



AMPLIFON S.P.A.

REGULATION ON RELATED PARTY TRANSACTIONS

OCTOBER 24TH, 2012

FOREWORD

This regulation (the "**Amplifon Regulation**") was adopted by the board of directors of Amplifon S.p.A. ("**Amplifon**" or the "**Company**") on October 24, 2012 and supersedes the regulation concerning the Related Party Transactions adopted by the board of directors of the Company on November 3, 2010.

The Amplifon Regulation was prepared and approved in accordance with article 4 of the regulation adopted by Consob with resolution no. 17221 dated March 12, 2010 (the "**Consob Regulation**"), after having obtained the favourable opinion of the Committee (as defined below).

The purpose of the Amplifon Regulation is to define the rules governing the identification, review, approval and execution of the Related Party Transactions entered into by the Company, either directly or through its direct or indirect, Italian or foreign, Subsidiaries (as defined below).

Without prejudice to articles 2343-*bis*, 2358, 2373, 2391 and from 2497 up to 2497-*septies* of the Italian Civil Code, as well as to the accounting and financial disclosure requirements and the administrative and accounting procedures set forth by the Italian Civil Code and the TUF, the provisions of the Amplifon Regulation are designed to ensure the transparency, as well as the substantial and procedural fairness of the Related Party Transactions, in compliance with the Consob Regulation.

DEFINITIONS

For the purposes of this Regulation, the following terms shall have the meanings set out below:

Affiliate	a Legal Entity in which another Legal Entity or Natural Person is able to exercise, either directly or indirectly, a significant influence ¹ .
Amplifon or the Company	Amplifon S.p.A.
Amplifon Regulation	this regulation setting forth the rules governing the identification, review, approval and execution of the Related Party Transactions entered into by the Company, either directly or through its Subsidiaries.
Close Family Member	<p>a family member who can influence, or be influenced by, the Related Parties mentioned in the definition of Related Party under points (1) and (4) below.</p> <p>In addition, a Close Family Members may include: (i) the spouse that is not legally separated or the common law partner (<i>convivente</i>); and (ii) the children and the persons supported by one of the Related Parties mentioned in the definition of Related Party under points (1) and (4) below or by the spouse who is not legally separated or by the common law partner (<i>convivente</i>).</p>
Committee	the internal committee established within the board of directors of the Company consisting of Unrelated and non-executive Directors mostly Independent Directors.
Consob Regulation	the regulation adopted by Consob with resolution no. 17221 dated March 12, 2010.
Executives with Strategic Responsibilities	the members of the board of directors/managing body of the Company or the Parent Company, the effective members of the board of statutory auditors/control body of the Company or the Parent Company and the executives with strategic responsibilities of the Company or the Parent Company ² having, either directly or indirectly, strategic responsibilities as to the planning, managing and controlling of the activities of the Company.
Independent Director	a member of the board of directors of the Company meeting the independence requirements set forth by the TUF and by the Borsa Italiana Regulation.

¹ "Significant influence" is the power to participate in the determination of financial and operating policies of an entity without having control. Significant influence may be gained through share ownership, statute provisions or agreements. The presence of a person in possession of absolute or relative majority of voting rights does not necessarily preclude another person from having significant influence. If a person owns, directly or indirectly (*e.g.*, through subsidiaries) at least 20% of the voting power of the investee, it is presumed that it has significant influence, unless such influence can not be clearly demonstrated. For this purpose, one or more of the following circumstances have demonstrative value: (i) representation on the board of directors of the investee; (ii) participation in the decision making process, including participation in decisions about the dividends or other distribution of profits; (iii) the presence of significant transactions between the investor and the investee; (iv) exchange of managerial personnel; (v) the provision of essential technical information.

² As of the date of the Amplifon Regulation, the executives of the Company and the Parent Company having strategic responsibilities as to the planning, managing and controlling of the activities of the Company are the executives being the members of the Executive Leadership Team, as identified by the board of directors of the Company.

Independent Expert

an individual or a corporate entity holding the requisites of professional skills, integrity and independence requested by the nature of the office conferred. The existence of the independence requisite is assessed by the corporate body or by the Natural Person conferring the mandate, in particular taking into account any possible economic, equity and financial relations between the expert and (i) Amplifon, (ii) the Parent Company, the Subsidiaries or the Affiliates; and (iii) the directors of one of the Legal Entities under points (i) or (ii) above, and it is confirmed by a declaration that the expert issues on assignment of the mandate.

Legal Entity

any foundation, trust, company, corporation, partnership, firm, association or any other entity, with or without "*personalità giuridica*".

Natural Person

any individual or natural person.

Ordinary Transaction

Transactions that are part of the ordinary activities of the Company or of its Subsidiaries or of the financial activities connected to it, provided they have been carried out at conditions that are equivalent to the market or standard ones, meaning by this statement:

- services agreements (including IT services supply agreements) entered into between the Company and a Related Party or between Subsidiaries (unless an exclusion event under Section 4 letter d) occurs) setting forth exclusively, with regard to those services provided by a company belonging to the Amplifon group, for the payment of the internal costs borne by such services provider plus a mark-up equal to minimum 5% of the overall counter value of the Transaction (unless otherwise set forth or recommended by any applicable law, regulation, measure, order, act or advice of any public or private, Italian or foreign, authority);
- supply contract of hearing aids between the Company and a Related Party or between Subsidiaries (unless an exclusion event under Section 4 letter d) occurs) for a price determined pursuant to market conditions or standard ones;
- financial contracts connected to the ordinary activity between the Company and a Related Party or between Subsidiaries (unless an exclusion event under Section 4 letter d) occurs) providing exclusively for variable interest rates determined pursuant to market conditions or standard ones;
- any further Transaction being part of the ordinary operational activities of the Company or its Subsidiaries and/or being part of the related financial activities (including cash pooling transactions), carried out under similar conditions as those referred to non-related parties for Transactions of a similar nature, scope, characteristics and risk.

Parent Company	the Legal Entity or the Natural Person (as the case may be) controlling ³ , either directly or indirectly, Amplifon .
Privacy Code	the legislative decree no. 196 dated June 30, 2003.
Related Parties Database	has the meaning set out in Section 2 below.
Related Party	one of the following: <ul style="list-style-type: none"> (1) a Legal Entity or a Natural Person, as the case may be, either directly or indirectly, also through Subsidiaries, trustees or nominees: <ul style="list-style-type: none"> (i) controlling Amplifon⁴; (ii) being controlled by Amplifon; (iii) being controlled by the Parent Company; (iv) holding Amplifon's shares so as to be able to exercise a significant influence on Amplifon; (v) jointly controlling Amplifon; (2) a Legal Entity being an Affiliate of Amplifon; (3) a joint venture in which Amplifon participates; (4) an Executive with Strategic Responsibilities; (5) a Close Family Member of one of the Natural Persons referred to under point (1) or the Natural Persons referred to under point (4) above; (6) a Legal Entity (i) being controlled by or (ii) being jointly controlled by or (iii) being an Affiliate of or (iv) whose corporate capital being held for at least 20%⁵, either directly or indirectly, by, one of the Related Parties referred to under points (4) or (5) above; (7) a complementary retirement fund provided as benefit for the Company's employees or for any other Legal Entity/Natural Person related to the Company.
Related Party Transaction	a Transaction entered into by Amplifon, either directly or through its Subsidiaries, with a Related Party.
Subsidiary	a Legal Entity controlled, either directly or indirectly, by another

³ Please see footnote no. 5.

⁴ "Control" is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is assumed that control exists when a Person owns, directly or indirectly, through subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. "Control" also exists when a Person owns half, or less of the voting rights exercisable at shareholders' meeting, if it has: (a) the control of more than half of the voting rights by virtue of an agreement with other investors; (b) the power to govern the financial and operating policies of the entity under a statute or agreement; (c) the power to appoint or remove the majority of the members of the board of directors or equivalent body of corporate governance and the control of such entity is held by that board or body; (d) the power to cast the majority of the voting rights at the meetings of the board of directors or equivalent body for corporate governance, and control of the entity held by that board or body.

⁵ Such percentage shall be calculated taking into account the shares having voting rights attached to them.

Legal Entity or Natural Person.

Transaction

any transfer, either incoming or outgoing, of resources, services or acquisition of obligations, regardless of whether a sale price has been agreed on, carried out by Amplifon either directly or through its Subsidiaries. In any case, such Transactions shall include: (i) mergers, spin-offs by incorporation or strictly non proportional spin-offs; and (ii) every decision on the assignment of remuneration and economic benefits, in any form, to the Executives with Strategic Responsibilities.

Transaction of Minor Importance

a Related Party Transaction other than a Transaction of Significant Importance having an overall value exceeding Euro 1 million.

Transaction of Significant Importance

a Related Party Transaction that is so identified pursuant to Annex 3 of the Consob Related Parties Regulation, as attached as Annex A to the Amplifon Regulation.

Transaction of Small Amount

a Related Party Transaction having an overall value not exceeding Euro 1 million, which, in the light of the Company's size, does not involve any appreciable risk for the protection of investors and for the Company; should an agreement be executed with a duration longer than one year or providing for the payment of different instalments, the price to be paid during the overall effective term of the agreement (in any case, without taking into account any possible renewal or extension of the term of duration) or the price as resulting from the sum of all the different instalments shall be considered.

TUF

the legislative decree no. 58 dated February 24, 1998.

Unrelated Director

a director of Amplifon other than the counterparty of a specific Transaction and of its related parties.

Unrelated Shareholder

a Legal Entity or a Natural Person (as the case may be) having voting rights other than the counterparty of a specific Transaction which is not a Related Party of the Company or of the counter party in a specific Transaction.

1. SCOPE OF APPLICATION

The Amplifon Regulation shall apply to the Related Party Transactions entered into by Amplifon, either directly or through its direct or indirect, Italian or foreign, Subsidiaries, unless one of the exclusion cases under Section 4 below shall apply.

As far as the Company's Subsidiaries are concerned, a suitable and timely flow of information is ensured between the top management of any Subsidiary and Amplifon; in particular, the top management of any Subsidiary is required to timely notify the Legal and Corporate Affairs Office of Amplifon of the approval or execution of any Related Party Transaction to be entered into by the relevant Subsidiary.

2. IDENTIFICATION OF THE RELATED PARTIES OF THE COMPANY

The Related Parties of the Company are recorded in a specific database created, managed and updated, in compliance with the Privacy Code, by the Legal and Corporate Affairs Office of the Company, with the cooperation of the Group Accounting Office and the Group Risk and Compliance Office (the "**Related Parties Database**"). The Related Parties Database is created on the basis of the declarations issued periodically by the Related Parties, as well as on the basis of the public information and the documentation available to the Legal and Corporate Affairs Office⁶.

The Related Parties Database is updated once a year by the Legal and Corporate Affairs Office of the Company, as well as at any time upon the initiative by any of the Related Parties in the event of a change in the information lastly provided by the relevant Related Party.

3. PROCEDURAL REQUIREMENTS AND DISCLOSURE OBLIGATIONS

3.1 Transactions of Minor Importance

As far as a Related Party Transaction other than a Transaction of Significant Importance having an overall value exceeding Euro 1 million (*i.e.*, a Transaction of Minor Importance) is concerned, the following procedure shall be carried out:

- (1) before the approval of a Transaction of Minor Importance, for the purpose of the issue of the opinion contemplated under point (2) below, the Legal and Corporate Affairs Office shall transmit to the Committee a full report describing the Transaction as soon as possible and in any case within 10 working days of the date of receipt by the Legal and Corporate Affairs Office of the relevant information. Such report shall be transmitted to the Committee even if the Transaction qualifies as an Ordinary Transaction, it being understood that in such a case no opinion shall be issued by the Committee pursuant to the exclusion set forth under Section 4 below; the report shall therefore indicate in detail the reasons in accordance to which the Transaction is to be possibly qualified as an Ordinary Transaction and provide the Committee with the relevant documentation;
- (2) save for Ordinary Transactions not requiring the issue of the opinion by the Committee, within 3 working days of the receipt of the above information, the chairman of the Committee shall call a meeting of the Committee to express a non-binding motivated opinion on the Company's interest in the execution of the Transaction and on the appropriateness and fairness of the Transaction's main terms and conditions;
- (3) the Committee may require to be assisted, at the Company's expense, by one or more Independent Experts of its own choice;
- (4) the opinion of the Committee shall be communicated to the Legal and Corporate Affairs Office and the latter shall then notify such opinion to the corporate body or officer (as the case may be) having

⁶ The public information and the documentation available to the Legal and Corporate Affairs Office shall consist of: (i) the so-called "Acquisition File" prepared in compliance with the Reporting Code of the Company, (ii) the information published in accordance with articles 120 and 122 of the TUF and (iii) the minutes of the shareholders' meetings and the board of directors meetings of the Company.

the responsibility to resolve upon the relevant Related Party Transaction, together with the information listed under point (1) above;

- (5) the minutes of the meeting whereby the execution of the Related Party Transaction is approved (if any) shall indicate adequate motivation regarding the Company's interests in the execution of the Related Party Transaction and on the appropriateness and fairness of the Related Party Transaction's main terms and conditions;
- (6) the board of directors and the board of statutory auditors of the Company shall in any case receive on a quarterly basis from the CEO of the Company full information on the execution of each Related Party Transaction (both those the execution of which is approved by the board of directors of the Company or the shareholders' meeting and those the execution of which is resolved upon by a corporate body or officer duly empowered to do so), with evidence of any Related Party Transaction carried out in spite of a negative opinion expressed by the Committee and the relevant reasons;
- (7) without prejudice to the disclosure obligations set forth by article 114 of the TUF and article 5 of the Consob Regulation, if a Related Party Transaction is carried out in spite of the Committee's negative opinion, a document shall be published in compliance with the applicable laws and regulations⁷ within 15 calendar days of the end of each quarter indicating (i) the counter-party, (ii) the subject matter, (iii) the price (if any) of the relevant Related Party Transaction, as well as (iv) the reasons on the basis of which the unfavourable opinion issued by the Committee was disregarded. Within the same term, the opinion is made available to the public as an annex to the above document or on the Company's web site;
- (8) in the event that the Committee called upon to express an opinion about the Related Party Transaction is not comprised of at least two Unrelated Independent Directors, the analysis regarding the Related Party Transaction shall be carried out by the remaining Unrelated Independent Director or by the board of statutory auditors of the Company (in the event that there are no Unrelated Independent Directors). In such a case the remaining Unrelated Independent Director or the board of statutory auditors of the Company (as the case may be) may require to be assisted, at the Company's expense, by one or more Independent Experts of their own choice. The Unrelated Independent Director and the board of statutory auditors of the Company shall undertake, and cause the Independent Expert to undertake, to carry out the necessary analyses on the basis of all the documents relating to the Related Party Transaction, providing their grounded opinion in writing.

If the opinion expressed by the Committee (or by the Unrelated Independent Director or by the board of statutory auditors of the Company, as the case may be) upon the Related Party Transaction's completion is unfavourable:

- (i) a decision may be made not to continue with the relevant Related Party Transaction, or
- (ii) in any case, the relevant Related Party Transaction may still be authorized. In this case:
 - (a) if the relevant Related Party Transaction has to be approved by the shareholders' meeting, the procedural rules outlined above shall apply; in particular, the minutes of the shareholders' meeting shall refer to the Company's interest in the execution of the Related Party Transaction and on the appropriateness and fairness of the Related Party Transaction's main terms and conditions;
 - (b) if the relevant Related Party Transaction has to be approved by the board of directors of the Company, the latter shall explain in detail - in the resolution approving the Transaction – the reasons underlying the decision, having taken into account the Company's interest in the execution of the Related Party Transaction and on the appropriateness and fairness of the

⁷ As of the date of the first adoption of the Amplifon Regulation, such a document shall be (i) made available at the Company's registered office, (ii) published on the Company's web-site and (iii) sent to Borsa Italiana S.p.A. and Consob through SDIR.

Related Party Transaction's main terms and conditions, also attaching to the meeting's minutes the Committee's (or the other responsible body's) opinion;

- (c) if the Related Party Transaction has not to be approved by the Company's shareholders' meeting or by the board of directors, the Legal and Corporate Affairs Office shall inform the CEO of the Company, who in turn shall provide the board of directors and the board of statutory auditors of the Company with the information listed under point (6) above.

In any event, the disclosure obligations described under point (7) above shall apply.

3.2 Transactions of Significant Importance

As far as Transactions of Significant Importance are concerned, in addition to the procedural obligations described under points (1), (3), (4), (5), (6) and (8) of Section 3.1 above, the following procedure shall be carried out:

- (1) the decision on the execution of the Related Party Transaction shall be adopted through a resolution taken by the board of directors of Amplifon, it being understood that such power may not be delegated to one or more directors or to an internal committee;
- (2) the Committee or one or more of its members, delegated by the Committee, shall be involved in the negotiation phase and in the examination phase by receiving a complete and immediate information flow, with the power to request information from and to address observations to the delegated bodies and the subjects in charge of the negotiations or the enquiries;
- (3) the board of directors of Amplifon shall approve the Related Party Transaction only after receiving the Committee's motivated favourable opinion on the Company's interest in the execution of the Related Party Transaction and on the appropriateness and fairness of the Related Party Transaction's main terms and conditions.

When a Transaction of Significant Importance has to be approved by the shareholders' meeting of the Company as set forth by the applicable law provisions or by the Company's by-laws, (i) the minutes of the shareholders' meeting shall refer to the Company's interest in the execution of the Related Party Transaction and on the appropriateness and fairness of the Related Party Transaction's main terms and conditions; (ii) the proposal to be submitted to the shareholders' meeting shall be adopted through a resolution taken by the board of directors of Amplifon, it being understood that such power may not be delegated to one or more directors or to an internal committee; (iii) the Committee or one or more of its members, delegated by the Committee, shall be involved in the negotiation phase and in the examination phase by receiving a complete and immediate information flow, with the power to request information from and to address observations to the delegated bodies and the subjects in charge of the negotiations or the enquiries; and (iv) should the Committee issue a non-favourable opinion on the Transaction, the resolution of the shareholders' meeting shall be approved in accordance with article 11, paragraph 3, of the Consob Regulation.

In particular, in the event of a Transaction of Significant Importance being under the responsibility of the Company's shareholders' meeting and the Committee delivers an unfavourable opinion to the completion of the Related Party Transaction, such a Related Party Transaction may not be approved if, without prejudice to the majorities required by law and the by-laws, (i) the majority of the Unrelated Shareholders votes against the Related Party Transaction and (ii) the Unrelated Shareholders attending the relevant shareholders' meeting represent more than 10% of the share capital. For the purpose of the above white-wash mechanism, the proposal to the shareholders' meeting shall expressly indicate that the resolution will be conditional upon the above majorities been met.

Without prejudice to the disclosure obligations set forth by article 114 of the TUF and article 5 of the Consob Regulation, in connection with each Transaction of Significant Importance the company shall publish, in accordance with article 114, paragraph 5 of the TUF, an information document prepared in accordance with Annex 4 to the Consob Regulation. In this regard, article 5 of the Consob Regulation shall apply accordingly.

3.3 FRAMEWORK RESOLUTIONS

The board of directors may approve framework resolutions for series of homogeneous Transactions to be carried out with specific categories of Related Parties.

In this case, framework resolutions shall:

- (i) not be effective for more than one year;
- (ii) refer to sufficiently determined Transactions;
- (iii) report the expected maximum amount of the Related Party Transactions to be completed during the reference period and the reasons for the expected conditions.

Full disclosure, at least on a quarterly basis, shall be made to the board of directors on the implementation of the framework resolutions.

In case of a framework resolution, the provisions set forth under Sections 3.1 and 3.2 above shall apply to the whole scope of the framework resolution and not to each separate Transaction contemplated therein.

Should an Information Document be published in connection with a framework resolution (on the basis of the foreseen maximum amount of the Transactions contemplated in the relevant framework resolution), the Related Party Transactions completed in the implementation of such a framework resolution shall not be counted for the purpose of the accumulation principle set forth in the Consob Regulation.

4. EXCLUDED RELATED PARTY TRANSACTIONS

The procedures and the disclosure obligations indicated in Section 3 above shall not apply to:

- (1) shareholders' meeting resolutions referred to in article 2389, paragraph 1, of the Italian Civil Code relating to the compensation of the members of the Company's board of directors or the executive committee (if any);
- (2) resolutions regarding the compensation for directors holding special offices included within the total amount already allocated by shareholders' meeting resolution pursuant to article 2389, paragraph 3, of the Italian Civil Code;
- (3) shareholders' meeting resolutions referred to in article 2402 of the Italian Civil Code relating to the compensation of the members of the Company's board of statutory auditors.

Without prejudice to the financial and accounting disclosure obligations set forth by the applicable laws and regulations, the procedures indicated in Section 3 above and the disclosure obligations referred to under Section 3 above shall not apply to:

- (a) compensation plans based on financial instruments approved by the shareholders' meeting pursuant to article 114-*bis* of the TUF;
- (b) the resolutions regarding the remuneration of the members of the Company's board of directors, the directors holding special offices and the Executives with Strategic Responsibilities, other than those indicated in points (1), (2) and (3) above, provided that: (i) the Company has adopted a remuneration policy; (ii) the compensation committee has been involved in the definition of the remuneration policy; (iii) a report setting out the remuneration policy has been submitted to the shareholders' meeting for approval or for advisory vote; and (iv) the remuneration assigned is consistent with the said policy;
- (c) Ordinary Transactions carried out "at equivalent to the market" or standard conditions. In such a case, without prejudice to the provisions set forth by article 114 of the TUF, should a transaction under this letter (c) be qualified as a Transaction of Significant Importance, the Company shall: (i) notify Consob – within 7 days of the date of approval – about the counter party, the subject and the consideration of the transaction that benefited from the exclusion; (ii) indicate in the interim and

annual management reports, as part of the information requested for periodic transparency purposes, which – among the transactions subject to informative obligations included therein – were carried out with the exclusion clause established under this letter (c);

- (d) the transactions between the Company and its Subsidiaries or among Subsidiaries, even jointly owned by the Company, as well as transactions with Affiliates, provided that no other Related Parties of the Company has significant interests in the involved Subsidiary/Subsidiaries or Affiliate(s). For the purposes of the Amplifon Regulation, a significant interest exists in all those cases where there is a situation capable of conditioning the transparency and essential correctness of the decision making process. Interests deriving from the mere sharing of one or more Executives with Strategic Responsibilities between the Company and its Subsidiaries or Affiliates are not considered to be significant interests;
- (e) transactions to be carried out on the basis of instructions having objectives of stability issued by supervisory authorities;
- (f) Transactions of Small Amount.

5. ENTRY INTO FORCE, MONITORING AND ADJUSTMENT OF THE AMPLIFON REGULATION

The Amplifon Regulation shall enter into force on [December 1, 2012] and any subsequent amendment shall be approved by the Company's Board of Directors, following the reasoned and favourable opinion of the Committee, and shall be published on the Company's website.

To guarantee coordination with the administrative and accounting procedures pursuant to article 154-*bis* of the TUF, the information relating to Related Party Transactions shall also be provided to the officer responsible for drawing up the corporate accounting records on a regular basis.

The board of statutory auditors shall monitor the compliance of the Amplifon Regulation with applicable law, as well as the compliance by the addressees with the Amplifon Regulation and shall report on these matters to the shareholders' meeting pursuant to article 2429, paragraph 2, of the Italian Civil Code or article 153 of the TUF. In particular, the board of statutory auditors shall assess the compliance with the Consob Regulation and the Amplifon Regulation when examining or approving any Related Party Transaction.

The Amplifon Regulation shall be reviewed at least once every 3 years, also in consideration of the ownership and organizational structure of the Company.

The opinion of the Committee shall be required even when, after the review, it is decided not to amend the Amplifon Regulation in any way.

ANNEX A – CRITERIA FOR IDENTIFYING A TRANSACTION OF SIGNIFICANT IMPORTANCE

1. Transactions in which, at least one of the following relevance indexes, applicable depending on the specific operation, is greater than the 5% threshold:

- a) **Equivalent-value relevance ratio:** the ratio between the equivalent transaction and the net equity drawn from the latest published balance sheet (consolidated, if so prepared) by the company or, for listed companies, if greater, the capitalization of the acquired firm at the end of the last trading day included in the period covered by the latest accounting periodical published document (or semi-annual financial report or the interim financial report). For banks, is the ratio between the equivalent of the operation and regulatory capital drawn from the latest published balance sheet (consolidated, if so prepared).

Should the economic conditions of the transaction not be determined, the equivalent operation shall be:

- i) for the cash component, the amount paid to or from the contract;
- ii) for the component in financial instruments, the fair value determined at the date of the transaction, in accordance with international accounting standards adopted by Regulation(EC) No. 1606/2002;
- iii) for funding transactions or grant of guarantees, the maximum amount payable.

If the economic conditions of the operation depends, in whole or in part, of magnitudes not yet known, the equivalent operation is the maximum admissible or payable value under the Agreement.

- b) **Asset relevance ratio:** the ratio between the total assets of the entity in the transaction and the total assets of the company. Data to be used shall be obtained from the most recently published balance sheet (consolidated, if so prepared) by the company; whenever possible, similar data should be used for determining the total assets of the entity involved in the transaction.

For transactions involving the acquisition and sale of shares in companies that have an impact on the area of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital being available.

For transactions of acquisition and divestment of holdings in companies that have no effect on the consolidation perimeter, the value of the numerator is:

- i) in the case of acquisitions, the counter operation plus the liabilities of the company acquired eventually assumed by the purchaser;
- ii) in case of supplies, the consideration of the divested business.

For transactions of acquisition and disposal of other assets (other than the purchase of a stake), the value of the numerator is:

- i) in case of acquisitions, the greater of the consideration and the carrying amount that will be attributed to the asset;
- ii) in case of supplies, the book value of the assets.

- c) **Liabilities relevance ratio:** Description of characteristics, rules, terms and conditions of the transaction. Data to be used must be derived from the most recently published balance sheet (consolidated, if so prepared) by the company; whenever possible, similar data should be used for determining the total liabilities of the company or company branch acquired.

2. Transactions with the parent company listed or subjects that are related to the latter in turn related to companies where at least one indicator of significance in subsection 1 higher than the threshold of 2.5%.
3. In the case of overlapping of multiple transactions pursuant to Article 5, subsection 2, of the Consob Regulation companies shall determine in the first place, the relevance of each individual transaction on the basis of the ratio or ratios, as prescribed in subsection 1, thereto applicable. To verify whether the thresholds specified in subsections 1 and 2 are exceeded, the results for each indicator are added together.
4. Where a transaction or several transactions that are accumulated under article 5, subsection 2, of the Consob Regulation are identified as "most relevant" according to the indices established in subsection 1 and this result is manifestly unreasonable in view of special circumstances, Consob may indicate, at the request of the company, alternative arrangements to be followed in determining these indices. To this end, the company announced to Consob the essential characteristics of the transaction and the special circumstances upon which the request prior to the conclusion of the negotiations was based.