



Procedure for the internal handling and communication  
to the general public of Inside Information  
PRG 22 – up-dated on 28/09/2016

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**Mittel S.p.A.**

**Procedure for the internal handling and communication to the general public of  
Inside Information**

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## **REGULATORY REFERENCE FRAMEWORK**

For the purposes of this procedure (the “**Procedure**”), the following regulatory framework was taken into account:

- Regulation (EU) No. 596/2014 of the European Parliament and the Council of the European Union dated 16 April 2014 relating to market abuse (Market Abuse Regulation – hereinafter, “**MAR**”);
- The Implementing Regulation (EU) 2016/1055 of the European Commission dated 29 June 2016 (“**ITS 1055**”);
- the “guidelines on the Market Abuse Regulation” published by the ESMA (European Securities and Markets Authority) (the “**ESMA Guidelines**”).

## INTRODUCTION

This procedure (the “**Procedure**”) is adopted by Mittel S.p.A. (the “**Company**” or the “**Issuer**”) in accordance with the regulations contained in Article 17 of the MAR, as well as in ITS 1055 and disciplines the provisions and procedures relating to both the internal handling and the communication outside the company of the Inside Information and the Confidential Information (both, as defined below) regarding the Issuer and the companies it controls (jointly with the Company, the “**Group**”).

The aim of the Procedure is to ensure the observance of the legal and regulatory provisions in force on the subject and ensure the observance of the maximum confidentiality and non-disclosure of the Inside Information; the Procedure, in detail, aims to ensure a greater transparency towards the market and suitable prevention measures against market abuse and, in particular, against the abuse of Inside Information.

The following are obliged to observe this Procedure, with differing levels of responsibility and fulfilments: the Directors, the Statutory Auditors, the General Managers (if appointed), the Executives, the Employees of the Company and/or the Group companies, as well as the “external” parties registered in the “*Register of Persons with access to Inside Information*” (the “**Insider Register**”) who for any reason have similar access to the Inside Information (and/or the Confidential Information) regarding the Issuer and the related Group (jointly considered, the “**Recipients**”). The Insider Register is disciplined by the “*Procedure for the handling of the Register of Persons with access to Inside Information*” adopted by the Company and available on the Mittel S.p.A. website at the following address <http://www.mittel.it/en/corporate-governance/internal-dealing/insider-register-procedures/>.

The handling of advertising and commercial information, which is not Confidential Information as per the Procedure, is not disciplined in this Procedure.

The Procedure is also a fundamental component of the internal control and risk management system of the Company, as well as an integral part of the overall system for the prevention of offences as per Italian Legislative Decree No. 231 dated 8 June 2001.

The provisions of this Procedure come into force with legally binding effectiveness as from 28 September 2016. Any subsequent amendments and/or additions come into force on the day of the possible publication of the Procedure on the Company’s website, or on the day otherwise envisaged by legal or regulatory provisions or by resolution adopted by the Board of Directors.

## 1. DEFINITION OF INSIDE INFORMATION

For the purposes of this Procedure and in compliance with Article 7 of the MAR, “*inside information*” is understood to be information of a precise nature, which has not been made public, concerning - directly or indirectly - the Company or the financial instruments of the same, and which, if made public, could have a significant effect on the prices of these financial instruments or on the prices of associated derivative financial instruments (the “**Inside Information**”).

Information is of a “*precise nature*”, pursuant to and for the purposes of Article 7.2 of the MAR, if it refers to a series of existing circumstances or which one can reasonably deem will come about or to an event which has occurred or which one can reasonably believe will occur and if said information is sufficiently specific to permit one to draw conclusions on the possible effect of said group of circumstances or said event on the prices of the financial instruments or the related derivative financial instrument.

In this connection it is pointed out that, in the case of a prolonged process which intends to realise, or which determines, a particular circumstance or a particular event, this future circumstance or future event, as well as the intermediate stages of said process which are linked to the realisation or determination of the future circumstance or event, can be considered to be information of a precise nature.

An intermediate stage in a prolonged process is considered to be Inside Information if it meets the criteria established in this article.

“*Information which, if communicated to the general public, would probably have a significant effect on the prices of the financial instruments, the derivative financial instruments (...)*” is understood to be information which a reasonable investor would probably use as one of the elements on which to base their investment decisions.

As soon as is possible, the Issuer communicates - to the general public - the Inside Information which directly concerns said Issuer, ensuring that the communication takes place (i) in accordance with formalities which permit rapid, free and non-discriminatory access, simultaneously in the whole of the European Union, as well as a complete, correct and prompt assessment of the Inside Information by said general public, and, in any event, (ii) in observance of the provisions of ITS 1055; all of which in compliance with the matters laid down by Article 2 of the Procedure below.

The Company may delay, at its own liability, the communication to the general public of Inside Information (the “**Delay**”) if the conditions indicated in Article 3 of the Procedure apply.

## 2. HANDLING OF INSIDE INFORMATION

As soon as is possible, the Issuer communicates - to the general public - the Inside Information which directly concerns said Issuer.

### 2.1 Assessment of the privileged nature of the information.

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The assessment of the privileged nature of the information and, therefore, of the need to proceed with the communication of the same to the market as per this article (or, in the presence of the conditions established by current legislation, of the faculty to activate the Delay procedure as per Article 3), is carried out taking into account the characteristics of the Inside Information as per Article 1 of the Procedure as per the formalities indicated below.

If, on conclusion of the afore-mentioned assessment, the Chief Executive Officer, or in the event of his absence or unavailability, the Chairman of the Board of Directors:

- (a) recognises the non-privileged nature of the information, they take steps, if necessary, for the purpose of in any event ensuring the confidentiality of the information as per the matters laid down by Article 4 of the Procedure below;
- (b) recognises the privileged nature of the information, they take steps so that the Inside Information is divulged to the general public (unless the conditions apply for activating the Delay procedure as per Article 3), ensuring that the communication takes place (i) in accordance with formalities which permit rapid, free and non-discriminatory access, simultaneously in the whole of the European Union, as well as a complete, correct and prompt assessment of the Inside Information by said general public, and, in any event, (ii) in observance of the provisions of ITS 1055, (iii) as well as in compliance with the matters envisaged by this Procedure and by the legislation in force for the time being. In any event, the Company does not combine the communication of the Inside Information to the general public with the marketing of its activities.

If the Chief Executive Officer, or in the event of his absence, the Chairman of the Board of Directors, recognises the appropriateness or need, they may submit the assessment of the privileged nature of the information and, therefore, of the need to proceed with the communication of the same to the market as per this article (or, in the presence of the conditions established by current legislation, of the faculty to activate the Delay procedure as per Article 3), for the decision of the Board of Directors.

## 2.2 Divulgence to the general public of the Inside Information

The communication to the general public of the Inside Information must take place by means of the divulgence of a specific press release drawn up by the Chief Executive Officer with the support of the Investor Relator; the text of the press release must be submitted to the Board of Directors for final approval before divulgence outside the company subject to certification (as per the formalities referred to in Annex A), in the event the text relates to information of an accounting nature, by the Manager responsible for preparing the Company's financial reports (the "**Appointed Manager**") pursuant to and for the purposes of Article 154-*bis* of Italian Legislative Decree No. 58/1998.

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The press release is issued by the Corporate and Legal Affairs Unit in the SDIR-NIS circuit organised and managed by Borsa Italiana S.p.A. and, via the SDIR-NIS, is forwarded to Consob and the press agencies connected to the system<sup>1</sup>.

With regard to the operative technical methods inherent to the introduction of the disclosure on the SDIR - NIS circuit, please refer to the matters envisaged by the procedure (see “*Corporate and Legal Affairs Unit Procedure adopted by Mittel S.p.A.*”).

The press release is considered to be public as soon as confirmation has been received, via the SDIR-NIS system, of the correct applicability of the embargo period envisaged by the legislation in force for the time being. If, in exceptional cases, the Corporate and Legal Affairs Unit cannot use the SDIR-NIS system or detects anomalies in the functioning of the system, it must immediately communicate this in writing to Borsa Italiana S.p.A. and the Chief Executive Officer, and fulfil the disclosure obligations vis-à-vis the general public as per the alternative formalities established by the competent Authority.

In any event, the Chief Executive Officer is responsible for ensuring the completeness, integrity and confidentiality of the Inside Information putting right any shortfall or malfunction in the communication of the same promptly. The press release is also sent to the authorised storage device which the Company avails itself of for the maintenance of the Regulated Information.

The Head of the Corporate and Legal Affairs Unit takes steps for the upload of the press release on the Company’s website by the units dedicated to this activity, guaranteeing that the following are ensured: (i) non-discriminatory and free access; (ii) that the Inside Information is published in an easily identifiable section of the website; (iii) the date and the time of the publication of the Inside Information and the arrangement in chronological order of the Inside Information; all of which in observance of the principles as per Article 4 below, if applicable.

It is the responsibility of the Head of the Corporate and Legal Affairs Unit to

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<sup>1</sup>Pursuant to Article 2.1, letter b), of the ITS 1055 “*The issuers (...) divulge inside information using a technical instrument which makes it possible to: (...) (b) communicate the inside information, directly or via third parties, to the press bodies which the general public reasonably trust for the effective divulgation of this information. The communication takes place by means of an electronic medium which makes it possible to maintain the completeness, integrity and confidentiality of the information during the transmission phase and clearly indicates: i) the privileged nature of the information communicated; ii) the identity of the issuer or the market participant of the issue holdings : complete corporate name; iii) identity of the notifying body: name, surname, position care of the issuer or the market participant of the issue holdings; iv) the subject matter of the inside information; v) the date and time of the communication to the press bodies.*”.

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ensure the maintenance of all the Inside Information communicated to the general public on the company's website for a period of at least 5 years.

### **2.3 Divulgence of information during general meetings, encounters with the press or with financial analysts.**

The divulgence of Inside Information during a general shareholders' meeting of the Issuer leads to the obligation to communicate this information to the general public using the formalities as per Article 2.2.

In the event that the Issuer or another Group company organises or participates in selected encounters with financial analysts, institutional investors or other operators of the financial market, the Chief Executive Officer, with the collaboration of the Investor Relator, takes steps to:

- (a) inform Consob and Borsa Italiana S.p.A. in advance of the date, place and main topics of the encounter;
- (b) forward the documentation made available to the participants of the meeting to Consob and Borsa Italiana S.p.A., at the latest at the same time as the encounters.

If, during the encounters with the operators of the financial market, Inside Information is communicated, the Investor Relator, having consulted the Chief Executive Officer, takes steps to promptly communicate said information to the general public using the formalities envisaged by this article.

## **3. DELAY IN THE COMMUNICATION**

### **3.1 Conditions for the Delay.**

The Company may delay, at its own liability, the communication to the general public of Inside Information, provided that all the following conditions are satisfied (the "**Conditions for the Delay**"):

- (a) the immediate communication would probably prejudice the legitimate interests of the Issuer;
- (b) the Delay in the communication would probably not have the effect of misleading the general public;
- (c) the Issuer is able to guarantee the confidentiality of this information.

In the event of a prolonged process, which takes place in phases and is aimed at realising or which involves a particular circumstance or a particular event, the Company may, at its own liability, delay the communication to the general public of Inside Information relating to this process, without prejudice to the need that the Conditions for the delay exist and remain, as specified below.

### **3.2 Procedure for the activation of the Delay in the communication to the general public of the Inside Information.**

- (a) As indicated in the previous Article 2.1, the assessment with regard to the



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faculty of delaying the communication to the general public of Inside Information is carried out, case by case, under the direct responsibility (i) of the Chief Executive Officer, or, in the event of their absence or unavailability, the Chairman of the Board of Directors, or (ii) if the appropriateness or need is recognised, by the Board of Directors.

Accordingly, (i) the Chief Executive Officer, or, in the event of their absence or unavailability, the replacements indicated above or (ii) if the appropriateness or need is recognised, the Board of Directors, identifies the existence of the Conditions for the Delay, having taken into account, in any event, also the provisions contained in the ESMA Guidelines. Having verified the existence of the Conditions for the Delay, they file the documents on the basis of which the assessment was made and which bear witness to the reasons for the Delay, care of the Corporate and Legal Affairs Unit. These documents must reveal all the elements laid down by the ITS 1055 for the proof and notification of the Delay as specified below.

With regard to the Delay in the communication of the Inside Information, the Issuer uses technical instruments which ensure the accessibility, the legibility and the maintenance on a durable medium of the information envisaged by Article 4.1, ITS 1055, indicated below:

**(A) date and time:** **(i)** of the initial existence of the Inside Information care of the Issuer; **(ii)** of the adoption of the decision to delay the divulgation of the Inside Information; **(iii)** of the probable divulgation of the Inside Information by the Issuer;

**(B) identity of the individuals who care of the Issuer are responsible:** **(i)** for the adoption of the decision to delay the divulgation and the decision which establishes the commencement of the period of Delay and its probable end; **(ii)** for the on-going monitoring of the Conditions for the Delay; **(iii)** for the adoption of the decision to communicate the Inside Information to the general public; **(iv)** for the communication to the competent Authority of the information required for the Delay and the explanation in writing;

**(C) proof of the initial satisfaction of the Conditions for the Delay and of any change in this connection occurring during the period of Delay, including:** **(i)** barriers protecting the information erected both internally and externally to prevent access to the Inside Information by other individuals besides those who, care of the Issuer, must access the same during the normal performance of their professional activities or their function; **(ii)** methods drawn up so as to divulge the Inside Information as quickly as possible just as soon as the confidentiality will no longer be able to be guaranteed.

- (b) The Chief Executive Officer, or, in the event of their absence or unavailability, the replacements indicated above, ensure the confidentiality and non-disclosure of the delayed Inside Information, adopting every measure which they deem

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suitable, in the effective case, for ensuring the maintenance of the aforesaid confidentiality (for example, in the case of documents in electronic format, measures are prepared suitable for ensuring a limited access to the related documental system), without prejudice to the observance of the provisions as per Article 4.1, IRS 1055 indicated in the previous letter (a). Accordingly, they immediately inform the Person in charge of keeping the Insider Register in writing, of the activation of the Delay procedure so that the latter takes steps: (i) to establish a specific Single Section relating to the Inside Information and to enrol in said section the parties who have access to said Inside Information; as well as (ii) to warn the parties enrolled in the Single Section and in the Permanent Section of the activation of the Delay procedure (the Single Section and the Permanent Section as both defined in the Insider Register Procedure) and of the necessity of ensuring the confidentiality of the afore-mentioned information by means of a scrupulous observance of the rules of conduct described in Article 4.1 (where applicable).

- (c) During the Delay, the Chief Executive Officer, or, in the event of their absence or unavailability, the replacements indicated above, monitor the permanence of the Conditions for the Delay case by case and, in particular, the confidentiality of the Inside Information whose communication has been delayed.

In the event that the cessation of even just one of the Conditions for the Delay is ascertained (i) the Inside Information must be communicated to the general public as soon as possible, using the formalities as per Article 2 of this Procedure and (ii) immediately after the communication to the general public, the Company must make the notification as per the subsequent letter (d).

Confidentiality is considered to have ceased also in the event that a voice (“rumour”) refers explicitly to Inside Information whose communication has been delayed, when said voice is sufficiently accurate to indicate that the confidentiality of this information is no longer guaranteed (this Article 17.7, MAR).

Pursuant to the matters envisaged by Article 17.8, MAR, when the Company, or a party who acts in the name or on behalf of the same, communicates Inside Information to third parties, during the performance of their professional activities or their function, they are obliged to provide integral and effective communication of this information to the general public, simultaneously in the event of intentional communication and promptly in the event of unintentional communication, unless the individual who receives the Inside Information is bound by a confidentiality obligation, irrespective of the fact that this obligation is legislative, regulatory, statutory or contractual in nature.

- (d) When the communication of Inside Information has been delayed in accordance with this article, the Chief Executive Officer, via the Corporate and Legal Affairs Unit, immediately after the Inside Information has been communicated to the General Public, notifies this Delay to the competent Authorities (as per the formalities established by the same Authority) and provides an explanation in

writing of the formalities used to satisfy the Conditions for the Delay, as well as the information envisaged by ITS 1055 as indicated below.

Pursuant to Article 4.3, ITS 1055, the notification of the Delay to the Authority must include the following information:

- (A) identity of the Issuer: complete corporate name;
- (B) identity of the notifying party: name, surname, position care of the Issuer;
- (C) contact details of the notifying party: e-mail address and work telephone number;
- (D) identification of the Inside Information affected by the Delay in divulgation:
  - (i) title of the divulging announcement;
  - (ii) reference number, if assigned by the system used to divulge the Inside Information;
  - (iii) date and time of the communication of the Inside Information to the general public;
- (E) date and time of the decision to delay the divulgation of the Inside Information;
- (F) identity of all those responsible for the decision to delay the communication of the Inside Information to the general public.

#### **4. GENERAL PRINCIPLES FOR THE COMMUNICATION OF INFORMATION RELATING TO THE ISSUER**

##### **4.1 Confidential Information.**

For the purposes of this Procedure, “confidential information” is understood to be any information or news, not qualifiable as Inside Information, which concerns the Issuer and/or a Group company, which is not in the public domain and which due to its subject matter or its other characteristics is of a confidential nature, acquired by the Recipients during the performance of their duties and/or functions (the “**Confidential Information**”).

The Recipients in possession of Confidential Information are obliged to:

- (a) keep the documents and information acquired when carrying out their duties confidential;
- (b) use the confidential information and documents exclusively for the performance of their functions;
- (c) scrupulously observe the provisions contained in this Procedure, in the event that the Confidential Information subsequently acquires the qualification of Inside Information.

Each Recipient is personally responsible for the custody of the documentation inherent to the Confidential Information which is handed over to them. The documentation inherent to the Confidential Information must be kept by the Recipient, even if in electronic format, in such a way as to permit access to the same only by authorised individuals. If a Recipient must transmit documents or

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information to third parties inherent to the Confidential Information, during the normal performance of their professional activities or their function, they must ascertain that these third parties are bound by a confidentiality obligation in relation to the documents and information received, irrespective of the fact that this obligation is legislative, regulatory, statutory or contractual in nature.

Every relationship of the Recipient with the press and other media bodies, aimed at the divulgence of Confidential Information, shall have to take place exclusively via the Investor Relator unit, which will have to obtain the authorisation of the Chief Executive Officer. In any event, if the documents and the information concerning Confidential Information contain references to data of an economic, equity, financial, investment-related, employment of staff or similar nature, this data shall have to obtain the prior validation of the Manager responsible for preparing the Company's financial reports.

It is understood that (i) the provisions as per Article 4.1 also apply with reference to the Inside Information if this is required in the effective case so as to guarantee the confidentiality of the information and (ii) for the communication to the general public of Inside Information the matters laid down by Article 2 of the Procedure are observed.

#### **4.2 Communication via the website.**

For the purpose of ensuring correct information, the Chief Executive Officer, with the collaboration of the Corporate and Legal Affairs Unit must:

- (i) report the data and information according to suitable editorial standards, which take into account the function of the information which characterises the financial communication to the investors, avoiding the pursuit of promotional ends;
- (ii) ensure, in the event of use of a second language besides Italian, that the content is the same in the two versions, it being understood that the Italian version in any event remains the reference version;
- (iii) always quote the source of the information at the time of publication of data and/or information originating from third parties;
- (iv) specify that the documents published on the website represent the integral version or an extract or summary, in any event indicating the methods for retrieval of the documents in original format;
- (v) as soon as possible divulge a correcting version in which the corrections made in the event of significant and relevant errors in the information already published on the website, are highlighted;
- (vi) make possible references to other websites on the basis of the principles of correctness, neutrality and transparency, so as to permit the user to easily understand which website they are consulting;
- (vii) indicate the source and the effective time of the reading of the data on the

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- listings and on traded volumes of financial instruments possibly reported;
- (viii) maintain the utmost prudence in measures within the financial information website or the discussion forums so as not to alter the informative parity between the Investors.

In order to ensure correct and complete information for the shareholders, the Company will in any case follow any recommendations made in this connection by the competent Authority.

## **5. AMENDMENTS AND ADDITIONS**

- 5.1** The provisions of this Procedure will be up-dated and/or supplemented at the diligence and expense of the Issuer's Board of Directors, having taken into account the legal or regulatory provisions in any event applicable, as well as the applicative experience and the market practices which will be acquired on the subject.
- 5.2** If it is necessary to up-date and/or supplement individual provisions of the Procedure as a consequence of amendments of legal or regulatory norms applicable, or of specific requests originating from the Supervisory Authorities, as well as in cases of proven urgency, this Procedure may be amended and/or supplemented by the Chairman of the Board of Directors or the Chief Executive Officer, with subsequent ratification of the amendments and/or additions by the Board of Directors during the first subsequent meeting.

## **6. INFORMATION FLOWS TO THE SUPERVISORY BODY**

This procedure - in line with the matters envisaged by the Mittel S.p.A Code of Ethics - aimed at ensuring equal information and suppressing the exploitation of advantageous positions in terms of disclosure via insider trading, significant offences what is more for the purposes of Italian Legislative Decree No. 231/2001, should be considered to be an integral part of the Mittel S.p.A. 231 Model.

For the purposes of effective disclosure vis-à-vis the Supervisory Body (SB), all the parties referred to by this procedure are obliged to inform the SB of anomalies or atypical situations noted within the sphere of the available information, and, when requested by the SB, the Head of the Corporate and Legal Affairs Unit will have to ensure, co-ordinating with the individual Units involved in the processes described in this procedure, access to the documentation put together for implementing the provisions of said procedure.

The communications to the Mittel S.p.A. Supervisory Body can also be made via the e-mail address: [odv.mittel@mittel.it](mailto:odv.mittel@mittel.it)

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Annex A: The Inside Information inherent to interim or year-end financial dealings