

REPLY
PROCEDURE FOR
RELATED PARTY
TRANSACTIONS

IN FORCE FROM 1ST JULY 2021

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1. PREAMBLE

This procedure for related party transactions (the **Procedure**) was adopted by the board of directors of REPLY S.p.A. (**REPLY** or the **Company**) at the meeting on 11 November 2010, in accordance with the provisions of the Consob decision no. 17221 of 12 March 2010 as amended (**Consob Regulation**). The Procedure was further updated, most recently at the board meeting on 21 June 2021, with the favourable opinion of the Control and Risks Committee.

This Procedure was adopted in accordance with Article 2391-*bis* of the Civil Code and Articles 113-*ter*, 114, 115 and 154-*ter* of Legislative Decree 24 February 1998, no. 58 (the **Consolidation Act**), and in accordance with the regulations adopted in resolution no. 11971 of 14 May 1999 as amended (the **Issuers' Regulation**).

This Procedure is effective from 1 January 2011.

The purpose of this Procedure is to establish the rules of conduct that the Company is required to adopt in order to ensure the proper management of related party transactions. For this purpose, the Procedure (i) determines the criteria and conditions for identifying Related Parties of the Company, and defines the criteria for updating the list of Related Parties; (ii) sets out the principles for identifying related party transactions; (iii) governs the procedures by which the Company – also through subsidiaries, fiduciaries or intermediaries – can carry out related party transactions, by identifying internal rules of conduct to guarantee the transparency, material and procedural accuracy of such operations; (iv) establishes the terms for fulfilling the related disclosure obligations.

This Procedure forms an essential part of the internal control system of the group headed by REPLY. The Procedure is also considered to be an instruction from REPLY to its subsidiaries pursuant to Article 114 paragraph 2 of the Consolidation Act.

The Company's board of directors will periodically assess the need to make amendments or additions to this Procedure, and will also take into account any future changes in laws, regulations or practices.

2. DEFINITIONS

- 2.1 Unless indicated otherwise, the definitions contained in the Consob Regulation and its annexes will apply.
- 2.2 For the purposes of this Procedure, the following definitions will also apply:
 - 2.2.1 "**Directors involved in the operation**": this means those directors who, in relation to a specific transaction or the related decision, have a personal interest or an interest of a third party that conflicts with the interest of the Company.
 - 2.2.2 "**Designated Director**": means the director responsible for the system of internal controls and risk management.
 - 2.2.3 "**Independent Directors**": means the directors recognised by the Company as being independent, within the meaning of current regulatory and legal provisions and the Code of Corporate Governance of listed companies as approved by Borsa Italiana S.p.A., which the Company has declared that it has adopted.
 - 2.2.4 "**Key Management Personnel**" means:
 - (i) the members of the Company's Board of Directors;

- (ii) the permanent members of the Company's Board of Statutory Auditors;
- (iii) the director-general of the Company, where appointed;
- (iv) the financial reporting officer of the Company, as defined in Article 154-*bis* of the Consolidation Act; and
- (v) any other persons who may be identified by the Company's board of directors, also on the proposal of the managing directors.

2.2.5 **"Key Management Personnel of Alika S.r.l."**: means:

- (i) the members of the Board of Directors of Alika S.r.l.;
- (ii) the permanent members of the Board of Statutory Auditors of Alika S.r.l.;
- (iii) any other persons who may be identified by the board of directors of Alika S.r.l. and communicated to the Company.

2.2.6 **"Key Management Personnel of Iceberg S.r.l."**: means:

- (i) the members of the Board of Directors of Iceberg S.r.l.;
- (ii) the permanent members of the Board of Statutory Auditors of Iceberg S.r.l.;
- (iii) any other persons who may be identified by the board of directors of Iceberg S.r.l. and communicated to the Company.

2.2.7 **"Significant Interest"**: means an interest of a Related Party that would lead an independent person acting with professional diligence to assume that said related party could obtain a direct or indirect advantage or disadvantage of any kind in the realisation of a Related Party Transaction. Interests deriving from the mere fact that one or more directors or other strategic managers are shared between the Company and its subsidiaries and affiliates, are not considered to be significant interests.

There is no Significant Interest if a fiscal consolidation agreement is entered into, where there are other Related Parties, if such operations are carried out under equivalent, reciprocal conditions.

2.2.8 **"Related Parties of the Company"**: mean the parties identified according to the international accounting standards adopted in the Procedure referred to in Article 6 of Regulation (EC) no. 1606/2002 in accordance with the provisions of the Consob Regulation and the other regulations that apply from time to time, as contained in the list prepared and updated by the Company's financial reporting officer with the assistance of the company's financial reporting departments.

2.2.9 **"Non-Related Parties"** are persons with the right to vote at the Company's shareholders' meeting, other than (i) a counterparty to a certain operation, and (ii) Related Parties of the Company or of a counterparty to a certain operation.

2.2.10 **"Interested Parties"**: mean the parties indicated in the following Article 5.1.

2.2.11 **"Major Transactions"**: mean the operations – including identical operations or those carried out as part of a single plan, with the same Related Party or with parties related to that party or to the Company - in which at least one of the materiality indicators indicated in Annex 3 of the Consob Regulation has been exceeded, on the basis of the

parameters identified in the next Article 3 of this Procedure.

- 2.2.12 **"Minor Transactions"**: means operations other than the Major Transactions and Low Value Transactions, as indicated in the following Article 4.4.
- 2.2.13 **"Low Value Transactions"**: means Related Party transactions, considered individually, whose unit value is below a certain threshold as defined in Article 4.4.
- 2.2.14 **"Persons Responsible for the Operation"**: are the Key Management Personnel of the Company who have the power to carry out acts and operations with third parties in general, in the name and on behalf of the Company, with a unit value higher than the value set for Minor Operations, an updated list of which is kept by the Designated Director.
- 2.2.15 **"Major Transactions by Aggregate"**: are identical operations carried out as part of a single plan, completed during the course of the year with the same Related Party or with parties related either to the latter or to the Company, and which cannot, individually, be classified as Major Transactions but which exceed the materiality threshold when aggregated. Operations carried out by Italian or foreign subsidiaries are also included for the purposes of this definition, whereas any operations excluded under Art. 4 are not included.

3. IDENTIFICATION OF MAJOR TRANSACTIONS

When identifying Major Transactions, the Company's Financial Reporting Officer, as defined in Article 154-bis of the Consolidation Act:

- (i) will periodically identify the capitalization values based on data published by Borsa Italiana, and the consolidated group net equity based on the last periodic financial report, in order to calculate the materiality indicators; and
- (ii) will log and update the values of similar transactions or those forming part of a single plan with the same Related Party of the Company, subject to the application of an exemption as per the following Article 4, in order to identify any Major Transactions by Aggregate.

4. EXEMPT OPERATIONS

This Procedure does not apply to the operations indicated in this Article 4, except where specifically provided for.

4.1 PAY AND REMUNERATION PLANS

- (i) resolutions of the shareholders' meeting pursuant to Article 2389 paragraph 1 of the Civil Code, pertaining to the remuneration due to the members of the Board of Directors or to the Executive Committee, where appointed;
- (ii) the resolutions of the Company's Board of Directors pertaining to the remuneration of directors with specific mandates, which are included in the global sum pre-determined by the shareholders' meeting pursuant to Article 2389 paragraph 3 of the Civil Code;
- (iii) resolutions by the shareholders' meeting pursuant to Article 2402 of the Civil Code, pertaining to the remuneration due to the members of the Board of Statutory Auditors;

- (iv) remuneration plans based on financial instruments approved by the shareholders' meeting pursuant to Article 114-*bis* of the Consolidation Act and the related executive transactions; and
- (v) resolutions, other than those indicated in the previous points (i) and (ii), pertaining to the remuneration of directors with specific mandates and other Key Management Personnel of the Company in accordance with the conditions of Article 13, paragraph 3)b) of the Consob Regulation.

4.2 ORDINARY OPERATIONS ENTERED INTO AT MARKET-EQUIVALENT OR MARKET-STANDARD CONDITIONS

The ordinary transactions of the Company - and of the subsidiaries of REPLY who carry out, from time to time, the transactions indicated in the following Article 8 – are those that form part of the ordinary operations and related financial activities of the Company and of its subsidiaries. They are considered to be entered into at market-equivalent or market-standard conditions when they are entered into at conditions identical to those usually applied to non-related parties for operations of the same type, scope and risk, or when they are based on regulated tariffs or on set prices, or on prices charged to parties with whom the Company is legally obligated to enter into a contract at a certain price.

In the case of ordinary transactions carried out in the ordinary course of business, and the related financial activities entered into under market-equivalent or market-standard conditions, the Company must in any case fulfil the periodic disclosure obligations contained in Article 5, paragraph 8 and Article 13, paragraph 3c) of the Consob Regulation, according to the terms set out therein.

The public disclosure and reporting obligations contained in Art. 17 of EU Regulation no. 596/2014 and in Art. 66 of the Issuers' Regulation will continue to apply, where the conditions are met.

4.3 OPERATIONS WITH OR BETWEEN SUBSIDIARIES AND AFFILIATES

In the case of transactions between the Company and its subsidiaries, or between companies that are controlled solely or jointly by the Company, and operations with affiliates in which – within the subsidiaries or affiliates who are counterparty to the operation – there is no Significant Interest of other Related Parties of the Company, the Company is only bound by the periodic reporting obligations indicated in Article 5 paragraph 8 of the Consob Regulation.

Where there is a Significant Interest of other Related Parties of the Company, the operations described in this Article 4.3 are included within the application of the Consob Regulation and of this Procedure.

4.4 LOW VALUE TRANSACTIONS

Low Value Transactions are those which, also considered on an aggregate basis, have a unit value per year of less than:

- Euro 50,000.00 for sponsorships and donations;
- Euro 150,000.00 for the fixed remuneration of employees classified as Partner, or at a higher level;
- Euro 200,000.00 for consulting services other than those included in ordinary transactions entered into at market-equivalent or market-standard conditions.

Without affecting the limits contained in the previous paragraph, transactions are not considered to be low value if they are of an amount higher than Euro 250,000.00, if the other party is a natural person, or higher than Euro 500,000.00, if the other party is a party other than a natural person. No value threshold applies to assignments of intangible assets such as patents and trademarks.

4.5 OPERATIONS CARRIED OUT ON THE INSTRUCTIONS OF REGULATORY AUTHORITIES

Operations which are to be carried out on the basis of instructions given by Regulatory Authorities for stability purposes, or, in relation to subsidiaries, carried out on the basis of instructions given by REPLY as the parent company, to execute instructions given by Regulatory authorities for stability purposes.

4.6 AUTHORISED OPERATIONS ADDRESSED TO ALL SHAREHOLDERS UNDER EQUAL CONDITIONS

Operations authorised by the Companies and addressed to all shareholders under equal conditions, including:

- (i) capital increases under option, also for servicing convertible bonds, and the free capital increases as provided for in Article 2442 of the Civil Code;
- (ii) demergers (total or partial) in the strict sense, with the proportional allocation of shares;
- (iii) reductions in share capital by means of reimbursements to shareholders, as provided for in Article 2445 of the Civil Code, and purchases of own shares as defined in Article 132 of the Consolidation Act.

5. CIRCULATION OF THE PROCEDURE AND COLLECTION OF INFORMATION

5.1 Through the relevant departments, the Company's Designated Director will provide a copy of this Procedure to the persons named below (the "**Interested Parties**"):

- (i) persons exercising control over the Company, including parties who have entered into shareholder agreements;
- (ii) Key Management Personnel of the Company;
- (iii) Key Management Personnel of Alika S.r.l.;
- (iv) Key Management Personnel of Iceberg S.r.l.;
- (v) the subsidiaries.

5.2 Through the relevant departments, the Company's Designated Director will also send a copy of this Procedure to any person who subsequently becomes an Interested Party.

5.3 In the event of any change or amendment to this Procedure, the Company's Designated Director will send an updated copy of the Procedure to the Interested Parties, through the relevant departments.

5.4 Interested Parties who are natural persons must complete, sign and return to the Company's Designated Director the form indicated in Annex 1, by email to relatedparties@reply.com, no later than 3 (three) days after receipt of the Procedure.

5.5 Through the relevant departments, the Company's Designated Director will send a notice to the Interested Parties who are natural persons at least once a year, asking whether there has been any change to the information communicated to the Company in the form contained in Annex 1. If there is any change to the information, the Interested Parties must promptly send the Designated Director an updated version of the form in Annex 1.

5.6 Upon receipt of the information referred to in Articles 5.3, 5.4 and 5.5, the Financial Reporting Officer will update the Company's List of Related Parties with the assistance of the

financial reporting departments.

- 5.7 REPLY's subsidiaries must promptly inform the Designated Director of the Company of any acts of disposition or shareholdings they acquire in other companies that would lead to a change in their respective consolidation areas and/or to the acquisition or loss of a significant influence.

6. THE COMMITTEE FOR RELATED PARTY TRANSACTIONS AND EQUIVALENT BODIES

- 6.1 The Consob Regulation requires the setting up of a committee for related party transactions, formed of non-executive and non-related directors (the "**Committee**"). The role attributed in the Consob Regulation to the Committee for related party transactions has been allocated to the Control and Risks Committee, which is formed of 3 (three) Independent Directors.
- 6.2 If, in relation to a specific operation, the members of the Committee include one or more Directors who is/are involved in that operation, he/she/they will be replaced with any independent directors who are not involved in the operation, who will be chosen from among the directors who have served the longest (in decreasing order) on the Company's Board; alternatively, if they have been in office for the same amount of time, the director who is oldest in terms of age will be appointed.
- 6.3 The functioning of the Committee, its decision-making procedure and the determination of majorities are the same as the procedures indicated in the Company bylaws for decisions taken by the Board of Directors.
- 6.4 If, for a specific operation, the Chairman of the Committee is a Director who is involved in the operation, the Committee will be chaired by the director who has served the longest on the Company's Board; alternatively, if the directors have been in office for the same amount of time, the director who is oldest in terms of age will be appointed.
- 6.5 Where it is not possible to set up a Committee in accordance with the rules indicated in Article 7 of the Consob Regulation, the functions of the Committee will be performed by a non-related independent director (if existing), or otherwise by the Board of Statutory Auditors or by an independent expert.
- 6.6 The Committee, or the other parties identified in Article 6.5 may be assisted – at the Company's expense – by one or more independent experts chosen from among professionals with competence in the areas affected by the decision, who are to be appointed by the Designated Director on the instructions of the Committee or of the other persons indicated in Article 6.5. In any case, the management of the relationship with the independent experts, and the financial conditions of the mandate are the responsibility of the Committee or of the other persons indicated in Article 6.5, to whom the opinion of the independent experts is to be addressed.
- 6.7 The Committee is required to pre-assess the expert's independence on the basis of the reports indicated in paragraph 2.4 of Annex 4 of the Consob Regulation.
- 6.8 The costs of obtaining assistance from one or more independent experts may not exceed 0.5% of the value of the transaction.

7. GOVERNANCE OF RELATED PARTY TRANSACTIONS

- 7.1 COMPETENCE AND LIMITATIONS ON THE AWARD OF INSTRUCTIONS

7.1.1 Decisions on Minor Operations may be made and executed by a Person Responsible for the Operation, with sole or joint signature.

7.1.2 Major Transactions are the exclusive competence of the Company's Board of Directors, except for matters which are reserved by law and/or in the Company bylaws for the shareholders' meeting.

7.2 REVIEW OF THE OPERATION AND REPORTING TO THE COMMITTEE

7.2.1 The Persons Responsible for the Operation must first check whether the counterparty is on the Company's List of Related Parties (to be drawn up in accordance with the previous Article) 2.2.8 following the procedure indicated by the Designated Director. If the direct counterparty is a person acting on behalf of a third party, the Persons Responsible for the Operation must check whether the ultimate beneficiary is on the list of Related Parties of the Company.

7.2.2 Except where the operation is included among exempt operations, the Person Responsible for the Operation with a Related Party, identified in accordance with the previous Article 7.2.1, will promptly inform the Company's Designated Director.

7.2.3 The Designated Director, after consulting the chair of the Committee and the chair of the board of directors, will assess whether the proposed transaction is a Major Operation or Minor Operation, on the basis of the parameters calculated by the Financial Reporting Officer in accordance with the previous Article 3.

7.2.4 When a related party transaction is considered possible, the Company's Designated Director will duly provide the Committee with a written summary of the operation, indicating:

- (i) the Related Party who is the counterparty in the operation;
- (ii) the nature of the relationship;
- (iii) whether the transaction is a major operation or a minor operation;
- (iv) the terms of the transaction including details of the mode of execution, the procedure for determining the price, terms and conditions;
- (v) the Company's interest in carrying out the operation; and
- (vi) the reasons underlying the operation and any risks that may result from it being carried out.

7.2.5 On the basis of the information communicated in accordance with the previous Article 7.2.4 (i), if a member of the Committee is, with regards to a specific operation, a Director who is involved in the operation, they will promptly inform the Designated Director and the Committee in order to arrange for their replacement with substitute members according to the Procedure indicated in the previous Article 6.2 or in order to identify the party that will be given the functions of the Committee.

7.3 PROCEDURE FOR MAJOR TRANSACTIONS

7.3.1 In addition to the information indicated in the foregoing Articles 7.1 and 7.2:

- (i) the Committee or the other persons indicated in Article 6.5 will identify one or members who will be given a full, up-to-date flow of information so that they can be involved in the negotiation and preliminary procedure, or alternatively they will be appointed as direct observers with the right to request information and documents, and to make observations

to the managing director.

- (ii) the Designated Director will duly inform the Committee or the other persons indicated in art. 6.5 that the negotiations are being carried out, and will send a copy of the proposed decision regarding the operation with sufficient advance notice, but in any case no later than the same day on which the notice of call is sent to the Company's Board of Directors.
- (iii) the Committee, or the other persons indicated in art. 6.5, will send the Company's Board of Directors their own binding opinion on the benefits and material accuracy of the conditions relating to the operation, which is to be sent at least 3 days before the meeting in question together with the reasons for its decision and the conditions to which the operation may be subject; if the Board of Directors is convened urgently, the Committee or the other parties indicated in art. 6.5 will send their binding opinion in good time ahead of the decision, in any case no later than before the related meeting.
- (iv) at the Board meeting, any Directors involved in the operation will not vote on the related decision. The directors present who are required to abstain from voting will be included in the majority provided for in Art. 2388 para. 1 of the Civil Code, but they will not be counted for the purposes of calculating the majority provided for in para. 2 of the same Article;
- (v) if the Committee or the other parties indicated in art. 6.5 express an unfavourable opinion about a certain transaction, the Board of Directors may decide to refer the operation for a decision by the shareholders' meeting, and will attach to the proposed resolution an opinion(s) by the Committee or by the other parties indicated in art. 6.5, and the opinions of any independent experts.
- (vi) provided that the quorum required for the formation of the Meeting and for the passing of ordinary or extraordinary resolutions is met, the operation cannot be carried out if it is not approved by the Shareholders' Meeting with the vote in favour of the majority of the Non-Related voting Shareholders, provided that they represent at least 10% of the share capital with voting rights. To that end, before the meeting starts, the shareholders with voting rights must disclose any involvement with the specific item on the agenda.

7.4 PROCEDURE FOR MINOR TRANSACTIONS

7.4.1 In addition to the information indicated in Articles 7.1 and 7.2, in the case of Minor Transactions:

- (i) the Committee or the other persons indicated in art. 6.5 will send the Person Responsible for the Operation a non-binding opinion on the benefits and material accuracy of the conditions relating to the operation before the contract proposal is sent, or, if the decision is entrusted to the Company's Board of Directors, at least 3 days before the date set for the meeting;
- (ii) the Person Responsible for the Operation, having consulted the Committee or the other persons indicated in Art. 6.5, and the Chairman of the Board of Directors, may propose that the Major Transactions Procedure be applied to the Minor Transactions as well;
- (iii) if the operation is the responsibility of the Board of Directors, the Directors involved in the operation will not vote on the related decision. The directors present who are required to abstain from voting will be included in the majority provided for in Art. 2388 para. 1

of the Civil Code, but they will not be counted for the purposes of calculating the majority provided for in para. 2 of the same Article.

7.5 OPERATIONS WITHIN THE REMIT OF THE SHAREHOLDERS' MEETING

- 7.5.1 If the operation is included in the matters that fall within the remit of the Shareholders' Meeting, or if it needs to be authorised by the Shareholders' Meeting, the same procedures indicated in the previous Articles 7.2, 7.3 and 7.4 must be respected, *mutatis mutandis*, with an indication of whether the operation is major or minor. In such a case, the Committee must issue a motivated opinion with details of the Company's interest in carrying out the operation, and of the benefits and accuracy of the related conditions, at the time that the Company's Board of Directors approves the draft resolution to be proposed to the meeting.
- 7.5.2 The opinions of the Committee and of any independent experts must also be annexed to the proposed resolution, approved by the Company's Board of Directors.
- 7.5.3 If, in relation to a Major Transaction, the proposed resolution to be put to the Meeting has been approved by the Board of Directors with a negative Committee opinion - provided that the quorum required for the formation of the Meeting and for the passing of ordinary or extraordinary resolutions has been respected - the operation cannot be carried out if it is not approved by the Shareholders' Meeting with the vote in favour of the majority of the non-related voting Shareholders, provided that they represent at least 10% of the share capital with voting rights. To that end, before the meeting starts, the shareholders with voting rights must disclose any involvement with the specific item on the agenda.
- 7.5.4 In urgent cases of corporate distress, operations may also be carried out in derogation of the provisions of Articles 7.5.1 and 7.5.3, provided that the conditions provided for in Article 11 paragraph 5 of the Consob Regulation have been respected, and where the Company bylaws allow it; in all cases, the Consob reporting and public disclosure requirements referred to in articles 5 and 6 of the Consob Regulation must be complied with, where applicable.

7.6 OPERATIONS AUTHORISED BY THE BOARD OR COMPLETED URGENTLY

- 7.6.1 Board decisions approving Related Party Transactions must be supported by adequate reasons, having regard to the Company's interest in carrying out the transaction, its benefits, and the material accuracy of the related conditions.
- 7.6.2 In urgent cases of corporate distress - provided that the transaction is not the responsibility of the shareholders' meeting, does not require authorisation by the meeting and is permitted by the bylaws - it may also be carried out in derogation of the provisions of Articles 7.1, 7.2, 7.3 and 7.4, provided that the obligations provided for in Article 5 of the Consob Regulation have been respected, where applicable, on condition that:
- (i) if the operation is within the remit of a Person Responsible for the Operation, the Chair of the Board of Directors must be promptly informed of the urgency, before the operation is carried out;
 - (ii) such operations must (without affecting their validity) form the subject of a non-binding resolution at the next available ordinary Shareholders' Meeting;

- (iii) the body that convened the meeting prepares a report containing adequate reasons for the urgency, and the Board of Statutory Auditors informs the Meeting of its assessment of the reasons for such urgency;
- (iv) the report and the assessments referred to in (iii) are made available to the public at least twenty-one days prior to the date set for the Meeting at the Company's head office, according to the procedure indicated in Part III, Title II, Section I of the Issuers' Regulation. These documents can be included in the disclosure mentioned in Article 5, paragraph 1 of the Consob Regulation;
- (v) by the end of the day following the Meeting, the Company must provide the public, according to the procedure indicated in Part III, Title II, Section I of the Issuers' Regulation, with details of the results of the vote, and in particular the total number of votes expressed by the non-related shareholders.

8. TRANSACTIONS COMPLETED BY SUBSIDIARIES

- 8.1 The procedures indicated in the foregoing Articles 7.2, 7.3 and 7.4 will also apply even if a related party transaction is carried out by a subsidiary of REPLY and the Board of Directors or a Person Responsible for the Operation examines or pre-approves the operation according to the ordinary practice adopted by REPLY with regard to relations with subsidiaries. The existence of any review or approval by REPLY will not be assumed merely because one or more directors or other Key Management Personnel are shared between REPLY and its subsidiaries.
- 8.2 The Person Responsible for the Operation may, from time to time, propose that the procedures described in the above Articles 7.2, 7.3 and 7.4 should also be applied to related party transactions carried out independently by subsidiaries of REPLY.

9. FRAMEWORK RESOLUTIONS

- 9.1 The Company's Board of Directors may adopt framework resolutions for identical operations to be carried out with certain types of Related Parties of the Company and/or with parties related either to those parties, or to the Company. In such a case, *mutatis mutandis*, the procedures indicated in the previous Articles 7.2, 7.3 and 7.4 must be respected, with a distinction to be made depending on whether the likely maximum amount of the decisions in question - considered as an aggregate - would determine the application of rules pertaining to Major Transactions or to Minor Transactions. These procedures will not apply to individual operations concluded in implementation of the framework resolution passed by the Board of Directors.
- 9.2 The framework resolutions may not remain in effect for more than one year; the framework resolutions must refer to operations which are sufficiently determined, and must include a likely maximum expenditure for the reference period identified by the Board of Directors when the related decision was taken; they must also contain specific justification for the stipulated conditions.
- 9.3 When a framework resolution is approved, the Company will publish a disclosure pursuant to Article 5 of the Consob Regulation, if the likely maximum amount of the operations covered by that regulation exceeds the value threshold indicated in Article 4, para. 1a) of the same Consob Regulation.

10. POST-EXECUTION OBLIGATIONS

- 10.1 The Designated Director must send the Chairman of the Committee, the Board of Directors and the Board of Statutory Auditors a detailed report, at least every three months, on the operations previously approved by a Person Responsible for the Operation, including any individual operations carried out in implementation of the framework resolutions approved by the Board of Directors under Article 9, and on the exempt operations.
- 10.2 In particular, the Designated Director must inform the Chairman of the Committee, and the Board of Directors, of the terms and conditions under which the operations were carried out, and must specify any changes made to ensure compliance with any conditions indicated by the Committee in its opinion.
- 10.3 The Persons Responsible for the Operation must promptly inform the Designated Director and the Financial Reporting Officer of all the operations which are carried out. The Financial Reporting Officer will log the operations in the list of related party transactions, if necessary with the assistance of the financial reporting departments.

11. DISCLOSURES TO THE PUBLIC AND TO CONSOB, ON RELATED PARTY TRANSACTIONS

11.1 The Company's Financial Reporting Officer will obtain the information necessary to fulfil the public and Consob reporting obligations (Articles 5, 6, 7, 12 para. 2 and 13 para. 3c) of the Consob Regulation, where applicable, according to the terms and conditions set out therein.

If a related party transaction is also subject to the disclosure obligations contained in Article 17 of EU Regulation no. 596/2014, the disclosure to the public must contain not only the other information required under that Regulation but also the information referred to in Article 6 of the Consob Regulation.

11.2 To allow the Company to fulfil its reporting obligations, the subsidiaries must promptly send all the information required by Articles 5 and 6 of the Consob Regulation. In particular, the subsidiaries must send the following documents to the Designated Director and to the Financial Reporting Officer:

- (i) by the end of the 10th day after the closure of each calendar quarter, a statement of the related party transactions carried out during the period in question;
- (ii) within 5 days after the approval of the operation or after conclusion of the contract that led to the overrunning of at least one of the value thresholds referred to in Annex 3 of the Consob Regulation, details (if possible aggregated by type of operation) about any related party transactions (considered cumulatively) that exceed at least one of the value thresholds.

12. CONTROL OF IMPLEMENTATION OF THE PROCEDURE

12.1 One of the responsibilities of the Company's internal audit manager is to carry out periodic audits (at least annually) on the fulfilment of the obligations in this Procedure by the relevant company departments; they will report any findings to the Committee and to the Board of Statutory Auditors.

ANNEX 1

The undersigned _____

- confirms receipt on 21 June 2021 of a copy of the Procedure for related party transactions (the "**Procedure**"), in the version approved by the Board of Directors of REPLY, with the favourable opinion of the Control and Risks Committee, and confirms that they have read and understood the related provisions:

- (i) declares that they have read and understood the provisions of the Procedure;
- (ii) provides the following personal information: tel. no. _____, fax no. _____ and *e-mail* _____;

and, where relevant:

- (iii) indicates the persons listed below as close family members, as defined in Annex 1 to the Regulation on Related Parties contained in the Consob decision no. 17221 of 12 March 2010 as amended:

_____.

- (iv) declares that as of the date of this document, they and their close family members exercise control, joint control or a considerable influence, as defined in the Annex to the Regulation on Related Parties contained in the Consob decision no. 17221 of 12 March 2010 as amended, over the companies listed below:

_____.

- (v) will provide prompt notice of any changes within 3 days from the date of any such change, by email to the address relatedparties@reply.com.

(Date)

(Signature)

In accordance with Regulation EU No. 2016/679 of the European Parliament and of the Council of 27 April 2016 and Legislative Decree 196/2003 as amended, the undersigned person consents to the Company's processing of their personal data as contained on this form, for the purposes indicated in the Procedure. The undersigned person also confirms that they have been informed by the Company of the rights available under Regulation (EU) 2016/679.

(Date)

(Signature)

Annexes:

Annex to the Regulation on Related Party Transactions contained in Consob resolution no. 17221 of 12 March 2010.

Appendix

DEFINITIONS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES AND FUNCTIONAL DEFINITIONS ACCORDING TO INTERNATIONAL ACCOUNTING PRINCIPLES

1. Definitions of related parties and transactions with related parties according to international accounting principles

For the purposes of Article 3, subsection 1, paragraph *a*) of this Regulation, the following definitions contained in the international accounting principles, shall apply:

Related parties

A *related party* is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”).

- (a) A person or close member of that person’s family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity;
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are *joint venture* of the same third party;
 - (iv) one entity is a *joint venture* of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associate and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].

Transactions with related parties

A *related party transaction* is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged [IAS 24, paragraph 9]⁵⁷.

2. Functional definitions to those of "related parties" and "transactions with related parties" according to international accounting principles

The notions of "control", "joint control", "significant influence", are defined in IFRS 10, IFRS 11 (*Joint arrangements*) and in IAS 28 (*Investments in associates and joint ventures*) and are used with the meanings specified in those IFRS [IAS 24, paragraph 9].

Key management personnel

Key management personnel are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling activities of the company, including directors (whether executive or otherwise) of the company [IAS 24, paragraph].

Close relatives

Close relatives of an individual are those family members who may be expected to influence or be influenced by, that individual in their dealings with the company, and include:

- (a) the individual's children and spouse or domestic partner;
- (b) children of the individual's spouse or domestic partner;
- (c) dependants of the individual or the individual's domestic partner [IAS 24, paragraph 9].

3. Principles of interpretation of the definitions

3.1 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form [IAS 24, paragraph 10].

3.2 The interpretation of the definitions above is accomplished by referring to the set of international accounting standards adopted by the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.

⁵⁷ These transactions include:

- mergers, demergers by incorporation or non-proportional demergers in the strictest sense, if carried out with related parties;
- decisions regarding the assignment of remunerations and financial benefits, in any form whatsoever, to the members of management and control bodies and of key management personnel.