ITALMOBILIARE Società per Azioni

Procedure for the management of relevant and inside information

January 2, 2025

Contents

1. Purpose

This procedure (hereinafter the "**Procedure**"), adopted in compliance with current regulations, defines the rules regarding the internal management and external disclosure of inside information relating to Italmobiliare S.p.A. (Hereinafter the "**Company**" or "**Italmobiliare**") and its subsidiaries (as defined below, hereinafter "**Subsidiary**" or "**Subsidiaries**"), in order to prevent any improper dissemination and disclosure both inside and outside the Company.

The rules of conduct and principles set out in this Procedure aim to:

- guarantee maximum confidentiality of the **Inside Information** or information susceptible to becoming such (**Relevant Information**), balancing the interest in ensuring the confidentiality of information during its gradual formation with the duty to ensure non-selective disclosure in compliance with the regulations on inside information;
- protect investors and market integrity, preventing situations of information asymmetry and preventing some subjects from using non-public information to operate on the markets;
- define the process for managing the Relevant Information and the related register (hereinafter "Relevant Information Register" or "RIR");
- define the processes for identifying and managing Inside Information;
- protect the Company in relation to any liability it might incur as a result of unlawful conduct involving market abuse adopted by persons traceable to the Company and, in more general terms, as a result of conduct that violates the principle of confidentiality.

The Procedure is also an essential component of the Company's internal control and risk management system and of the overall system of preventing offences referred to in Italian Legislative Decree no. 231 of 8 June 2001, and, in particular, in the Organisational Model adopted by the Company for this purpose.

At the end of this Procedure is an extract of the main legal and regulatory provisions regarding abuse of inside information, which the Recipients, as defined below, are required to understand and apply together with the internal regulations adopted by the Company.

For all aspects not specifically covered in this Procedure, the legal and regulatory provisions in force at the time will apply.

2. Scope

This Procedure applies to Italmobiliare and to the **Subsidiaries** (see paragraph 18 above), as possible sources of information that may have an impact on the listed financial instruments issued by Italmobiliare and therefore constitute relevant and/or inside information in respect of the latter. Therefore, the Subsidiaries are required to transpose the principles and contents of the Procedure, adapting them to their own organisation and ensuring that they are properly distributed within the individual companies.

Subsidiaries must therefore ensure that all information relating to Italmobiliare and to the other group companies (collectively "Group companies"), or also to third party companies, obtained by anyone in the performance of their work and professional activity is considered confidential and processed only within the authorised channels, in order to guarantee that it remains confidential and is only circulated within the company.

3. Definitions

Manager responsible

The manager responsible for preparing the Company's accounting documents.

Core business information

Information relating to transactions or activities concerning the core business of the Company or a Subsidiary.

Non-core business information

Information relating to transactions that do not concern the core business of the Company or a Subsidiary.

External source information

Information originating from situations, events and circumstances beyond the control of the Company (e.g. independent auditor decisions, Supervisory Authority measures, participation in the Boards of Directors of Subsidiaries), which merely receives it.

Internal source information

Information formed or generated within the Company, through activities or decisions of the related corporate bodies or departments (e.g. business-related decisions).

Inside Information

Pursuant to art. 7 of Regulation (EU) No 596 of the European Parliament and of the Council of 16 April 2014 (**Regulation (EU) No 596/2014**) on market abuse, the term **Inside Information** is understood to be information which:

- is of a precise nature;
- has not yet been made public;
- directly or indirectly concerns Italmobiliare or the related financial instruments;
- could, if disclosed to the public, have a significant effect on the listed price of financial instruments issued by Italmobiliare or on the prices of associated derivatives, i.e. is price sensitive ([1]).

Where Inside information concerns a process which occurs in stages, each stage of the

([1]) The reference is to information that a rational investor would probably use as an element on which to base his investment decisions.

process as well as the overall process could constitute Inside Information. An intermediate step in a protracted process is therefore considered Inside Information if it meets the aforementioned criteria.

The information ceases to be considered "inside" once it is disclosed to the public in compliance with the principle of fair disclosure.

Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument.

In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information([2]).

Relevant Information

Relevant information is information from an internal or external source, acquired while carrying out one's own duties or profession, which could potentially become inside information, regarding the activities, processes and resources of the Company or its Subsidiaries. Relevant information is not in the public domain. Its disclosure could damage the interests of the Company. Inside information is a subset of relevant information.

Relevant Information Register/RIR

The list of people who have access to specific relevant information.

Insider List

The Register of persons with access to Inside Information (the Insider List) drawn up in accordance with art. 18 of Regulation (EU) No 596/2014.

RIDS

Regulated Information Disclosure System used by the Company.

([2]) Recital no. 16 of Regulation (EU) No 596/2014 states: "*An intermediate step in a protracted process may in itself constitute a set of circumstances or an event which exists or where there is a realistic prospect that they will come into existence or occur, on the basis of an overall assessment of the factors existing at the relevant time. However, that notion should not be interpreted as meaning that the magnitude of the effect of that set of circumstances or that event on the prices of the financial instruments concerned must be taken into consideration*". Recital no. 17 of Regulation (EU) No 596/2014 states: "*Information which relates to an event or set of circumstances which is an intermediate step in a protracted process may relate, for example, to the state of contract negotiations, terms provisionally agreed in contract negotiations, the possibility of the placement of financial instruments, conditions under which financial instruments will be marketed, provisional terms for the placement of financial instruments, or the consideration of the inclusion of a financial instrument in a major index or the deletion of a financial instrument from such an index*".

Subsidiaries

Pursuant to art. 93 of Italian Legislative Decree 58/1998 (**CLF**), in addition to those stated in art. 2359, subsection 1, points 1 and 2 of the Italian Civil Code, the following are also considered subsidiaries:

a. Italian and foreign companies over which a person has the right, by virtue of a contract or a clause in the bylaws, to exercise a dominant influence, where the applicable law permits such contracts or clauses;
b. Italian and foreign companies where on the basis of agreements with other shareholders, a single shareholder has enough votes to exercise a dominant influence in the ordinary shareholders' meeting.

Any rights held by subsidiaries or exercised through trustees or nominees are also considered for the above purposes. Those held on behalf of third parties are not considered.

The following are subsidiaries pursuant to art. 2359, subsection 1, points 1 and 2 of the Italian Civil Code:

- companies in which another company holds the majority of votes that can be exercised in ordinary shareholders' meetings;
- companies in which another company holds sufficient voting rights to exercise a dominant influence in ordinary shareholders' meetings.

RIR and Insider List Record Keeper

The Head of Corporate Affairs of Italmobiliare, who avails himself for this purpose of the staff employed by the Corporate Affairs Department.

4. Legal requirements

Issuers of financial instruments listed on an Italian regulated market communicate with the market in compliance with primary and secondary regulations and with the principles of fairness, transparency, equal treatment and access to information.

The current regulations on corporate disclosures for companies listed on Italian regulated markets ([3]) require that, for inside information that directly concerns them, issuers arrange public disclosure as soon as possible.

The issuer guarantees that the inside information is disclosed in accordance with methods that offer rapid access and a complete, fair and prompt assessment of the information by the public.

Such disclosure obligations are observed in compliance with the provisions of

([3]) This Article applies to issuers who have requested or authorised admission of their financial instruments to trading on a regulated market or, in the case of instruments only traded on a Multilateral Trading Facility (MTF) or on an Organised Trading Facility (OTF), issuers who have authorised trading of their financial instruments on an MTF or an OTF or have requested admission to trading of their financial instruments on an MTF in a Member State of the European Union.

Regulation (EU) No 596/2014, related delegated or implementing regulations, the CLF and related implementing provisions dictated by CONSOB, where applicable.

Consequently, through prompt public disclosure of the information, the regulations are on the one hand designed to strengthen market integrity, avoiding selective disclosure of information, and on the other hand to combat any insider dealing.

The aim of regulations on handling inside information is to avoid that such management is untimely, incomplete or inadequate, or in any event could cause situations of information asymmetry.

The Corporate Governance Code adopted by the Company recommends that - in order to ensure correct management of corporate information - the Board of Directors adopt procedures for the internal management and external disclosure of documents and information concerning the issuer, with particular reference to inside information.

5. Recipients and related duties and prohibitions

The Chief Executive Officer (CEO) of Italmobiliare, with support from the Company's Head of Corporate Affairs, endeavour to ensure the correct management of corporate information.

The Directors, Statutory Auditors, Executives and all Company employees are obliged to comply with the provisions of this Procedure and to maintain maximum confidentiality of the corporate information acquired during the course of their duties and, in particular, Relevant Information and Inside Information ([4]).

In particular, such persons are required:

a) to consider as confidential all information relating to Group companies and to third-party companies obtained in the performance of their work or professional activity, function or office, which is not in the public domain; to use this information only in relation to their work and not for personal or third-party purposes, and to process such information only within authorised channels, taking all necessary steps to ensure that any circulation within the company takes place without jeopardising the confidentiality of the information itself;

b) to respect the duties of confidentiality required by law to protect Relevant and Inside Information, undertaking not to disclose it and not reveal it to anyone, including their family members and acquaintances;

c) to use Relevant or Inside Information only in relation to their duties or professional activities and, therefore, under no circumstances make personal use of the information;

d) to process the Inside Information with all necessary precautions to ensure that its disclosure inside and outside the Company complies with company regulations and current legal regulations, until such a time as it is disclosed to the public in accordance with the methods envisaged in this Procedure;

([4]) Upon approval of this Procedure, the same obligations and prohibitions will also apply to the Directors, Statutory Auditors, Executives and all employees of the Subsidiaries (see paragraph 18).

e) to promptly inform the Supervisory Board of the Company of any action, event or omission that may constitute an illegal act or otherwise a violation of this procedure.

Pursuant to current regulations, the Recipients are prohibited from insider dealing or attempted insider dealing.

In particular, it is forbidden to:

a) disclose such information by any means to others outside the normal performance of one's job, profession, duties or position (for the same reasons it is also strictly forbidden to give interviews to the press or make statements in general that contain Inside Information);
b) directly or indirectly execute the purchase, sale or any other form of transaction ([5]) involving financial instruments that makes use of Inside Information, on one's own account or on behalf of third parties;
c) use Inside Information as the basis for recommending or inducing others to purchase, sell or perform any other form of transaction ([6]) on financial instruments to which the information relates, on their own account or on behalf of third parties;
d) acting for or on behalf of the Company, to execute the purchase, sale or any other form of transaction ([7]) on financial instruments that makes use of the Inside Information.

Pursuant to current regulations, Recipients are also prohibited from:

a) spreading false information or carrying out simulated transactions or engaging in other subterfuges that are likely to produce a significant change in the price of financial instruments;
b) to disseminate, through news media, including the Internet and any other medium, false or misleading information, rumours or news that give or are likely to give false or misleading indications regarding financial instruments.

At the time of their appointment/recruitment, or on entry into force of the Procedure, the Recipients confirm in writing that they have read the Procedure and are aware of their responsibilities deriving therefrom.

If Directors and/or employees of Italmobiliare are also members of the Boards of Directors of listed companies, they must refrain from sharing within the Company any Inside Information learned in the context of such office. Likewise, Italmobiliare personnel of any grade or nature must refrain from requesting such from such persons any Inside Information relating to the companies in which Italmobiliare has a position on the board of directors. Further to the above, the members of the corporate bodies and employees of Italmobiliare who, because of the activity they perform, or for any other reason, become aware of inside or otherwise confidential information relating to third-party companies must guarantee the maximum confidentiality of the same, in

([5]) Also considered as insider dealing is the use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned was in possession of the inside information.
([6]) See note 5.
([7]) See note 5.

accordance with the "need to know" principle ([8]), and only use this information in relation to their work and not for personal or third-party reasons.

6. Applicable sanctions

Failure to comply with legal and regulatory provisions on managing Inside Information can result in individual liability (criminal and administrative) for the offender (especially in the case of market abuse), and additional forms of liability for the Company.

Furthermore, cases of insider dealing, qualifying as offences subject to criminal sanctions, can entail administrative liability for the Company pursuant to Italian Legislative Decree no. 231/2001.

Without prejudice to the sanctions envisaged in regulations, the provisions of this Procedure form an integral part of the contractual obligations accepted by the Recipients.

If the persons are Company employees, they may be subject to disciplinary action in accordance with the applicable collective bargaining agreement.

Where the prerequisites are met, in the event of a failure to comply with this Procedure, the Company reserves the right to take legal action to protect business secrets.

The Company also reserves the right, by the methods of and within the limits permitted by current legal and regulatory provisions, to take action against the Recipients for any damages and/or liability claimed against the Company as a result of conduct adopted in violation of this Procedure or of applicable regulations.

Any violation of this Procedure must be reported to the Supervisory Board envisaged in the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001. Any reports can be made directly to the Italian Stock Exchange regulator: *Commissione nazionale per le società e la borsa* (CONSOB).

7. Information owners

The corporate information owners (hereinafter also the **Owners**) are identified according to the nature and source of the information.

For core business and non-core business information concerning Italmobiliare, the Owner is:

- if originating internally, the CEO or the Head of the Department in which the information formed (in relation to tasks and matters assigned to the Department in the Service Order as regards the Company's general organisation);

([8]) The information must only be disclosed to persons to whom it is strictly necessary for the purpose of performing their respective duties by disclosing, at the most appropriate moment, only the information needed for the recipients to carry out their duties and related tasks.

- if originating externally, the CEO or the employee or other person in the Company that came into possession of the information.

For core business and non-core business information concerning the Subsidiaries, the Owners are the respective CEOs, or if none the Chairmen (see paragraph 18).

8. Assessment of the inside nature of the information

The assessment of whether information is of an inside nature (or a single event, intermediate step or set of circumstances susceptible to qualifying as such) must be made on a case-by-case basis by the CEO.

In assessing the inside nature of information, the CEO relies on the support of the Corporate Affairs Director, the Manager in charge and the Head of the Department in which the information was generated.

Every employee of the Company who, as part of their work, becomes aware of confidential information which, by its nature, could soon become Inside Information, must report it immediately to their line manager so that he or she may submit the report without delay to the CEO for assessment. It is understood that in case of doubt this Manager must request the support of the Company's Head of Corporate Affairs.

If the outcome of the assessment is that the information is indeed Inside Information, the CEO will take action and issue instructions for the information to be disclosed to the public, unless the conditions are satisfied for triggering the Delaying procedure referred to in paragraph 10 below. In addition, the manager of the department in which the information was generated (or, if not identified or the information comes from an external source, the CEO) has the task of:

(a) identifying the persons internal and/or external to the Company (and the Subsidiary, if appropriate) with access to the Inside Information;
(b) if the Delaying procedure is adopted and in any event in all cases where the information cannot be disclosed quickly, asking the Manager in charge to make the resulting entries in the Insider List in accordance with the related company procedure (see paragraph 14).

Without prejudice to the terms of paragraph 5 regarding the duty of Recipients to guarantee the maximum secrecy and confidentiality of all information relating to both the Group companies and third party companies, obtained in the performance of their activity, in order to ensure that information flows inside and outside the Company are managed correctly and that Inside Information is published as soon as possible, Italmobiliare monitors the circulation of Relevant Information, i.e. information which, due to its intrinsic features, to assessed on a case by case basis, may subsequently, even in the very near future, become Inside Information.

In this regard, the Manager in charge, on the basis of the decisions taken by the CEO, will draw up an electronic RIR related to the specific information and record the details of the individuals who have access to it, giving immediate notice to the interested parties.

The RIR is managed by a simpler procedure than the one applied to the Insider List (see paragraph 14), but which nonetheless allows the Company to monitor people who have

access to the specific Relevant Information.

The Owners of the Relevant Information have an obligation at all times to inform the Manager in charge of the evolution of the specific Information and about any individuals who have access to this information, even when notified by these individuals themselves (so-called self-disclosure), or by the third parties who supplied the information, in order to allow the RIR to be updated.

It if emerges, following analyses carried out on a case by case basis by the Managing Director, that the specific Relevant Information has become Inside Information, the Manager in charge will give instructions for the RIR to be "closed" and the relevant section of the Insider List to be opened (see paragraph 14).
If the information no longer qualifies as Relevant Information, on the recommendation of the Managing Director, the Manager in charge will close the RIR.

9. Relevant Information that may become inside information

The following are given as examples, in relation to Italmobiliare and for each individual department and the related manager, of information that may be considered as potentially giving rise to Inside Information. In particular, this is information which is relevant because, due to its peculiarities, under certain conditions, it represents a stage prior to the creation of Privileged Information. **An ad hoc evaluation of the information will nonetheless be carried out, on a case by case basis, by the CEO** pursuant to paragraph 8 above.

Institutional information - Corporate Affairs (Manager in charge: Head of Corporate Affairs)

- Appointment, termination and resignation of members of the administrative or control bodies of the Company or its Subsidiaries;
- Changes in the ownership structure or in any shareholder agreements;
- Extraordinary transactions, mergers and spin-offs;
- Amendments to the Bylaws;
- Independent Auditor's withdrawal from the assignment.

Information relating to key people - Human Resources Area (Manager in charge: Head of Human Resources)

- Changes in key management personnel;

Business-related information - Investments and Equity Interests Department (Managers in charge: Head of Development and Investments and Head of Investments Management)

- Entry in, or withdrawal from, business sectors;
- Major acquisitions or disposals ([9]);
- Conclusion, amendment or termination of major contracts or agreements ([10]);

([9]) Without prejudice to the fact that the relevance and significance must in any event be qualitatively assessed on a case-by-case basis, it is useful to point out that from a qualitative point of view the benchmark could include transactions that result in a change of more than 5% in the NAV.
([10]) See previous note.

- Completion of procedures relating to intangible assets, such as inventions, patents or licences;
- Transactions with related parties considered to be significant, in accordance with regulations on such matters.

Information relating to accounting and management data - Accounting and Management Data Department (Manager in charge: Manager in charge of preparing the Company's financial reports)

- Resolutions of the Board of Directors relating to approval of the draft financial statements, the consolidated financial statements, interim financial reports, a proposed dividend distribution or changes relating to the date or amount of the dividend;
- Any issue of a report by the independent auditors with a qualifying opinion, adverse opinion or stated inability to express an opinion on periodic financial reports;
- Resolutions of the Board of Directors relating to forecasts and quantitative objectives concerning business performance and any deviation from the data and objectives already disclosed;
- Significant changes in the value of assets of more than 5% of total assets.

Information relating to transactions in financial instruments - Financial Instrument Transactions Area (Manager in charge: Head of Finance and Treasury)

- Transactions involving the share capital, changes in rights to listed financial instruments, issue of warrants, bonds and other debt securities;
- Transactions involving treasury shares or other listed financial instruments;
- Restructurings and reorganisations with an impact on the balance sheet, income statement or financial position;
- Investments in liquidity and transactions in non-standard derivatives (i.e. at least speculative trading in derivatives for a value of more than 5% of total assets).

Information relating to legal, judicial and out-of-court matters - Legal Affairs Area (Manager: Head of Legal Affairs)

- Filing of claims or issuing of measures for admission to insolvency proceedings;
- Cases involving winding up or placing in liquidation;
- Application for admission to insolvency proceedings;
- Cancellation of credit facilities;
- Major legal disputes, out-of-court settlements and claims of compensation for damages;
- Insolvency of trade debtors and significant suppliers.

In this regard, for the sake of completeness, note that information related to the events described above may, if the qualifying conditions referred to in paragraph 3 are fulfilled, directly become Inside Information and as such be treated and managed, by the respective heads, in compliance with the provisions of this Procedure.

10. Delayed disclosure of inside information to the public

Under its own liability, the Company can delay the public disclosure of Inside Information in the situations and conditions established by current regulations ([11]), provided all the following conditions are satisfied (**Delayed disclosure**):

a) immediate disclosure is likely to prejudice the legitimate interests of the Company and, if appropriate, the Subsidiary;
b) delay of disclosure is not likely to mislead the public;
c) the Company and, if appropriate, the Subsidiary are able to guarantee confidentiality of the information.

In the case of a protracted process that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, the Company may on its own responsibility delay the public disclosure of Inside Information relating to this process.

Significant circumstances include those in which the public disclosure could compromise the completion of a transaction by the Company and, if appropriate, the Subsidiary or, for reasons relating to inadequate definition of the events or circumstances, give rise to incomplete assessments by the public ([12]).

Situations in which Delayed disclosure can be considered misleading to the public include at least the following circumstances ([13]):

- the inside information whose disclosure is to be delayed is materially different from that of the previous public announcement;
- the inside information whose disclosure is to be delayed regards the fact that the previously announced financial objectives are not likely to be met;
- the inside information whose disclosure is to be delayed is in contrast with the market's expectations, where such expectations are based on signals that the Company (and Subsidiary, if appropriate) has previously sent to the market, such as interviews or roadshows.

If the Company intends to exercise the option of delaying disclosure to the public, the following rules must be satisfied:

a) the assessment as to whether the conditions are met that justify delayed disclosure of the Inside Information is the responsibility of the CEO of the

([11]) See art. 17, paragraph 4, Regulation no. 596/2014 and Regulation no. 1055/2016.

([12]) Recital 50 of Regulation no. 596/2014 states: *"legitimate interests may, in particular, relate to the following non-exhaustive circumstances:*

a) *ongoing negotiations, or related elements, where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the issuer is in grave and imminent danger, although not within the scope of the applicable insolvency law, public disclosure of information may be delayed for a limited period where such a public disclosure would seriously jeopardise the interest of existing and potential shareholders by undermining the conclusion of specific negotiations designed to ensure the long-term financial recovery of the issuer;*

b) *decisions taken or contracts made by the management body of an issuer which need the approval of another body of the issuer in order to become effective, where the organisation of such an issuer requires the separation between those bodies, provided that public disclosure of the information before such approval, together with the simultaneous announcement that the approval remains pending, would jeopardise the correct assessment of the information by the public".*

([13]) These situations are contemplated in the MAR Guidelines, ESMA/2016/1478.

Company, with support from the Company's Head of Corporate Affairs and the manager of the department in which the information originated. The decision to delay the disclosure is reported promptly to the Head of the Company's Communications and External Relations Division.

b) the assessment must be made in compliance with current regulations, as well as on the basis of all available information;

c) the decision to delay the disclosure is recorded in a written document which must be duly stored on Company premises. In order to delay the disclosure, the Company also uses a technical instrument that ensures the accessibility, readability and storage of the information required by article 4, subsection 1, of Regulation (EU) No 1055/2016 on durable media.

When the decision is made to disclose Inside Information the public disclosure of which was previously delayed, that decision must be recorded in writing, also indicating the reasons for the decision to disclose the Inside Information to the public.

d) Inside Information the disclosure of which is delayed must be treated in strictest confidence, blocking access to it by persons other than those who require access in order to carry out their duties within the Company and guaranteeing that such persons accept their related legal and regulatory obligations and are aware of the possible sanctions in the event of market abuse.

The disclosure of Inside Information for which the necessary confidentiality cannot be guaranteed by adopting effective measures cannot be delayed.

The Manager in charge of keeping the Insider List ensures that the names of all persons in possession of the Inside Information are immediately added to the aforesaid Insider List.

The CEO is responsible for managing the process and for carrying out the formalities required by the decision to delay the disclosure of Inside Information to the public, and for this purpose - with support from the aforementioned Manager in charge - monitors on a case-by-case basis that the conditions for the Delay continue to be met.

If the Company, or the Subsidiary if appropriate, or persons aware of the Inside Information for which disclosure is delayed are not able to guarantee its confidentiality, or if there are rumours regarding the Inside Information, its immediate disclosure to the public must be arranged in accordance with the methods envisaged in this Procedure ([14]);

e) Upon CONSOB's further request, the Company shall provide a report containing the reasons for the delay and an explanation of the methods by which the conditions envisaged in regulations were satisfied.

The notification to CONSOB must contain at least the following ([15]):

([14]) This refers in particular to situations where a rumour explicitly relates to Inside Information the disclosure of which has been delayed, where that rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer guaranteed.

([15]) The notification must be sent via certified e-mail to consob@pec.consob.it (if the sender is required to have a certified e-mail address), or via e-mail to protocollo@consob.it, indicating the "Markets Division" as the addressee and with "*MAR Delayed Disclosure*" in the subject line.

- details of the Company: full company name;
- details of the notifying person: name, surname, position in the Company;
- notifying person's contact details: work e-mail address and telephone number;
- identification of the Inside Information subject to Delayed Disclosure: title of the announcement; reference number, if assigned by the system used to disclose inside information; date and time the Inside Information was disclosed to the public;
- date and time of the decision to delay disclosure of the Inside Information;
- details of all persons responsible for the decision to delay the public disclosure of the inside information.

After being informed of a Delayed Disclosure of Inside Information to the public and after assessing the related circumstances, CONSOB may ask the Company to arrange disclosure without delay or, in the event of failure to comply, CONSOB may arrange direct disclosure with costs borne by the Company.

11. Implementation of information protection measures

In order to avoid involuntary disclosure of Relevant Information, and Inside Information, when managing corporate information, certain protection measures must be implemented and complied with so as to ensure that the dissemination of information within the corporate context is without prejudice to its confidential nature.

On the understanding that all the information obtained must be treated with the greatest care and confidentiality, according to the nature of the information, provision is made for increasing levels of protection.

Standard precautions are adopted for Relevant Information, including prohibited disclosure in any form to third parties, unless it is disclosed for business reasons to persons with a contractual relationship who are bound by confidentiality obligations of any nature.

In addition, the following precautions are applied amongst others:

- the reproduction of documents containing Relevant Information must be limited to the number of copies strictly necessary;
- persons holding documents containing Relevant Information must use the utmost diligence in storing and managing such documents, avoiding leaving them accessible to unauthorised persons, and also refraining from working on such documents and/or discussing the information contained in them in public places or places open to the public, or in any event in communal areas of the Company;
- access to IT tools used to handle Relevant Information is restricted to persons who are entitled to know this information because they belong to the relevant Departments;
- access to printed document archives containing Relevant Information is restricted to persons authorised by the Head of Corporate Affairs.

As regards the processing of Inside Information, in addition to the above, it will take

place with primarily electronic procedures, adopting the appropriate protection measures.

a) Disclosure to third parties

Relevant and Inside Information may only be disclosed to persons external to the Company, in compliance with the need-to-know principle ([16]), in connection with work or professional activities, or in connection with the functions performed, and provided that the information recipients are subject to a legal, regulatory, statutory or contractual confidentiality obligation (if there are any doubts, the situation must be assessed in advance with the support of the Head of Corporate Affairs).

For this purpose, the information Owners ensure that:

- third party contracts contain special confidentiality clauses;
- the transmission to third parties of documents containing confidential information or data relating to the Company or its Subsidiaries in order to obtain, for example, opinions, assessments, responses to queries, is limited to the essential elements and adopts all precautions necessary to avoid access by unauthorised persons;
- in any event, maximum care is taken when identifying third parties to whom the information is disclosed and that such parties are suitably informed of their confidentiality obligations associated with transmission of the information;
- data or information disclosed for statistical purposes or studies is, as far as possible, provided in a format that safeguards the company's interests in terms of confidentiality.

Notwithstanding the above, in the event of Inside Information being disclosed during the normal course of work or a professional, operational or departmental activity to a party not subject to a confidentiality obligation, the information Owner, or the Head of the Department responsible for the disclosure, must immediately inform the Company's Head of Corporate Affairs in order that the Information can be disclosed to the public at the same time, if intentional, or quickly if the disclosure was unintentional.

If the Company establishes relations with third parties acting in its name or on its behalf, such parties must be informed of the obligation to draw up a list of persons with access to the Inside Information.

b) Disclosure to the Manager in charge

- The information Owners regularly inform the Manager in charge of keeping the Insiders List, in accordance with the procedures established by internal regulations.
- The Record Keeper must immediately inform the interested parties in writing, specifying the obligations with which they must comply in order to remain included in the Registers.

([16]) See note 8.

12. Disclosure of the information

At the end of the assessment referred to in paragraph 8, where there are no grounds for Delayed Disclosure, the information classified as Inside Information must be disclosed to the public as soon as possible, pursuant to art. 17 of Regulation (EU) No 596/2014, in accordance with procedures that ensure rapid access and full, accurate and prompt assessment by the public.

Responsibility for the process of disclosing Inside Information to the public lies with the CEO, in compliance with the following requirements.

Inside Information is disclosed to the public by issuing a special press release (**Press Release**) prepared by the Communications and External Relations Division, with the support of the Head of Corporate Affairs and of the manager of the department in which the information in question originated ([17]).

The Press Release is prepared in compliance with current regulations ([18]) so that the public disclosure of the Inside Information is not misleading and the disclosure methods allow rapid access and full, accurate and prompt assessment.

The final wording of the Press Release, after the involvement of the relevant company departments, is submitted for approval by the CEO and, if considered appropriate, brought to the attention of the Company's Board of Directors. If the Press Release refers to an event involving the Subsidiaries - without prejudice to provisions for companies that are themselves listed issuers (see paragraph 18) - the draft is also sent to the CEO of the company concerned.

The Press Release must be issued as soon as possible, by the Head of Corporate Affairs, using the RIDS and at the same time sent to the authorised storage device.

If the Press Release is particularly significant, the CEO, with support from the Head of Corporate Affairs, assesses whether advance notice should be given to CONSOB and to the market management company.

The Press Release is considered public as soon as the related confirmation is received through the RIDS.

The managers of the company departments in which the information originated are responsible for reporting without delay to the Communications and External Relations Division of Italmobiliare, as well as to the Head of Corporate Affairs, on any significant changes in the Inside Information associated with activities for which they are responsible and which have already been disclosed to the public that require an

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([17]) The latter, in order to guarantee disclosure of the information as quickly as possible, must promptly inform the Communications and External Relations Division of all the necessary pieces of information and data, ensuring they are accurate and complete.

([18]) In particular, the Company must ensure that:

a) the press release contains the information needed to allow a full and accurate assessment of the events and circumstances represented, as well as links and comparisons with the content of previous press releases;

b) any significant change to the inside information already disclosed to the public is released to the public without delay;

c) the public disclosure of inside information and business marketing must not be combined in any manner that could prove misleading.

It must also be borne in mind that, with its own set of regulations, Borsa Italiana has established the minimum content required for these press releases and the methods by which the information they contain must be stated in reference to the individual types of events.

addition and/or amendment and/or update to the Press Release issued.

The decision to publish the Inside Information involves verification of the information's ability to significantly influence the price of the financial instruments. However, when there is reasonable doubt as to the actual ability of the aforementioned information to significantly affect prices, public disclosure must nonetheless take place if the other qualifying elements of Inside Information exist.

If a decision is made to delay the public disclosure of Inside Information, the Communications and External Relations Division must in any event arrange the preparation of a Press Release, ensuring that it remains updated, so that publication can be made immediately if so requested by CONSOB, or if the Company or persons with access to the Inside Information are unable to guarantee its confidentiality.

The Company publishes ([19]) all Press Releases and stores them on its website for a period of at least **five years**.

The website must fulfil at least the following requirements:

- allow users to access the website free of charge;
- allow users to obtain information from an easily identifiable section of the website;
- ensure that the information is presented in chronological order, indicating the date and time of disclosure.

If the draft Press Release contains data relating to the income, equity or financial position of the Company, this data must first be verified by the Manager in charge who, if necessary, will issue an accompanying statement to the press release pursuant to art. 154-bis, subsection 2 of the CLF.

13. Storage of the information

Recipients are individually responsible for storing and archiving documentation relating to the Relevant and Inside Information delivered or sent to them in digital format.

In particular:

- printed documents containing Information must be stored in locations not accessible to anyone other than the authorised Owners of the information;
- documents in electronic format containing Inside Information must be stored in dedicated network folders on the corporate server;
- access to the folders is only permitted to persons authorised by the information Owner;
- copies of documents containing Inside Information that are no longer necessary must be destroyed in a manner that guarantees their contents cannot be read before a reasonable period of time has elapsed. Destruction is not necessary if, in the meantime, the information has been made public.

14. Management of the Insider List

([19]) The Press Release is published by the Communications and External Relations Department.

The Insider List is kept by electronic methods. Only the Record Keeper and specifically authorised Corporate Affairs personnel are permitted to access the Insider List.

All persons who, for reasons related to their duties, profession or official roles, have access to inside information, are entered in the Insider List.
For further details, reference should be made to the "Procedure relating to the Insider List".

15. Market soundings

The disclosure of Inside Information during a market sounding - disclosure of information to one or more potential investors, prior to announcement of the transaction, in order to assess potential investors' interest in a possible transaction and the related terms, such as the potential extent or price - is deemed to occur in the normal exercise of an occupation, profession or function when in compliance with the methods indicated in art. 11 of Regulation (EU) No 596/2014 ([20]).

The decision to perform a market sounding is the responsibility of the CEO of Italmobiliare, who assesses whether the market sounding will involve the disclosure of Inside Information, with support from the Head of Corporate Affairs and the Chief Financial Officer (CFO).

Specific rules must also be complied with if the Company is the recipient of market soundings performed directly by other issuers or through third parties.

For further details, reference should be made to the special procedure on market soundings.

16. Rumours

Without prejudice to provisions for situations of Delayed Disclosure in cases where the confidentiality of the information cannot be guaranteed, the Communications and External Relations Manager and the Investor Relations Manager monitor the presence of any market rumours also in relation to information not disclosed by the Company, so that the CEO can be promptly informed and can assess the need to issue a press release confirming the truth of the rumours, making additions or corrections to the contents as necessary, or denying such rumours, after consulting the Head of Corporate Affairs and the Communications and External Relations Manager, if considered appropriate.

17. Relations with the financial community and the media

Relations with the financial community (for example during road shows, conference calls and conferences) are the responsibility of the Investor Relations Manager.

In relations with financial analysts, institutional investors or other market operators, selective disclosure must be avoided, operating in compliance with the following principles of conduct:

a) if the Company organises or participates in closed meetings with financial analysts, rating agencies, institutional investors or other market operators, the following

([20]) In this respect, Regulation (EU) No 959/2016 and Regulation (EU) No 960/2016 also apply (see the Legal and regulatory references).

conditions must be satisfied:

- the Investor Relations Manager must give the Head of Corporate Affairs fair advance notice of the terms and subject matter of the meeting, and send him drafts of any material ([21]) to be distributed;
- material distributed during the meetings must be approved by the CEO;
- participation of at least two people (one of whom is a representative of the Investor Relations department) and communication to the Supervisory Body of possible exceptions, in the event that potentially risky subjects are dealt with in the meetings;
- the Investor Relations department must draw up the minutes of the meeting;
- the Investor Relations department must keep a register stating the date and place of the meeting, a list of external participants, company representatives, main topics discussed, material distributed;
- the Head of Corporate Affairs must inform CONSOB and the market management company in advance of the date, place, time and main agenda of the meeting, arranging for them to be sent all documentation made available to attendees, at the latest during the meetings themselves;

b) if, during the meetings, any Inside Information is accidentally imparted, the public disclosure of such information must be arranged immediately by means of a special Press Release.

Only the following are authorised to give interviews or release statements to the press regarding the Company: the Chairman, the CEO, the Head of Corporate Affairs, the Communications and External Relations Manager and the Investor Relations Manager.

All requests for interviews or statements must be submitted to the Communications and External Relations Division with a view to agreeing upon the contents of the interview with the party concerned, in order to guarantee the uniformity and consistency of the information to be disclosed.

If Inside Information is found in the interview or statement contents, the Communications and External Relations Manager will promptly inform all other parties involved in the information assessment process (see paragraph 8) in order to take appropriate measures pursuant to current regulations and to this Procedure.

18. Relations with Subsidiaries

Subsidiaries will be made aware of this Procedure by means of an appropriate communication addressed to their management bodies, which will be required to take adequate measures to manage all corporate information in accordance with their organisational structure and size.

The CEOs of the Subsidiaries are responsible for managing the information concerning their own company that can be disclosed in compliance with current regulations, in any event taking into consideration the obligations of Italmobiliare as a listed company.

([21]) If the document contains references to specific data, this must first be validated by the competent company departments.

In particular, Italmobiliare is also required to arrange public disclosure of information relating to its unlisted Subsidiaries, if the information regarding the latter, due to its relevance, can be considered Inside Information relating to the Company itself ([22]).

Under the terms of applicable legal provisions, Subsidiaries are instead required to make direct public disclosure of their Inside Information when they are issuers of financial instruments:

- admitted to trading or for which application has been submitted for admission to trading on a regulated market in Italy or in another EU Member State;
- admitted to trading on an Italian multilateral trading facility, for which admission has been requested or authorised.

In order to provide the Company with all the information required to comply with the disclosure obligations envisaged in regulations, every Subsidiary must comply with the rules set out in the previous chapters and establish a process for managing and monitoring information in order to guarantee its confidentiality, subject to any necessary adaptations required by their organisational and operating structures.

Unlisted Subsidiaries must assess whether the information is of an inside nature that could potentially also impact the price of financial instruments issued by Italmobiliare. In this respect, the CEO of the Subsidiary must promptly inform the CEO and the Head of Corporate Affairs of Italmobiliare to arrange the final assessment of the inside nature of the information transmitted and, if necessary, its disclosure to the public, based on the procedures indicated above.

If Italmobiliare assesses that the Inside Information is not yet sufficient for disclosure to the public, or decides to delay disclosure, the CEO of the Company will inform the CEO of the Subsidiary, so that he can adopt suitable organisational measures to guarantee the confidentiality of the information.

The responsibility for assessing the inside nature of the information relating to listed Subsidiaries and its subsequent public disclosure lies with the Subsidiaries concerned. This assessment, always performed on the basis of the process outlined above, must in any event be agreed with the CEO of Italmobiliare.
In order to guarantee stronger coordination and also allow Italmobiliare to correctly comply with its market disclosure obligations, the text of the Subsidiary's press release must be agreed in advance with the competent departments of the Company.
The Subsidiary will be responsible for the distribution to the public of a press release relating to the Inside Information. If the information could also have effects on the Company, the Company must arrange similar market disclosure of the information if the circumstances or events, occurring within the Subsidiary, could have effects on the Company that are not already sufficiently clear in the Subsidiary's press release. In this case, the Company must inform the public of such effects in order to provide investors with complete information regarding the circumstances.
Where permitted by regulations in force, the Company and Subsidiary may also arrange public disclosure in the form of a joint press release.

([22]) In other words, information that could be of a price sensitive nature in relation to Italmobiliare and also meets the other requirements envisaged for inside information.

19. Monitoring compliance with the Procedure

Supervision of the correct application of this Procedure by Recipients is assigned to the Company's supervisory and control bodies, each of which will perform the controls to the extent of their respective responsibilities.

On an annual basis, the Inside Information Owners must issue a statement to the Supervisory Board confirming compliance with the legal procedures and restrictions and with internal regulations on such matters.

In any event, the Supervisory Board receives information on cases of non-compliance with this Procedure.

20. Amendments and additions to the Procedure

Any amendments and/or additions to this Procedure are approved by the Board of Directors, except amendments triggered by changes to current regulations, changes in the organisation and in market practices, which call for immediate application and are not open to discretionary implementation, and which can therefore be applied by the CEO with immediate effect and later promptly submitted to the Board of Directors for information.

The Head of Corporate Affairs will send the updated text of the Procedure to the company heads. The updated text of the Procedure will also be sent to the Subsidiaries.

21. Main legal and regulatory references

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (**Regulation (EU) No 596/2014**)

Directive 2014/57/EU of the European Parliament and Council of 16 April 2014 on criminal sanctions for market abuse (**Market Abuse Directive**).

Commission Implementing Directive (EU) 2015/2392 of 17 December 2015 as regards reporting to competent authorities of actual or potential infringements of Regulation no. 596/2014 (**Directive (EU) No 2392/2015**)

Commission Delegated Regulation (EU) No 2016/522 of 17 December 2015, which integrates Regulation (EU) No 596/2014 as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions (**Regulation (EU) No 522/2016**)

Implementing Regulation (EU) No 2016/347/EU of the European Commission dated 10 March 2016, which establishes the implementing technical standards on the precise format of insider lists and related updating in compliance with Regulation (EU) No 596/2014 (**Regulation (EU) No 347/2016**)

Commission Implementing Regulation (EU) No 2016/523 of 10 March 2016, which establishes implementing technical standards for the template for notification and public disclosure of transactions carried out by PDMRs (**Regulation (EU) No 523/2016**)

Commission Implementing Regulation (EU) No 2016/959 of 17 May 2016, laying down implementing technical standards for market soundings with regard to the systems and notification templates to be used by disclosing market participants and the format of the records in accordance with Regulation (EU) No 596/2014 (**Regulation (EU) No 959/2016**)

Commission Delegated Regulation (EU) No 2016/960 of 17 May 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures for disclosing market participants conducting market soundings (**Regulation (EU) No 960/2016**)

Commission Implementing Regulation (EU) No 2016/1055 of 29 June 2016, laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council (**Regulation (EU) No 1055/2016**)

ESMA Market Abuse Regulation (MAR) Guidelines "*Persons receiving market soundings*" of 20 October 2016 (ESMA/2016/1477)

ESMA Market Abuse Regulation (MAR) Guidelines "*Delay in the disclosure of inside information*" of 20 October 2016 (ESMA/2016/1478)

Italian Legislative Decree no. 58 of 24 February 1998, "*Consolidated Law on Finance*" (**CLF**), as amended ([23])

Issuers' Regulation containing the CLF implementing rules, adopted by CONSOB by resolution 11971 of 24 May 1999, as amended (**IR**)

CONSOB communication no. 0061330 of 1 July 2016 on the methods for reporting to CONSOB the information required by Regulation (EU) No 596/2014

CONSOB Guidelines on the "Management of Inside Information"

Regulation on markets organised and operated by Borsa Italiana S.p.A. **(Borsa Italiana Regulations)**

Instructions issued in implementation of the Markets Regulation (**Borsa Italiana Instructions**)

Italian Legislative Decree 231 of 8 June 2001, "Provisions on administrative liability of legal entities, companies and associations with or without legal status, pursuant to art. 11, Italian Law 300 of 29 September 2000" (**Italian Legislative Decree 231/2001**)

([23]) The European Regulations indicated apply directly throughout the European Union and form part of the context of pre-existing provisions (legal or regulatory) contained in national laws, even if not formally adapted or amended.

22. Regulatory appendix

Excerpt from Regulation 596/2014 (MAR)

CHAPTER 2

INSIDE INFORMATION, INSIDER DEALING, UNLAWFUL DISCLOSURE OF INSIDE INFORMATION AND MARKET MANIPULATION

Article 7
Inside information

1. For the purposes of this Regulation, inside information shall comprise the following types of information:

a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;

b) in relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the Union or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets;

c) in relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;

d) for persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client's pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.

2. For the purposes of paragraph 1, information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are

connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

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

4. For the purposes of paragraph 1, information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts, or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

In the case of participants in the emission allowance market with aggregate emissions or rated thermal input at or below the threshold set in accordance with the second subparagraph of Article 17(2), information about their physical operations shall be deemed not to have a significant effect on the price of emission allowances, of auctioned products based thereon, or of derivative financial instruments.

5. ESMA shall issue guidelines to establish a non-exhaustive indicative list of information which is reasonably expected or is required to be disclosed in accordance with legal or regulatory provisions in Union or national law, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets as referred to in point (b) of paragraph 1. ESMA shall duly take into account specificities of those markets.

Article 8
Insider dealing

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

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

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

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

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

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

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

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

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

d) being involved in criminal activities.

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

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

Article 9
Legitimate behaviour

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

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

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

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

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

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

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

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

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

4. For the purposes of Article 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus

engaged in insider dealing, where such person has obtained that inside information in the conduct of a public takeover or merger with a company and uses that inside information solely for the purpose of proceeding with that merger or public takeover, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information.

This paragraph shall not apply to stake-building.

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

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

Article 10
Unlawful disclosure of inside information

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

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

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

Article 11
Market soundings

1. A market sounding comprises the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors by:

a) an issuer;

b) a secondary offeror of a financial instrument, in such quantity or value that the transaction is distinct from ordinary trading and involves a selling method based on the prior assessment of potential interest from potential investors;

c) an emission allowance market participant; or

d) a third party acting on behalf or on the account of a person referred to in point (a), (b) or (c).

2. Without prejudice to Article 23(3), disclosure of inside information by a person intending to make a takeover bid for the securities of a company or a merger with a company to parties entitled to the securities, shall also constitute a market sounding, provided that:

a) the information is necessary to enable the parties entitled to the securities to form an opinion on their willingness to offer their securities: and

b) the willingness of parties entitled to the securities to offer their securities is reasonably required for the decision to make the takeover bid or merger.

3. A disclosing market participant shall, prior to conducting a market sounding, specifically consider whether the market sounding will involve the disclosure of inside information. The

disclosing market participant shall make a written record of its conclusion and the reasons therefor. It shall provide such written records to the competent authority upon request. This obligation shall apply to each disclosure of information throughout the course of the market sounding. The disclosing market participant shall update the written records referred to in this paragraph accordingly.

4. For the purposes of Article 10(1), disclosure of inside information made in the course of a market sounding shall be deemed to be made in the normal exercise of a person's employment, profession or duties where the disclosing market participant complies with paragraphs 3 and 5 of this Article.

5. For the purposes of paragraph 4, the disclosing market participant shall, before making the disclosure:

a) obtain the consent of the person receiving the market sounding to receive inside information;

b) inform the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, financial instruments relating to that information;

c) inform the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by cancelling or amending an order which has already been placed concerning a financial instrument to which the information relates; and

d) inform the person receiving the market sounding that by agreeing to receive the information he is obliged to keep the information confidential.

The disclosing market participant shall make and maintain a record of all information given to the person receiving the market sounding, including the information given in accordance with points (a) to (d) of the first subparagraph, and the identity of the potential investors to whom the information has been disclosed, including but not limited to the legal and natural persons acting on behalf of the potential investor, and the date and time of each disclosure. The disclosing market participant shall provide that record to the competent authority upon request.

6. Where information that has been disclosed in the course of a market sounding ceases to be inside information according to the assessment of the disclosing market participant, the disclosing market participant shall inform the recipient accordingly, as soon as possible.

The disclosing market participant shall maintain a record of the information given in accordance with this paragraph and shall provide it to the competent authority upon request.

7. Notwithstanding the provisions of this Article, the person receiving the market sounding shall assess for itself whether it is in possession of inside information or when it ceases to be in possession of inside information.

8. The disclosing market participant shall keep the records referred to in this Article for a period of at least five years.

9. In order to ensure consistent harmonisation of this Article, ESMA shall develop draft regulatory technical standards to determine appropriate arrangements, procedures and record keeping requirements for persons to comply with the requirements laid down in paragraphs 4, 5, 6 and 8.

ESMA shall submit those draft regulatory technical standards to the Commission by 3 July 2015.

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

10. In order to ensure uniform conditions of application of this Article, ESMA shall develop draft implementing technical standards to specify the systems and notification templates to be used by persons to comply with the requirements established by paragraphs 4, 5, 6 and 8 of this Article,

particularly the precise format of the records referred to in paragraphs 4 to 8 and the technical means for appropriate communication of the information referred to in paragraph 6 to the person receiving the market sounding.

ESMA shall submit those draft implementing technical standards to the Commission by 3 July 2015.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

11. ESMA shall issue guidelines in accordance with Article 16 of Regulation (EU) No 1095/2010, addressed to persons receiving market soundings, regarding:

a) the factors that such persons are to take into account when information is disclosed to them as part of a market sounding in order for them to assess whether the information amounts to inside information;

b) the steps that such persons are to take if inside information has been disclosed to them in order to comply with Articles 8 and 10 of this Regulation; and

c) the records that such persons are to maintain in order to demonstrate that they have complied with Articles 8 and 10 of this Regulation.

Article 12

Market manipulation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 14

Prohibition of insider dealing and of unlawful disclosure of inside information

A person shall not:

a) engage or attempt to engage in insider dealing;

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

c) unlawfully disclose inside information.

Article 15

Prohibition of market manipulation

A person shall not engage in or attempt to engage in market manipulation.

Article 16

Prevention and detection of market abuse

1. Market operators and investment firms that operate a trading venue shall establish and maintain effective arrangements, systems and procedures aimed at preventing and detecting insider dealing, market manipulation and attempted insider dealing and market manipulation, in accordance with Articles 31 and 54 of Directive 2014/65/EU.

A person referred to in the first subparagraph shall report orders and transactions, including any cancellation or modification thereof, that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation to the competent authority of the trading venue without delay.

2. Any person professionally arranging or executing transactions shall establish and maintain effective arrangements, systems and procedures to detect and report suspicious orders and transactions. Where such a person has a reasonable suspicion that an order or transaction in any financial instrument, whether placed or executed on or outside a trading venue, could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation, the person shall notify the competent authority as referred to in paragraph 3 without delay.

3. Without prejudice to Article 22, persons professionally arranging or executing transactions shall be subject to the rules of notification of the Member State in which they are registered or have their head office, or, in the case of a branch, the Member State where the branch is situated. The notification shall be addressed to the competent authority of that Member State.

4. The competent authorities as referred to in paragraph 3 receiving the notification of suspicious orders and transactions shall transmit such information immediately to the competent authorities of the trading venues concerned.

5. In order to ensure consistent harmonisation of this Article, ESMA shall develop draft regulatory technical standards to determine:

a) appropriate arrangements, systems and procedures for persons to comply with the requirements established in paragraphs 1 and 2; and

b) the notification templates to be used by persons to comply with the requirements established in paragraphs 1 and 2.

ESMA shall submit those draft regulatory technical standards to the Commission by 3 July 2016.

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

CHAPTER 3
DISCLOSURE REQUIREMENTS

Article 17

Public disclosure of inside information

1. An issuer shall inform the public as soon as possible of inside information which directly concerns that issuer.

The issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public and, where applicable, in the officially appointed mechanism referred to in Article 21 of Directive 2004/109/EC of the European Parliament and the Council. The issuer shall not combine the disclosure of inside information to the public with the marketing of its activities. The issuer shall

post and maintain on its website for a period of at least five years, all inside information it is required to disclose publicly.

This Article shall apply to issuers who have requested or approved admission of their financial instruments to trading on a regulated market in a Member State or, in the case of instruments only traded on an MTF or on an OTF, issuers who have approved trading of their financial instruments on an MTF or an OTF or have requested admission to trading of their financial instruments on an MTF in a Member State.

2. An emission allowance market participant shall publicly, effectively and in a timely manner disclose inside information concerning emission allowances which it holds in respect of its business, including aviation activities as specified in Annex I to Directive 2003/87/EC or installations within the meaning of Article 3(e) of that Directive which the participant concerned, or its parent undertaking or related undertaking, owns or controls or for the operational matters of which the participant, or its parent undertaking or related undertaking, is responsible, in whole or in part. With regard to installations, such disclosure shall include information relevant to the capacity and utilisation of installations, including planned or unplanned unavailability of such installations.

The first subparagraph shall not apply to a participant in the emission allowance market where the installations or aviation activities that it owns, controls or is responsible for, in the preceding year have had emissions not exceeding a minimum threshold of carbon dioxide equivalent and, where they carry out combustion activities, have had a rated thermal input not exceeding a minimum threshold.

The Commission shall be empowered to adopt delegated acts in accordance with Article 35 establishing a minimum threshold of carbon dioxide equivalent and a minimum threshold of rated thermal input for the purposes of the application of the exemption provided for in the second subparagraph of this paragraph.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 specifying the competent authority for the notifications of paragraphs 4 and 5 of this Article.

4. An issuer or an emission allowance market participant, may, on its own responsibility, delay disclosure to the public of inside information provided that all of the following conditions are met:

a) immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;
b) delay of disclosure is not likely to mislead the public;
c) the issuer or emission allowance market participant is able to ensure the confidentiality of that information.

In the case of a protracted process that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, an issuer or an emission allowance market participant may on its own responsibility delay the public disclosure of inside information relating to this process, subject to points (a), (b) and (c) of the first subparagraph.

Where an issuer or emission allowance market participant has delayed the disclosure of inside information under this paragraph, it shall inform the competent authority specified under paragraph 3 that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in this paragraph were met, immediately after the information is disclosed to the public. Alternatively, Member States may provide that a record of such an explanation is to be provided only upon the request of the competent authority specified under paragraph 3.

5. In order to preserve the stability of the financial system, an issuer that is a credit institution or a financial institution, may, on its own responsibility, delay the public disclosure of inside

information, including information which is related to a temporary liquidity problem and, in particular, the need to receive temporary liquidity assistance from a central bank or lender of last resort, provided that all of the following conditions are met:

a) the disclosure of the inside information entails a risk of undermining the financial stability of the issuer and of the financial system;

b) it is in the public interest to delay the disclosure;

c) the confidentiality of that information can be ensured; and

d) the competent authority specified under paragraph 3 has consented to the delay on the basis that the conditions in points (a), (b) and (c) are met.

6. For the purposes of points (a) to (d) of paragraph 5, an issuer shall notify the competent authority specified under paragraph 3 of its intention to delay the disclosure of the inside information and provide evidence that the conditions set out in points (a), (b) and (c) of paragraph 5 are met. The competent authority specified under paragraph 3 shall consult, as appropriate, the national central bank or the macro-prudential authority, where instituted, or, alternatively, the following authorities:

a) where the issuer is a credit institution or an investment firm the authority designated in accordance with Article 133(1) of Directive 2013/36/EU of the European Parliament and of the Council;

b) in cases other than those referred to in point (a), any other national authority responsible for the supervision of the issuer.

The competent authority specified under paragraph 3 shall ensure that disclosure of the inside information is delayed only for a period as is necessary in the public interest. The competent authority specified under paragraph 3 shall evaluate at least on a weekly basis whether the conditions set out in points (a), (b) and (c) of paragraph 5 are still met.

If the competent authority specified under paragraph 3 does not consent to the delay of disclosure of the inside information, the issuer shall disclose the inside information immediately.

This paragraph shall apply to cases where the issuer does not decide to delay the disclosure of inside information in accordance with paragraph 4.

Reference in this paragraph to the competent authority specified under paragraph 3 is without prejudice to the ability of the competent authority to exercise its functions in any of the ways referred to in Article 23(1).

7. Where disclosure of inside information has been delayed in accordance with paragraph 4 or 5 and the confidentiality of that inside information is no longer ensured, the issuer or the emission allowance market participant shall disclose that inside information to the public as soon as possible.

This paragraph includes situations where a rumour explicitly relates to inside information the disclosure of which has been delayed in accordance with paragraph 4 or 5, where that rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

8. Where an issuer or an emission allowance market participant, or a person acting on their behalf or for their account, discloses any inside information to any third party in the normal course of the exercise of an employment, profession or duties as referred to in Article 10(1), they must make complete and effective public disclosure of that information, simultaneously in the case of an intentional disclosure, and promptly in the case of a non-intentional disclosure. This paragraph shall not apply if the person receiving the information owes a duty of confidentiality, regardless of whether such duty is based on a law, on regulations, on articles of association, or on a contract.

9. Inside information relating to issuers whose financial instruments are admitted to trading on an SME growth market, may be posted on the trading venue's website instead of on the website of the issuer where the trading venue chooses to provide this facility for issuers on that market.

10. In order to ensure uniform conditions of application of this Article, ESMA shall develop draft implementing technical standards to determine:

a) the technical means for appropriate public disclosure of inside information as referred to in paragraphs 1, 2, 8 and 9; and

b) the technical means for delaying the public disclosure of inside information as referred to in paragraphs 4 and 5.

ESMA shall submit those draft implementing technical standards to the Commission by 3 July 2016.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

11. ESMA shall issue guidelines to establish a non-exhaustive indicative list of the legitimate interests of issuers, as referred to in point (a) of paragraph 4, and of situations in which delay of disclosure of inside information is likely to mislead the public as referred to in point (b) of paragraph 4.

Article 18
Insider Lists

1. Issuers or any person acting on their behalf or on their account, shall:

a) draw up a list of all persons who have access to inside information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to inside information, such as advisers, accountants or credit rating agencies (insider list);

b) promptly update the insider list in accordance with paragraph 4; and

c) provide the insider list to the competent authority as soon as possible upon its request.

2. Issuers or any person acting on their behalf or on their account, shall take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

Where another person acting on behalf or on the account of the issuer assumes the task of drawing up and updating the insider list, the issuer remains fully responsible for complying with this Article. The issuer shall always retain a right of access to the insider list.

3. The insider list shall include at least:

a) the identity of any person having access to inside information;

b) the reason for including that person in the insider list;

c) the date and time at which that person obtained access to inside information; and

d) the date on which the insider list was drawn up.

4. Issuers or any person acting on their behalf or on their account shall update the insider list promptly, including the date of the update, in the following circumstances:

a) where there is a change in the reason for including a person already on the insider list;

b) where there is a new person who has access to inside information and needs, therefore, to be added to the insider list; and

c) where a person ceases to have access to inside information.

Each update shall specify the date and time when the change triggering the update occurred.

5. Issuers or any person acting on their behalf or on their account shall retain the insider list for a period of at least five years after it is drawn up or updated.

6. Issuers whose financial instruments are admitted to trading on an SME growth market shall be exempt from drawing up an insider list, provided that the following conditions are met:

a) the issuer takes all reasonable steps to ensure that any person with access to inside information acknowledges the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information; and

b) the issuer is able to provide the competent authority, upon request, with an insider list.

7. This Article shall apply to issuers who have requested or approved admission of their financial instruments to trading on a regulated market in a Member State or, in the case of an instrument only traded on an MTF or an OTF, have approved trading of their financial instruments on an MTF or an OTF or have requested admission to trading of their financial instruments on an MTF in a Member State.

8. Paragraphs 1 to 5 of this Article shall also apply to:

a) emission allowance market participants in relation to inside information concerning emission allowances that arises in relation to the physical operations of that emission allowance market participant;

b) any auction platform, auctioneer and auction monitor in relation to auctions of emission allowances or other auctioned products based thereon that are held pursuant to Regulation (EU) No 1031/2010.

9. In order to ensure uniform conditions of application of this Article, ESMA shall develop draft implementing technical standards to determine the precise format of insider lists and the format for updating insider lists referred to in this Article.

ESMA shall submit those draft implementing technical standards to the Commission by 03 July 2016.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

Article 19
Managers' transactions

1. Persons discharging managerial responsibilities, as well as persons closely associated with them, shall notify the issuer or the emission allowance market participant and the competent authority referred to in the second subparagraph of paragraph 2:

a) in respect of issuers, of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or other financial instruments linked thereto;

b) in respect of emission allowance market participants, of every transaction conducted on their own account relating to emission allowances, to auction products based thereon or to derivatives relating thereto.

Such notifications shall be made promptly and no later than three business days after the date of the transaction.

The first subparagraph applies once the total amount of transactions has reached the threshold set out in paragraph 8 or 9, as applicable, within a calendar year.

1 *bis*. The reporting obligation referred to in paragraph 1 shall not apply to transactions in financial instruments linked to shares or to debt instruments of the issuer referred to in that paragraph where at the time of the transaction any of the following conditions is met:

a) the financial instrument is a unit or share in a collective investment undertaking in which the exposure to the issuer's shares or debt instruments does not exceed 20% of the

assets held by the collective investment undertaking;

b) the financial instrument provides exposure to a portfolio of assets in which the exposure to the issuer's shares or debt instruments does not exceed 20% of the portfolio's assets; or

c) the financial instrument is a unit or share in a collective investment undertaking or provides exposure to a portfolio of assets and the person discharging managerial responsibilities or person closely associated with such a person does not know, and could not know, the investment composition or exposure of such collective investment undertaking or portfolio of assets in relation to the issuer's shares or debt instruments, and furthermore there is no reason for that person to believe that the issuer's shares or debt instruments exceed the thresholds in point (a) or (b).

If information regarding the investment composition of the collective investment undertaking or exposure to the portfolio of assets is available, then the person discharging managerial responsibility or person closely associated with such a person shall make all reasonable efforts to avail themselves of that information.

2. For the purposes of paragraph 1, and without prejudice to the right of Member States to provide for notification obligations other than those referred to in this Article, all transactions conducted on the own account of the persons referred to in paragraph 1, shall be notified by those persons to the competent authorities.

The rules applicable to notifications, with which persons referred to in paragraph 1 must comply, shall be those of the Member State where the issuer or emission allowance market participant is registered. Notifications shall be made within three working days of the transaction date to the competent authority of that Member State. Where the issuer is not registered in a Member State, the notification shall be made to the competent authority of the home Member State in accordance with point (i) of Article 2(1) of Directive 2004/109/EC or, in the absence thereof, to the competent authority of the trading venue.

3. The issuer or emission allowance market participant shall ensure that the information that is notified in accordance with paragraph 1 is made public promptly and no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with the implementing technical standards referred to in point (a) of Article 17(10).

The issuer or emission allowance market participant shall use such media as may reasonably be relied upon for the effective dissemination of information to the public throughout the Union, and, where applicable, it shall use the officially appointed mechanism referred to in Article 21 of Directive 2004/109/EC.

Alternatively, national law may provide that a competent authority may itself make public the information.

4. This Article shall apply to issuers who:

a) have requested or approved admission of their financial instruments to trading on a regulated market; or

b) in the case of an instrument only traded on an MTF or an OTF, have approved trading of their financial instruments on an MTF or an OTF or have requested admission to trading of their financial instruments on an MTF.

5. Issuers and emission allowance market participants shall notify the person discharging managerial responsibilities of their obligations under this Article in writing. Issuers and emission allowance market participants shall draw up a list of all persons discharging managerial responsibilities and persons closely associated with them.

Persons discharging managerial responsibilities shall notify the persons closely associated with them of their obligations under this Article in writing and shall keep a copy of this notification.

6. A notification of transactions referred to in paragraph 1 shall contain the following information:

a) the name of the person;
b) the reason for the notification;
c) the name of the relevant issuer or emission allowance market participant;
d) a description and the identifier of the financial instrument;
e) the nature of the transaction(s) (e.g. acquisition or disposal), indicating whether it is linked to the exercise of share option programmes or to the specific examples set out in paragraph 7;
f) the date and place of the transaction(s); and
g) the price and volume of the transaction(s). In the case of a pledge whose terms provide for its value to change, this should be disclosed together with its value at the date of the pledge.

7. For the purposes of paragraph 1, transactions that must be notified shall also include:

a) the pledging or lending of financial instruments by or on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1;
b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1, including where discretion is exercised;
c) transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council, where:
i) the policyholder is a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1,
ii) the investment risk is borne by the policyholder, and
iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

For the purposes of point (a), a pledge, or a similar security interest, of financial instruments in connection with the depositing of the financial instruments in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility.

Pursuant to point b), transactions executed in shares or debt instruments of an issuer or derivatives or other financial instruments linked thereto by managers of a collective investment undertaking in which the person discharging managerial responsibilities or a person closely associated with them has invested do not need to be notified where the manager of the collective investment undertaking operates with full discretion, which excludes the manager receiving any instructions or suggestions on portfolio composition directly or indirectly from investors in that collective investment undertaking.

Insofar as a policyholder of an insurance contract is required to notify transactions according to this paragraph, an obligation to notify is not incumbent on the insurance company.

8. Paragraph 1 shall apply to any subsequent transaction once a total amount of EUR 5,000 has been reached within a calendar year. The threshold of EUR 5,000 shall be calculated by adding without netting all transactions referred to in paragraph 1.

9. A competent authority may decide to increase the threshold set out in paragraph 8 to EUR 20,000 and shall inform ESMA of its decision and the justification for its decision, with specific reference to market conditions, to adopt the higher threshold prior to its application. ESMA shall publish on its website the list of thresholds that apply in accordance with this Article and the justifications provided by competent authorities for such thresholds.

10. This Article shall also apply to transactions by persons discharging managerial responsibilities within any auction platform, auctioneer and auction monitor involved in the auctions held under Regulation (EU) No 1031/2010 and to persons closely associated with such persons in so far as their transactions involve emission allowances, derivatives thereof or auctioned products based thereon. Those persons shall notify their transactions to the auction platforms, auctioneers and auction monitor, as applicable, and to the competent authority where the auction platform, auctioneer or auction monitor, as applicable, is registered. The information that is so notified shall be made public by the auction platforms, auctioneers, auction monitor or competent authority in accordance with paragraph 3.

11. Without prejudice to Articles 14 and 15, a person discharging managerial responsibilities within an issuer shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public according to:

a) the rules of the trading venue where the issuer's shares are admitted to trading; or
b) national law.

12. Without prejudice to Articles 14 and 15, an issuer may allow a person discharging managerial responsibilities within it to trade on its own account or for the account of a third party during a closed period as referred to in paragraph 11 either:

a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or
b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change.

13. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 specifying the circumstances under which trading during a closed period may be permitted by the issuer, as referred to in paragraph 12, including the circumstances that would be considered as exceptional and the types of transaction that would justify the permission for trading.

14. The Commission shall be empowered to adopt delegated acts in accordance with Article 35, specifying types of transactions that would trigger the requirement referred to in paragraph 1.

15. In order to ensure uniform application of paragraph 1, ESMA shall develop draft implementing technical standards concerning the format and template in which the information referred to in paragraph 1 is to be notified and made public.

ESMA shall submit those draft implementing technical standards to the Commission by 3 July 2015.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

Article 21

Disclosure or dissemination of information in the media

For the purposes of Article 10, Article 12(1)(c) and Article 20, where information is disclosed or disseminated and where recommendations are produced or disseminated for the purpose of

journalism or other form of expression in the media, such disclosure or dissemination of information shall be assessed taking into account the rules governing the freedom of the press and freedom of expression in other media and the rules or codes governing the journalist profession, unless:

a) the persons concerned, or persons closely associated with them, derive, directly or indirectly, an advantage or profits from the disclosure or the dissemination of the information in question; or

b) the disclosure or the dissemination is made with the intention of misleading the market as to the supply of, demand for, or price of financial instruments.

CHAPTER 5
Administrative measures and sanctions

Article 30
Administrative sanctions and other administrative measures

1. Without prejudice to any criminal sanctions and without prejudice to the supervisory powers of competent authorities under Article 23, Member States shall, in accordance with national law, provide for competent authorities to have the power to take appropriate administrative sanctions and other administrative measures in relation to at least the following infringements:

a) infringements of Articles 14 and 15, Article 16(1) and (2), Article 17(1), (2), (4) and (5), and (8), Article 18(1) to (6), Article 19(1), (2), (3), (5), (6), (7) and (11) and Article 20(1); and

b) failure to cooperate or to comply with an investigation, with an inspection or with a request as referred to in Article 23(2).

Member States may decide not to lay down rules for administrative sanctions as referred to in the first subparagraph where the infringements referred to in point (a) or point (b) of that subparagraph are already subject to criminal sanctions in their national law by 3 July 2016. Where they so decide, Member States shall notify, in detail, to the Commission and to ESMA, the relevant parts of their criminal law.

By 3 July 2016, Member States shall notify, in detail, the rules referred to in the first and second subparagraph to the Commission and to ESMA. They shall notify the Commission and ESMA without delay of any subsequent amendments thereto.

2. Member States shall, in accordance with national law, ensure that competent authorities have the power to impose at least the following administrative sanctions and to take at least the following administrative measures in the event of the infringements referred to in point (a) of the first subparagraph of paragraph 1:

a) an order requiring the person responsible for the infringement to cease the conduct and to desist from a repetition of that conduct;

b) the disgorgement of the profits gained or losses avoided due to the infringement insofar as they can be determined;

c) a public warning which indicates the person responsible for the infringement and the nature of the infringement;

d) withdrawal or suspension of the authorisation of an investment firm;

e) a temporary ban of a person discharging managerial responsibilities within an investment firm or any other natural person, who is held responsible for the infringement, from exercising management functions in investment firms;

f) in the event of repeated infringements of Article 14 or 15, a permanent ban of any person discharging managerial responsibilities within an investment firm or any other

natural person who is held responsible for the infringement, from exercising management functions in investment firms;

g) a temporary ban of a person discharging managerial responsibilities within an investment firm or another natural person who is held responsible for the infringement, from dealing on own account;

h) maximum administrative pecuniary sanctions of at least three times the amount of the profits gained or losses avoided because of the infringement, where those can be determined;

i) in respect of a natural person, maximum administrative pecuniary sanctions of at least:

i) for infringements of Articles 14 and 15, EUR 5,000,000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;

ii) for infringements of Articles 16 and 17, EUR 1,000,000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

iii) for infringements of Articles 18, 19 and 20, EUR 500,000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

j) in respect of legal persons, maximum administrative pecuniary sanctions of at least:

i) for infringements of Articles 14 and 15, EUR 15,000,000 or 15% of the total annual turnover of the legal person according to the last available accounts approved by the management body, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;

ii) for infringements of Articles 16 and 17, EUR 2,500,000 or 2% of its total annual turnover according to the last available accounts approved by the management body, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

iii) for infringements of Articles 18, 19 and 20, EUR 1,000,000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

References to the competent authority in this paragraph are without prejudice to the ability of the competent authority to exercise its functions in any ways referred to in Article 23(1).

For the purposes of points (j), (i) and (ii) of the first subparagraph, where the legal person is a parent undertaking or a subsidiary undertaking which is required to prepare consolidated financial accounts pursuant to Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives – Council Directive 86/635/EEC for banks and Council Directive 91/674/EEC for insurance companies – according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking; or

3. Member States may provide that competent authorities have powers in addition to those referred to in paragraph 2 and may provide for higher levels of sanctions than those established in that paragraph.

Article 31

Exercise of supervisory powers and imposition of sanctions

1. Member States shall ensure that when determining the type and level of administrative sanctions, competent authorities take into account all relevant circumstances, including, where appropriate:

a) the gravity and duration of the infringement;

b) the degree of responsibility of the person responsible for the infringement;

c) the financial strength of the person responsible for the infringement, as indicated, for example, by the total turnover of a legal person or the annual income of a natural person;
d) the importance of the profits gained or losses avoided by the person responsible for the infringement, insofar as they can be determined;
e) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
f) previous infringements by the person responsible for the infringement; and
g) measures taken by the person responsible for the infringement to prevent its repetition.

2. In the exercise of their powers to impose administrative sanctions and other administrative measures under Article 30, competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers, and the administrative sanctions that they impose, and the other administrative measures that they take, are effective and appropriate under this Regulation. They shall coordinate their actions in accordance with Article 25 in order to avoid duplication and overlaps when exercising their supervisory and investigative powers and when imposing administrative sanctions in respect of cross-border cases.

Article 32
Reporting of infringements

1. Member States shall ensure that competent authorities establish effective mechanisms to enable reporting of actual or potential infringements of this Regulation to competent authorities.

2. The mechanisms referred to in paragraph 1 shall include at least:

a) specific procedures for the receipt of reports of infringements and their follow-up, including the establishment of secure communication channels for such reports;
b) within their employment, appropriate protection for persons working under a contract of employment, who report infringements or are accused of infringements, against retaliation, discrimination or other types of unfair treatment at a minimum; and
c) protection of personal data both of the person who reports the infringement and the natural person who allegedly committed the infringement, including protection in relation to preserving the confidentiality of their identity, at all stages of the procedure without prejudice to disclosure of information being required by national law in the context of investigations or subsequent judicial proceedings.

3. Member States shall require employers who carry out activities that are regulated by financial services regulation to have in place appropriate internal procedures for their employees to report infringements of this Regulation.

4. Member States may provide for financial incentives to persons who offer relevant information about potential infringements of this Regulation to be granted in accordance with national law where such persons do not have other pre-existing legal or contractual duties to report such information, and provided that the information is new, and that it results in the imposition of an administrative or criminal sanction, or the taking of another administrative measure, for an infringement of this Regulation.

5. The Commission shall adopt implementing acts to specify the procedures referred to in paragraph 1, including the arrangements for reporting and for following-up reports, and measures for the protection of persons working under a contract of employment and measures for the protection of personal data. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 36(2).

Article 34
Publication of decisions

1. Subject to the third subparagraph, competent authorities shall publish any decision imposing an administrative sanction or other administrative measure in relation to an infringement of this Regulation on their website immediately after the person subject to that decision has been informed of that decision. Such publication shall include at least information on the type and nature of the infringement and the identity of the person subject to the decision.

The first subparagraph does not apply to decisions imposing measures that are of an investigatory nature.

Where a competent authority considers that the publication of the identity of the legal person subject to the decision, or of the personal data of a natural person, would be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardise an ongoing investigation or the stability of the financial markets, it shall do any of the following:

a) defer publication of the decision until the reasons for that deferral cease to exist;

b) publish the decision on an anonymous basis in accordance with national law where such publication ensures the effective protection of the personal data concerned;

c) not publish the decision in the event that the competent authority is of the opinion that publication in accordance with point (a) or (b) will be insufficient to ensure:

i) that the stability of financial markets is not jeopardised; or

ii) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.

Where a competent authority takes a decision to publish a decision on an anonymous basis as referred to in point (b) of the third subparagraph, it may postpone the publication of the relevant data for a reasonable period of time where it is foreseeable that the reasons for anonymous publication will cease to exist during that period.

2. Where the decision is subject to an appeal before a national judicial, administrative or other authority, competent authorities shall also publish immediately on their website such information and any subsequent information on the outcome of such an appeal. Moreover, any decision annulling a decision subject to appeal shall also be published.

3. Competent authorities shall ensure that any decision that is published in accordance with this Article shall remain accessible on their website for a period of at least five years after its publication. Personal data contained in such publications shall be kept on the website of the competent authority for the period which is necessary in accordance with the applicable data protection rules.

Title I-*bis*
Market Abuse

Article 182
Scope

1. The crimes and the offences referred to in this title shall be punished according to Italian law even if committed abroad where they concern financial instruments admitted, or for which an application has been made for admission, to trading on an Italian regulated market or Italian multilateral trading system, or financial instruments traded on an Italian organised trading facility (OTF).

2. Without prejudice to subsection 1, Articles 184, 185, 187-bis and 187-ter shall apply to acts involving financial instruments admitted, or for which an application has been made for admission, to trading on an Italian regulated market or on a regulated market of other EU countries.

2-bis. The provisions of Articles 184, 185, 187-bis and 187-ter shall apply to behaviour or transactions, including bids, relating to the auctioning on an auction platform authorised as a regulated market of emission allowances or other auctioned products based thereon, including when auctioned products are not financial instruments, pursuant to Regulation (EU) No 1031/2010.

Article 183
Exemptions

1. This title shall not apply:

a) to the transactions, orders or behaviour referred to in article 6 of Regulation (EU) No 596/2014, by the subjects indicated therein, within the scope of the monetary, the exchange-rate or public debt management policy, and within the scope of the activities of the Union's climate policy or within the scope of Union's Common Agricultural Policy or of the Union's Common Fisheries Policy;

b) the trading of own shares pursuant to article 5 of Regulation (EU) No 596/2014.

Chapter II
Criminal sanctions

Article 184
Insider dealing

1. Imprisonment for between one and six years and a fine of between twenty thousand and three million euro shall be imposed on any person who, possessing inside information by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:

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

b) discloses such information to others outside the normal exercise of his employment, profession, duties or position or market sounding made in compliance with Article 11 of Regulation (EU) No 596/2014;

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

2. The punishment referred to in subsection 1 shall apply to any person who, possessing inside information by virtue of the preparation or execution of criminal activities, carries out any of the actions referred to in subsection 1.

3. Courts may increase the fine up to three times or up to the larger amount of ten times the product of the crime or the profit therefrom when, in view of the particular seriousness of the offence, the personal situation of the guilty party or the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.

3-*bis*. With regard to financial instrument transactions pursuant to Article 180, subsection 1, paragraph a), point 2), 2)-*bis* and 2-*ter*, exclusively for financial instruments the price or value of which depends on the price or value of a financial instrument referred to in points 2) and 2-*bis*) or has effect on such price or value, or relating to the auctioning on an auction platform authorised as a regulated market of emission allowances, the judicial sanction shall involve infliction of a fine of up to one hundred and three thousand two hundred and ninety-one euro and up to three-years' imprisonment.

4. (Repealed)

Article 185
Market manipulation

1. Imprisonment for between two and twelve years and a fine of between twenty thousand and three million euro shall be imposed on any person who disseminates false information or sets up sham transactions or employs other devices concretely likely to produce a significant alteration in the price of financial instruments.

1-*bis*. Persons who committed the action through orders to trade or transactions made for legitimate reasons and in compliance with accepted market practices are not punishable, pursuant to Article 13 of Regulation (EU) No 596/2014.

2. Courts may increase the fine up to three times or up to the larger amount of ten times the product of the crime or the profit therefrom when, in view of the particular seriousness of the offence, the personal situation of the guilty party or the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.

2-*bis*. With regard to financial instrument transactions pursuant to Article 180, subsection 1, paragraph a), point 2), 2)-*bis* and 2-*ter*, exclusively for financial instruments the price or value of which depends on the price or value of a financial instrument referred to in points 2) and 2-*bis*) or has effect on such price or value, or relating to the auctioning on an auction platform authorised as a regulated market of emission allowances, the judicial sanction shall involve infliction of a fine of up to one hundred and three thousand two hundred and ninety-one euro and up to three-years' imprisonment.

2-*ter*. The provisions of this article also apply to:

a) acts involving spot commodity contracts, which are not wholesale energy products, concretely likely to produce a significant alteration in the price of financial instruments as under Article 180, subsection 1, paragraph a).

b) acts involving financial instruments, including derivative contracts or derivative instruments for the transfer of credit risk likely to have an effect on the price or value of a spot commodity contract where the price or value depends on the price or value of those financial instruments;

c) acts involving benchmarks.

Article 186
Accessory penalties

1. Conviction for any of the offences referred to in this chapter shall entail the application of the accessory penalties referred to in Articles 28 [barring from public office], 30 [barring from a profession or art], 32-bis [temporary barring from executive office in legal entities and businesses] and 32-ter [prohibition of contracting with public administration] of the penal code for a period of not less than six months and not more than two years and the publication of the judgement in at least two daily newspapers having national circulation of which one shall be a financial newspaper.

Article 187
Confiscation

1. In the event of conviction for one of the crimes referred to in this chapter the product of the crime or the profit therefrom and the property used to commit it shall be confiscated.

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

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

Chapter III
Administrative sanctions

Article 187-bis
Insider dealing and unlawful disclosure of inside information

1. Without prejudice to the penal sanctions applicable when the action constitutes a criminal offence, an administrative fine of between twenty thousand euros and five million euros shall be imposed upon any person who violates the prohibition of insider dealing and of unlawful disclosure of inside information pursuant to Article 14 of Regulation (EU) No 596/2014.

2. (Repealed).

3. (Repealed).

4. (Repealed).

5. The administrative fines contemplated by this article shall be increased up to three times or up to the larger amount of ten times the profit therefrom or the losses avoided due to the offence when, taking into account the criteria listed in article 194-*bis* and the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.

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

Article 187-ter
Market manipulation

1. Without prejudice to the penal sanctions applicable when the action constitutes a criminal offence, an administrative fine of between twenty thousand euros and five million euros shall be imposed upon any person who violates the prohibition of market manipulation pursuant to Article 14 of Regulation (EU) No 596/2014.

2. Provision of Article 187-bis, subsection 5, shall apply.

3. (Repealed).

4. Pursuant to this article, administrative fines may not be imposed on persons who demonstrate that they acted for legitimate reasons and in accordance with accepted market practices on the market concerned.

5. (Repealed).

6. (Repealed).

7. (Repealed).

Article 187 - ter.1
Fines relative to violations of the provisions of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014

1. With respect to an entity or a company, in the case of breach of the obligations laid down in article 16, paragraphs 1 and 2, article 17, paragraphs 1, 2, 4, 5 and 8, of Regulation (EU) No 596/2014, the delegated acts and the relative regulatory and implementing technical standards, as well as article 114, subsection 3, of this decree, an administrative fine of between five thousand euros and two million five hundred thousand euros, or two per cent of the turnover, shall apply when this amount is higher than two million five hundred thousand euros and the turnover can be determined pursuant to article 195, subsection 1-*bis*.

2. If the violations indicated in subsection 1 are committed by a natural person, an administrative fine of between five thousand euros and one million euros shall be imposed on the latter.

3. Without prejudice to the provisions of subsection 1, the sanctions contemplated by subsection 2 shall apply to corporate officers and personnel of the company or the entity responsible for the violation in the cases contemplated by article 190-bis, subsection 1, letter a).

4. With respect to an entity or a company, in the case of violation of the obligations laid down in article 18, paragraphs 1 to 6, article 19, paragraphs 1, 2, 3, 5, 6, 7 and 11, and article 20, paragraph 1, of Regulation (EU) No 596/2014, the delegated acts and the relative regulatory and implementing technical standards, an administrative fine of between five thousand euros and one million euros shall apply.

5. If the violations indicated in subsection 4 are committed by a natural person, an administrative fine of between five thousand euros and five hundred thousand euros shall be imposed on the latter.

6. Without prejudice to the provisions of subsection 4, the sanctions contemplated by subsection 5 shall apply to corporate officers and personnel of the company or the entity responsible for the violation in the cases contemplated by article 190-bis, subsection 1, letter a).

7. If the benefit obtained by the infringer as a result of the violation itself is above the maximum limits set out in this article, the administrative fine is increased up to three times the amount of the benefit obtained, provided that this amount can be determined.

8. CONSOB, even together with the administrative fines contemplated by this article, may apply one or more of the administrative measures contemplated by article 30, paragraph 2, letters a) to g), of Regulation (EU) No 596/2014.

9. When the infringements involve a low level of offensiveness or danger, in place of the fines contemplated by this article, CONSOB, without prejudice to the right to order confiscation pursuant to article 187-*sexies*, may apply one of the following administrative measures:

a) an order to eliminate the infringements charged, with possible indication of the measures to be adopted and of the term for compliance, and to refrain from repeating the offence;

b) a public statement on the violation committed and the party responsible, when the alleged infringement has ceased.

10. Non-compliance with the obligations prescribed with the measures laid down in article 30,

paragraph 2, of Regulation (EU) No 596/2014, within the set deadline, shall result in the administrative fine imposed being increase by one third or the application of the administrative fine imposed for the original alleged violation increased by up to one third.

11. The administrative fines provided for in this article shall not be subject to articles 6, 10, 11 and 16 of Law no. 689 of 24 November 1981.

Article 187 - quater
Accessory administrative sanctions

1. Application of the administrative fines contemplated by article 187-*bis* and 187-*ter* shall involve:

a) temporary barring from the performance of administrative, management and supervisory functions at authorised entities pursuant to this decree, Legislative Decree no. 385 of 1 September 1993, Legislative Decree no. 209 of 7 September 2005, or at pension funds;

b) temporary barring from the performance of administrative, management and supervisory functions at listed companies and companies belonging to the same group as listed companies;

c) suspension from the Register, pursuant to article 26, subsections 1, letter d), and 1-*bis*, of Legislative Decree no. 39 of 27 January 2010, of the statutory auditor, the independent auditing firm, or project manager;

d) suspension from the register pursuant to article 31, subsection 4, for financial advisors authorised to make off-premises offers;

e) the temporary loss of the integrity requirements for shareholders of the subjects indicated under letter a).

1-*bis*. Without prejudice to the provisions of subsection 1, CONSOB, in the measure imposing the administrative fines contemplated under article 187-*ter*.1, may apply the accessory administrative fines indicated under subsection 1, letters a) and b).

2. The accessory administrative fines referred to in subsections 1 and 1-*bis* shall have a duration of not less than two months and not more than three years.

2-*bis*. When the perpetrator of the offence has already committed, twice or more in the last decade, one of the crimes contemplated in Chapter II or violated, with intent or gross negligence, the provisions of article 187-*bis* and 187-*ter*, the accessory administrative sanction of permanent barring from the performance of administrative, management and supervisory functions at the subjects indicated in subsection 1, letters a) and b) shall apply in cases where the same subject has already been barred for a total period of no less than five years.

3. In the measure imposing pecuniary administrative sanctions referred to in this chapter, CONSOB, taking into account the seriousness of the violation and the degree of fault, may order authorised intermediaries, market operators, listed issuers and auditing firms not to use the offender in the exercise of their activities for a period of not more than three years and ask the competent professional associations to suspend the registrant from practice of the profession, as well as to temporarily bar the offender from completing transactions, or issuing orders to trade financial instruments as a direct counterpart, for a period of not more than three years.

Article 187 - quinquies
Liability of the entity

1. An administrative fine of between twenty thousand euros and fifteen million euros, or up to fifteen per cent of the turnover, when this sum is higher than fifteen million euros and the turnover can be determined pursuant to article 195, subsection 1-*bis*, shall be imposed upon the entity in cases where a violation of the prohibition referred to under article 14 or of the

prohibition referred to under article 15 of Regulation (EU) No 596/2014 is committed in their interest or to their advantage:

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

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

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

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

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

Article 187 - sexies
Confiscation

1. The application of the fines contemplated by this chapter always entails the confiscation of the product or profit gained by the illicit fact.

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

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