



**AMPLIFON S.p.A.**

**PROCEDURE FOR THE INTERNAL MANAGEMENT AND DISCLOSURE OF  
CORPORATE DOCUMENTS AND INFORMATION, WITH PARTICULAR REFERENCE  
TO INSIDE INFORMATION**

## **General**

In order to update the management of Inside Information as provided for by recent EU legislation, and in particular, by articles 7 and subsequent of Regulation (EU) 596/2014 (“**MAR**”), the Board of Directors of Amplifon S.p.A. (the “**Company**”) approved necessary amendments to this procedure (the “**Procedure**”) on 26<sup>th</sup> October 2016.

This Procedure has been amended and updated, based on the legal framework in effect at the date of approval by the Board of Directors, and is therefore subject to amendments that may be necessary as a result of developments in primary and secondary legislation and best market practices.

This Procedure is related to the procedure on the establishment and maintenance of the Insider Register and the Code of Conduct on internal dealing, to which reference is made.

## 1. Definitions

For the purposes of this Procedure, the following terms and expressions will have the meaning given to them below:

“**Board of Statutory Auditors**” means the board of statutory auditors of the Company in office, from time to time.

“**Board of Directors**” means the board of directors of the Company in office, from time to time.

“**Group**” means the Company and its Subsidiaries.

“**Inside information**”, pursuant to article 7 of the MAR, means information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or one of its Subsidiaries or Financial Instruments, and which, if it were made public, would be likely to have a significant effect on the prices of the Financial Instruments or on the prices of related financial instruments.

For the purposes of this definition,

- information shall be considered of "*a precise nature*" 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;
  - (b) it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event as per letter (a) above on the prices of the Financial Instruments or the corresponding related financial instrument.

In this respect, in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that 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.

- “*information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments*”, means information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

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 herein.

“**Confidential information**” means information that is appropriate for becoming Inside Information but which cannot be qualified as such due to the absence of one or more requirements as of the definition of Inside Information.

“**Insider Register**” means the list, compiled in compliance with article 18 of the MAR, of all persons who have access to Inside Information and who are working under a contract of employment, or otherwise performing tasks through which they have access to Inside Information, such as advisers, accountants or credit rating agencies.

“**Subsidiaries**” mean the subsidiaries of the Company pursuant to article 2359 of the Italian Civil Code and/or included in the scope of consolidation pursuant to IAS/IFRS.

“**Persons Concerned**” mean the persons as of article 2.3 below.

“**Financial Instruments**” mean any financial instrument issued by the Company.

## 2. Scope

**2.1.** This Procedure regulates processes for the internal management and disclosure of documents concerning the Company and Subsidiaries, with particular reference to Inside Information.

**2.2.** The Company's chief aim is therefore to make this information available only to persons who, because of their position or function held within the Company, have an actual interest, and to take action so that this information is limited to said persons and in particular to prevent any dangerous leaks of information before official disclosure according to procedures and times established by law. The Company is also responsible for regulating disclosure in compliance with article 114 of the Italian Legislative Decree 58/1998 ("TUF") concerning the disclosure of Inside Information.

**2.3.** This Procedure applies to:

- (a) members of the Board of Directors and Board of Statutory Auditors of the Company;
- (b) senior executives of the Company who have regular access to Inside Information relating directly or indirectly to the Company and power to take managerial decisions affecting the future developments and business prospects of the Company;
- (c) all persons who, based on their work or professional activities or functions carried out, have access to Inside Information.

The persons as of letters a), b) and c) above, are, collectively referred to as the "**Persons Concerned**".

**2.4.** To comply with this Procedure and more in general with legal obligations, the Company issues adequate instructions to Subsidiaries and ensures that information flows to the parent company are prompt and correct.

## 3. Procedure for the internal management of Inside Information

### **3.1.** Evaluation of the nature of information and responsibilities for the management of Inside Information

**3.1.1.** The Chief Executive Officer, in agreement with the Chief Financial Officer as applicable, evaluates the sensitive nature of information reported to him/her or which otherwise comes to his/her knowledge, concerning the Company, Subsidiaries and/or the Group.

**3.1.2.** The Group Legal and Corporate Affairs Officer, the Investor Relator and Group Risk and Compliance Officer (with other company functions involved, as applicable), may assist the Chief Executive Officer in the above evaluations, and as concerns all statutory and regulatory aspects relating to obligations and procedures for market disclosure.

**3.1.3.** Without prejudice to article 3.1.1 above, in order to meet market disclosure obligations, Persons Concerned shall promptly inform the Chief Executive Officer or Chief Financial Officer of all information concerning the Company, Subsidiaries and/or the Group that they consider to be Confidential or Inside Information, that comes to their knowledge because of their work or professional activities, or because of functions carried out.

**3.1.4.** Without prejudice to article 3.1.1 above, in order to meet market disclosure obligations, employees that are Persons Concerned shall promptly inform their first line manager of all information concerning the Company, Subsidiaries and/or the Group that comes to their knowledge because of their work activities which - based on their reasonable evaluation and preliminary, presumptive opinion - they consider to be Inside Information.

**3.1.5.** The Chief Financial Officer shall carry out the functions assigned by this procedure to the Chief Executive Officer, if the latter is absent, unable or unavailable to do so.

**3.2.** *Processing of Confidential Information and Inside Information*

**3.2.1.** Persons Concerned shall:

- (a) keep all Confidential Information and Inside Information and relative documents, obtained in carrying out their duties, confidential;
- (b) use said documents, the Confidential Information and Inside Information solely for carrying out their functions;
- (c) strictly observe this Procedure and applicable laws and regulations applicable from time to time concerning the disclosure of documents, Confidential Information and Inside Information.

**3.2.2.** Persons Concerned that have confidential documents or documents concerning Confidential Information shall keep them in such a way as to limit risks of unauthorised access and processing.

**3.2.3.** Access to Confidential Information and Inside Information by persons that are not part of the Company, or Subsidiaries and more in general the Group, is allowed within the limits established by applicable laws and regulations, and only after a confidentiality agreement has been signed. In this circumstance, persons are registered on the Insider Register and are given relative information.

**3.2.4.** The sender of hard and/or soft copies of documents with Confidential and/or Inside Information shall put the wording "STRICTLY CONFIDENTIAL" or other, equivalent expressions, on the documents.

**3.2.5.** Persons Concerned are personally responsible for retaining confidential documents they receive and for ensuring that these documents are kept in a suitable place and may only be accessed by authorised persons. If documents with Inside and/or Confidential Information are lost, Persons Concerned shall immediately inform the Group Risk and Compliance Officer, indicating the conditions and circumstances of the event, so that appropriate measures may be taken, including the publication of a notice.

**3.2.6.** Each Person Concerned shall take all measures and/or actions to prevent information being obtained by third parties who, based on duties carried out within the company, do not need to have knowledge of Inside Information.

**3.2.7.** Confidential and/or Inside Information shall be processed taking all necessary measures so that the information may circulate in the company, without affecting its confidential nature.

**3.2.8.** Anyone who becomes aware of a failure to comply with the regulations in this Procedure, or the dissemination of confidential information outside institutional channels, shall promptly inform the Group Risk and Compliance Officer in order for suitable measures to be adopted.

**3.2.9.** Persons Concerned shall comply with the rules in this Procedure and refrain from a conduct that is in contrast with the procedure and with laws in general. In this regard, the Chief Executive Officer, assisted by Human Resources, shall disseminate this document to all Persons Concerned, who shall declare in writing that they have received a copy of and have read the Procedure, and are aware of all the statutory and regulatory obligations arising therefrom, and of the possible sanctions in the case of the misuse or unauthorised distribution of information. The Chief Executive Officer, assisted by Human Resources, is also expressly authorised to adopt all measures and/or actions considered necessary to achieve the above objectives.

#### **4. Procedure for the disclosure of Inside Information and external relations**

**4.1.** Inside Information is disseminated in compliance with applicable regulations; the relative press release shall include all information which is appropriate for a complete evaluation of events, circumstances and financial data represented, as well as for connections and comparisons with the content of previous press releases.

**4.2.** Press releases concerning periodic information (financial statements, interim report, interim report on operations, etc.) are approved by the Board of Directors and are disseminated in compliance with laws and regulations issued by the supervisory authorities.

**4.3.** Forecasts and quantitative objectives concerning operations, as well as accounts for the period, are not subject to market disclosure. However, if disclosed to the public, press releases on forecasts are overseen by the Chief Executive Officer and Chief Financial Officer. In these cases, particular attention shall be paid to the following: (i) guaranteeing regular, frequent financial information in order to reduce investor evaluation uncertainty; (ii) clearly specifying, when publishing prospectuses, that information refers to forecasts, i.e. strategic objectives established as part of company planning; (iii) checking actual operations against forecasts and quantitative objectives disseminated and promptly informing the public, in a press release, of any significant deviation (both positive and negative), and relative reasons.

**4.4.** In all other cases, the Chief Executive Officer manages disclosure to the public, assisted by company functions selected based on the type of press release to issue. If the data and information to disclose include references to specific details (such as data on financial position and performance, investments, the use of personnel, etc.), these details shall be previously validated by relevant company functions.

**4.5.** The dissemination of press releases is coordinated by the Investor Relator, as regards legal obligations (dissemination via SDIR - systems for the dissemination of regulated information) and other notices to the press and institutional investors.

**4.6.** Press releases concerning Inside Information are issued in Italian and English.

**4.7.** Inside Information shall always be disclosed promptly, in compliance with principles of fairness, clarity, transparency, continuity and equal access to information (information symmetry).

**4.8.** In preparing press releases, the Company complies with instructions issued by Borsa Italiana S.p.A. on the minimum content and types of price-sensitive notices.

**4.9.** Before disseminating documents and information to the public, it is strictly forbidden for anyone to give interviews to the press or to make statements in general that contain Confidential Information, and in particular forecasts that have not been previously disclosed in press releases and/or documents already made public.

**4.10.** When the Company, or a person acting in its name or on its behalf, discloses Inside Information to third parties, during the normal course of professional activities or functions, the Company shall disclose said information in full to the public - at the same time if disclosure is intentional, and promptly if disclosure is unintentional. The above does not apply if the person receiving information is required to keep it confidential, regardless of whether this obligation is a legal, regulatory, statutory or contractual requirement.

**4.11.** Relations with the financial community and media are managed by the Investor Relator, under the responsibility of the Chief Executive Officer and Chief Financial Officer.

#### **5. Delays - Rumours**

**5.1.** The Chief Executive Officer, in agreement with the Chief Financial Officer as applicable, may legitimately decide whether to delay the disclosure of Inside Information to the public, pursuant to article 17, paragraph 3 of the MAR. In particular, disclosure to the public of Inside Information may be delayed if all of the following conditions are met:

- (a) immediate disclosure is likely to prejudice the legitimate interests of the Company;
- (b) delay of disclosure is not likely to mislead the public; and
- (c) the Company is able to ensure the confidentiality of that information.

**5.2.** The Group Legal and Corporate Affairs Officer, the Investor Relator and the Group Risk and Compliance Officer (with other company functions involved, as applicable), may assist the Chief Executive Officer in the above decisions.

**5.3.** In the case of a protracted process, that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, the Company may, on its own responsibility, delay the public disclosure of Inside Information relating to this process, subject to the conditions as of letters (a), (b) and (c) of paragraph 5.1 of this Procedure.

**5.4.** To delay the disclosure of Inside Information, also for the purposes of notifying and explaining the delay in writing to Consob, as of article 5.5. below, the Company uses technical resources which ensure that the following information is accessible, legible and stored on long-term media:

- (a) the date and time: (i) of the initial existence of the Inside Information at the Company; (ii) of the decision taken to delay the disclosure of Inside Information; (iii) of the probable disclosure of Inside Information by the Company;
- (b) the identity of people within the Company that are responsible for: (i) taking the decision to delay the disclosure and the decision establishing the period of the delay and its probable end; (ii) continually monitoring the conditions allowing for the delay; (iii) taking the decision to disclose Inside Information to the public; (iv) notifying Consob of information required concerning the delay and an explanation in writing;
- (c) evidence that the conditions as of article 5.1 above are initially met and of any change taking place during the period of the delay.

**5.5.** Unless otherwise indicated by Consob, when the Company has delayed the disclosure of Inside Information as provided for above, this delay will be notified to Consob and a report provided in writing indicating (i) the reasons for the delay and (ii) the explanation whereby the conditions as of letters a), b) and c) of section 5.1 are met, immediately after the information has been disclosed to the public.

**5.6.** The Chief Executive Officer, in agreement with the Chief Financial Officer and other company functions involved pursuant to article 5.2, monitors compliance with the conditions of confidentiality of the Inside Information for which disclosure has been delayed in compliance with sections above. If the conditions to keep the Inside Information confidential no longer apply (for example as a result of rumours), the Chief Executive Officer, in agreement with the Chief Financial Officer as applicable, shall evaluate as soon as possible whether and under what terms it is necessary to disclose such Inside Information to the public.

**5.7.** If rumours are spread concerning the financial position and performance of the Company, Subsidiaries and/or the Group, or extraordinary financial operations, or the business performance of the Company, Subsidiaries and/or the Group, the Chief Executive Officer, in agreement with the Chief

Financial Officer as applicable, will assess the situation to promptly verify the need to disclose and/or the advisability of disclosing Inside Information to the public that was previously delayed, as the rumours are sufficiently accurate for the confidentiality of said Inside Information to be considered as no longer being guaranteed.

## **6. Non-compliance with the Procedure and Sanctions**

**6.1.** The unauthorised use and dissemination of Inside Information is subject to sanctions being applied in compliance with applicable statutory and regulatory provisions.

**6.2.** In the case of failure to comply with the provisions of this Procedure, the Company and Subsidiaries – in their area of responsibility - will adopt the measures established by employment contracts (in the case of executives or employees), and by applicable statutory and regulatory provisions, against persons responsible.

**6.3.** Failure to comply with this Procedure may result in the defaulting party being requested to pay for all damages sustained by the Company, and the most suitable measures established and allowed by law being adopted.

**6.4.** Failure to comply with the provisions of this Procedure, even if not subject to sanctions by the judicial or other competent authorities, may seriously damage the Company, also in terms of image, with significant economic and financial consequences.

**6.5.** The Board of Directors of the Company is responsible for taking appropriate measures in the event of breach of the Procedure. If the breach is committed by a Company director, said director may not be involved in decisions concerning sanctions. If the majority of Board members have been involved in the breach, the Board of Statutory Auditors of the Company will take appropriate measures.

## **7. Final provisions**

**7.1.** For any matters not specifically addressed by this Procedure, statutory, regulatory and self-regulation provisions in force shall apply.

**7.2.** The Board of Directors shall monitor compliance with all procedures issued and being issued on the management and disclosure of company information and documents, assisted, where deemed necessary, by the Control and Risks Committee.

**7.3.** The Chief Executive Officer, assisted by the Chief Financial Officer, Group Legal and Corporate Affairs Officer, Investor Relator and Group Risk and Compliance Officer shall amend this Procedure when necessary based on statutory and regulatory developments and/or organisational changes to the Company.