- IMMSI S.p.A. -

Procedure for Disclosing Privileged Information to the General Public

Adopted with BoD resolution dated 24 March 2006

and subsequently amended on 13 November 2014

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REFERENCE REGULATORY FRAMEWORK

The following regulatory framework has been taken into consideration for the purposes of this procedure (the "**Procedure**"):

- Italian Legislative Decree 24th February 1998, no. 58 and subsequent amendments and supplements ("**TUF**").
- Regulations approved with Consob Resolution dated 14th May 1999 no. 11971 and subsequent amendments and supplements ("**Regulations for Issuers**").
- Regulations containing provisions regarding transactions with related parties adopted by Consob with Resolution dated 12th March 2010 no. 17221 and subsequently amended with Resolution dated 23rd June 2010 no. 17389 (the "**Regulations on Related Parties**");
- Communications and recommendations of Consob on the subject, and particularly Consob Communication no. 6027054 dated 28th March 2006 with the subject of "*Information to the public on events and significant circumstances and fulfilments for the prevention of market abuses - Recommendations and clarifications*" ("**Disclosure of Significant Events**"), as is still applicable, available on the website of Consob (www.consob.it), and Consob Communication no. 10078683 dated 24th September 2010 with the subject of "*Instructions and guidelines to implement the Regulations on transactions with related parties adopted with resolution no. 17221 dated 12th March 2010 as subsequently amended*", available on the website of Consob (www.consob.it);
- Regulations of the Markets organized and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"), in force at the date of this Procedure ("**MTA Regulations**"), together with the related Instructions in force at the date of this Procedure ("**Instructions**");
- The Guide for the disclosure of Information to the Market prepared in 2002 by the "Forum on Corporate Disclosure", which was attended by representatives of various institutions and categories of market operators, such as Borsa Italiana, Aiaf, Assogestioni and Assonime, and published by Borsa Italiana during June 2002 (the "**Guide for the disclosure of Information to the Market**"), as is still applicable, is available on the website of Borsa Italiana (www.borsaitaliana.it).

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FOREWORD

Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated European market (hereinafter the "**Transparency Directive**") has introduced a uniform set of rules governing the information disclosure requirements incumbent on listed issuers and the associated shareholders and rules governing the system whereby all the available information is to be disclosed to the public.

In particular, the Transparency Directive lays down, *inter alia*:

a) requirements, incumbent on the issuer, regarding the periodic disclosure of information on its financial situation and that of its subsidiaries, and a rule whereby responsibility for fulfilling said requirements lies with its administrative, management or supervisory bodies; said requirements encompass the drawing up of three documents: an annual financial report, a half-yearly financial report and interim management reports;

b) rules governing the procedure for disseminating the so-called "Regulated Information" (as defined *infra*), setting out, *inter alia*, a complete system for the dissemination of the information, its storage in such a way as to allow the public to consult it, and its filing with the competent authority.

Italian Legislative Decree D.Lgs.195/2007, which implemented the Transparency Directive, amended and supplemented the TUF in terms of the aspects governed by the Community provisions and, in particular, as far as present purposes are concerned:

(i) inserted a new subparagraph, w-*quater*), containing the definition of "listed issuers having Italy as their home Member State," into Article 1, paragraph 1, of the TUF, defining the sphere of application of the implementing regulations to the Transparency Directive, in line with the latter's provisions, with the result that said definition covers:

"*1) issuers shares admitted to trading on Italian or another Community Member State's regulated markets, incorporated in Italy;*

2) issuers of debt securities the denomination per unit of which is less than 1,000 euros, or the countervalue of same in a different currency, admitted to trading on Italian or another Community Member State's regulated markets, incorporated in Italy;

3) issuers of the securities referred to in subparagraphs 1) and 2) above, incorporated in a state not belonging to the European Community, for which the first application for admission to trading on a European Community regulated market was filed in Italy or which subsequently opted for Italy as their home Member State in the event of said first application for admission not having been based on their own choice;

4) issuers of securities other than those referred to in subparagraphs 1) and 2), incorporated in Italy or whose securities are admitted to trading on an Italian regulated market, which have opted for Italy as their home Member State. The issuer may select one Member State only as its home Member State. Its choice shall remain valid for at least three years unless its securities are no longer admitted to trading on any regulated market in the European Community";

(ii) introduced a new Article 113-*ter* ("*General Provisions Relating to Regulated Information*"), which defines the notion of Regulated Information and the mechanism for disseminating it to the public and storing it, assigning Consob fresh regulatory and supervisory powers in accordance with the provisions of the Transparency Directive; in particular, Regulated Information must be understood to mean "*information that must be disclosed by listed issuers, listed issuers having Italy as their home Member State and the parties that control them, pursuant to the clauses set out in this chapter [III], Para. I and Para.II, Sections I, I-bis, II and V-bis, [of the TUF] and in the implementing regulations thereto, or to the provisions adopted by non EU countries and deemed equivalent by the Consob."*

A concise description of the new system for disseminating, storing and filing Regulated Information, as introduced in implementation of the Transparency Directive, is set out below for the purposes of a full appraisal of the information disclosure requirements.

This Procedure takes account of the amendments and additions made to the TUF (Consolidated Law on Finance) and the Regulations for Issuers in the wake of the Transparency Directive's assimilation into the Italian legal system. It is pointed out that, as of the date of this Procedure, the system of dissemination of Regulated Information has found application with Consob Resolution no. 18159 of 4 April 2012 which authorised the operation of the system for the dissemination of Regulated Information referred to as "**SDIR-NIS**" mentioned below, and the system of storage and filing of Regulated Information has – as emerges from the wording of the TUF and the Regulations for Issuers currently in force – been implemented in full with Consob Resolution no. 18852 of 9 April 2014 which authorised the storage mechanism of the Regulated Information referred to as "**SSA**" mentioned below.

The transitional system has been summarised by the Consob in its "*Tabella sintetica delle modalità di pubblicazione delle informazioni regolamentate in vigore durante il periodo transitorio*" – i.e. Concise schedule about the procedures to disclose regulated information in force during the transitional period (attached to this Procedure and published by the supervisory authority on its Internet site).

REGULATED INFORMATION DISSEMINATION SYSTEM

With regard to the rules governing the Regulated Information dissemination system introduced by Consob Resolution no.16850 implementing the Article 113-*ter* of the TUF ("General Provisions Relating to Regulated Information"), it is pointed out that, in addition to laying down a definition of Regulated Information (as stated above), said provision contains the rules governing the dissemination, storage and filing system with reference to:

- the addressees of the flow of information: supervisory authorities, market management companies and the public Europe-wide;
- the information management model: Consob licenses third parties distinct from the issuer to perform the information dissemination and storage services;
- the general rules on information dissemination (rapid, non-discriminatory access) and storage (security, certainty of the sources of information, recording of the date and time of receipt of the Regulated Information, easy access for the end users).

In line with the Community regulations, the information dissemination system outlined in Article 113-*ter* of the TUF rests on the following two pillars:

(i) the *dissemination* of regulated information to the public immediately upon its disclosure and

(ii) the *storage* of said information in a centralised system allowing investors easy access to it, on a historical basis.

Furthermore, the system outlined envisages the *filing* of regulated information with the competent authorities to enable the latter to monitor issuers' compliance with the requirements.

The system introduced by Consob Resolution no.16850, as lastly modified with Consob Resolution no. 18612 of 17 July 2013, is summarised below with reference to the individual stages in the Regulated Information dissemination and storage system.

A) Regulated Information Dissemination

As laid down in Article 65-*bis* of the Regulations for Issuers, listed issuers disclose Regulated Information, "*ensuring rapid, non-discriminatory access that provides a reasonable guarantee of actual dissemination throughout the European Union.*" The standards that derive from the aforementioned principle, and with which the issuer must comply, using appropriate dissemination facilities, are as follows:

a) simultaneous dissemination to the public:

As far as possible, the dissemination of Regulated Information must be simultaneous in Italy and the other Member States of the European Union and made to the widest possible public;

b) secure dissemination in full to the media:

Regulated Information must be disseminated to the media in its full, unedited wording;

- it is to be noted that, for annual and half-yearly reports and interim management reports, this requirement is deemed to be met if the announcement of the publication of the Regulated Information is notified to the media, is delivered to the "*authorised storage mechanism*" ("**SSA**" – see B) below) and states on which Internet site and in which authorized storage mechanism of Regulated Information said information is available;

so as to ensure secure reporting, minimise the risk of data alteration and unauthorised access as well as guarantee the certainty of the source of said information;

c) security of reception:

Any shortcoming or malfunctioning in the reporting of Regulated Information must thus be remedied at the very earliest; the party required to disseminate the Regulated Information is, however, not responsible for system errors or shortcomings in the media to which the Regulated Information has been notified;

d) identification and recognisability of Regulated Information:

The information must be notified to the media in such a way as to make it clear that it is Regulated Information and clearly to identify the issuer in question, the subject of the information and the date and time of its notification by the party required to notify it.

Unless one is already available, security issuers must arrange for an Internet site for the publication of Regulated Information.

It is to be noted that, pursuant to Article 65-*ter* of the Regulations for Issuers ("Codification of Regulated Information"), listed issuers must assign to each category of Regulated Information disseminated one of the identification codes listed in Annex 3N to the Regulations for Issuers, in accordance with the instructions set out in Annex 3I to said regulation.

Furthermore, in the event of shares having been admitted to trading on regulated markets in Italy alone, and of Italy being the home Member State, the Regulated Information is to be notified in Italian.

The issuer has two alternatives open to it for disseminating Regulated Information:

(i) It may use an SDIR, which stands [in Italian] for "*regulated information dissemination system,*" meaning an electronic Regulated Information dissemination system, licensed by Consob, that links its users to the "media" ("media" being understood to mean the agencies specialising in the timely electronic dissemination of financial information to the public);

In such cases, the issuer:

- selects an SDIR from those featuring on the list of licensed parties kept by Consob and notifies the latter;
- advises the SDIR operator of the name of the person to contact when necessary;
- publishes the name of the SDIR used on its Internet site;
- must be in a position to notify Consob of the details of any embargo placed by it on the Regulated Information.

(ii) It may disseminate the Regulated Information on its own (Article 65-*sexies* of the Regulations for Issuers); in such cases:

- the issuer sends Consob a document certifying that the procedures to be used to disseminate the information comply with the provisions of Annex 3I to the Regulations for Issuers; compliance with the requirements laid down in the aforementioned annex must be proven in an annual informative report;
- the issuer must, if so requested, be in a position to advise Consob, in connection with any dissemination of Regulated Information, of: a) the name of the person who reported the information to the media; b) the security confirmation details; c) the date on and time at which the information was reported to the media; d) the medium on which the information was reported; e) where appropriate, the details of any embargo placed by the issuer on the Regulated Information.
- the issuer publishes on its Internet site the information regarding its decision to disseminate the Regulated Information on its own.

With Resolution no. 18159 of 4 April 2012, Consob authorised, pursuant to art. 113-*ter*, paragraph 4, letter a) of the TUF, the operation of the system for the dissemination of Regulated Information referred to as "SDIR-NIS", run by BIt Market Services SpA (subsidiary of London Stock Exchange Group plc.) (the "**SDIR-NIS**"). The activity of said system began 28 May 2012. IMMSI SpA (the "**Company**" or "**IMMSI**"), with a press release issued on 25 May 2012, in compliance with current regulations, has chosen to use the SDIR-NIS circuit for the transmission of Regulated Information[1].

It is to be noted that, in the event of the information referred to in Article 114, paragraph 1 of the TUF being disseminated while trading is under way, it is to be reported to Consob and to the stock exchange operator at least 15 minutes prior to its dissemination: by securities issuers, in accordance with the procedures set out in

[1] In the case of operational failures and/or interruption of service of the SDIR-NIS, the disclosure requirements towards Borsa Italiana are fulfilled by sending an announcement to one of the following fax numbers: numbers: 02/8646.4242; 02/7200.4666.

Annexes 3I and 3M to the Regulations for Issuers (i.e. through the SDIR-NIS used by the issuer)[2].

Parties not admitted to trading on a regulated market that control security issuers disseminate Regulated Information in accordance with the procedures set out in Chapter II, Para. I, Part III, of the Regulations for Issuers or by forwarding it to at least two news agencies, and publish it on their own Internet sites. Such parties publish the Regulated Information on the companies controlling them by:

a) sending it to the storage mechanism (SSA) selected, pursuant to Article 65-*septies* of the Regulations for Issuers, by the security issuer controlled;

b) publishing it on the Internet sites of the security issuers controlled.

B) Regulated Information Storage

Pursuant to Article 65, paragraph 1 i) of the Regulations for Issuers, "*authorised storage mechanism*" (SSA) is understood to mean the mechanism, licensed by the Consob, that performs the service of centralised Regulated Information storage referred to in Article 113-*ter*, paragraph 4 of the TUF.

Pursuant to Article 65-*septies* of the Regulations for Issuers, the listed issuers (i) select an authorised storage mechanism, as system aimed at keeping all regulated information, and immediately advise their controlling parties and Consob accordingly, by sending to the latter a copy of the contract entered into with the provider of the mechanism; (ii) publish on their own Internet sites the name and Internet address of the authorised storage mechanism.

At the same time as they disseminate it to the public, the listed issuers forward the Regulated Information to the authorised storage mechanism. Information disclosed via the linkup to the authorised storage mechanism are considered as disclosed to Consob as well, unless otherwise specified. With Resolution no. 18852 of 9 April 2014, Consob authorised, pursuant to art. 113-*ter*, paragraph 4, lett. b), TUF, the centralized storage mechanism referred to as "1Info", which can be accessed through www.1info.it and managed by Computershare S.p.A., with office in Milan, via Lorenzo Mascheroni 19, a company of Computershare LTD group (the "**SSA**")[3]. Immsi has chosen to adhere to SSA to store the Regulated Information.

[2]The referenced "Concise schedule about the procedures to disclose regulated information" clarifies, *inter alia*, that if the announcement is to be released during the course of trading and there is a temporary malfunction of the SDIR-NIS, the dissemination is performed by sending the announcement to at least two press agencies, and to Consob (fax no. 06.8477.757) and Borsa Italiana (fax no. 02.7200.4666) at least 15 minutes before sending it to the news agencies. In this case, sending the announcement by fax to Consob also fulfils the filing obligation.

[3] It is to be noted that with the Communication no. DME/0029658 dated 10-4-2014, Consob provided information about the ways to store and file the Regulated Information. The aforementioned communication has been taken into account upon drawing up of this Procedure.

The issuers publish the Regulated Information concerning them on their Internet sites before the market opens on the day following that of its dissemination. The information remains available on the Internet sites for at least five years.

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It should be pointed out that in the continuation of this Procedure, any reference to "methods to disclose the regulated information to the public" shall be related to the dissemination of Regulated Information through SDIR-NIS and to their storage through the SSA mechanism, as described in the previous paragraphs.

1. PRIVILEGED INFORMATION

1.1 REFERENCE STANDARDS

- Art. 114 and 181 of the TUF;
- Art. 65-*duodecies*, 66, 66-*bis* and 67 of the Regulations for Issuers.
- Art. 6 of the Regulations on Related Parties;
- MTA Regulations and Instructions.

1.2 EVENT TO BE DISCLOSED

The obligations of so-called continuous information, according to the test of art. 114, paragraph 1 of the TUF, have the subject of "*privileged information*", of art. 181 of the TUF, that "*directly*" concern the listed issuers and the subsidiary companies.

The notion of "*privileged information*" is therefore obtained by referring to the new provision on the subject of the crime of *insider trading* by which:

- "*privileged information*" means "*information of a precise nature that has not been made public, concerning, directly or indirectly, one or more issuing financial instruments or one or more financial instruments, that, if made public, could significantly affect the prices of these financial instruments*";
- information is considered "*of a precise nature*" if:
  - *"a) it refers to an existing set of circumstances or that can reasonably be expected to come into existence or an event that has occurred or that can reasonably be expected to occur;*
  - *b) it is sufficiently specific to allow drawing conclusions on the possible effect of the set of circumstances or the event of letter a) on the prices of the financial instruments";*
- "*information that, if made public, could significantly affect the prices of financial instruments*" means "*information that presumably a reasonable investor would use as one of the elements on which to base investment decisions*".

The TUF therefore uses the same definition of "*privileged information*" to indicate the information on the basis of which, on the one hand, the crime of *insider trading* can be perpetrated and, on the other, the need to inform the public arises. Note however that the two notions do not tally completely, since the *disclosure* made on the issuers by art. 114 of the TUF is limited to the privileged information "*that directly concern said issuers*", while a similar restriction is not contemplated for the

significant notion for the goals of the discipline on *insider trading* (the information, in accordance with art. 181, paragraph 1 of the TUF, can concern the issuer both directly and "*indirectly*"). As stated in the Disclosure of Significant Events, "information that directly concerns the issuer" means information that is legally referable to it, as related to circumstances or events for which the relative ascertaining or decisional *process* is concluded according to the rules of *governance* of an internal organizational or legal nature applicable to the issuer, that is information directly concerning the issuer is communicated to it by third parties.

Referring to the instructions contained in the *Guida per l'Informazione al Mercato* (Guide for the disclosure of Information to the Market), merely by way of example, some events are stated that could more frequently be configured as a significant event or circumstance in accordance with the discipline examined here ("**Significant Event**"):

1) entry into or withdrawal from business sectors;
2) resignations or appointment of directors or auditors;
3) purchase or sale of shares, of other businesses or of branches of the company;
4) refusal of the appointment by the party in charge of the statutory audit;
5) operations on the capital;
6) emissions of warrants, bonds or other securities;
7) changes to the rights of listed financial instruments;
8) losses that significantly affect the net equity;
9) mergers and spin-offs;
10) conclusion, change or cessation of contracts or agreements;
11) conclusion of procedures related to intangible assets such as inventions, patents or licences;
12) legal disputes;
13) changes to the company's strategic personnel;
14) operations on treasury stock;
15) presentation of appeals or issue of provisions subjecting to class actions;
16) request of admission to class actions;
17) transactions with related parties.

Furthermore, the following should be considered Significant Events: the issue, by the independent auditor or the auditing firm, of a judgement with findings, of a negative judgement, the declaration of the impossibility of expressing a judgement, or a call

for disclosure regarding substantial uncertainties as to the continuation of the business

Within the framework of the above categories, the importance of the single events must be appreciated case by case: for example, note that to appraise the importance of extraordinary operations the quantitative profile can be decisive, that is the profile of the ownership concerning the subjects involved (the incorporation of a 100% owned subsidiary, for instance, has less importance than the incorporation of a company in which a minority stake is held). Also the type of business of the issuer can affect the evaluation of a certain event for the purposes of the obligations of disclosure; so if the issue of bonds can be a Significant Event for a trading company, it might not be if the issue were promoted by a bank in carrying out its business of collecting savings. Also refer to the following paragraph 1.6 about the "outlines" of Price Sensitive Announcements (as defined herein) contained in Section IA.2.6 of the Instructions.

In addition, the following are also Significant Events as expressly provided for in the regulations (cfr. art. 66, paragraph 3, lett. a), Regulations for Issuers):

(i) the accounts to be referred in the balance sheet for the period, in the consolidated balance sheet and in the condensed half-yearly balance sheet, as well as the information and the accounts to be referred in the interim directors' reports, when these situations are disclosed to external parties, except that such disclosure take place in the normal exercise of employment, profession, duties or office, and the aforesaid parties are bound to an obligation of legal, regulatory, statutory or contractual confidentiality, or when the same accounting positions or the same information have acquired a sufficient degree of certainty.

With the Disclosure of Significant Events, Consob moreover specified that:

- considering the time period between processing sufficiently well-defined accounts and the formal examination, by the relevant in-house bodies, of the accounts (normally a shorter time frame for infra-annual reports, while, for instance, on the subject of balance sheets various circumstances can lead to the date of their approval being moved forward), the issuer must interpret the informational needs of the market correctly and it will be for the relevant in-house bodies to determine when, according to experience and their *bona fide* interpretation, the situations "*have acquired a sufficient degree of certainty*" with reference to the need to reduce the risk of abuse of privileged information;
- the information for the public must concern not only all the accounts, but also all possible significant information relating to them, examined by the board of directors and that must as such be added to the balance sheet, condensed half-yearly balance sheet and interim directors' report;

- among the cases of disclosure to "external parties" that do not determine the need for disclosure to the public (for the existence of confidentiality and to make the disclosure in compliance with regulatory obligations) it is necessary to include, merely by way of example and not exhaustively, the disclosure of accounting data and situations before they have acquired "*a sufficient degree of certainty*" to the parent company in fulfilment of the obligations required by art. 114, paragraph 2 of the TUF and the disclosure of this information to the parties and the company in charge of the statutory audit for them to carry out their work; it is moreover believed that there is no obligation of disclosure in the case in which the external parties to the issuer who have the information on the accounts are advisors that participate in drawing up said accounts;
- regarding information intended for directors without proxy, since the latter cannot be considered external parties for the company on whose board of directors they hold their position and they are an integral part of the organ to which company management is assigned, transmission to directors without proxy of reports (monthly and quarterly) and of all other information connected with the management of the company is functional to the needs of information and the exercise of their duties of vigilance and intervention in the event of any specific prejudicial actions, that are incumbent on the whole board; it therefore follows that is possible to communicate managerial reports to non-delegated directors without beforehand applying public disclosure in accordance with art. 66, paragraph 3 of the Regulations for Issuers.

With reference to the press releases issued to mark the approval of the periodic accounting reports, Consob Communication 9081707 of 16 September 2009 specified, by way of clarifying the provision contained in Article 66, paragraph 3 a) of the Regulations for Issuers on this head, that:

- the figures published in the press releases disseminated on said occasion must first of all be readily referable to those set out in the financial statement and condensed half-yearly balance sheet outlines. The economic, capital and financial variables not directly deducible from said charts must be highlighted distinctly in a reporting context that makes their significance clearly comprehensible, having regard not least to the provisions of Recommendation CESR/05-178b published on 3 November 2005 on alternative performance indicators;
- items of revenue deriving from non-recurrent events or transactions that may have been reported in the profit and loss account outlines and the impact of variations in criteria and of corrections made to errors found in the previous accounts, insofar as they are of significance, must be highlighted;

- the profit and loss account and balance sheet charts required under the regulations currently in force must likewise be attached to said press releases. The data contained in the schedules will have to be compared with those of the previous period, taking care to highlight any effects related to changes in the accounting principles of reference;
- lastly, the releases must state, with reference to the financial report charts required by law, that independent auditing has not yet been completed on the figures in question and, with reference to the reclassified charts, that the figures have not been examined by the independent auditor or the auditing firm. Further schedules that the issuers deem appropriate may also be attached to the releases;
- if, once the draft financial statement or the condensed half-yearly balance sheet has been approved by the competent body, the independent auditor or the auditing firm issues (i) a negative judgement, (ii) a judgement with findings, (iii) a declaration of the impossibility of expressing a judgement, or a call for disclosure regarding substantial uncertainties as to the continuation of the business on said financial statement, as laid down in Auditing Document 570, the issuer must disclose the fact to the market immediately, attaching a full copy of the independent auditor's or the auditing firm's report.

(ii) the adoption by the Board of Directors of the resolutions approving the planned balance sheet, proposal for the distribution of dividends, consolidated balance sheet, condensed half-yearly balance sheet and interim directors' report. Notice that the *Price Sensitive* Announcements (as defined hereinafter) concerning the approval of accounting data for the period must be drawn up according to the outline of art. IA.2.6.3 of the Instructions (cfr. besides paragraph 1.6).

With reference to the transactions with related parties, it should be noted that, following the enforcement of the Regulations on Related Parties, the Price Sensitive Announcements (as defined herein) regarding such transactions must contain, besides the information to be disclosed pursuant to art. 114, paragraph 1 of the TUF, the additional information as per art. 6 ("*Transactions with related parties and communications to the public pursuant to art. 114, paragraph 1, of the Consolidation Act*") of the aforementioned regulations. Please refer to the paragraph 1.6 that follows.

Remember that the decision to go ahead with the publication of the privileged information requires the party bound by law to check the suitability of the news to affect the price of the financial instruments significantly. In this respect, the Disclosure of Significant Events - dating back to 2006 and referring to the previous regulation and therefore partially superseded because of the regulatory and disciplinary changes that occurred - recommends that the listed issuers make these evaluations according to suitable criteria in order to guarantee the utmost

transparency. In particular, it is held that when there are reasonable doubts about the actual suitability of the above-mentioned information to affect prices significantly, the issuers must, when there are the other elements characterizing the information to be communicated, inform the public without delay in accordance with the procedure set out in art. 66 of the Regulations for Issuers, ensuring in any case that the information is sufficiently complete to allow adequately appraising the real influence of the news on the price of the financial instruments.

1.3 ISSUER'S CONDUCT

In accordance with art. 114, paragraph 1 of the TUF, without affecting the obligations of publicity required by specific provisions of the law, the listed issuers must without delay communicate to the public, according to the terms and methods indicated hereinafter, the privileged information that directly concerns them or that concerns companies they control.

The Disclosure of Significant Events Consob clarifies that in the case in which the circumstances or the events, materialized in the sphere of the listed issuer controlled by another listed company, can produce on the latter effects that are not sufficiently clarified in the announcement issued by the controlled issuer. In the latter case, the controlling listed company must inform the public about these effects in order to provide investors with complete information on the circumstances. In these cases in point the two companies can also make a joint communication.

Paragraph 5 of art. 114 of the TUF, moreover gives Consob, also generally, the power to require (i) the listed issuers and the parties that control them, (ii) the members of the organs of administration and monitoring and the directors, (iii) as well as parties that hold a significant share in accordance with art. 120 of the TUF or that participate in a Shareholders' agreement contemplated by art. 122 of the TUF, that the documents and the news necessary for informing the public are made public, likewise requiring that in case of non-fulfilment, Consob must proceed directly at the expense of the non-fulfilling party.

In accordance with art. 114, paragraph 6 of the TUF, the issuers and the parties controlling them can object, with a reasoned claim to be promptly sent to Consob, that the fulfilment of the obligations of communication to the public of art. 114, paragraph 5 of the TUF, can involve serious damage to the issuer. In this case the obligations of communication are suspended. Within 7 days[4], Consob can also partially or temporarily avoid communicating the information if this does not trick the public about essential circumstances or events. The case examined here, consisting of total or partial exclusion from disclosure to the public of information on the Important Event, or temporary suspension of the obligation to disclose it, when claimed by the issuer or by the issuer's controlling party, must be kept separate from the hypothesis of "delay" in disclosing the information (cfr. besides paragraph 1.4.4).

[4] Pursuant to the same art. 114, paragraph 6 of the TUF, after this term, the claim is taken to be accepted.

In the hypothesis of delay, there is no provision for either claims formulated by the issuer or by the issuer's controlling party, or preventive authorization of Consob.

1.4 WHEN TO COMMUNICATE

1.4.1 OCCURRENCE OF THE SIGNIFICANT EVENT AND OBLIGATIONS OF DISCLOSURE

In order to correctly identify the moment when the obligation of disclosure of the significant event to the public arises, art. 66 of the Regulations for Issuers sets out that the obligations of *disclosure* are considered fulfilled "*when, on the occurrence of a set of circumstances or an event, although not yet formalized, the public has been informed without delay*".

Consob, moreover, with the Disclosure of Significant Events, as is still applicable, has specified that the provision of paragraph 1 of art. 66 of the Regulations for Issuers – even though it openly makes reference to events and circumstances "*not yet formalized*" - considers their concrete "*occurrence*" essential for the purposes of enforcing the obligation of *disclosure*. The words "*not yet formalized*" must therefore be understood as referring to events or circumstances anyhow already occurred, in relation to which, however, there is no definitive officialization (by way of mere example, a case in point can be integrated that is not yet formalized to be disclosed, an operation of acquisition or sale, completely defined in the content, with no reserve for further negotiations, although subject to suspension of the ratification by the relevant company organ of the listed issuer).

Furthermore, Consob in the Disclosure of Significant Events - dating back to 2006 and referring to the previous regulation and therefore partially superseded because of the regulatory and disciplinary changes that occurred - has made it clear that, as the dissemination of fragmentary reports concerning both listed issuers and chasing operations under way may distort the workings of the market, giving the market advance notice of forthcoming news about various agreements not yet sufficiently finalised may be deemed useful only if necessary to guarantee equality of information and must, in any case, be based on principles of clarity and precision in compliance with the rules governing transparency and propriety.

1.4.2 SELECTIVE INFORMATION AND LACK OF THE CONDITIONS OF CONFIDENTIALITY

The formulation of art. 114, paragraph 4 of the TUF, establishes the conditions and the limits in which the so-called "*selective information*" can be considered legitimate, by this meaning access to privileged information (and therefore not in the public domain) by certain parties.

On the basis of the above-mentioned provision and the rules of implementation contained in the Regulations for Issuers, it can be inferred that:

(i) the *selective disclosure* is always admissible when the privileged information is disclosed to third parties that are subject to a legal, regulatory, statutory or contractual obligation of confidentiality.

Consob, with the Disclosure of Significant Events, has therefore clarified that it is possible to inform third parties selectively in the case in which there is an obligation of confidentiality and a justificatory report. The "third parties" can include:

- the advisors of the constrained parties and the other parties involved in the examination of the subjects of advice;
- the parties with whom the issuer has negotiations in progress on business and financial dealings;
- the public watchdog authorities in the sector;
- the banks within the activity of granting loans;
- the rating agencies;
- the management companies of the markets where the financial instruments are listed;
- the trade union organizations (when a specific commitment of confidentiality has been signed).

(ii) in the case in which the information has been accessed, by deliberate or unintentional disclosure, a third party is not bound to an obligation of confidentiality (legal, regulatory, statutory or contractual), or anyhow the confidentiality of the privileged information no longer exists, the listed issuer must re-establish informational parity by disclosing the privileged information to the public ("*immediate*", if the disclosure was deliberate; "*without delay*", if the disclosure was not deliberate).

According to the discipline described above (in line with what described in the Guide for the disclosure of Information to the Market), is not legitimate on the occasion of meetings of the issuer or meetings with market operators.

In particular, according to what is stated in Principle 4 of the Guide for Information to the Market, the information on Important Events cannot be supplied during the meetings, unless previously communicated to the market; in case of unintentional disclosure of such information, this must be promptly provided to the market. With respect to this last aspect, it is specified that, if during a meeting to be held in the process of forming an Important Event, a participant in the meeting asks the directors questions regarding the Important Event, the directors can abstain from answering, on the presumption that the disclosure of the information is deferred to a later time.

1.4.3 LEAK OF INFORMATION AND DISCLOSURE TO THE PUBLIC (PREVIOUS LEGISLATION REGARDING SO-CALLED "*RUMOURS*")

With reference to the regulations regarding comments on "*rumours*", as defined according to the previous wording of article. 66 of the Regulations for Issuers, the "*presence of news given to the public not in accordance with this article* [66 of the Regulations for Issuers] *concerning the proprietary, economic or financial situation of the financial instruments issuers, operations of extraordinary finance related to these issuers or the state of their business*" – Consob Resolution no.18214 of 9 May 2012, in order to ensure an effective use of the "*no comment"* policies, has repealed Art. 66, paragraph 4, of the Regulations for Issuers, which provided the requirement for issuers to disseminate an announcement in the presence of "*rumours"* in cases where there was a significant change in the price of the financial instruments.

Following the aforementioned changes, there is no obligation for issuers to comment on *rumours* except in cases of loss of confidentiality governed by art. 114, paragraph 4 of the TUF (see previous paragraph 1.4.2). However, Consob, pursuant to the provisions of art. 114, paragraph 5 of the TUF, can always request, if the necessary conditions exist, the listed issuers[5] for the disclosure of information and documents needed to inform the public and, in the case of *rumours,* then request that the companies to comment on them, without prejudice to the option for the issuer[6] to object pursuant to art. 114, paragraph 6 of the TUF (see previous paragraph 1.3). This interpretation is confirmed by the Consob Consultation Document published on 22 March 2012 which states that " *in case of rumours, it shall be Consob that shall evaluate, case by case, the correct application of the current regulations, eventually requesting the dissemination of the information to the public, where there is a risk that the public may be misled on the relevant facts and circumstances*".

1.4.4 DELAY IN COMMUNICATION

Art. 114, paragraph 3 of the TUF, and the corresponding provision for implementation (art. 66 - *bis* of the Regulations for Issuers) establish the conditions and the limits within which the listed issuers can, under their own responsibility - legitimately delay a price sensitive disclosure, "*as long as this is not likely to mislead the public about essential facts and circumstances and that the same persons are able to ensure their confidentiality"*.

[5]Pursuant to paragraph 5 of art. 114 of the TUF, Consob may exercise this power to require the publication of news and information by the issuer and by the following subjects: (i) persons who control the issuers, (ii) members of the organs of administration and monitoring, (iii) directors and (iv) parties that hold a significant share in accordance with art. 120 of the TUF or that participate in a Shareholders' agreement contemplated by art. 122 of the TUF.

[6] The right to object, pursuant to art. 114, paragraph 6 of the TUF belong to those who control the issuers.

In particular, the combined provision of art. 114, paragraph 3 of the TUF, and 66-*bis* Regulations for Issuers, establishes that:

(i) a delay in disclosing the privileged information is possible when there is a "legitimate interest" that would be jeopardized by the communication to the public (art. 114, paragraph 3 of the TUF and paragraph 1 of art. 66- *bis* of the Regulations for Issuers); note that the "legitimate interests" of the listed issuer are important, while the legitimate interests of third parties have not been being judged worthy of protection if their prejudice does not reflect, indirectly, on the interests of the same issuer;

(ii) in order to provide directions on the concrete case in point in which the delay can be considered legitimate due to there being important prejudice, art. 66-*bis* of the Regulations for Issuers:

- in lett. a) and b) of paragraph 2, gives two hypotheses – which are not exhaustive – in which this right is admitted:

  (a) "*negotiations in course, or connected elements, in the case in which the disclosure to the public can jeopardize their outcome or normal course. In particular, in the case in which the financial solidity of the issuer is threatened by serious and imminent danger, even if not within the sphere of the applicable provisions on the subject of insolvency, the disclosure to the public of the information can be postponed for a limited period of time, if it risks seriously jeopardizing the business of the existing or potential shareholders, as it would jeopardize the conclusion of the negotiations aimed at assuring the long-term financial rehabilitation of the issuer";*

  (b) "*the decisions taken or the contracts concluded by the administrative organ of an issuer whose effectiveness is subordinate to the approval of another organ of the issuer, other than the shareholders' meeting, if the structure of the issuer separates the two organs, provided that the disclosure to the public of the information before the approval, combined with the simultaneous announcement that the approval is still in progress, can jeopardize the correct evaluation of the information by the public*";

- in the first part of paragraph 2, there is a general clause that can be used as a guiding criterion to identify other situations in which the legitimate interests of the issuer can be prejudiced, saving that said clause is also suited, in general, to fix definite limits on the universe of important interests on the matter: "*important circumstances"* are ones in which "*the disclosure to the public of privileged information can jeopardize the implementation of an operation by the issuer that is, for reasons inherent to the unsuitable definition of the events or circumstances, can result in incomplete evaluations by the public*".

(iii) the responsibility of the decision to delay the disclosure of the privileged information, and therefore to derogate from the obligation of immediate disclosure, falls entirely on the bound party (art. 114, paragraph 3 of the TUF); the party must therefore conform the possible prejudice of its legitimate interests with the further needs indicated in the provision of paragraph 3 of art. 14 of the TUF ("*provided that this cannot mislead the public on essential facts and circumstances and that these same parties are able to guarantee confidentiality*") and therefore evaluate both the impact of the derogation on the correct information for the public and the degree of confidentiality (cfr. preceding paragraph 1.4.2) that can be assured for the privileged information; it is held that it is permissible to delay the communication to the public also of partial elements of important facts or circumstances, provided that this cannot mislead the public on essential facts and circumstances (also in this case it will be for the issuer to decide on the sphere of elements of information subject of the delayed disclosure);

(iv) in case of a delay in the disclosure to the public, the party is however bound to guarantee the confidentiality of the privileged information is maintained and, where this confidentiality is lost, re-establish informational parity.

To guarantee the confidentiality of the privileged information is maintained, the party must take effective measures:

- to control/regulate access to this information, so as to allow it is accessed only by people who need it for carrying on their functions within the sphere of the issuer (that is the persons who, inside the issuer or the controlling company, use the information for reasons of their office) and if necessary only third parties who are subject to obligations of confidentiality in accordance with art. 114, paragraph 4 of the TUF (cfr. preceding paragraph 1.4.2); as well as
- to "*ensure that the persons who have access to this information acknowledge the ensuing juridical and regulatory duties and are aware of the possible sanctions in case of abuse or unauthorized disclosure of the information*".

If the party has not been able to assure confidentiality (in this hypothesis all cases of "loss of confidentiality" must be included, and therefore also the hypothesis of news leaks), this party must re-establish informational parity by immediately disclosing the privileged information to the public.

As regards the methods of implementing the delay in the disclosure to the public, the new discipline no longer requires the obligation of immediate disclosure to Consob of the news of the delay in publication of the privileged information, but on the contrary requires disclosure to Consob of the occurred delay, immediately after the dissemination to the public of the same information, indicating the connected circumstances (art. 66-*bis*, paragraph 4 of the Regulations for Issuers). This disclosure is aimed at bringing the

information subject of the delay to the knowledge of the Authority, the reasons for the delay and every other circumstance that the issuer considers important, in order to allow Consob a complete evaluation of the reported conduct, as well as to take the appropriate steps of vigilance in a timely manner in relation to the associated listed securities.

In addition, in implementation of the proxy attributed by the TUF to identify the necessary steps to guarantee that the public is correctly informed, paragraph 5 of art. 66-*bis* of the Regulations for Issuers gives Consob the power to request from the interested parties, having received the news of a delay in the disclosure to the public of privileged information and considering the circumstances represented by the same, to proceed without delay to the disclosure (as well as to pay the expenses of the interested parties in case of non-fulfilment).

In the Disclosure of Significant Events - dating back to 2006 and referring to the previous regulation and therefore partially superseded because of the regulatory and disciplinary changes that occurred - Consob has deemed fit to underline that the communication in accordance with art. 66-*bis* Regulations for Issuers, must be limited to cases in which there is an actual delay and that the delay can accrue only starting from when an important set of circumstances or event occur in accordance with art. 114, paragraph 1 of the TUF, and art. 66, Regulations for Issuers. Before this moment, as there is no obligation of disclosure, the regulations of the delay are not even applied. For these reasons, Consob deems it reasonable for the disclosure of the aforesaid delay to be a sporadic event. The "delay" in the disclosure to the public of privileged information is therefore an instrument of an exceptional character.

Lastly it is specified that the delay can also be applied with reference to the events and the circumstances of the subsidiary companies of the listed issuers.

1.5 METHODS OF COMMUNICATION TO THE MARKET

Articles 65-*bis* to 65-*undecies* of the Regulations for Issuers govern the methods of disclosure of the privileged information to the public.

In accordance with art. 66 of the Regulations for Issuers, the disclosure to the public of the privileged information must be made by sending an announcement ("**Price Sensitive Announcement**") disseminated in accordance with the procedures cited in the aforementioned articles of the Regulations for Issuers (65 - *bis* at 65 - *undecies)* provided for the dissemination of Regulated Information (see more fully in the Foreword).

In addition, the Guide for Information to the Market announces the opportunity, in order to make the information more timely, before the Significant Event occurs (if predictable), to draw up a draft of the announcement to be submitted preventively to Consob and Borsa Italiana.

With reference to Price Sensitive Announcements that have to be disclosed when the market is open, in addition to what is already stated in the paragraph "System of dissemination of Regulated Information" (that is to say, the transmission of such announcements to Borsa Italiana and Consob at least 15 minutes before their disclosure to the market), the issuer is moreover required to notify Borsa Italiana by telephone about forwarding the announcement in order to allow it to evaluate the impact that the news, once disclosed, could have on the regular course of trading with greater reflection (cfr. art. IA.2.5.4 of the Instructions).

Notwithstanding the above, Consob with the Disclosure of Significant Events - dating back to 2006 and referred to the previous regulation and therefore partially superseded because of regulatory and disciplinary changes that occurred - has recommended issuers to communicate to it and to Borsa Italiana, also in brief and with plenty of advance, the intention to submit to the Board of Directors particularly important decisions that could be disclosed with the market open. This also in order to submit to the evaluation of Borsa Italiana the opportunity to adopt a provision of temporary suspension of the security from trading.

It is pointed out that, following the implementation of the Transparency Directive (see the “Foreword” and the paragraph "System of dissemination of Regulated Information" for further details), the issuer is required to: (i) arrange an Internet site for the publication of the Regulated Information (Article 65-*bis*, paragraph 3, Regulations for Issuers); (ii) publish on its Internet site the Regulated Information concerning the issuer, including the information disseminated by its controlling party, by market opening time on the day after that of its dissemination and ensure that it remains available on the Internet site for at least five years (Article 65-*septies*, paragraph 5, Regulations for Issuers). These provisions apply to Price-Sensitive Announcements as well.

1.6 CONTENT OF THE PRICE SENSITIVE ANNOUNCEMENT

With reference to the mandatory contents of the *Price Sensitive* Announcement, according to paragraph 2 of art. 66 of the Regulations for Issuers, the issuers of financial instruments ensure that:

a) the announcement contains elements suited to allow complete and correct evaluation of the events and circumstances represented, as well as connections and comparisons with the content of the preceding announcements;

b) every significant change in the privileged information already made known to the public is disclosed to the public without delay with the Regulated Information dissemination formalities;

c) disclosure to the public of privileged information and their business *marketing* are not combined in such a way that could be misleading;

d) the announcement to the public is synchronised as far as possible among all the categories of investors and in all the Member States in which the issuers have applied for or approved their financial instruments' admission to trading on a regulated market.

With regard to the wording of paragraph 2 of Article 66 of the Regulations for Issuers, reproduced above, Consob has clarified that the provision related to the disclosure of every "*significant change*" of what has already been disclosed does not concern solely the changes to information already given (which in itself could be *price sensitive*, with direct application in this hypothesis of the obligation of disclosure *ex* art. 114, paragraph 1 of the TUF). The "significance" of the changes must therefore be evaluated, case by case, according to their potential to alter in a significant way the informational context on the basis of which the expectations of the investors are formed. The reference contained in the regulation under examination to the "*changes to privileged information*" is moreover suitable to include every new circumstance related to the specific Important Event. Also with reference to the provision of lett. c) Consob clarified that the word "*marketing*" considering its general nature, is suitable to include in the considered case in point any type of promotional activity.

Art. 67, paragraph 1, of the Regulations for Issuers, requires that the market management company can with its own regulations establish the minimum content of the *Price Sensitive* Announcements and the means of representing the information they contain. In accordance with this rule of the Regulations for Issuers and of art. 2.6.6 of the MTA Regulations, Borsa Italiana has dictated a set of provisions relating to the outlines of the *Price Sensitive* Announcements in the framework of Section IA.2.6 of the Instructions.

In particular, in accordance with the provisions of art. IA.2.6.2 of the Instructions, the *Price Sensitive* Announcements must be composed of: title, summary, text and company contacts.

The title contains an objective and synthetic description of the event and, if the announcement refers to more than one important event, it must mention each event.

The summary sums up the elements characterizing the event, also given in the form of a chart or list, so as to give a synthesis that is not misleading. The summary can be omitted if the title already contains an exhaustive description of the essential elements of the event.

The text reports the content of the news in an articulate form according to an index freely chosen by the company, provided that it ensures logical consistency. Where necessary, in order to ensure greater clarity of content, the text is organised into sections, accompanied by a title.

The company contacts contain the names of the people or structures of the company to contact to obtain further information, as well as the company's website if there is one.

The minimum content of the announcements has moreover been defined (see art. IA.2.6.3 and following of the Instructions) with reference to the most common types of Significant Events, such as:

- approval of the accounting data of the period;
- judgments given by the independent auditor or the auditing firm;
- disclosure of forecast data or quantitative objectives;
- resignation and appointment of the members of the organs of administration and control and of other key figures;
- operations of acquisition or sale;
- increases in capital and/or emission of convertible bonds, finalized at obtaining financial resources;
- issue of bonds;
- operations on treasury stock;
- mergers and spin-offs.

As stated above (cf. paragraph 1.2 above), following the entry into force of the Regulations on Related Parties, in addition to the information to be published pursuant to Article 114, paragraph 1 of the TUF, Price-Sensitive Announcements concerning transactions with related parties must contain the further information stated in Article 6 ("*Transactions with related parties and announcements to the public pursuant to Article 114, paragraph 1, of the Consolidated Act*") of the aforementioned regulation.

This being so, in the event of a transaction with related parties being subject to the disclosure requirements envisaged pursuant to Article 114, paragraph 1 of the TUF, the Price-Sensitive Announcement to be disseminated to the public must also contain the following information:

- the fact that the counterparty to the transaction is a related party and a description of the nature of the relationship (Article 6, paragraph 1 a);
- the name or trading name of the counterparty to the transaction (Article 6, paragraph 1 b);
- whether or not the pertinence threshold pursuant to Article 4, paragraph 1, of the Regulations on Related Parties is being exceeded and whether the disclosure document referred to in Article 5 of the Regulations on Related Parties (Article 6, paragraph 1 c) has been published;

- the transaction approval procedure followed, stating whether the issuer has availed itself of one of the exclusion options pursuant to Articles 13 and 14 of the Regulations on Related Parties (Article 6, paragraph 1 d);
- whether the transaction has been approved notwithstanding the opposition voiced by governing or independent directors (Article 6, paragraph 1 e).

In accordance with Article 66, paragraph 2 a), of the Regulations for Issuers (pursuant to which Price-Sensitive Announcements must contain "*the facts permitting a complete, accurate appraisal of the events and circumstances set out*"), a price-sensitive announcement concerning a transaction with related parties must provide all the facts likely, whether alone or in conjunction with other information, to have a substantial impact on the prices of the financial instruments. Any disclosure requirements laid down by the Price-Sensitive Announcement outlines referred to in Section IA.2.6 of the Instructions are likewise unaffected.

With regard to cases in which the issuer does not publish the disclosure document (required by Article 5 and drawn up in accordance with Annex 4 to the Regulations on Related Parties) – whether because the transaction does not exceed the pertinence thresholds identified pursuant to Article 4, paragraph 1, of the Regulations on Related Parties, or because the exclusion cases and options provided for in the aforementioned regulations are applied –, Consob Communication 10078683 of 24 September 2010, entitled "*Instructions and Guidelines on Implementing the Regulations on Transactions with Related Parties, adopted in Resolution no.17221 dated 12 March 2010, as subsequently amended*," provides a non-exhaustive list of facts that may be relevant for the purposes of compliance with the aforementioned Article 66, paragraph 2 a) of the Regulations for Issuers (cf. paragraph 11 of the above Communication). Said facts are:

- the salient features of the transaction (price, terms of execution, payment schedule etc.);
- the economic reasons for the transaction;
- a concise description of the economic, capital-related and financial impact of the transaction in question;
- the methods whereby the sum of the transaction was determined, and the appraisals of its compatibility with the market rates for similar transactions; in the event of the economic terms of the transaction being found compatible with the going market or standard terms, both a statement to that effect and a list of the objective terms of comparison;
- whether experts were called in to assess the transaction and, if so, the assessment methods adopted in connection with the compatibility of the sum and a description of any critical aspects reported by the experts in relation to the specific transaction.

2. DISCLOSURE OF FORECAST DATA, QUANTITATIVE OBJECTIVES AND ACCOUNTING DATA OF THE PERIOD

2.1 REFERENCE NORMS

- Art. 114 of the TUF;
- Art. 68 of the Regulations for Issuers.

2.2 EVENT TO BE DISCLOSED

These are forecast data, quantitative objectives and accounting data of the period.

2.3 ISSUER'S CONDUCT

The disclosure of information of the nature of a forecast (forecast data and quantitative objectives) is optional. Furthermore, art. 68 of the Regulations for Issuers governs the obligations of information to the public in matters relating to forecast data, quantitative objectives, and periodic accounting data, if the issuers decide to disclose forecast data and quantitative objectives concerning the performance of the company to the public.

Article. 68 of the Regulations for Issuers, in particular, provides that third parties may be advised of forecast data and quantitative objectives concerning the performance of the company provided that either:

(i) this data is simultaneously made available to the public with the modalities set by the same Regulations for Issuers for the information on Significant events, or

(ii) third parties who receive the forecast data and quantitative objectives concerning the performance of the company be bound by an obligation of legal, regulatory, statutory or contractual confidentiality and that the disclosure take place in the normal exercise of employment, profession, duties or office.

The disclosure of information of the nature of a forecast moreover obliges the issuer, pursuant to the aforementioned art. 68 of the Regulations for Issuers, to monitor the actual course of his activity in order to detect any difference from the forecast data and quantitative objectives already disclosed to the market. In accordance with the same art. 68 of the Regulations for Issuers, indeed, the issuer must with subsequent announcements update the information given to the market, stating the differences and related reasons. In this last regard, notice that with Consob, again in the Disclosure of Significant Events, it has been specified that:

(i) the issuer must check correspondence with the actual managerial progress of all the information of the nature of a forecast given to the market in fulfilment of provisions of the TUF and the implementation regulation (e.g., information contained in the investment statements) and therefore not only of that given with a specific announcement in accordance with art. 66 and 68 of the Regulations for Issuers;

(ii) differences from the forecast data must be checked with reference not only to the results that are underlined at the time of the formal approval of the periodic accounting situations (quarterly, six-monthly, balance sheet), but also with regard to subsequent forecasts formulated by the issuers updating their prior forecasts, referring to the same periods;

(iii) it can integrate the case in point provided for by art. 68 of the Regulations for Issuers also disclosure to the public of information that confirms the estimates on the company's development formulated by third party analysts.

The Disclosure of Significant Events - although dating back to 2006 and referred to the previous legislative and regulatory rules on corporate disclosure and therefore partially superseded because of regulatory changes that occurred - contains guidelines that can still be useful in the interpretation and application of current regulations that govern the disclosure obligations of issuers in respect of forecast data, quantitative objectives and periodic accounting data.

In particular, Consob with the Disclosure of Significant Events has specified that the principle of correctness in drawing up the announcements under examination requires the issuers to specify in a clear way, at the time of publication of the perspective data, if they are real forecasts or strategic objectives established within the framework of business planning. In an analogous way the Guide for Information to the Market recommends, in the case in which the forecast information is contained in an announcement to the market with a heterogeneous or complex content, separate evidence of the forecast information is provided, clarifying the nature of the information and the factors that can cause differences.

This document likewise states that "*the principle of correctness demands the continuity of the methods and times of disclosure of the forecast information*": if the issuer chooses to disclose certain profit indicators, it is appropriate for the market to be able to monitor these indicators over time (uniform forecast information).

In addition, due to the principle of clarity it is necessary to also indicate what are the main basic hypotheses on which the forecasts have been formulated.

In completion of the above, it is observed that the forecast information is frequently given to the market not by the issuer, but on the contrary by financial intermediaries, professional investors and analysis centres, which formulate estimates on the managerial progress of the issuer, which are then synthesized and made available for the public (so called *consensus estimate*). In relation to this profile of market information, Consob has recommended that the issuer:

(i) monitors the market *consensus*, also with an evaluation of the published financial analyses;

(ii) examines any differences between the market forecasts and those of the company, inviting the analysts to review their estimates with the disclosure of comments and clarifications on these differences, worked out on the basis of the updated internal forecasts (so-called *profit warnings*).

Worthy of mention there is also the clarification made on the subject of the Disclosure of Significant Events, according to which there is the obligation of art. 68 of the Regulations for Issuers even in the case in which the disclosure to third parties of the forecast data is not made directly by the issuer but by one of its unlisted subsidiary companies and is suitable, for its importance within the group led by the issuer, to affect the value of the latter.

Lastly, as recommended by Consob in the Disclosure of Significant Events, the issuer is legitimated in providing information of the nature of a forecast in a selective way (the so-called "*selective disclosure*"), without giving prior disclosure of it to the market (for instance on the occasion of meetings with trade union organizations) only if the representatives of the associations at the meetings are employees of the issuer or they have taken on a commitment of confidentiality.

Also in the case in which the representatives of the trade union organizations have taken on commitments of confidentiality, it is however recommended to the issuers: a) to disclose to the public with the methods prescribed for Price-Sensitive Announcement dissemination, the information relating to the aforesaid subjects if it is reasonable to believe that the news can have a significant effect on the quotations of the listed financial instruments; b) inform the public, when there are indiscretions published by the press, about the truthfulness of the news concerning the subjects covered with the representatives of the trade unions also when there are no significant market price variations in the financial instruments (this interpretation on the so-called "selective disclosure", is confirmed by the current wording of art. 68 Regulations for Issuers, reproduced at the beginning of this paragraph) .

Lastly, reference is made to art. IA.2.6.6 of the Instructions for the minimum content of Price-Sensitive Announcements comprising forecast data and quantitative objectives.

Readers are also referred to paragraph 1.2 for the aspects relating to the dissemination of accounting period figures.

3. DISCLOSURE OF INFORMATION OVER THE INTERNET

Besides what has already been stated above with reference to the publication of the *Price Sensitive* Announcements on the issuer's website (cfr. preceding paragraph 1.5) and without prejudice to the principles introduced for the purposes of implementing the Transparency Directive, as set out in the Preamble, the Disclosure

of Significant Events - dating back to 2006 and referring to the previous regulation and therefore partially superseded because of the regulatory and disciplinary changes that occurred - recommends the issuers who use their websites to disclose information to keep to the following criteria in order to ensure correct information for investors:

a) report the data and news on the internet pages according to adequate editorial criteria that take account of the function of information of the financial communication to the investors, avoiding, in particular, pursuing promotional aims;

b) clearly indicate, on each internet page, the date and time of updating the data;

c) make sure, in the case of using a second language besides Italian, that the content is the same in both versions, underlining any differences if this is not so;

d) disclose, in the briefest possible time, a text of rectification that highlights the corrections made, in the case of errors contained in the information published on the site;

e) always quote the source of the information when publishing the data and news written by third parties;

f) make any references to other websites on the basis of principles of correctness and neutrality and in such a way as to allow the user to easily realize on what other website it is located;

g) indicate the source as well as the actual time of gathering the data on the quotations and on the traded volumes of the financial instruments that may be given;

h) allow free consultation of the website avoiding, also in the case in which the page management is done by third parties, conditioning access to the preventive disclosure of data and news by the investors.

4. PRINCIPLES OF BEHAVIOUR

The Chair of the Board of Directors, the Managing Director and the *Investor Relations* Function of IMMSI assure correct management of the disclosure to the market of the Privileged Information, watching over observance of this Procedure.

The Investor Relations function and the Press Office Manager, informed by the top management of the Group or anyhow aware of important facts regarding the Company or its subsidiaries, confer with the Administrative Manager and with the Legal and Company Function to verify the legal obligations and particularly if the information has to be considered privileged.

In the case in which the information is judged privileged or the current regulation requires its disclosure to the outside, the Press Office Manager prepares a press

release and, with the aid of the Legal and Company Function, it assures that this contains the requisites required by the current legislation on the subject.

The text of the press release must be submitted to the President and to the Managing Director and, if needed, to the Board of Directors, for final approval before being disclosed outside subject to prior certification, in the event of the text disclosing accounting information, by the "manager in charge of preparing the company accounts and documents" within the meaning and for the purposes of TUF Article 154-*bis*.

The announcement is input into the SDIR-NIS circuit, and through the SDIR-NIS is forwarded to at least two news agencies, as well as to SSA storage mechanism, and through SSA to Consob. IMMSI moreover adds the announcement within the opening of the market of the day following that of disclosure on the Company's website "www.immsi.it", in the sections provided for the purpose, ensuring a minimum permanence of said information of at least five years.

5. OPERATIONAL PROCEDURE FOR MANAGING PRIVILEGED INFORMATION INSIDE THE IMMSI GROUP

In order to assure management of Privileged Information inside the Group, this Procedure will be notified to the Managing Directors of the main subsidiaries, intending by this IMMSI's subsidiaries that come within its perimeter of consolidation.

The management of privileged information related to the subsidiaries is assigned to their Managing Directors which will have to promptly send the Administrative Manager and/or the Investor Relations Function of IMMSI all information that, on the basis of their evaluation, can be Privileged Information in accordance with this Procedure.

The disclosure of Privileged Information must be made, where possible, with adequate advance before its occurrence and anyhow immediately it comes to be known.

The disclosure must be made in writing, with a description of the elements of fact and all the useful information, and sent:

- via e-mail, to the following address: andrea.paroli@immsi.it;
- or, if the e-mail address is not possible, then by fax at 0039-0376/254044.

The Administrative Manager and/or Investor Relations Function that have received the disclosure of the privileged information from the Managing Directors of the subsidiaries confer with the Legal and Company Function to verify the legal obligations and particularly if the information has to be considered privileged.

In the case in which the information is judged privileged or the current regulation requires its disclosure to the outside, the Press Office Manager prepares a press

release and, with the aid of the Legal and Company Function, it assures that this contains the requisites required by the current legislation on the subject.

The text of the press release must be submitted to the President and to the Managing Director and, if needed, to the Board of Directors, for final approval before being disclosed outside in compliance with the provisions of paragraph 4 above, subject to prior certification, in the event of the text disclosing accounting information, by the "manager in charge of preparing the company accounts and documents" pursuant to and in accordance with art. 154-*bis* of TUF.

6. MODIFICATIONS AND SUPPLEMENTS

The provisions of this Procedure will be updated and/or supplemented at the care and expense of the Board of Directors of IMMSI, taking account of the provisions of the law or regulations anyhow applicable, as well as the application experience and market practices that will come to mature on the subject.

If it is necessary to update and/or supplement single provisions of the Procedure as a result of changes to the applicable law or regulations, or of specific requests from watchdog authorities, as well as in cases of proven urgency, this Procedure can be modified and/or supplemented by the Chair of the Board of Directors or by the Managing Director, with subsequent ratification of the changes and/or supplements by the Board of Directors at the first subsequent meeting.

7. BREACHES OF THE PROCEDURE

In the event of breach of the provisions of this Procedure that involve non-observance of the obligations of disclosure to the public and Consob a fine is payable of from Euro 5,000.00 to Euro 500,000.00 of which in art. 193, paragraph 1 of the TUF, in the terms and with the manners set down therein. Should the aforementioned breaches entail non-compliance with the MTA Regulations and/or the Instructions, the investigation procedure referred to in Articles 2.6.10 ff of the MTA Regulations will apply.

Abuse of privileged information and market manipulation are criminal (arts. from 184 to 187 of the TUF) and administrative offences (art. 187-*bis*, 187-*ter*, 187-*quater* and 187-*sexies* of the TUF) and they can give rise to administrative responsibility of the Company in accordance with art. 187-*quinquies* TUF and 25-*sexies* of Italian legislative decree D.Lgs. 231/2001.