

**Ferretti S.p.A.**

**PROCEDURE FOR THE MANAGEMENT AND DISSEMINATION OF INSIDE INFORMATION**

## **Table of contents**

1.	PURPOSE .....	3
2.	SCOPE OF APPLICATION .....	3
3.	REFERENCES .....	3
4.	CONFIDENTIALITY .....	4
5.	CONCEPT OF RELEVANT INFORMATION AND INSIDE INFORMATION .....	4
6.	FUNCTIONS RESPONSIBLE FOR THE PROCEDURE .....	5
7.	CIRCULATION AND ASSESSMENT OF THE RELEVANT NATURE OF THE INFORMATION .....	6
8.	INTERNAL CIRCULATION AND ASSESSMENT OF THE PRIVILEGED NATURE OF THE INFORMATION .....	7
9.	DISCLOSURE OF INSIDE INFORMATION TO THE PUBLIC .....	8
10.	RELATIONS WITH THE FINANCIAL COMMUNITY, THE PRESS AND PARTICIPATION IN CONFERENCES AND SEMINARS .....	9
11.	INFORMATION AT THE SHAREHOLDERS' MEETING .....	9
12.	SELECTIVE DISCLOSURE OF INSIDE INFORMATION TO THIRD PARTIES .....	9
13.	DELAY IN DISCLOSING INSIDE INFORMATION TO THE PUBLIC .....	9
14.	LIST OF PERSONS HAVING ACCESS TO SPECIFIC RELEVANT INFORMATION AND INSIDE INFORMATION .....	11
15.	RELEVANT INFORMATION LIST (RIL) .....	11
16.	REGISTRATION AND CANCELLATION FROM THE RIL .....	11
17.	INSIDER LIST .....	12
18.	REGISTRATIONS, UPDATES AND CANCELLATIONS IN THE INSIDER LIST .....	12
19.	NON-COMPLIANCE WITH THE PROCEDURE .....	13
20.	AMENDMENTS AND ADDITIONS .....	13
	Annex A – Form registering a delayed disclosure of Inside Information .....	14
	Annex B – Draft notice of delayed disclosure of Inside Information .....	16
	Annex C - Format for giving notice of registration in the Relevant Information List .....	18
	Annex C-bis - Format for giving notice of cancellation from the Relevant Information List .....	20
	Annex D – Form requesting registrations/updates/cancellations in the Insider List .....	21
	Annex E - Format for giving notice of registration in the Insider List .....	22
	Annex E-bis - Format for giving notice of updates in/cancellations from the Insider List .....	25
	Annex F – Prohibited Conduct and Sanctions .....	26

## 1. PURPOSE

This procedure was approved by the Board of Directors on March, 20, 2023, upon the Chief Executive Officer's proposal, for the purpose of complying with the applicable laws and regulations, including those enacted by the European Union in force from time to time, regarding the abuse of inside information, as described below (the "**Inside Information Procedure**" or the "**Procedure**").

The Inside Information Procedure regulates (i) the identification, internal management and public disclosure of inside information regarding Ferretti S.p.A. ("**Ferretti**" or the "**Company**") and/or Ferretti's subsidiaries (the "**Subsidiaries**"), in order to guarantee the confidentiality of inside information and the correct external disclosure thereof, and (ii) the establishment and updating of the register of persons having access to inside information.

This Procedure shall come into effect as of the date of filing with Borsa Italiana S.p.A. ("**Borsa Italiana**") of the application for admission to trading of the Company's shares on Euronext Milan, a market organised and managed by Borsa Italiana.

Any subsequent amendments and/or supplements shall come into force on the day of publication of the Procedure on the Company's website, or on the day otherwise provided for by law or regulation or by a resolution of the Board of Directors, or, in cases of urgency, by the Chairman of the Board of Directors or by an executive director.

## 2. SCOPE OF APPLICATION

2.1 The Inside Information Procedure applies, with binding effect, to: (i) members of the administrative, management and control bodies of the Company and Subsidiaries; (ii) others top managers who, even though they are not members of the bodies referred to in the previous point, have regular access to Inside Information, as defined below, that directly or indirectly concerns these entities and have the power to make management decisions that might affect the future development and prospects of these entities; and (iii) all the other employees of the Company's and its Subsidiaries, as well as the external parties who, due to their work or professional activity, have access to inside information concerning Ferretti and/or its Subsidiaries (together, the "**Recipients**" and each, individually, a "**Recipient**"), as well as the Company's competent functions responsible for the Procedure.

2.2 The Inside Information Procedure also applies as an instruction to all Subsidiaries, which are required to: (i) ensure that the Recipients belonging to their organization or appointed by it to act comply with the Procedure and (ii) promptly provide Ferretti with all the necessary information to comply with the disclosure obligations required under current legislation and, more generally, to implement the provisions contained in the Procedure.

## 3. REFERENCES

The provisions contained in the Inside Information Procedure refer to the following laws and regulations, guidelines and principles:

- Legislative Decree No. 58 of 24 February 1998, the Italian Consolidated Finance Act (the "**TUF**"), and subsequent amendments;
- Regulation approved by Consob with Resolution No. 11971, concerning issuers, and subsequent amendments;
- Regulation (EU) No. 596/2014, Delegated Regulation (EU) No. 522/2016, Implementing Regulation (EU) No. 1210/2022 and Implementing Regulation (EU) 1055/2016 (the "**MAR Regulation**");
- "Guidelines on the Market Abuse Regulation" published by ESMA;
- Guidelines issued by Consob on 13 October 2017 on the "Management of Inside Information" (No. 1/2017; the "**Consob Guidelines**");
- Consob Communication No. 0061330 of 1 July 2016;
- Regulations and instructions of Borsa Italiana S.p.A.;
- Corporate Governance Code for listed companies, to which Ferretti adheres;
- Code of Ethics of Ferretti and its subsidiaries;

- principles established by Ferretti regarding internal control.

#### 4. CONFIDENTIALITY

4.1 Without prejudice to the additional safeguards concerning the processing of Relevant Information, as well as the disclosure of Inside Information (as defined in Article 5 below,) established by this Procedure, the Recipients shall keep confidential all information of which they have become aware in performing their work or in performing their duties or assignments and process such information with the necessary precautions, so that unauthorised parties cannot become apprised of this information.

The Recipients shall manage the paper and electronic documents containing the aforementioned information so as to make the confidential nature thereof recognisable. Access to the media shall be controlled and protected in the manner deemed most appropriate each time, with available – also IT- tools. Each Recipient shall ensure that the media for which it is responsible is traceable.

4.2 The Recipients are prohibited from:

- a) disclosing confidential information with any means to third party, including the Specific Relevant Information (referred to in Article 7 below) and Inside Information, of which they have become aware, if it is not essential for conducting their professions or duties;
- b) carrying out directly or indirectly, on their own behalf or on behalf of third parties, purchasing, selling transactions or carrying out , , any other transactions on Ferretti’s financial instruments to which the Specific Relevant Information and Inside Information are related;
- c) carrying out in the name of and/or on behalf of the Company, purchasing, selling transactions or carrying out , , any nother transactions on Ferretti’s financial instruments to which the Specific Relevant Information and Inside Information are related;
- d) recommending or inducing others, on the basis of the Specific Relevant Information and Inside Information, to purchase, sell or carry out on their own account or that of third parties, any other transaction on Ferretti’s financial instruments to which such Information are related.

#### 5. CONCEPT OF RELEVANT INFORMATION AND INSIDE INFORMATION

5.1 Relevant information is any information or news not yet qualified as Inside Information that the Company considers to be relevant, since it relates to data, events, projects or circumstances which, on an ongoing, repetitive, periodic or sporadic, occasionally, or unforeseen basis, directly or indirectly concern Ferretti and which may, at a later, event imminent, time, assume a privileged nature (the “**Relevant Information**”).

5.2 Inside information is an information of a precise nature which has not been made public, and relating, directly or indirectly, to the Company or one or more financial instruments thereof, which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the prices of the related derivative financial instruments (the “**Inside Information**”).

5.3 For the purposes of Article 5.2 above, an information is specific if:

- a) it indicates a set of circumstances which exists, or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, and
- b) it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event referred to in point a) on the prices of the financial instruments or the related derivative financial instrument, related spot commodity contracts, or auctioned products based on emission allowances.

5.4 For the purposes of Article 5.2 above, for information that, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the prices of related derivative financial instruments, means an information that a reasonable investor would likely use as a part of the basis of his or her investment decisions.

5.5 In case of a protracted process that is intended to bring about, or that results in, a particular circumstance

or a particular event, such future circumstance or future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information as referred to in the paragraphs above.

As a mere example, information on the following events might constitute Inside Information which is to be construed as an intermediate step of a protracted procedure:

- a) the status of contractual negotiations
- b) the provisionally agreed contractual conditions;
- c) the possibility of placing financial instruments and the conditions under which these instruments are placed;
- d) the provisional conditions for the placement of financial instruments,
- e) the possibility that a financial instrument is included in a main index or is cancelled from such index;
- f) the execution of preliminary agreements;
- g) the accounting data and information intended to be reported in the annual financial statements, in the half-year financial reports or in the quarterly financial reports published by Ferretti.

## **6. FUNCTIONS RESPONSIBLE FOR THE PROCEDURE**

6.1 Chief Executive Officer of Ferretti (the “**Chief Executive Officer**”), also taking into account the Consob Guidelines, is the function in charge for handling the procedure for the management and dissemination of the Inside Information and, therefore shall:

- a) update the Mapping of the Relevant Information (referred to in Article 7.1 below), assessing its adequacy over time;
- b) assess the relevant nature of the specific information relating to Ferretti and/or its Subsidiaries, identifying the parties who have access to it;
- c) assess the privileged nature of the information relating to Ferretti and/or its Subsidiaries, identifying, including in case of delay, the internal and external parties who have access to Inside Information;
- d) request to the Person in Charge (as defined in Article 14.2 below) to update the RIL and/or the Insider List (as defined in Article 14.1 below);
- e) should Inside Information have to be disclosed immediately to the public, disclose this fact to the Finance Department, the Legal Function and the Investor Relator for the purpose of preparing the press release;
- f) assess and monitoring the existence of the conditions that allow the Company to avail itself of the possibility of delaying the disclosure of Inside Information and to fulfil the obligations as referred to in Article 13 below;
- g) inform, if deemed necessary or appropriate, the persons registered in the Insider List of the names of the other persons registered in the Insider List in connection with the same Inside Information.

6.2 The Legal Function, after having consulted the Finance Department shall:

- a) on the basis of the Chief Executive Officer’s instructions, update the Mapping of Relevant Information and the RIL, also carrying out the related obligations;
- b) on the basis of the Chief Executive Officer’s instructions, update the Insider List without delay, also carrying out the related obligations;
- c) inform the persons registered in the RIL and/or in the Insider List of the said registration (as well as of the closure thereof);

- d) carry out the dissemination to the public as well as the storage and filing the communications relating to Inside Information;
- e) monitor relations with Consob, Borsa Italiana and any other relevant authority;
- f) in the event of delay in the disclosure to the public of Inside Information, manage the storage of the information referred to in Article 13.3 by means of a document filed in the Company's records;
- g) systematically file the documentation relating to the Mapping of Relevant Information, the RIL and the Insider List.

6.3 The Finance Department shall:

- a) manage relations with the financial community (*Investor Relations*);
- b) manage relations with the press;
- c) prepare the contents of the public disclosure of Inside Information (Investor Relations).

## 7. CIRCULATION AND ASSESSMENT OF THE RELEVANT NATURE OF THE INFORMATION

7.1 The Chief Executive Officer, with the support of the Chief Financial Officer Function, the Finance Department, the Sales Department and Legal Function (together or alternatively between them) identifies and monitors the types of Relevant Information so as to facilitate the identification of Specific Relevant Information (referred to in Article 7.4 below), associating to the aforesaid types of Relevant Information the persons that potentially have access thereto.

The following list initially identifies, by way of example, the types of Relevant Information that could be of interest to the Company (the “**Mapping of Relevant Information**”):

- ownership structure;
  - the composition of the management, and the management incentive plans (i.e. members of the Company’s management bodies and manager with strategic responsibility of the Company, including the terms and conditions of possible severance payment provision);
  - the auditors’ activity;
  - transactions on share capital;
  - issuance of financial instruments and relevant features;
  - transactions on financial instruments, buy-back and accelerated book-building;
  - acquisitions, mergers, demergers and other extraordinary transactions;
  - purchase or sale of assets;
  - corporate restructuring and reorganisation activities;
  - insolvency proceedings;
  - legal and tax disputes;
  - bank loans (including the relevant revocation);
  - trademarks, licences, intellectual property rights;
  - new multi-year full-service agreements with national network operators (including renewals);
  - default of important debtors;
  - forecast data/annual and multi-year quantitative objectives and management performance data;
  - changes in expected accounting results (profit warning and earning surprise);
  - entry into (or exit from) new strategic markets or business sectors;
  - receipt or cancellation of important orders; execution or termination of important agreements;
  - amendments to investment plans;
  - dividend distribution policy.

7.2 The Chief Executive Officer, with the support of the corporate functions mentioned in Article 7.1 above, continuously evaluates the adequacy of the Mapping of Relevant Information, amending it where necessary.

The Mapping of Relevant Information, in the version updated from time to time, is kept by the Finance Department and submitted to Ferretti's Top-level Department Managers<sup>1</sup>, as well as the directors holding specific offices of the Subsidiaries.

7.3 Ferretti's Top-level Department Managers, as well as the directors holding specific offices of the Subsidiaries, also on the basis of the Mapping of the Relevant Information, whenever they deem it appropriate, in connection with their role, that a specific information, due to the characteristic already in place, may later assume a privilege nature - shall promptly inform the Chief Executive Officer and identify the persons inside and/or outside the company who are aware thereof.

The assessment of the relevant nature of the specific information is carried out by the Chief Executive Officer.

7.4 If, at the end of the aforementioned assessment, the Chief Executive Officer identifies - also with the support of the Chief Financial Officer Function, the Finance Department, the Sales Department, the Investor Relator and the Legal Function (together or alternatively between them)) - a specific relevant information (the "**Specific Relevant Information**"), he shall:

- (a) promptly identify the persons who have access to it;
- (b) promptly inform the Person in Charge (as defined in Article 14.2 below) about the Specific Relevant Information identified;
- (c) disclose to the Person in Charge the names of the persons referred to in letter (a) above.

7.5 On the basis of the information received, the Person in Charge shall promptly set up a specific section in the RIL (as defined in Article 14.1 below) relating to the Specific Relevant Information in compliance with the provisions set out in Article 16.2 below.

7.6 The Chief Executive Officer, with the support of the Ferretti's Top-level Department Managers, monitors the development and circulation of the Specific Relevant Information and ensures that the latter is circulated among the concerned Recipients only on a strictly confidential basis, notifying to the Person in Charge any amendment that is of relevance to updating the RIL.

7.7 With reference to the selective disclosure of the Specific Relevant Information to the third parties, the provisions set out in Article 12.1 below shall apply.

## **8. INTERNAL CIRCULATION AND ASSESSMENT OF THE PRIVILEGED NATURE OF THE INFORMATION**

8.1 Without prejudice to the provisions set out in Article 7.3 above, Ferretti's Top-level Department Managers, as well as the director holding special offices of the Subsidiaries shall inform, without delay, the Chief Executive Officer of all the information to which, on the basis of a reasonable assessment and a preliminary and presumptive judgment, may have privileged nature, to which they have access due to the functions carried out or which has been generated in their organisational unit, identifying the persons who have knowledge thereof.

Functional Responsible who are in possession of or have received from their staff members information which, on the basis of a reasonable assessment and preliminary and presumptive judgment, may have privileged nature, shall inform, without delay, the Manager of a higher level Department until the respective Top-level Department Manager is informed so that the latter can report to the Chief Executive Officer.

8.2 The assessment on the privileged nature of the information and the identification of the persons, inside and/or outside the Ferretti Group, who have access to such information, is carried out by the Chief Executive Officer, who can also avail himself of the support of the Chief Financial Officer Function, the Finance Department, the Sales Department, the Investor Relator and the Legal Function (together or

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<sup>1</sup> "Top-level Department Manager" means the Head or Department Manager reporting directly to the Company's Chief Executive Officer.

alternatively between them).

- 8.3 If, as a result of the aforementioned assessment, the Chief Executive Officer believes that the information does not have a privileged nature, shall inform the concerned Recipients, who shall continue to process the information as confidential in accordance with Article 4 above.
- 8.4 If, as a result of the aforementioned assessment, the Chief Executive Officer believes that the information has a privileged nature, shall inform the Person in Charge (as defined in Article 14.2 below) so that the latter can set up without delay a specific section of the Insider List (as defined in Article 14.1 below) concerning the Inside Information, in accordance with the provisions set out in Article 18.2 below.

The Person in Charge, with the modalities set out in Article 18 below, shall record in the aforementioned section of the Insider List the persons who have access to the Inside Information and who are not registered in the Permanent Access Section (as defined in Article 17.1 below).

In accordance with Article 9 below, the Chief Executive Officer ensures that the information is disclosed to the public, without prejudice to the possibility to delay the disclosure if the conditions and the procedure described in Article 13 below are met.

- 8.5 If an event qualified as Inside Information has generated during a Board of Directors meeting, in connection with a resolution adopted by the same, both the qualification of the said event as Inside Information and the decision to disclose it to the public as soon as possible the Inside Information, or to delay the disclosure when the conditions set forth in Article 13 occur, is taken by the same Board of Directors.

## **9. DISCLOSURE OF INSIDE INFORMATION TO THE PUBLIC**

- 9.1 In the cases provided for under Articles 8.4 and 8.5 below, the Chief Executive Officer shall promptly inform the Finance Department, the Investor Relator and the Legal Function so that to the extent of their competence, shall disclose to the public of the Inside Information concerning Ferretti and/or the Subsidiaries.
- 9.2 The Inside Information shall be disclosed to the public through a specific press release drawn up by the Finance Department and by the Investor Relator in accordance with Article 9.4 below, the contents of which shall be submitted to the Chief Executive Officer approval. The Company's communications of accounting information are accompanied by a written declaration by the Manager responsible for financial reports in accordance with Article 154-*bis* of the TUF.
- 9.3 The Finance Department and the Investor Relator shall disclose Inside Information to the public without delay in accordance with the modalities established by the legislation in force from time to time.

Only after the press release has been issued by the Finance Department and the Investor Relator the latter may make the public announcement.

As soon as the disclosure, described in the previous paragraph, has been made to the public and, in any event, within the opening of the market on the day following the said disclosure, the press release is published by the Finance Department and the Investor Relator on Ferretti's website, where it remains available for at least five years. The Inside Information referred to in the press releases shall be stored in a section of the website that is easily identifiable, presented in chronological order, with the date and time of the disclosure thereof, and be accessible free of charge and without discrimination.

- 9.4 Press releases shall:
- a) be prepared in compliance with MAR Regulation and, in any case, with current legislation, taking into account both the recommendations and clarifications provided for by Consob, and the forms drawn up by Borsa Italiana set out in the Instructions to the Market Regulations; to this end, the General Counsel shall be consulted in advance;
  - b) contain elements suitable for allowing a complete and correct analysis of the events and circumstances indicated above, as well as allowing connections and comparisons to be made with the contents of any previous press releases.

Inside Information shall be disclosed through press releases in a clear, complete, timely, adequate and non-selective manner.



- 9.5 Before the press release is issued, Recipients shall issue no statement regarding Inside Information, except in the event that such information is expressly requested by Consob or Borsa Italiana, in accordance with current legislation, in which case the provisions of this Procedure shall, in any event, be complied with.
- 9.6 Any significant change of the Inside Information already disclosed to the public shall be disclosed without delay in the manner described in this Procedure.
- 9.7 The Subsidiaries are required to provide Ferretti with all the necessary information for the timely and accurate fulfilment of the public disclosure obligations envisaged under current legislation.

## **10. RELATIONS WITH THE FINANCIAL COMMUNITY, THE PRESS AND PARTICIPATION IN CONFERENCES AND SEMINARS**

- 10.1 The Finance Department and the Investor Relator are responsible to arrange meetings with the financial community, as well as individual meetings with investors, analysts and rating companies. Details, comments and information that do not qualify as Inside Information are provided at these meetings.

The Finance Department and the Investor Relator shall identify the contents that will be discussed during the meetings referred to in the previous paragraph and submit them to the Chief Executive Officer for approval. If, during the aforementioned meetings, or during the interviews and statements made by corporate officers, including during participation in conferences and seminars, Inside Information arises, it shall be disclosed to the public in accordance with the provisions of this Procedure.

- 10.2 The Finance Department and the Investor Relator shall handle relations with the press. These Departments may avail itself of the support of an external consultant specialised in institutional and economic-financial press office activities. This consultant shall be bound by a confidentiality obligation.

All scheduled requests by the press for interviews or statements are subject to the Chief Executive Officer's assessment.

## **11. INFORMATION AT THE SHAREHOLDERS' MEETING**

In the event that the Inside Information is disclosed at a Shareholders' Meeting, such information shall be disclosed to the public in accordance with the provisions of this Procedure.

## **12. SELECTIVE DISCLOSURE OF INSIDE INFORMATION TO THIRD PARTIES**

- 12.1 Inside Information may be selectively disclosed to third parties provided that:
- a) it is disclosed during the course of work or professional activities or functions or offices normally carried out; and
  - b) the persons to whom the information is disclosed are subject to confidentiality obligations imposed by laws, regulations or by-law. If this is not the case, the disclosure of Inside Information may occur only subject to entering into a confidentiality agreement with such third parties, in accordance with the company's standards that are applicable from time to time.
- 12.2 In the event that the aforementioned conditions are not satisfied, the Inside Information shall be promptly, disclosed to the public.

## **13. DELAY IN DISCLOSING INSIDE INFORMATION TO THE PUBLIC**

- 13.1 As an exception to the provisions of Article 9 above, the Company may, under its own responsibility, delay the public disclosure of Inside Information, including those concerning a protracted process which occurs in stages and that is intended to bring about, or that results in, a particular circumstance or event, provided that all of the following conditions are met:

- a) the immediate disclosure is likely to prejudice Ferretti's legitimate interests;
- b) the delay of disclosure is not likely to mislead the public; and

- c) Ferretti is able to ensure the confidentiality of that Inside Information.
- 13.2 The following shall be responsible for deciding to delay the disclosure of Inside Information to the public:
- a) Ferretti's Chief Executive Officer, with the support of the Finance Department, the Sales Department and the Legal Function (together or alternatively between them); or
- b) the Board of Directors in the case envisaged under Article 8.5 above or where deemed appropriate.
- 13.3 In the case referred to in letter (b) of Article 13.2 above, the Chief Executive Officer promptly informs the Legal Function of the decision to delay the public disclosure of Inside Information. In any event, the Legal Function records the delay in a document filed on the Company's records, indicating therein the information set out in **Annex A** to this Procedure (the "**Registration form of delay in disclosure of Inside Information**"). This information shall be accessible, legible and stored on a durable medium.
- 13.4 In the event of a delay of the public disclosure of Inside Information, Ferretti is nonetheless required to guarantee that the Inside Information is kept confidential and, where this confidentiality has ceased, restore information parity.

In order to ensure the confidentiality and secrecy of the Inside Information during the period of delay, the Chief Executive Officer shall take all necessary, or even just appropriate, measures to prevent the access to such inside information by persons other than those who need it for the purpose of performing their duties, by identifying in advance the latter and registering them in the Insider List, alerting these persons of the delayed disclosure procedure and the need to ensure the utmost confidentiality thereof. He shall continuously monitor whether the conditions that justify the delay continue to be met and, in particular, the confidentiality of the Inside Information whose disclosure has been delayed.

Confidentiality is considered to have ceased, with the ensuing obligation to disclose the Inside Information to the public as soon as possible, in the event that information in the public domain ("rumours") explicitly relates to the Inside Information the disclosure of which has been delayed, when such information is sufficiently accurate to confirm that the confidentiality of such information is no longer ensured.

- 13.5 Upon Consob request, according to current legislation, or should the Chief Executive Officer not be able to ensure confidentiality or ascertains that even one of the conditions referred to in Article 13.1 above is no longer satisfied, the Company shall disclose the Inside Information to the public without delay in accordance with the provisions of Article 9 above.

Furthermore, immediately after having disclosed the said Inside Information to the public and unless otherwise provided for under current legislation, the Company shall give to Consob notice in writing - through an email sent to the certified email address [consob@pec.consob.it](mailto:consob@pec.consob.it) (specifying the "Market Division" as the recipient and "MAR disclosure delay" as the subject-matter) - of the information required by the MAR Regulation in the manner set out in **Annex B** to this Procedure ("**Draft notice of delay of disclosure of Inside Information**")<sup>2</sup>. The purpose of the notice is to provide the Authority with the information being delayed, the reasons for such delay, the date and time when the information became inside information, as well as an explanation of the manner in which the conditions previously indicated were satisfied and any other circumstance that the Company deems relevant, in order to allow Consob to make a complete assessment of the reported conduct, as well as promptly take appropriate supervisory measures with respect to the Financial Instruments.

To this end, the Chief Executive Officer, who is responsible for giving the aforementioned notice, avails himself of the support of the General Counsel.

- 13.6 In the event that a programme for purchasing treasury shares is ongoing, the Chief Executive Officer shall immediately report to the Chief Financial Officer Function, the Finance Department and the Legal Function the decision to delay the public disclosure of Inside Information, so that the latter suspends the execution of the purchase of the treasury shares, without prejudice to the provisions of Article 4.2 of the Implementing Regulation (EU) 2016/1052 and, in any case, the applicable legislation in force from time to time. The Chief Financial Officer Function the Finance Department and the Legal Function shall then be subsequently informed of the disclosure of the Inside Information which has led to treasury share

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<sup>2</sup> Disclosure is made in the same manner to Consob upon the latter's request in accordance with the Italian provisions of law implementing the MAR Regulation.

purchase programme being suspended for the purpose of any continuation the programme.

#### **14. LIST OF PERSONS HAVING ACCESS TO SPECIFIC RELEVANT INFORMATION AND INSIDE INFORMATION**

- 14.1 The Company establishes and constantly updates a list of persons who have access to Specific Relevant Information (the “**Relevant Information List**” or the “**RIL**”) and a list of persons having access to Inside Information (the “**Insider List**”).
- 14.2 The Legal Function, in the person of the General Counsel, is responsible of maintaining and managing the RIL and the Insider List (the “**Person in Charge**”). In case of his absence or impediment, the role of the Person in Charge is temporarily assigned by the Person in Charge to a person appointed by him/her (the “**Person in Charge’s Substitute**”).
- 14.3 Those with whom there is a professional relationship shall be recorded in the RIL and Insider List, whether an employment contract or otherwise and, in the performance of certain duties, have access to Specific Relevant Information and/or Inside Information within the existing relationship between the said person and Ferretti and/or the Subsidiaries.
- 14.4 The Insider List is established in accordance with the MAR Regulation.
- 14.5 The RIL is voluntarily established.

#### **15. RELEVANT INFORMATION LIST (RIL)**

- 15.1 The RIL is divided into separate sections, one for each Specific Relevant Information, indicating the list of the persons who have access to each Specific Relevant Information relating to Ferretti and/or the Subsidiaries.

Each section of the RIL shall indicate at least:

- (a) the Specific Relevant Information to which the section refers;
  - (b) the date of identification of the Specific Relevant Information;
  - (c) the identity of the persons having access to the Specific Relevant Information;
  - (d) the name of the company to which the said person belongs;
  - (e) the function and the reason for which the said person is registered;
  - (f) the date and the time on which the person had access to the Specific Relevant Information and the closing date.
- 15.2 The RIL is drafted and managed in an electronic format that ensures the confidentiality and accuracy of the information contained therein.

#### **16. REGISTRATION AND CANCELLATION FROM THE RIL**

- 16.1 Following the assessment of the relevant nature of the information referred to in Article 7 above, the Chief Executive Officer shall request the Person in Charge to register in the RIL all those who have access to the Specific Relevant Information identified. The registration request may also be made through the Chief Financial Officer Function, the Finance Department, the Legal Function, the Sales Department and the Investor Relations’ (alternatively between them), as well as upon a direct request of the said parties who have access to the Specification Relevant Information
- 16.2 The Person in Charge shall promptly set up within the RIL a new section relating to the Specific Relevant Information identified by registering therein the parties who have access thereto, reporting the information referred to in Article 15.1 above. The Person in Charge notifies by email to the concerned parties the registration, making them aware of the confidentiality obligations arising from having access to the Specific Relevant Information. This disclosure is drafted in compliance with the format set out in **Annex C** to this Procedure.

- 16.3 If Specific Relevant Information is subsequently qualified as Inside Information according to Article 8.4 above, the Person in Charge shall close the RIL and open the Insider List, in accordance with Article 17 below. The RIL is also closed in the event that the said information loses its potentially privileged nature and, therefore, ceases to qualify as Specific Relevant Information. In the aforementioned cases, the Person in Charge informs the concerned parties of the cancellation by email (**Annex C-bis**).
- 16.4 The Insider List also includes persons in possession of information that have assumed privileged nature without, due to the circumstances of the case, there having been the possibility of identifying the relevance thereof at an earlier time and, therefore, of not previously having been registered inside the RIL.
- 16.5 The data relating to the persons registered in the RIL shall be kept by the Legal Function for at least five years following the end of the circumstances that led to the registration thereof.

## **17. INSIDER LIST**

- 17.1 The Insider List is divided into separate sections, one for each Inside Information identified, and contains the list of persons who have access to each Inside Information relating to Ferretti and/or the Subsidiaries. Within the Insider List there is also a permanent access section containing the list of persons who always have access to all the Inside Information (the “**Permanent Access Section**”). The data of the persons registered in the Permanent Access Section of the Insider List are not reported in any of the individual sections relating to each Inside Information.
- 17.2 The Insider List is drafted and managed in an electronic format in compliance with the form provided for under the MAR Regulation, which ensures the confidentiality and accuracy of the information contained therein, as well as access and retrieval of the previous versions thereof.

## **18. REGISTRATIONS, UPDATES AND CANCELLATIONS IN THE INSIDER LIST**

- 18.1 The Chief Executive Officer, following the assessment of the privileged nature of the information referred to in Article 8 above, shall request the Person in Charge to register in the Insider List all those who have access to the Inside Information by completing the Application Form set out in **Annex D** of this Procedure.
- 18.2 The Person in Charge proceeds without delay to establish within the Insider List a new section relating to the Inside Information identified and registers the persons who have access to the Information and who are not registered in the Permanent Access Section. Their registration is communicated to them by e-mail, specifying the prohibited conduct and the sanctions arising from the abuse and unlawful disclosure of Inside Information. This notice is drafted in compliance with the format set out in **Annex E** to this Procedure.
- 18.3 Upon the Chief Executive Officer’s request and with the same modalities described in Articles 18.1 and 18.2 above, the Person in Charge shall make any updates to the registrations and the related disclosures to the concerned parties in accordance with the format set out in **Annex E-bis** to this Procedure. The Insider List must be updated promptly by the Person in Charge if:
- (a) the reason for which the person is enrolled in the Insider List has changed, including the case when it is necessary to move the person’s enrolment from one section of the Insider List to another one;
  - (b) a new person must be enrolled in the Insider List;
  - (c) it should be noted that a person on the Insider List no longer has access to Inside Information.

Each update indicates the date and time when the change occurred that made necessary the update.

- 18.4 Following the public disclosure of the Inside Information, the Person in Charge shall cancel without delay the parties registered in the single section of the Insider List relating thereto, communicating to them the cancellation according to the procedures referred to in Article 18.2 above.

In the event that the Inside Information ceases to exist for other reasons, the Person in Charge, upon the Chief Executive Officer’s request and in accordance with the procedures referred to in Articles 18.1 and 18.2 above, shall cancel the persons registered in the individual section of the Insider List relating thereto, communicating to them the completed cancellation in accordance with the format set out in **Annex E-bis** to this Procedure.

- 18.5 The Board of Directors (i.e. the Chief Executive Officer) identifies the persons to be included in or removed from the Permanent Access Section (the “**Persons with permanent Access**”). By way of example, in the Permanent Access Section may be enrolled if the conditions set forth in the relevant regulation are met:
- (a) the Chief Executive Officer;
  - (b) executives and employees reporting directly to the Chief Executive Officer; and
  - (c) the chief financial officer.

Upon the Chief Executive Officer’s request, the Person in Charge, in the same manner described in Articles 18.1, 18.2 and 18.4 above, shall promptly register or cancel the Persons with permanent access and make the related disclosures to the concerned parties.

- 18.6 The persons registered in the Insider List acknowledge in writing of the notices of registration in the Register sent by the Person in Charge.
- 18.7 The data relating to the persons registered in the Insider List, as well as all the supporting documentation (such as, by way of example only, requests for registration and the communications to the registered persons) must be kept by the Legal Function for at least five years following the circumstances that led to the registration or updating thereof no longer being applicable.

## **19. NON-COMPLIANCE WITH THE PROCEDURE**

- 19.1 This Procedure is binding. In any case, compliance with the rules provided for by the Procedure does not exempt Recipients to compliance with applicable legislation.
- 19.2 Failure to comply with the obligations and prohibitions referred to in the previous articles may also lead to employees being subject to disciplinary sanctions provided for by the current contractual provisions. For other persons, the Board of Directors reserves the right to resolve upon any measures deemed appropriate, taking into account the specific circumstances of the case.
- 19.3 Without prejudice to Article 19.2 above, failure to comply with the obligations envisaged under the applicable legislation as governed by the Procedure is subject to the sanction envisaged under the national and/or European Union legislation in force from time to time on market abuse (**Annex F**).
- 19.4 The Recipient is responsible for any loss or sanction suffered by Ferretti as a result of the breach of the obligations or the infringement of the prohibitions to which it is bound under this Procedure and the applicable provisions of law and/or regulations and will hold Ferretti harmless and indemnified from any adverse effects suffered by the latter.
- 19.5 This Procedure refers to the Organisational Model adopted by Ferretti in accordance with Legislative Decree No. 231/01.

## **20. AMENDMENTS AND ADDITIONS**

- 20.1 The Inside Information Procedure is amended by the Ferretti Board of Directors, with the support of the Audit Committee.
- 20.2 The Procedure may be amended by the Legal Function in order to adapt it to the regulatory changes and/or guidelines adopted by the competent Authorities. The Ferretti Audit Committee and the Board of Directors shall be informed of these changes at the first meeting of the Audit Committee or the Board following the amendments made by the Legal Function.
- 20.3 The Chief Executive Officer shall take all appropriate measures to identify the information referred to this Procedure, for the purpose of monitoring such information, executing confidentiality agreements and, more generally, implementing the Procedure.

## Annex A – Form registering a delayed disclosure of Inside Information

The following information are required under Article 17(4) of Regulation (EU) No. 596/2014 (“MAR”) and Article 4(1) of Implementing Regulation (EU) 2016/1055 of the Commission of 29 June 2016 concerning the delay in public disclosure of inside information, as described below.

<i>Identification of the publicly disclosed inside information that was subject to delayed disclosure:</i>	
<b>a) Date and time:</b>	
<i>i) when the inside information first existed within the issuer;</i>	
<i>ii) the decision to delay the disclosure of inside information was made;</i>	
<i>iii) the issuer is likely to disclose the inside information.</i>	
<b>b) the identity of the persons within the issuer responsible for;</b>	
<i>i) making the decision to delay disclosure and deciding on the start of the delay and its likely end;</i>	
<i>ii) ensuring the ongoing monitoring of the conditions for the delay;</i>	
<i>iii) making the decision to publicly disclose inside information;</i>	
<i>iv) providing the requested information about the delay and the written explanation to the competent authority.</i>	
<b>c) evidence of the initial fulfilment of the conditions referred to in Article 17(4) of the MAR and of any change of this fulfilment during the delay period:</b>	
<i>i) the conditions provided for under Article 17(4)(a) and (b) of the MAR;</i>	

<p><i>ii) the conditions provided for under Article 17(4)(c) of the MAR and, specifically, the information barriers which have been put in place internally and with regard to third parties to prevent access to inside information by persons other than those who require it for the normal exercise of their employment, profession or duties within the issuer;</i></p>	
<p><i>iii) the arrangements put in place to disclose the relevant inside information as soon as possible where the confidentiality is no longer ensured.</i></p>	

**Annex B – Draft notice of delayed disclosure of Inside Information**

To

**Commissione Nazionale  
per le Società e la Borsa – Consob**

Divisione

Mercati, Via

G.B Martini, 3

00198 – Roma

By email to the certified e-mail address consob@pec.consob.it

Cattolica (RN), \_\_\_\_\_

**Re: Delay in disclosing according to the MAR – Disclosure made under Article 17(4) of Regulation (EU) No. 596/2014 (“MAR”).**

Dear Sirs,

Pursuant to Article 17(4) of the MAR, Ferretti S.p.A. (the “**Company**”) hereby notifies to this Authority of the delay in disclosing inside information to the public concerning \_\_\_\_\_, which was disclosed with a press release attached hereto.

\*\*\*

Description of the modalities under which the conditions to delay the public disclosure were met.

\_\_\_\_\_

In accordance with Article 17(4) of the MAR, the information required by Article 4(3) of Implementing Regulation (EU) 2016/1055 are provided below.

<b>Full company name</b>	Ferretti S.p.A.
<b>Identity of the person making the notification</b>	Alberto Galassi, Chief Executive Officer Ferretti S.p.A.
<b>Contact details of the person making the notification</b>	Email: [•] phone number [•]
<b>Identification of the publicly disclosed inside information that was subject to delayed disclosure</b>	Disclosure titled “ _____ ”, Regulated Information No. _____ Regulated Information Identifier ____ - Type ____. Date and time of the public disclosure: ____ , hours _____



<b>Date and time when the inside information first existed within the issuer and the decision to delay disclosure of the inside information</b>	____, ____.
<b>Identity of all persons responsible for the decision to delay the public disclosure of inside information and the relevant monitoring</b>	_____
<b>Identity of all persons responsible for the decision to publicly disclose the inside information</b>	_____
<b>The information barriers which have been put in place internally and with regard to third parties to prevent access to inside information by persons other than those who require it for the normal exercise of their employment, profession or duties within the issuer;</b>	_____

We remain fully at your disposal for any clarification you might need.

Kind regards.

Ferretti S.p.A.  
The Chief Executive Officer  
**Alberto Galassi**

**Annex**

Ferretti S.p.A. press release of \_\_\_\_\_.

## **Annex C - Format for giving notice of registration in the Relevant Information List**

*Sent by e-mail*

Dear Sir \_\_\_\_\_ /Dear Madam, \_\_\_\_\_ ,

### **Re: Registration in the Ferretti S.p.A. Relevant Information List (the “RIL”)**

We hereby inform you that, in accordance with the “Procedure for the management and dissemination of inside information” (the “**Procedure**”) of Ferretti S.p.A. (“**Ferretti**” or the “**Company**”), effective from \_\_\_\_, the Company has registered you in the Ferretti RIL section in connection with the following specific relevant information: \_\_\_\_ [*specify the Specific Relevant Information in relation to which the registration is made*] (the “**Specific Relevant Information**”).

*[Applicable in the case of persons operating in the name or on behalf of the Company]*

You have also been identified as the contact person of \_\_\_\_\_ [*name of the company/ company of reference*] in relation to \_\_\_\_\_ [*name of the company/ company of reference*] processing and managing the Specific Relevant Information. Therefore, it will be your responsibility to identify the persons who can have access to the Specific Relevant Information and inform them of the obligations and prohibitions specified in the rest of this notice.

For the purposes of the above, we hereby inform you that “Relevant Information” means any information or data not yet qualified as Inside Information that the Company deems relevant, insofar as it relates to data, events, projects or circumstances which, on an ongoing, repetitive, periodic or sporadic, occasionally, or unforeseen basis, directly or indirectly concern Ferretti and which may, at a later, event imminent, time, assume a privileged nature

We must also inform you that, insofar as you are a person having access to Specific Relevant Information, you are bound by the confidentiality obligations provided for under legislation in force from time to time and the Procedure.

The Specific Relevant Information shall be kept in a way that prevents unauthorised persons from becoming apprised thereof.

Furthermore [You are forbidden to] [*to be used in case of Recipients belonging to Ferretti*] [We invite you not to] [*to be used for persons that do not belong to Ferretti’s organisation*]:

- a) disclose to others with any means of communication whatsoever confidential information, including Specific Relevant Information and Inside Information, of which you have become aware, if it is not indispensable for the performance of their occupations, professions or duties;
- b) carry out directly or indirectly, on their behalf or on behalf of third parties, purchase transactions, sale transactions or any other transaction on Ferretti’s financial instruments to which the Specific Relevant Information and Inside Information relate;
- c) carry out, in the name and/or on behalf of the Company, purchase transaction, sale transaction or any other transaction on Ferretti’s financial instruments to which the Specific Relevant Information and Inside Information relate;
- d) recommend or induce others, on the basis of Specific Relevant Information and Inside Information, to buy, sell or carrying out, on your behalf or on behalf of third parties, any other transaction on Ferretti’s financial instruments, to which such Information relates.

Kind regards

[•]

(The Person in Charge)

**Annex C-bis - Format for giving notice of cancellation from the Relevant Information List**

*Sent by email*

Dear Sir/Dear Madam,

**Re: Cancellation from the Ferretti S.p.A. Relevant Information List (the “RIL”)**

We hereby inform you that, in accordance with the “Procedure for the management and dissemination of inside information” of Ferretti S.p.A. (the “**Company**”), the Company, commencing from \_\_\_\_\_, has cancelled your name from the RIL in relation to the following Specific Relevant Information \_\_\_\_\_

Kind regards

[•]

(The Person in Charge)

**Annex D – Form requesting registrations/updates/cancellations in the Insider List**

<b>Applicant</b>	
<b>Name and Surname</b>	<b>Alberto Galassi</b>

\*\*\*

<b>Details identifying the Person to be registered /to which the changes/request for cancellation relate</b>
Name and Surname _____
Company of origin _____

\*\*\*

<input type="checkbox"/> <b>Registration in the Permanent Access Section of the Insider List</b>
--

<input type="checkbox"/> <b>Registration in the section of the Insider List relating to:</b>
--

\*\*\*

<input type="checkbox"/> <b>Request for Registration</b>
--

<b>Description of the Reason:</b> _____
---

<b>Date and time</b> when the applicant became aware of the Information that required to be registered: __, __
--

\*\*\*

<input type="checkbox"/> <b>Update of the Registration</b>
--

<b>Description of the Reason:</b> _____
---

<b>Date and time</b> when the applicant became aware of the Information that required to be updated: __, __
---

\*\*\*

<input type="checkbox"/> <b>Cancellation of the Registration</b>
--

<b>Description of the Reason:</b> _____
---

<b>Date and time</b> when the Information could no longer be accessed: _____, _____
---

\*\*\*

Cattolica, \_\_\_\_\_

Applicant's signature \_\_\_\_\_

**Annex E - Format for giving notice of registration in the Insider List**

*Sent by email*

Dear Sir/Madam,

**Re: Registration in the Register of persons having access to Ferretti S.p.A. Inside Information (the “Insider List”)**

In accordance with the provisions of Article 18 of the “**Procedure for the management and dissemination of inside information**” (the “**Procedure**”) adopted by Ferretti S.p.A. (“**Ferretti**” or the “**Company**”), which is attached hereto, we hereby give you notice that, effective from \_\_\_ hours of \_\_\_\_\_, Ferretti proceeded to

a

register you in the Permanent Access Section of the Insider List, in consideration of your capacity as \_\_\_\_\_ [specify the office/role held/ by the person registered justifying the registration, as well as the company/ the company of reference].

[or alternatively]

register you, as \_\_\_ [specify the office/role held/ by the registered person justifying the registration, as well as the company/ the company of reference] in the section of the Ferretti Insider List relating to the following Inside Information: \_\_\_\_\_ [specify the Inside Information in relation to which the registration is made].

[Applicable in the case of persons acting in the name or on behalf of the Company]

You have also been identified as the contact person of \_\_\_\_\_ [name of the company/ the company of reference] in relation to processing and handling the Inside Information on behalf of \_\_\_\_\_ [name of the company/ the company of reference]. Therefore, it will be your responsibility to identify the persons who can have access to Inside Information for the purpose of performing such task and register those persons in the insider list of \_\_\_\_\_ [name of the company/ the company of reference]. The responsibility for this register rests solely with \_\_\_\_\_ [name of the company/ the company of reference] that has an independent duty to set it up and update it in accordance with the law.

In relation to the above, we invite you to provide us with/confirm [if already available to Ferretti] the following data, concerning you, to be indicated in the Insider List.

Name	Surname
_____	_____
Surname at birth (if different)	Date of birth
_____	_____
Tax Code	Private telephone number (land line and mobile phone)
_____	_____
Professional telephone number (land line and mobile phone)	Email address

---

Full private address (*street, house number, location, post code, State*)

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---

Name and address of the company of origin

---

In relation to the above, we hereby invite you to:

- examine this notice, of the Procedure and of the related attachments, with particular reference to Annex F, which describes the prohibited conduct and the sanctions in case of abuse of Inside Information and unlawful disclosure of Inside Information, and keep a copy hereof;
- promptly confirm in writing to Ferretti, at the following email address, the receipt of this notice:
  - officeofthegeneralcounsel@ferretti.com.

or through any other means that ensures the receipt hereof by the Company, having taken note of the legal and regulatory obligations, as well as of the sanctions imposed in case of infringement that are connected with the registration in the Ferretti S.p.A. Insider List and that are envisaged under the relevant legislation.

\* \* \*

Finally, we shall inform you that the personal data needed for registering you in the Insider List and proceeding with the related updates, in compliance with the provisions set out in Regulation (EU) 2016/679 (GDPR), will be processed and stored, with the help of IT media, by Ferretti, as Data Controller for the period required by the aforementioned legislation, so as to fulfil the obligations arising from the current legislation on market abuse and the processing of Inside Information. The Data Controller's employees and consultants, who have been assigned to the relevant Departments and have been duly appointed to process the data, can gain access to the data in fulfilment of the aforementioned purpose. Such information can also be disclosed to third parties, who have been appointed as Data Processors or independent Data Controllers (such as, for example, Public Institutions and Regulatory Authorities). Therefore, the disclosure of the requested personal data is mandatory. The failure to do so could lead to any of the sanctions provided for under current legislation and/or the Procedure being imposed on you [*the Company* \_\_\_\_\_] and/or Ferretti. You can exercise your rights in accordance with Article 13 of the GDPR (including, for example, the right to gain access your personal data, request rectification and update, if incomplete or inaccurate) by making a request to this effect to the Legal Function of Ferretti S.p.A., Via Irma Bandiera No. 62, Cattolica (Rimini).

The data controller of personal data is Ferretti S.p.A., with registered office at Via Irma Bandiera No. 62, Cattolica (RN).

The Data Protection Officer is Ms Alessandra Nisticò, who can be contacted at dpo@ferrettigroup.com.

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For any further information and/or clarifications concerning this notice and its application, please contact Ferretti S.p.A., the Legal Function by e-mail at officeofthegeneralcounsel@ferretti.com.

Kind regards

[•]

(The Person in Charge)

**Annex**

- Copy of the "Procedure for the management and dissemination of inside information" of the Ferretti S.p.A.





**Annex E-bis - Format for giving notice of updates in/cancellations from the Insider List**

*Sent by email*

Dear Sir/Dear Madam,

**Re: Update/cancellation of registration recorded in the Ferretti S.p.A. Register of persons having access to Inside Information (“Insider List”)**

in accordance with the provisions of Article 18 of the “**Procedure for the management and dissemination of inside information**” (the “**Procedure**”) adopted by Ferretti S.p.A. (“**Ferretti**” or the “**Company**”), which is already in your possession, we hereby inform you that, effective from today, Ferretti proceeded to cancel your name from the Permanent Access Section of the Insider List [or alternatively] from the Insider List in relation to the following Inside Information\_\_\_\_\_.

*[or in the alternative]*

update your registration in the Insider List for the following reason:

\_\_\_\_\_

\*\*\*

For any further information and/or clarifications concerning this notice and its application, please contact Ferretti S.p.A., the Legal Function by e-mail, at [officeofthegeneralcounsel@ferretti.com](mailto:officeofthegeneralcounsel@ferretti.com).

Kind regards

[•]

(The Person in Charge)

## **Annex F – Prohibited Conduct and Sanctions**

### **Prohibited Conduct**

#### **Regulation (EU) No 596/2014 of the European Parliament and of The Council of 16 April 2014 (“MAR”)**

#### **Article 8**

##### **Insider dealing**

1. For the purposes of this Regulation, insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, shall also be considered to be insider dealing. In relation to auctions of emission allowances or other auctioned products based thereon that are held pursuant to Regulation (EU) No 1031/2010, the use of inside information shall also comprise submitting, modifying or withdrawing a bid by a person for its own account or for the account of a third party.

2. For the purposes of this Regulation, recommending that another person engage in insider dealing, or inducing another person to engage in insider dealing, arises where the person possesses inside information and:

(a) recommends, on the basis of that information, that another person acquire or dispose of financial instruments to which that information relates, or induces that person to make such an acquisition or disposal, or

(b) recommends, on the basis of that information, that another person cancel or amend an order concerning a financial instrument to which that information relates, or induces that person to make such a cancellation or amendment.

3. The use of the recommendations or inducements referred to in paragraph 2 amounts to insider dealing within the meaning of this Article where the person using the recommendation or inducement knows or ought to know that it is based upon inside information.

4. This Article applies to any person who possesses inside information as a result of:

(a) being a member of the administrative, management or supervisory bodies of the issuer or emission allowance market participant;

(b) having a holding in the capital of the issuer or emission allowance market participant;

(c) having access to the information through the exercise of an employment, profession or duties; or

(d) being involved in criminal activities.

This Article also applies to any person who possesses inside information under circumstances other than those referred to in the first subparagraph where that person knows or ought to know that it is inside information.

5. Where the person is a legal person, this Article shall also apply, in accordance with national law, to the natural persons who participate in the decision to carry out the acquisition, disposal, cancellation or amendment of an order for the account of the legal person concerned.

## **Article 9**

### **Legitimate behaviour**

1. For the purposes of Articles 8 and 14, it shall not be deemed from the mere fact that a legal person is or has been in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal, where that legal person:

(a) has established, implemented and maintained adequate and effective internal arrangements and procedures that effectively ensure that neither the natural person who made the decision on its behalf to acquire or dispose of financial instruments to which the information relates, nor another natural person who may have had an influence on that decision, was in possession of the inside information; and

(b) has not encouraged, made a recommendation to, induced or otherwise influenced the natural person who, on behalf of the legal person, acquired or disposed of financial instruments to which the information relates.

2. For the purposes of Articles 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal where that person:

(a) for the financial instrument to which that information relates, is a market maker or a person authorised to act as a counterparty, and the acquisition or disposal of financial instruments to which that information relates is made legitimately in the normal course of the exercise of its function as a market maker or as a counterparty for that financial instrument; or

(b) is authorised to execute orders on behalf of third parties, and the acquisition or disposal of financial instruments to which the order relates, is made to carry out such an order legitimately in the normal course of the exercise of that person's employment, profession or duties.

3. For the purposes of Articles 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal where that person conducts a transaction to acquire or dispose of financial instruments and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against insider dealing and:

(a) that obligation results from an order placed or an agreement concluded before the person concerned possessed inside information; or

(b) that transaction is carried out to satisfy a legal or regulatory obligation that arose, before the person concerned possessed inside information.

4. For the purposes of Article 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing, where such person has obtained that inside information in the conduct of a public takeover or merger with a company and uses that inside information solely for the purpose of proceeding with that merger or public takeover, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information.

This paragraph shall not apply to stake-building.

5. For the purposes of Articles 8 and 14, the mere fact that a person uses its own knowledge that it has decided to acquire or dispose of financial instruments in the acquisition or disposal of those financial instruments shall not of itself constitute use of inside information.

6. Notwithstanding paragraphs 1 to 5 of this Article, an infringement of the prohibition of insider dealing set out in Article 14 may still be deemed to have occurred if the competent authority establishes that there was an illegitimate reason for the orders to trade, transactions or behaviours concerned.

## **Article 10**

### **Unlawful disclosure of inside information**

1. For the purposes of this Regulation, unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties.

This paragraph applies to any natural or legal person in the situations or circumstances referred to in Article 8(4).

2. For the purposes of this Regulation the onward disclosure of recommendations or inducements referred to in Article 8(2) amounts to unlawful disclosure of inside information under this Article where the person disclosing the recommendation or inducement knows or ought to know that it was based on inside information.

## **Article 12**

### **Market manipulation**

1. For the purposes of this Regulation, market manipulation shall comprise the following activities:

(a) entering into a transaction, placing an order to trade or any other behaviour which:

(i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances; or

(ii) secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level;

unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market practice as established in accordance with Article 13;

(b) entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances, which employs a fictitious device or any other form of deception or contrivance;

(c) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;

(d) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

2. The following behaviour shall, inter alia, be considered as market manipulation:

(a) the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;

(b) the buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;

(c) the placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, and which has one of the effects referred to in paragraph 1(a) or (b), by:

(i) disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so;

(ii) making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilisation of the order book; or

(iii) creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;

(d) the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;

(e) the buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held pursuant to Regulation (EU) No 1031/2010 with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

3. For the purposes of applying paragraph 1(a) and (b), and without prejudice to the forms of behaviour set out in paragraph 2, Annex I defines non-exhaustive indicators relating to the employment of a fictitious device or any other form of deception or contrivance, and non-exhaustive indicators related to false or misleading signals and to price securing.

4. Where the person referred to in this Article is a legal person, this Article shall also apply, in accordance with national law, to the natural persons who participate in the decision to carry out activities for the account of the legal person concerned.

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 specifying the indicators laid down in Annex I, in order to clarify their elements and to take into account technical developments on financial markets.

## **Article 14**

### **Prohibition of insider dealing and of unlawful disclosure of inside information**

A person shall not:

(a) engage or attempt to engage in insider dealing;

(b) recommend that another person engage in insider dealing or induce another person to engage in insider dealing;

or

(c) unlawfully disclose inside information.

## **System of sanctions**

### **Legislative Decree No. 58/1998 (“TUF”)**

#### **Chapter II – Criminal sanctions**

In accordance with Article 39(1) of Law No. 262 of 28 December 2005, the sanctions provided for under this Chapter are doubled within the limits set for each type of sanction by Book I, Title II, Chapter II of the Italian Criminal Code.

#### **Article 184**

##### **Illegitimate use or unlawful disclosure of inside information. Recommending that another person engage in or inducing another person to engage in illegitimate use of inside information**

1. Imprisonment for between two and twelve years and a fine of between Euro 20,000 and Euro 3,000,000 shall be imposed on any person who, possessing inside information by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:

a) buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;

b) discloses such information to others outside the normal exercise of his employment, profession, duties or position or a market survey conducted in accordance with Article 11 of Regulation (EU) no. 596/2014 of the European Parliament and the Council of 16 April 2014;

c) recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in paragraph a).

2. The punishment referred to in paragraph 1 shall apply to any person who, possessing inside information by virtue of the preparation or execution of criminal activities, commits any of the facts referred to in paragraph 1.

3. Apart from cases of complicity in the offences referred to in paragraphs 1 and 2, a term of imprisonment ranging from one year and six months to ten years and a fine ranging from twenty thousand to two million five hundred thousand euro shall be imposed on any person who, being in possession of inside information for reasons other than those referred to in paragraphs 1 and 2 and knowing the privileged nature of such information, commits any of the acts referred to in paragraph 1.

4. In the cases referred to in paragraphs 1, 2 and 3, the penalty of a fine may be increased up to three times or up to the amount of ten times the proceeds or profit gained from the offence when, due to the seriousness of the offence, the personal qualities of the offender or the amount of the proceeds or profit gained from the offence, it appears inadequate even if applied to the maximum.

5. The provisions of this Article shall also apply where the acts referred to in paragraphs 1, 2 and 3 relate to conduct or transactions, including bidding, relating to auctions on a licensed auction platform, such as a regulated market for emission allowances or other auctioned products, even where the auctioned products are not financial instruments within the meaning of Commission Regulation (EU) No 1031/2010 of 12 November 2010.

#### **Article 185**

##### **Market Manipulation**

1. Whoever spreads false news or carries out simulated transactions or other devices concretely likely to cause a significant alteration of the price of financial instruments shall be punished by imprisonment from 1 to 6 years and a fine ranging from Euro 20,000 to Euro 5,000,000.

1-*bis*. A person shall not be punishable who has committed the act by means of orders to trade or transactions carried out for legitimate reasons and in accordance with accepted market practices, pursuant to Article 13 of Regulation (EU) No 596/2014.

2. The judge may increase the fine up to three times or up to the greater amount of ten times the proceeds or profit made from the offence when, due to the relevant offensiveness of the act, the personal qualities of the offender or the size of the proceeds or profit made from the offence, it appears inadequate even if applied at the maximum.

#### **Article 186**

##### **Accessory sanctions**

1. Conviction for any of the offences referred to in this chapter shall entail the application of the accessory penalties referred to in Articles 28, 30, 32-*bis* and 32-*ter* of the Penal Code for a period of not less than six months and not more than two years and the publication of the judgement in at least two daily newspapers having national circulation of which one shall be a financial newspaper.

#### **Article 187**

##### **Confiscation**

1. In the event of conviction for one of the crimes referred to in this chapter the assets constituting the profit therefrom shall always be confiscated.

2. If it is not possible to execute the confiscation in accordance with paragraph 1, a sum of money or property of equivalent value may be confiscated.

3. For matters not provided for in paragraphs 1 and 2, Article 240 of the Criminal Code shall apply.

### **Chapter III – Administrative sanctions**

#### **Article 187-*bis***

##### **Insider trading**

1. Without prejudice to the judicial sanctions applicable when the act constitutes a criminal offence, a pecuniary administrative sanction of between twenty thousand euro and five million euro shall be imposed on anyone who infringes the law against insider trading and unlawful communication of inside information, as per article 14 of Regulation (EU) no. 596/2014.

5. The pecuniary administrative sanctions provided for by this article shall be increased up to three times or, where larger, ten times the profit generated or the losses avoided due to the unlawful action when, having taken account of the criteria listed in article 194-*bis* and the size of the product or the profit from the unlawful action, they appear to be inadequate even if the maximum is applied.

6. For the cases referred to in this article, attempted violations shall be treated as completed violations.

#### **Article 187-*ter***

##### **Market Manipulation**

1. Without prejudice to the judicial sanctions applicable when the action constitutes a criminal offence, a pecuniary administrative sanction of between twenty thousand euro and five million euro shall be imposed on anyone who infringes the law against market manipulation referred to in article 15 of Regulation (EU) regulation 596/2014.

2. The provision of Article 187-*bis* shall apply.

4. Administrative sanctions may not be imposed on persons who demonstrate that they acted for legitimate reasons and in accordance with accepted market practices for the market concerned.

### **Article 187-ter.1**

#### **Penalties relating to violations of the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014**

1. With regard to a body or a company, in the event of infringement of the obligations provided for by article 16, paragraphs 1 and 2 by article 17, paragraphs 1, 2, 4, 5 and 8 of Regulation EU no. 596/2014, by the delegated acts and relative technical rules of regulation and implementation, as well as article 114, paragraph 3 of this decree, a pecuniary sanction of between five thousand euro and two million five hundred thousand euro, or up to two percent of turnover when this amount is over two million five hundred thousand euro and turnover can be determined pursuant to article 195, paragraph 1-*bis* shall be applied.

2. If the infringements indicated by paragraph 1 are committed by a natural person, a pecuniary administrative sanction of between five thousand euro and one million euro shall be applied.

3. Without prejudice to the provisions of paragraph 1, the sanction indicated in paragraph 2 shall be applied against corporate officers and the staff of the company or body responsible for the infringement, in the cases provided for by article 190-*bis*, paragraph 1, letter a).

4. With regard to a body or company, in the event of infringement of the obligations provided for by article 18, paragraphs 1 to 6, by article 19, paragraphs 1, 2, 3, 5, 6, 7 and 11 and by article 20, paragraph 1 of Regulation (EU) no. 596/2014, by the delegated acts and relative technical rules of regulation and implementation.

5. If the infringements indicated by paragraph 4 are committed by a natural person, a pecuniary administrative sanction of between five thousand euro and five hundred thousand euro shall be applied.

6. Without prejudice to the provisions of paragraph 4, the sanction indicated in paragraph 2 shall be applied against corporate officers and the staff of the company or body responsible for the infringement, in the cases provided for by article 190-*bis*, paragraph 1, letter a).

7. If the advantage achieved by the author of the infringement as a consequence of the infringement itself is above the maximum limits indicated in this article, the pecuniary administrative sanction is increased to up to three times the amount of the advantage obtained, providing this amount can be determined.

8. CONSOB, even in combination with the pecuniary administrative sanctions provided for by this article, can apply one or more of the administrative measures provided for by article 30, paragraph 2 letters a) to g) of Regulation (EU) no. 596/2014.

9. When the infractions are only marginally offensive or dangerous, CONSOB may, apply one of the following administrative measures instead of the pecuniary sanctions provided for by this article, without prejudice to its power to order the confiscation referred to in art. 187-sexies;

a) the order to discontinue the alleged infringements, with possible indication of the measures to be adopted and the deadlines for fulfilment, and to ensure they are not repeated;

b) a public statement detailing the infringement committed and the person responsible, when the alleged infringement has been discontinued.

10 Failure to comply with the obligations prescribed by the measures referred to in article 30, paragraph 2 of Regulation (EU) no. 596/2014 by the established deadline shall imply an increase of the pecuniary administrative sanction imposed by up to one third or the application of the pecuniary administrative sanction foreseen for the infringement originally disputed increased by up to one third.

11. Articles 6, 10, 11 and 16 of Law no. 689 of November 24, 1981 shall not apply to the pecuniary administrative sanctions provided for by this article.

### **Article 187-quater**

#### **Accessory administrative sanctions**

1. Application of pecuniary administrative sanctions provided for by articles 187-*bis* and 187-*ter* entails:



a) the temporary ban on performing administrative, management or supervisory functions within entities authorised pursuant to this decree, Legislative Decree no. 385 of 1 September 1993, Legislative Decree no. 209 of 7 September 2005 or within pension funds;

b) the temporary ban on performing administrative, management or supervisory functions within listed companies or companies belonging to the same group as listed companies.

c) suspension from the Register, pursuant to article 26, paragraphs 1, letter d) and 1-*bis* of Legislative Decree no. 39 of the statutory auditor, auditing firm or party responsible for the engagement;

d) suspension from the register referred to in article 31, paragraph 4 for financial advisors qualified to practise door-to-door selling;

e) the temporary loss of the requisites of integrity for the shareholders in the entities indicated in letter a).

1-*bis* Without prejudice to the provisions of paragraph, CONSOB, with the measure of applying the pecuniary administrative sanctions provided for by article 187-*ter*.1, may apply the accessory administrative sanctions indicated by paragraph, letters a) and b).

2. The accessory administrative sanctions referred to in paragraph 1 and 1-*bis* shall have a duration of between two months and three years.

2-*bis* When the perpetrator of the offence has already committed one of the crimes provided for in Chapter II, or an infringement of the provisions of articles 187-*bis* and 187-*ter* with intent or through gross negligence, twice or more in the last ten years, the accessory administrative sanction of permanent ban on performing administrative, managerial or supervisory functions within the entities indicated in paragraph 1, letters a) and b), in the case that the same party has already been banned for a total period of at least five years.

3. In the measure imposing pecuniary administrative sanctions referred to in this chapter, CONSOB, taking into account the seriousness of the violation and the degree of fault, may order authorised intermediaries, market operators, listed issuers and auditing firms not to use the offender in the exercise of their activities for a period of not more than three years and ask the competent professional associations to suspend the registrant from practice of the profession as well as applying against the author of the infringement a temporary ban on concluding transactions, or acting as a direct counterparty in the issue of sales/purchase orders for a period of up to three years.

#### **Article 187-*quinquies*** **Liability of the entity**

1. Entities shall be punished with a pecuniary administrative sanction of between twenty thousand euro and fifteen million euro, or up to fifteen percent of turnover when this amount is more than fifteen million euro and the turnover can be determined pursuant to article 195, paragraph 1-*bis*, where an infringement of the prohibition under article 14 or of the prohibition under article 15 of Regulation (EU) no. 596/2014 is committed in their interest or to their advantage:

a) by persons performing representative, administrative or management functions in the entity or one of its organisational units having financial and functional autonomy and by persons who, de facto or otherwise, manage and control the entity.

b) persons subject to the direction or supervision of a person referred to in paragraph a).

2. If, following the perpetration of offences referred to in paragraph 1, the product thereof or the profit therefrom accruing to the entity is very large, the sanction shall be increased up to ten times such product or profit.

3. Entities shall not be liable if they demonstrate that the persons specified in paragraph 1 acted exclusively in their own interest or in the interest of third parties.

4. Articles 6, 7, 8 and 12 of Legislative Decree 231/2001 shall apply, insofar as they are compatible, to offences referred to in paragraph 1. The Ministry of Justice, after consulting CONSOB, shall formulate the observations referred to in Article 6 of Legislative Decree 231/2001 with regard to offences referred to in this chapter.

#### **Article 187-sexies**

##### **Confiscation**

1. The application of the pecuniary administrative sanctions referred to in this chapter shall entail the confiscation of the product or profits of the offence.

2. If it is not possible to execute the confiscation pursuant to paragraph 1, a sum of money or property of equivalent value may be confiscated.

3. In no case may property not belonging to one of the persons on whom the pecuniary administrative sanction was imposed be confiscated.

#### **Article 187 septies**

##### **Sanction procedure**

1. The administrative sanctions provided for in this chapter shall be imposed by CONSOB with a reasoned order, after charging the interested parties within one hundred and eighty days or within three hundred sixty days from the ascertainment where the interested party resides or has its head office abroad. Interested parties may, within thirty days of the dispute, make submissions and request a personal hearing during the investigation stage, in which they may also participate with the assistance of a lawyer.

2. The proceedings shall afford all parties the opportunity to state their case and have access to the investigation file. Transcripts shall be taken of the proceedings. Investigatory and adjudicatory functions shall be separate.

4. An appeal can be brought against the provision that applies the sanction before the court of appeal under whose jurisdiction the appellant party's headquarters or residence fall. If the appellant party does not have its registered office or residence in the State, the court of appeal of the place where the violation occurred shall have jurisdiction. When these criteria do not apply, the court of appeal of Rome shall have jurisdiction. The appeal shall be notified, under penalty of forfeiture, to the Authority that issued the provision within thirty days of notification of the contested measure, or sixty days if the applicant resides abroad, and is filed with the clerk of the court, together with the documents by the deadline of thirty days from notification.

5. Opposition does not suspend enforcement of the provision. If serious grounds occur, the court of appeal may order suspension with unchallengeable order.

6. The President of the Court of Appeal shall designate the Judge-Rapporteur and fix, by decree, the public hearing to discuss the appeal. The decree shall be notified to the parties by the clerk of court at least sixty days before the hearing. The Authority shall file memorandums and documents within ten days before the hearing. If the appellant does not appear at the first hearing without presenting any legitimate excuse, the judge shall declare, with an order subject to appeal to the Court of Cassation, that the appeal cannot go forward and charging the appellant for the expenses of the procedure

*6-bis.* At the hearing the Court of Appeal shall have, even on its own motion, the evidence it deems necessary, as well as the personal hearing of the parties who have so requested. Then the parties shall proceed to an oral discussion of the case. The judgement is filed with the clerk of court within sixty days. When at least one of the parties would be interested in the advance publication of the order with respect to the judgement, the order is published by filing with the clerk of court no later than seven days from the discussion hearing.

*6-ter.* With the decision, the court of appeal can dismiss the appeal, charging the appellant all the expenses of the procedure, or sustain it, annulling the order entirely or in part, or reducing the amount or term of the sanction.

7. A copy of the judgement shall be forwarded, by the clerk of the court of appeal, to the Authority that issued the provision, also for the purposes of publication provided for in Article 195-*bis*.

8. Article 16 of Italian Law no. 689 of 24 November 1981 does not apply to the pecuniary administrative sanctions envisaged by this chapter.