

**Procedures for transactions with related parties
of Mittel S.p.A.**

adopted by the Board of Directors' Meeting of 23 November 2010, as
amended by the Board of Directors at the meeting on 13 January 2014

Procedures for transactions with related parties

Foreword and regulatory references

This document (hereinafter, the “**Procedures**”), adopted by the Board of Directors of Mittel S.p.A. (hereinafter, “**Mittel**” or the “**Company**”), on 23 November 2010, and subsequently amended on 13 January 2014, drafted pursuant to and in accordance with article 2391-*bis* of the Italian Civil Code and the Regulations adopted by Consob with resolution no. 17221 of 12 March 2010, as amended by Consob resolution no. 17389 of 23 June 2010 (hereinafter, the “**Consob Regulations**”), as well as Consob Communication no. DEM/10078683 of 24 September 2010, establishes the rules set out to ensure transparency and substantial and procedural fairness of transactions with related parties conducted by the Company directly or through subsidiaries.

Disclosure (purpose, contents, methods and time frames) shall remain fully governed by the Consob Regulations.

Article 1 (Scope of application)

1.1. The Procedures set forth the rules concerning related party transactions, including those implemented through subsidiaries.

1.2. A related party transaction (hereinafter “**Related Party Transaction**”) shall be understood as any transfer of resources, services or obligations the Company is involved in (including through subsidiaries) with one or more related parties, regardless of whether it is for valuable consideration.

Mergers, spin-offs by incorporation or strictly non-proportional spin-offs are included, where carried out with related parties.

Decisions relating to the assignment of remuneration and economic benefits, in any form, to members of the management and control bodies and key managers shall also be included, save for the exceptions indicated in these Procedures.

Article 2 (Definition of Related Party)

2.1. A party is a related party (hereinafter, “**Related Party**”) of the Company where the following conditions set forth in the Consob Regulations are met, i.e., where the party:

- (a) directly or indirectly, including through subsidiaries, trustees or third parties:
 - (i) controls Mittel, is controlled by it or is subject to joint control;
 - (ii) holds an investment in Mittel which enables it to exercise significant influence over Mittel;
 - (iii) exercises control over Mittel jointly with other parties;
- (b) is an associate of Mittel;
- (c) is a joint venture in which Mittel participates;
- (d) is a director, statutory auditor or one of the key managers of Mittel or one of its subsidiaries;
- (e) is a close relative of one of the parties set forth in points (a) or (d), above;
- (f) is an entity in which the parties referred to in one of the points (d) or (e) above exercises control, joint control or significant influence or directly or indirectly owns a significant portion, but not less than 20%, of voting rights;
- (g) is a collective or individual, Italian or foreign supplementary pension fund established for the employees of the Company, or of any other entity associated with it.

2.2. For the above purposes, the notions of “control”, “joint control”, “significant influence”, “close family members”, “key managers”, “subsidiary”, “associate” and “joint venture” shall be those set forth in Annex 1, point 2 of the Consob Regulations, as reported in Annex 1 to these Procedures.

Article 3 (Materiality thresholds)

3.1. For the purposes of these Procedures, Material Transactions with Related Parties (hereinafter, “**Material Transactions**”) shall be deemed those in which at least one of the following materiality ratios, applicable depending on the specific transaction, is greater than the 5% threshold:

a) Equivalent-value materiality ratio: the ratio of the equivalent value of the transaction to the equity drawn from the latest consolidated financial statements published by the

Company or, if greater, the Company's capitalisation recorded at the end of the last trading day included in the period covered by the most recent periodic accounting document published (annual financial statements, interim financial statements or interim report).

If the economic conditions of the transaction have been established, the equivalent value of the transaction is:

- i) for the cash components, the amount paid to/by the contractual counterparty;
- ii) for the financial instrument components, the fair value determined as at the transaction date, in compliance with the international accounting standards adopted with Regulation (EC) no. 1606/2002;
- iii) for loan transactions or granting of guarantees, the maximum amount which may be disbursed.

If all or part of the economic conditions of the transaction depend on amounts not yet known, the equivalent value of the transaction shall be the maximum amount receivable or payable pursuant to the agreement.

b) Asset materiality ratio: the ratio of the total assets of the entity involved in the transaction to the total assets of the Company. Data to be used shall be drawn from the most recent consolidated balance sheet published by the Company. Whenever possible, similar data must be used to determine the total assets of the entity involved in the transaction.

For acquisitions and disposals of investments in companies that affect the scope of consolidation, the value of the numerator is the total assets of the company invested in, irrespective of the percentage of capital being disposed.

For acquisitions and disposals of investments in companies that do not affect the scope of consolidation, the value of the numerator is:

- i) for acquisitions, the equivalent value of the transaction plus any liabilities of the acquired company taken over by the buyer;
- ii) for disposals, the consideration received for the discontinued asset.

For acquisitions and disposals of other assets (different from the acquisition of an investment), the value of the numerator is:

- i) for acquisitions, the greater of the consideration and the book value to be assigned to the asset;
- ii) for disposals, the book value of the asset.

b) Liability materiality ratio: the ratio of the total liabilities of the acquired entity to the total assets of the Company. Data to be used shall be drawn from the most recent consolidated balance sheet published by the Company. Whenever possible, similar data must be used to determine the total liabilities of the company or the business branch acquired.

3.2. In the event of the accumulation of several transactions, the Company shall firstly determine the materiality of each transaction based on the applicable ratio or ratios set forth in Article 3.1 above. To verify whether the thresholds set forth in Article 3.1 above are exceeded, the results for each ratio are added together.

3.3. Related party transactions that involve small amounts (hereinafter, “**Transactions involving Small Amounts**”) are transactions with an equivalent unit value that does not exceed that set forth for the specific type of transaction:

TYPE	AMOUNT
Transactions in equity investments	EUR 200,000
Disbursement of loans	EUR 200,000
Taking on loans	EUR 200,000
Services and assignments	EUR 100,000
Hiring employees and contractors	EUR 50,000 per year

3.4. Non-material transactions with related parties (hereinafter, “**Non-Material Transactions**”) are related party transactions that lack the characteristics of Material Transactions and Transactions involving Small Amounts.

Article 4 (Exempt transactions)

4.1. In accordance with that set forth in article 13 of the Consob Regulations, the Procedures shall not apply:

- (a) to Transactions involving Small Amounts (as defined in Article 3.3 above);
- (b) to compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to article 114-*bis* of the Consolidated Law on Finance and their enactment transactions, save for the disclosure obligations pursuant to article 154-*ter* of the Consolidated Law on Finance;
- (c) without prejudice to the assumptions in article 13, subsection 1 of the Consob Regulations, to the resolutions concerning the remuneration of directors holding specific roles and other key managers, provided that:
 - i) the Company has adopted a remuneration policy;
 - ii) a specifically established committee exclusively comprised of Non-Executive Directors, with a majority of Independent Directors has been involved in defining the remuneration policy;
 - iii) a report illustrating the remuneration policy has been submitted to the approval or advisory vote of the Shareholders' Meeting;
 - iv) the remuneration assigned is in line with that policy.

4.2. Furthermore, the Procedures shall not apply in the event of Ordinary Transactions concluded at arm's length or standard economic conditions, as defined by Article 5 below, without prejudice, in these cases, to the disclosure obligations set forth in point c) of article 13, subsection 3 of the Consob Regulations.

4.3 The Procedure also does not apply to transactions with or between subsidiaries, including jointly-controlled subsidiaries, and to transactions with associates, providing there are no significant interests of other related parties of the company in the counterparty subsidiaries or associates in the transaction. For the purposes of application of the exemption set out in this article 4.3, significant interests are, by way of an example, and without prejudice to the necessary checks to be carried out in the actual case, (a) significant influence exercised by a related party of the company over the counterparty

subsidiary or associate in the transaction: (b) a situation whereby one or more directors or other key managers of the company benefit from financial instrument-based incentive plans (or, in any case, variable remuneration) dependent on the results achieved by the counterparty subsidiary or associate in the transaction: in that case, the valuation of significance is conducted in light of the weight assumed by the performance-related remuneration of the subsidiary or associate (including the aforementioned incentive plans) with respect to total remuneration of the director or key manager. By contrast, interests deriving from the mere sharing of one or more directors or key managers between the company and subsidiaries or associates are not considered significant interests.

Article 5 (Ordinary transactions)

5.1. Ordinary transactions (hereinafter, “**Ordinary Transactions**”) are transactions which are part of normal business operations and the related financial operations, such as, by way of example, the following:

i) transactions with companies that are related parties of the Group:

- supply of general and administrative services among Group companies;
- activities connected to the Group Treasury services;
- intercompany loans and surety obligations;
- purchases and sales of securities and investments among Group companies;
- intercompany assignment of IRES (corporation tax)/VAT credits;
- granting of guarantees by Group companies in favour of companies the Group has invested in.

ii) transactions with related parties other than Group companies

- invoicing of administrative and consulting services which are part of ordinary operations of the Group companies to physical persons and companies which fall under the widest definition of related parties;

5.2. Arm’s length or standard conditions shall mean conditions equivalent to those usually applied to unrelated parties for transactions with an equivalent nature, amount or risk, or based on regulated rates or set prices or those applied to parties with which the Company is legally obligated to contract for a specific consideration.

5.3. To assess the fairness of the consideration, where possible and based on the transaction type, reference shall be made to:

- current price and/or rate for that type of transaction;
- market practice;
- commercial practices;
- stock market prices;
- recognised valuation principles.

Article 6 (Supervisor of the Procedures and Related Party Committee)

6.1. The Board of Directors shall appoint one or more senior managers to supervise the correct application of the Procedures (hereinafter, the “**Supervisor of the Procedures**”), selecting the General Manager or the Chief Financial Officer, or both. In carrying out their duties, these persons shall use the support of the company departments interested in each case, and, specifically, the Internal Control department, as well as, every time it is deemed necessary, shall use suitable software or the support of independent external consultants. The Company undertakes to provide a suitable expenditure budget so the Supervisor of the Procedures may fulfil his/her obligations. The Company may resolve on compensation for the Supervisor of the Procedures with regard to the actual workload taken on in carrying out his/her functions.

6.2. The Board of Directors shall set up a Committee for Transactions with Related Parties (hereinafter, “**Related Party Committee**”), composed of at least 3 Standing Independent Directors and, where available, 2 alternates (hereinafter, the “**Alternate Independent Directors**”), indicating the order of the latter.

6.3. The Alternate Independent Directors shall temporarily substitute the Independent Directors, in the order indicated, as a result of instructions from the Supervisor of the Procedures, to examine Transactions with Related Parties where one or more Standing Independent Directors is a party to a specific transaction or related parties thereof.

6.4. The Alternate Independent Directors shall join the Related Party Committee, in the order indicated, also in the event that a standing member leaves office for any reason, or if the member no longer meets the independence requirements set forth in the Procedures. In that case, the Alternate Independent Director shall remain in office until the next meeting of the Board of Directors called to resolve on completion of the Related Party Committee.

6.5. Members of the Related Party Committee shall hold committee meetings to consult and share their opinions with each other. On the outcome of these meetings and consultations, the Related Party Committee will be asked to make the decisions assigned to it by these Procedures, by majority vote. In the first possible meeting following its creation, the Related Party Committee shall appoint its Chairman, who will be in charge of

coordinating the work of the Committee, maintaining privileged relations and correspondence with the Supervisor of the Procedures and any other body, department or officer of the Company the Committee must interact with, ensuring full, prompt disclosure to other members of the Committee. Specific minutes must be drawn up of the meetings of the Related Party Committee.

6.6. If it is not possible to set up or supplement a Related Party Committee formed of at least three Independent Directors, the decisions and prerogatives of the Related Party Committee are jointly assigned to all the Independent Directors on the Board of Directors or, where there are fewer than two Independent Directors, to an independent expert specifically appointed by the Board of Directors on proposal by the Board of Statutory Auditors.

6.7. The members of the Related Party Committee are entitled to compensation to be determined pursuant to article 2389, subsection three of the Italian Civil Code, also considering the number and complexity of the Transactions with Related Parties concretely submitted to the Committee's examination during the financial year. The compensation may be differentiated for the Chairman of the Related Party Committee.

Article 7 (Independent Directors)

7.1. Mittel has accepted the Corporate Governance Code promoted by Borsa Italiana S.p.A. Therefore, to assess the independence requirements, the Company applies the application principles and criteria as included in Mittel's Corporate Governance Code. Note, however, that this application did not include the criterion which states that directors who have held that office for a period exceeding nine years do not classify as independent.

7.2. Therefore, also for the purposes of these Procedures, a Director shall not be considered independent if he/she:

- a) directly or indirectly, including through subsidiaries, trustees or intermediaries, controls Mittel or is able to exercise a significant influence over Mittel, or participates in a shareholders' agreement through which one or more parties may exercise control or a significant influence on the issuer;

- b) is, or has been in the preceding three financial years, a significant officer of Mittel, of one of its subsidiaries of strategic importance or of a company subject to joint control with the Company, or a company or entity controlling Mittel or able to exercise a significant influence, also jointly with others through a shareholders' agreement;
- c) has, or had in the previous financial year, directly or indirectly (e.g. through subsidiaries or companies of which he/she is a significant officer, or in the capacity as partner of a professional firm or a consulting firm), a significant commercial, financial or professional relationship:
 - with the Company, one of its subsidiaries or one of its significant officers;
 - with a party which, also jointly with others through a shareholders' agreement, controls Mittel or – in the case of a company or an entity – with the relevant significant officers;or is, or has been in the preceding three financial years, an employee of one of the above parties;
- d) receives, or has received in the preceding three financial years, from Mittel or from a subsidiary or parent company thereof a significant additional remuneration compared to the "fixed" fee for a non-executive director of the Company, including participation in incentive plans linked to the company's performance, including stock option plans;
- e) holds the office of director in subsidiaries of Mittel;
- f) holds the office of executive director in another company in which an executive director of Mittel holds the office of director;
- g) is a shareholder, quotaholder or director of a company or entity belonging to the same network as the company assigned to audit the issuer's accounts;
- h) is a close relative of a person who is in any of the positions listed in the above points.

Article 8 (Information concerning related parties)

8.1. Every six months, the Supervisor of the Procedures collects the disclosures from persons who are related parties of Mittel, through Mittel's Directors, the Statutory Auditors and the Key Managers. These persons shall in any event promptly provide the Company with all the information needed to identify the Related Parties and transactions with them.

8.2. The Supervisor of the Procedures reports the outcome of his census to the Related Party Committee, possibly highlighting positions which are difficult to interpret.

8.3. In cases where the identification of a related party is complex or disputed, the Supervisor of the Procedures, as well as the Related Party Committee may use the assistance of one or more experts, who shall express their opinion, or request an opinion from the Internal Control Committee or the Board of Statutory Auditors.

8.4. The Supervisor of the Procedures is responsible for keeping the list of related parties and updating it based on the information received. The Supervisor ensures that the content of the list is available to personnel of the Company and its subsidiaries.

Article 9 (Launch of the Procedures and disclosure on the execution of Transactions)

9.1. Before initiating negotiations or finalising a Transaction with Related Parties, the persons involved in the transaction - whether the transaction is to be executed by Mittel or by one of its subsidiaries - shall immediately notify the General Manager of Mittel or the subsidiary's top manager of operations (hereinafter, the "**Operational Supervisor**"). In turn, the Operational Supervisor shall transmit the disclosure to the Supervisor of the Procedures.

9.2. The Supervisor of the Procedures examines the Transaction submitted to his attention, and provides instructions on the procedures to be followed, specifically highlighting, among other information, whether the transaction is a Material Transaction or a Non-Material Transaction, or if a cause for exemption applies pursuant to these Procedures. If necessary, the Supervisor shall make the replacements pursuant to article 6.3. Without prejudice to the right to use the support of the Internal Control department, as well as any external independent consultants, where the Supervisor of the Procedures deems it suitable, he/she shall involve the Related Party Committee in the preliminary examination pursuant to this article 9.2, and may request the opinion of the Internal Control Committee and the Board of Statutory Auditors.

9.3. Following their execution, Transactions with Related Parties, even those not subjected to these Procedures as they were exempt, are reported, through the Supervisor of the

Procedures, to Mittel's Board of Directors and Board of Statutory Auditors on a quarterly basis, based on the following:

- a) after the transaction has been implemented, the Operational Supervisor shall draw up a note containing all the information concerning the transaction, useful for understanding the transaction, and sends it to the Supervisor of the Procedures;
- b) based on the notes received in the reference period, the Supervisor of the Procedures draws up a quarterly statement concerning the transactions executed, which is reported to the Board of Directors and the Board of Statutory Auditors pursuant to regulations in force.

Article 10 (Material Transactions)

10.1. Material Transactions are reserved to the exclusive responsibility of Mittel's Board of Directors, on obtaining the justified opinion in favour from the Related Party Committee on the Company's interest in carrying out the transaction as well as on cost effectiveness and substantive correctness of the related conditions.

10.2. It is also necessary to submit Material Transactions to Mittel's Board of Directors when the transaction is to be executed through subsidiaries, as, in that case, the board's decisions must follow a necessary recommendation, to be promptly notified to the competent bodies of the subsidiary.

10.3. The Supervisor of the Procedures shall ensure that the members of the Related Party Committee are involved in the negotiation stage and the preliminary investigation stage through their receipt of complete, timely disclosure, granting them the right to request information and make observations to the Operational Supervisor or, in any event, to the persons concretely assigned to conduct the negotiations or preliminary investigation.

10.4. The Related Party Committee may use the assistance, at the Company's expense, of one or more independent experts chosen by the Committee, up to the maximum expenditure limit of 0.5% of the value of the transaction and, in any event, not exceeding EUR 75,000. However, these limits may be exceeded through prior consultation with the General Manager.

10.5. For the purpose of the justified opinion pursuant to article 10.1 above, the Operational Supervisor or the person assigned by him shall draw up an informative note summarising the characteristics of the transaction, which were already communicated in fulfilling the disclosure and involvement obligations pursuant to article 10.3 above. Where the conditions of the transaction are defined as arm's length or standard, it must also be specified that the documentation provided to the Related Party Committee must contain objective elements of proof. The note and the related documentation shall be delivered through the Supervisor of the Procedures without delay and, in any event, at least three working days prior to any meeting of Related Party Committee scheduled to examine the Transaction.

10.6. The justified opinion of the Related Party Committee must be provided to the directors at least three working days prior to the meeting scheduled to approve the transaction or, in any event, provided along with any other documentation given to the Board of Directors for the purposes of the meeting.

10.7. The above provisions of article 10, where matters under the responsibility of the Shareholders' Meeting are concerned, shall apply with regard to the Board of Directors' adoption of the proposal to submit to the Shareholders' Meeting.

10.8. If the Related Party Committee issues a contrary opinion, the transaction cannot be implemented and no proposal may be submitted to Shareholders.

10.9. Following the approval of Material Transactions, an informative document is drawn up to be made available to the public by the deadlines set forth in the Regulations.

Article 11 (Non-Material Transactions)

11.1. Non-Material Transactions, as defined in article 3.4 above, are submitted in advance, even if they will be carried out through subsidiaries, examination by the Related Party Committee, which expresses a non-binding justified opinion on the Company's interest in

carrying out the transaction as well as on cost effectiveness and substantive correctness of the related conditions.

11.2. The Related Party Committee may use the assistance, at the Company's expense, of one or more independent experts chosen by the Committee, up to the maximum expenditure limit of 0.10% of the value of the transaction and, in any event, not exceeding EUR 20,000.

11.3. The procedures set forth in article 10 above shall apply, *mutatis mutandis*, to Non-Material Transactions, specifying that if the approval of the transaction does not fall under the responsibilities of the Board, the Operational Supervisor shall be considered the supervisor of the transaction.

11.4. Where the transaction has been implemented in the presence of a contrary opinion from the Related Party Committee, the Operational Supervisor shall send the Supervisor of the Procedures a note illustrating the reasons why he did not agree with the opinion, without prejudice to additional obligations, including those set forth in article 7, subsection 1, point g) of the Consob Regulations, including the recording of minutes, set forth in said Regulations.

Article 12 (Miscellaneous).

12.1. The use of framework resolutions is not envisaged.

12.2. The Supervisor of the Procedures shall ensure that the preliminary investigation, approval and execution of transactions with related parties are promptly disclosed also to the Manager responsible for preparing the Company's financial reports.

12.3. The Procedures cannot be derogated from for reasons of urgency.

12.4. Amendments to the Procedures shall be approved by the Board of Directors, having obtained the assent of the Related Party Committee. In any event, the Board of Directors shall periodically assess, at least annually, having obtained the opinion of the Committee, the need or option of revising the Procedures.

12.5. This version of the Procedures shall apply from 13 January 2014.

12.6. The Procedures are published on the Company's website, in the Corporate Governance section.

Annex 1

DEFINITIONS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES AND FUNCTIONAL DEFINITIONS THEREOF

1. Definitions of related parties and transactions with related parties. For the purposes of article 3, paragraph 1, letter a), of this regulation the following definitions apply:

Related parties

A party is a related party of a company if it:

- (a) directly or indirectly, including through subsidiaries, trustees or third parties:
 - (i) controls the company, is controlled by it, or is subject to joint control;
 - (ii) holds an investment in the company which enables it to exercise significant influence over it;
 - (iii) exercises control over the company jointly with other parties;
- (b) is an associate of the company;
- (c) is a joint venture in which the company participates;
- (d) is one of the key managers of the company or its parent company;
- (e) is a close relative of one of the parties set forth in points (a) or (d);
- (f) is an entity in which one of the parties referred to in letters (d) or (e) exercises control, joint control or significant influence or directly or indirectly owns a significant portion, but not less than 20%, of voting rights;
- (g) is a collective or individual, Italian or foreign, supplementary pension fund established for the employees of the company, or of any other entity associated with it.

Transactions with related parties

A related party transaction is understood as any transfer of resources, services or obligations between related parties, regardless of whether or not a consideration has been agreed.

In any case, the following are included:

- mergers, spin-offs by incorporation or strictly non-proportional spin-offs, where carried out with related parties;
- all decisions relating to the assignment of remuneration and economic benefits, in any form, to members of management and control bodies and key managers.

2. Functional definitions to those of “related parties” and “related party transactions”

For the purposes of the above definitions, the notions of “control”, “joint control”, “significant influence”, “close relatives”, “key managers”, “subsidiary”, “associate” and “joint venture” are as follows.

Control and joint control

Control is the power to determine the financial and management policies of an entity so as to obtain benefits from its activities.

Control is presumed to exist when a party owns, directly or indirectly through its subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a party owns half or less of the voting rights which can be exercised at shareholders’ meetings if they have:

(a) control of more than half of the voting rights by virtue of an agreement with other investors;

(b) the power to determine the financial and management policies of an entity based on articles of association of or an agreement;

(c) the power to appoint or remove the majority of the members of the board of directors or equivalent corporate governance body, and control of the entity is held by that board or body;

(c) the power to exercise the majority of voting rights at meetings of the board of directors or equivalent corporate governance body, and control of the entity is held by that board or body.

Joint control is the contractually agreed sharing of control of an economic activity.

Significant influence

Significant influence is the power to participate in determining the financial and management policies of an entity without having control thereof. Significant influence may be achieved through share ownership, through clauses in the articles of association or agreements.

If a party owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the votes which can be exercised in the shareholders’ meeting of the investee, it is presumed to have significant influence, unless it can be clearly demonstrated otherwise. Conversely, if the party owns, directly or indirectly (e.g. through subsidiaries), less than 20% of the votes which can be exercised in the shareholders’ meeting of the investee, it is presumed that investor does not have significant influence, unless such influence can be clearly demonstrated. The presence of a party in possession of an absolute or relative majority of voting rights does not necessarily preclude another party from having significant influence.

The existence of significant influence is usually evidenced by one or more of the following circumstances:

- (a) representation on the board of directors, or equivalent body, of the investee;
- (b) participation in the decision-making process, including participation in decisions regarding dividends or any other type of distribution of profits;
- (c) the existence of material transactions between the investor and the investee;
- (d) the exchange of managerial personnel;
- (e) the provision of essential technical information.

Key managers

Key managers are those parties who have the power and responsibility, directly or indirectly, of planning, directing and controlling company operations, including directors (whether executive or otherwise) of said company.

Close relatives

Close relatives of a party are those family members who may be expected to influence or be influenced by the interested party in their relations with the company.

They may include:

- (a) the non-legally separated spouse and cohabiting partner;
- (b) the children and dependants of the party, of the non-legally separated spouse or of the cohabiting partner.

Subsidiary

A subsidiary is an entity, even without legal personality, as in the case of a partnership, which is controlled by another entity.

Associate

An associate is an entity, even without legal personality, as in the case of a partnership, in which a shareholder exercises significant influence but not control or joint control.

Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity subject to joint control.

3. Principles for interpreting the definitions

3.1 In considering each transaction with related parties, attention must be focused on the substance of the relationship and not merely on its legal form.

3.2 The definitions above shall be interpreted by referring to the set of international accounting standards, adopted under the procedure referred to in article 6 of Regulation (EC) no. 1606/2002.