Committee shall ascertain, at least annually, the correct application of the exemption conditions with reference to the Transactions of Greater Importance, classified as Ordinary Transactions, concluded under conditions equivalent to those of the Market or Standard.

Pursuant to Art. 154-ter of the TUF, without prejudice to the information obligations deriving from the accounting principles applicable from time to time, the Company provides information in the interim management report and in the annual management report relating to:

- individual Transactions of Greater Significance concluded in the reference period;
- any other individual Related Party Transactions concluded in the reference period, which have significantly affected the financial position or the performance of the Companies;
- any changes or developments of the Transactions described in the latest annual report that have had a material effect on the financial position or results of the Companies in the reference period.

Information on individual Transactions of Greater Significance can be included by reference to the published information documents, reporting any significant updates.

If a Related Party Transaction is disclosed with the dissemination of a press release pursuant to art. 17 MAR, the press release reports, in addition to the other information to be published pursuant to the aforementioned regulation, at least the following information:

- a description of the Transaction;
- the indication that the counterparty to the Transaction is a Related Party and a description of the nature of the relationship;
- the denomination or name of the counterparty to the Transaction;
- whether the Transaction exceeds the significance thresholds or not, and an indication of the possible subsequent publication of an information document, pursuant to this art. 12;
- the procedure that has been or will be followed for the approval of the Transaction and, in particular, if the company has made use of a case of exclusion;
- the possible approval of the Transaction despite the contrary opinion of the Committee.

### 13 List of Transactions with Related Parties

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For the purpose of fulfilling disclosure obligations, the functions of the Company responsible for the procedure must inform, without delay, the Legal Affairs Department about the Related Party Transactions carried out.

The Legal Affairs Department of the Company prepares, maintains and keeps up to date the list on electronic support, in which all the Transactions with Related Parties carried out, also through Subsidiaries, are noted, with the indication of the counterparty of the individual Transaction, of the dates of issue of the Committee's opinion, where required, and of approval by the Delegated Body.

The manager in charge of preparing the corporate accounting records may have access, at any time, to the List of Related Party Transactions.

### 14 Final and Transitional Provisions

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The Board of Directors periodically assesses, at least every three years, whether to perform a review of the Procedure, taking into account, *inter alia*, any changes that may have occurred in the ownership structure of the Company, as well as the effectiveness shown by the Procedure itself in the application practice.

The Committee expresses its prior opinion on the proposed revision of the Procedure, or on the decision of the Board of Directors not to perform any updates.

The Board of Statutory Auditors is the body responsible for monitoring the compliance of the Procedure with the general principles set out in the Related Parties Regulation and compliance with the provisions contained therein. Pursuant to art. 153 of the TUF, the Board of Statutory Auditors reports to the Shareholders' Meeting of the Company on the supervisory activity carried out.

For anything not expressly provided for by the Procedure, the provisions of the law and regulations in force apply.

### 15 Penalties

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The legislation provides for specific administrative penalties in the event of a breach of the provisions on related-party transactions.

In particular, pursuant to art. 192-*quinquies* of the TUF (Administrative sanctions in relation to transactions with related parties), a pecuniary administrative sanction from ten thousand to ten million euros is applied to companies listed on regulated markets infringing art. 2391-bis of the Civil Code and the related implementing provisions adopted by Consob pursuant to the same article.

For the same infringements, unless the fact constitutes a crime, in the cases provided for by art. 190-*bis*, paragraph 1, letter a), of the TUF <sup>(1)</sup> a pecuniary administrative penalty from Euro five thousand to Euro one million and five hundred thousand against persons who perform administrative and management functions is applied.

Specific penalties are also provided for the members of the Board of Statutory Auditors. In particular, pursuant to art. 193, paragraph 3, of the TUF, a pecuniary administrative sanction from Euro ten thousand to Euro one million and five hundred thousand is applied in case of (i) irregularities in the fulfillment of the duties provided for by art. 149, paragraphs 1, 4-bis, first sentence, and 4-ter, of the TUF or (ii) omission of the communications required by art. 149, paragraph 3, of the TUF.

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<sup>(1)</sup> That is, if the conduct has "significantly affected the overall organization or company risk profiles", or has "caused serious damage to the protection of investors or to the transparency integrity and proper functioning of the market" (cf. art. 190-*bis*, paragraph 1, lett. a), TUF).

ANNEX A

**FORM FOR IDENTIFICATION OF THE RELATED PARTIES**

Place: \_\_\_\_\_

Date: \_\_\_\_\_

To:

Tessellis S.p.A.

Località Sa Illetta, S.S. 195 km 2.300

09123 Cagliari, Italy

Attn.: Manager, Legal Department

**Re: Declaration on transactions with related parties**

I, the undersigned \_\_\_\_\_, born in \_\_\_\_\_ on \_\_\_\_\_, tax code number \_\_\_\_\_, resident in \_\_\_\_\_, (street) \_\_\_\_\_,

**in his/her capacity as**

- direct owner of a shareholding in Tessellis S.p.A such as to be able to exercise control, even jointly, over the same;
- subject who has a significant influence on the same company;
- Director of Tessellis S.p.A.;
- Acting Auditor of Tessellis S.p.A.;
- Manager with strategic responsibilities of Tessellis S.p.A.;

hereby, for the purpose of complying with the information requirements on Transactions with Related Parties, and after having fully understood the definitions of Related Party, Close Family Member, Control, Joint Control and Considerable Influence, as well as Managers with Strategic Responsibilities, as defined in the pro tempore in force International Accounting Standards (IAS), adopted by the procedure referred to in art. 6 of Regulation (EC) no. 1606/2002 ("**International Accounting Standards**"), referred to in the "Regulation Containing Provisions on Transactions with Related Parties" adopted by Consob with resolution no. 17221 of March 12, 2010, and subsequently amended and completed (**Regulation on Transactions with Related Parties**), and provided in the "Procedure for the regulation of Transactions with Related Parties" adopted by Tessellis S.p.A. (the "**Procedure**"), available and accessible in full at the website <http://investors.tiscali.it/it/>.

**DECLARES**

*(strike out what applies )*

- that his/her Close Familiar Members are:

<i>Surname and Name</i>	<i>Place and Date of Birth</i>	<i>Family</i>	<i>Tax Code</i>
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		<i>Relationship</i>	

- not to have any relevant Close Relatives, pursuant to the RPT Regulation;
- control /jointly control and/or that the aforementioned Close Relatives control/jointly control the following companies/institutions:

<i>Interested Party (Declarant/Close Relative)</i>	<i>Company/Entity (company name and registered office)</i>	<i>Tax code/VAT number</i>	<i>Participating Share and Control Chain</i>

- not to** control/jointly control and/or that the aforementioned Close Relatives do not control/jointly control any of the companies/entities;

- [section applicable to persons who have qualified themselves as "Direct owner of an investment in Tessellis S.p.A., such as to be able to exercise control, even jointly, over it"] to have significant influence and/or that the aforementioned Close Relatives have significant influence over the following companies/entities:

<i>Interested Party (declarant/close relative)</i>	<i>Company/Entity (company name and registered office)</i>	<i>Tax Code/VAT Number</i>	<i>Participating share and chain</i>

- [section applicable to persons who have qualified themselves as "Direct holder of an interest Tessellis S.p.A., such as to be able to exercise control, even jointly, over it"] **not to have** significant influence and / or that the aforementioned Close Relatives do not have significant influence over any company / entity;

- [section applicable to persons who have qualified themselves as Direct holder of a share in Tessellis S.p.A., such as to be able to exercise control, even jointly, over it] to be a manager with Strategic Responsibilities and/or that the aforementioned Close Relatives are Managers with Strategic Responsibilities in the following companies/entities:

<i>Interested Party (declarant/close relative)</i>	<i>Company/Entity (company name and registered office)</i>	<i>Tax Code/VAT number</i>	<i>Position held</i>	<i>Any Subsidiaries of the Company/Entity for which he/she is a Manager with</i>

				<i>Strategic Responsibilities</i>

[section applicable to persons *who have qualified themselves as "Direct holder of a share in Tessellis S.p.A., such as to be able to exercise control, even jointly, over it"* not to be a Manager with Strategic Responsibilities and/or that the aforementioned Close Relatives are not Managers with strategic Responsibilities in any company/entity;

OR

that no changes have occurred from the previous communication of \_\_\_\_\_

OR

from the previous communication of \_\_\_\_\_ the following changes occurred [*indicate below, in detail and referring to the above tables, the changes that have occurred*]

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The undersigned declares to be aware of the civil and/or criminal liabilities it may be subject to due to omitted or untruthful declaration.

The undersigned undertakes to promptly notify Tessellis S.p.A. any future changes / additions to the information provided herein, and in any case to issue this declaration annually.

The undersigned it also undertakes to inform the subjects indicated in this declaration of the obligations connected to the discipline referred to in the RPT Regulation.

The undersigned undertakes to promptly notify the company of any future variation and / or integration of the information provided here.

The undersigned authorizes Tessellis S.p.A. to the processing of the data and information contained herein, in accordance with EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 concerning the protection of individuals, with regard to the processing of personal data, as well as the free circulation of such data (GDPR), of the Legislative Decree. n. 196/2003, of the Legislative Decree. n. 101 of 2018 as well as any other legislation on the protection of personal data applicable in Italy, including the provisions of the Guarantor, for purposes related to compliance with the legislation on transactions with Related Parties and the RPT Regulation in question.

Faithfully yours,

[date]

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(signature)