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1 OBJECTIVE AND SCOPE

This procedure (the “**Procedure**”) has been adopted by Cementir Holding S.p.A. implementing Article 2391-bis of the Italian Civil Code and the regulation with provisions on related-party transactions adopted by CONSOB with resolution no. 17221 of 12 March 2010 as amended (the “**Related Parties Regulation**”), also considering the indications and guidelines for adopting the Related Parties Transaction provided by CONSOB in the communication DEM/10078683 of 24 September 2010; it sets out the rules governing the approval, performance and disclosure of related-party transactions (defined herein as “**OPC**”) undertaken by the Company directly or through subsidiaries (the “**Subsidiaries**”) pursuant to Article 93 of Italian Legislative Decree no. 58 of 24 February 1998 as amended (the “**Consolidated Law on Financial Intermediation or TUF**”), to ensure the substantial and procedural transparency and fairness of transactions.

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2 DEFINITIONS

2.1 Definitions and acronyms

Company	Cementir Holding SpA
Chairman	Chairman of the Board of Directors of the Company
BoD	Board of Directors of the Company
CS	Statutory Board of Auditors of the Company
CPC	Related-Parties Committee of the Company: in the context of this Procedure, the relative functions will be performed by the Independent Directors Committee of the Company
OdV	Supervisory Body of the Company, established pursuant to Italian Legislative Decree no. 231/2001
DP	Financial Reporting Officer
CFO	Chief Financial Officer of the Company
CFO OPCOS	Chief Financial Officer of Subsidiaries or equivalent positions as of the organisation chart of respective companies
CIAO	Chief Internal Audit Officer of the Company
GGC	Group General Counsel of the Company
LEG	Legal department of the Company
LEG OPCOS	Legal department of Subsidiaries
OPC	Related-party transaction
OPCOS	Operating company of the Cementir Holding Group
RESP	Manager of the organisational unit overseeing a transaction
Listed Parent	Caltagirone SpA
Subsidiaries	Any entity, established under the laws of Italy or another country, directly or indirectly controlled by the Company, as indicated from time to time in the Consolidated Financial Statements of the Company
Associate	Any entity in which the Company has significant influence but not control or joint control, as indicated from time to time in the Consolidated Financial Statements of the Company

2.2 Other definitions

Besides the terms already defined in this Procedure, the following definitions will also apply:

Independent Directors :the Directors of the Company that meet the requirements for independence established in the Consolidated Law on Financial Intermediation and the Corporate Governance Code

Corporate Governance Code: the Corporate Governance Code of listed companies adopted in march 2006

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by the Corporate Governance Committee and endorsed by Borsa Italiana S.p.A., as amended

Key executives: Persons having authority and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Company (see Related Parties Regulation - Attachment 1).

Related-Party Transactions or OPC: in compliance with provisions in Attachment 1 to the Related Parties Regulation, related-party transaction means any transfer of resources, services or obligations between Cementir Holding (or the companies it directly and/or indirectly controls) and one or more Related Parties, regardless of whether a price is charged.

Significant OPC: significant OPCs are transactions in which at least one of the following thresholds (referred to the Company also if the OPCs are carried out between Subsidiaries or Associates) applicable depending on the case, exceeds the limit of 5% (the “Limit”):

- a) **Value threshold:** this is the ratio between the value of the OPC¹ and equity, taken from the most recent (consolidated) statement of financial position published by the Company or, if greater, the market capitalisation of the Company recorded at the end of the last trading session in the reporting period of the most recent periodic financial document published (annual financial statements, half-year report or interim financial report).
- b) **Assets threshold:** this is the ratio between the total assets of the entity involved in the OPC and the total assets of the Company taken from the most recent (consolidated) statement of financial position published by the Company; where possible, similar data must be used to determine the total assets of the entity involved in the OPC.
- c) **Liabilities threshold:** this is the ratio between the total liabilities of the entity acquired and the total assets of the Company taken from the most recent (consolidated) statement of financial position published by the Company. Where possible, similar data must be used to determine the total liabilities of the company or business unit acquired².

For OPCs with the Listed Parent or with entities related to said, that in turn are related to the Company, the limit is reduced to 2.5%.

¹ The value of the OPC is:

- i) for cash components, the amount paid to/by the other party to the agreement;
- ii) for components comprising financial instruments, the fair value determined, at the date of the OPC, in compliance with IAS/IFRS;
- iii) for OPCs concerning loans or guarantees, the maximum amount that may be disbursed.

If the financial conditions of the OPC depend entirely or in part on parameters not yet known, the value of the OPC is the maximum value that may be received or paid pursuant to the agreement.

² In determining total liabilities, liabilities recognised in the statement of financial position of the acquired entity comprising equity are not considered. In particular, item (R) of section 54 of IAS 1 is excluded, or, in the case of financial statements prepared according to Italian accounting standards, item "A" of liabilities pursuant to Article 2424 of the Italian Civil Code). As for the assets threshold, the total of items included in Article 2424 of the Italian Civil Code as assets in the statement of financial position are considered. Alternatively, if the company uses different financial statements, the total of different categories of assets, as recognised in its statement of financial position, may be considered.

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Significant Transactions also include transactions which are uniform or part of a uniform agreement, carried out, during the period, with the same related party, or with parties related to the latter or to the Company that, although not classifiable individually as Significant Transactions, exceed thresholds, if considered together.

This requirement also applies to OPCs carried out by Subsidiaries but not to OPCs which qualify for exclusion pursuant to Article 6 of this Procedure.

Non-significant OPCs: OPCs other than Significant Transactions and Minor Transactions.

Minor transactions: OPCs of an amount or total value, for each transaction, of no more than €250,000;

Related parties: the entities as of Article 3 below;

Issuer Regulation :The Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999 as amended;

Related Parties Regulation: The Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010 as amended;

Unrelated partners: entities with voting rights other than the party of a given transaction and other Parties Related to the other party of a given transaction or to the Company.

Terms not specifically defined in this Procedure have the meaning given to them in the Related Parties Transaction, to which reference is made for all further information not included in this Procedure.

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2.3 Diagram of responsibilities

Role	Responsibility
BoD	<ul style="list-style-type: none"> Monitors the correct adoption of this procedure
Related Parties Committee	<ul style="list-style-type: none"> Gives its non-binding opinion on Non-significant OPCs Gives its binding opinion on Significant OPCs
CS	<ul style="list-style-type: none"> Monitors the conformity of this procedure to principles in the CONSOB Regulation Monitors compliance with and the correct adoption of this procedure
Chief Financial Officer / Financial Reporting Officer	<ul style="list-style-type: none"> Verifies whether a transaction is with (listed) related parties; if affirmative, informs the GGC (and LEG OPCOS if the OPC is with or between Subsidiaries) Evaluates the type of OPC with the GGC Prepares information on Non-significant OPCs, sends it to the GGC that forwards it to the CPC Reports quarterly to the BoD and CS on Non-significant OPCs Files Non-significant OPCs Prepares information on Significant OPCs, sends it to the GGC that forwards it to the CPC Collects and retains adequate information about OPCs performed in the reporting period.
Group General Counsel	<ul style="list-style-type: none"> Reviews the list of related parties before sending it to the Listed Parent, the CFO, the CFO OPCOS and LEG OPCOS Evaluates the type of OPC with the CFO
Company Legal Department	<ul style="list-style-type: none"> Prepares and updates the list of related parties, including Minor OPCs and excluded OPCs
Manager	<ul style="list-style-type: none"> Sends information on the transaction to the CFO OPCOS

2.4 Related Parties Committee

The Related Parties Committee comprises only independent directors pursuant to the Consolidated Law on Financial Intermediation and Corporate Governance Code.

The CPC carries out the functions indicated in this Procedure, in the Related Parties Regulation and in applicable regulations, and in particular:

- i) it gives its prior opinion on the approval of and amendments to the Procedure, and on proposals to submit to the Shareholders' Meeting of the Company concerning any amendments to the Articles of Association identified by the Board of Directors as necessary, within the framework of defining the OPC procedure;
- ii) it gives its binding opinion, with due reasons, on Significant Transactions and its non-binding opinion, with due reasons, on Non-significant Transactions;
- iii) it is involved in the preliminary stage of Significant Transactions, promptly receiving complete information and requesting information if necessary; and
- iv) it assists relevant company functions in preliminary checks of Related Parties and OPCs pursuant to the Procedure and to applicable regulations.

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3 RELATED PARTIES

3.1 Definition of Related Parties

An entity is a *party related* to the Company if:

- a) directly or indirectly, also through subsidiaries, trust companies or third parties:
 - i) it controls³ the Company, is controlled by it or is subject to common control⁴;
 - ii) it holds an investment in the Company that is such that it has significant influence⁵ over the latter;
 - iii) it exercises control over the Company jointly with other entities;
- b) it is an associate⁶ of the Company;
- c) it is a joint venture in which⁷ the Company participates;
- d) he/she is a Director or Standing Auditor of the Company, or a Key Executive of the Company or its parent.
- e) he/she is a close family member⁸ of one of the entities as of points (a) or (d) above;

³ “**Control**” is the power to govern the financial and operating policies of another entity so as to benefit from its activities. Control is presumed to exist when an entity owns, directly or indirectly through its subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when an entity owns half or less of the voting power of an entity when there is: (a) power over more than half of the voting rights by virtue of an agreement with other investors; (b) power to govern the financial and operating policies of the entity under a statute or an agreement; (c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; (d) power to cast the majority of votes at meetings of the Board of Directors or equivalent governing body and control of the entity is by that board or body (see the *Related Parties Regulation - Attachment 1*).

⁴ Joint control is the contractually agreed sharing of control over an economic activity.

⁵ Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement. Significant influence is always presumed if an entity has, directly or indirectly, at least 20% of the votes that may be cast at the shareholders' meeting of the investee, unless proved otherwise. If, instead, an entity has, directly or indirectly (for example through subsidiaries) less than 20% of the votes that may be cast at the shareholders' meeting of the investee, it is presumed that the investor does not have a significant influence, unless such an influence can be clearly demonstrated. The presence of an entity with the absolute or relative majority of voting rights does not necessarily exclude another entity from having a significant influence. The existence of a significant influence usually occurs in one or more of the following circumstances:

- (a) being a member of the board of directors, or equivalent board, of the investee;
 - (b) participating in the decision-making process, including participating in decisions concerning dividends and other types of distribution of profit;
 - (c) the presence of significant transactions between the investor and investee;
 - (d) the exchange of executive personnel;
 - (e) the provision of essential technical information.
- (see the *Related Parties Regulation - Attachment 1*)

⁶ An associate is an entity, also without legal status, i.e. partnerships, over which an investor has significant influence but not control or joint control (see the *Related Parties Regulation - Attachment 1*).

⁷ Joint Venture means a contractual agreement whereby two or more parties undertake an economic activity subject to joint control (see. (the *Related Parties Regulation - Attachment 1*).

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f) it is an entity in which one of the entities indicated in points (d) or (e) above, has control, joint control or significant influence over one of the entities or holds, directly or indirectly, a significant portion, which in any case is not less than 20%, of voting rights;

g) it is an Italian or foreign, group or individual, supplementary pension fund, established in favour of employees of the Company or of any other related entity and established or promoted by the Company and for whom the latter may exercise influence.

In case of doubt, the CFO assisted by the GGC, will evaluate whether a party may be considered or otherwise as "Related", based on the specific circumstances. The outcome of this evaluation is submitted to the CPC for its opinion.

Pursuant to Article 4, paragraph 2 of the Related Parties Regulation, this procedure does not apply to entities other than the Related Parties identified in Article 3 herein.

3.2 List of Related Parties

The Company establishes a specific list, kept by the LEG, in which Related Parties identified pursuant to Article 4.1 "List of Related Parties" are registered.

This list has two sections:

- Companies/Corporate Bodies;
- Natural Persons and entities related to them.

The Related Parties List is prepared and updated by:

- a) the LEG, as regards Companies/Corporate Bodies and Natural Persons for Directors and Statutory Auditors and entities related to them;
- b) the personnel department, as regards Natural Persons for (i) key executives of companies of the Cementir Holding Group and entities related to them, as well as (ii) key executives of the entity controlling Cementir Holding and entities related to them.

LEG will notify each Director, Standing Auditor and Key Executives of the Company as well as the entity controlling Cementir Holding, in writing, that they have been registered in the list, requesting that they send information about their close family members, entities in which they or their close family members have control, also jointly, or significant influence or hold a significant portion, which in any case is at least 20%, of voting rights.

⁸Close family members of an entity are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Company. They may include: a) the spouse or domestic partner; | (b) | the children and dependants of the person, of the person's spouse or domestic partner (see the *Related Parties Regulation - Attachment 1*).

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The Directors, Statutory Auditors and Key Executives of companies of the Cementir Holding Group shall promptly notify the LEG of any significant change concerning entities related to them.

The Related Parties List, subject to revision by the GGC/CFO, is sent every six months by the LEG to the Listed Parent and to the CFO OPCOS and LEG OPCOS for any updates.

In any case, the LEG will update the Related Parties List when it receives notification from the above entities of any changes that they must disclose to the Company, forwarding it to the Listed Parent and to the OPCOS. (CFO OPCOS/LEG OPCOS).

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RESPs (the relevant entities of the Company and Subsidiaries with powers) that wish to carry out a transaction for more than €250,000 shall inform the CFO or CFO OPCOS, notifying the identifying data of the other party, before starting negotiations.

The CFO or CFO OPCOS then checks the identifying data of the other party and type of relation, based on the Related Parties List.

If the transaction is an OPC, the RESP will give the CFO the information requested in **Attachment 1**.

The CFO then involves the GGC, carrying out necessary controls and checking whether (a) the transaction is an OPC pursuant to the Related Parties Regulation and this Procedure, and also whether it is a Significant Transaction or Non-significant Transaction; or if (b) the transaction qualifies for exemption as indicated in this Procedure.

If an OPC is identified and the proposed transaction does not come qualify for exemption, the CFO, assisted by the GGC, promptly starts procedures to comply with the requirements of this Procedure and applicable legislation.

5 TRANSACTIONS NOT COVERED BY THE SCOPE OF THIS PROCEDURE

5.1 Definition of “Excluded Transactions”

The provisions of this Procedure do not apply to resolutions of shareholders' meetings as of Article 2389, paragraph one, of the Italian Civil Code, relative to fees owing to Company Board members, nor to resolutions concerning the fees of directors with particular duties that are within the total amount decided by the Shareholders' Meeting pursuant to Article 2389, paragraph three, of the Italian Civil Code and the Articles of Association of the Company, nor to resolutions of the shareholders' meeting as of Article 2402 of the Italian Civil Code relative to fees owing to members of the Board of Statutory Auditors of the Company.

The provisions of this Procedure do not apply to Minor Transactions, meaning transactions for amounts that

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do not exceed €250,000. It is not possible to break down an OPC into several separate transactions, despite the total value of the OPC, so that the OPC qualifies for exemption concerning the minor transaction value.

Without prejudice to the periodic financial reporting obligations in Article 5, paragraph 8 of the⁹ of the Related Parties Regulation, this Procedure does not apply to the following transactions:

(a) **Intergroup transactions**, i.e. OPCs carried out with or between subsidiaries and with associates provided that other related parties of the Company identified as significant do not have interests in the subsidiaries or associates.

Interests arising from the Company and the subsidiaries or associates having the same director(s) or other key executives are not considered as **significant interests**. The Company uses the following criteria to evaluate the significance of interests:

- i) any significant capital relations existing between subsidiaries or associates, on the one hand, and directors, auditors or key executives of the Company involved in the OPC, on the other hand;
- ii) the existence of any particular interest of directors, or key executives, that are beneficiaries of incentive plans related to the results of subsidiaries or associates with whom the OPC is carried out;
- iii) the hypothesis that the subsidiary or associate is an investee (even indirectly, through entities other than the Company) of the parent of the Company, when the actual weight of the investment held by the parent in the company with whom the OPC is carried out exceeds the actual weight of the investment held by the parent in the Company¹⁰.

In these circumstances, the significance of interests is evaluated by the CFO/GGC; however if the OPC involves Subsidiaries, the CFO OPCOS and LEG OPCOS (or if not appointed, the Chief Executive Officer / Managing Director of each Subsidiary), will assist in this evaluation.

(b) **Board resolutions** concerning the fees of directors and board directors with particular duties, other than the above, as well as key executives, provided that:

- i) the Company has adopted a remuneration policy;

⁹ The CFO/DP provides information in the interim and annual report on operations, about:

- a) individual Significant Transactions carried out in the reporting period;
- b) any individual OPCs, as defined pursuant to Article 2427, paragraph 2, of the Italian Civil Code, carried out in the reporting period, which have considerably affected the financial position and performance of the Company;
- c) any change to or development in OPCs described in the last annual report that have had a significant effect on the financial position and performance of the Company in the reporting period.

¹⁰ For examples, see CONSOB communication no. DEM/10078683 of 24/09/2010.

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- ii) the remuneration policy was defined involving a committee comprising only non-executive directors, the majority of whom are independent (the Remuneration Committee);
- iii) a report on the remuneration policy was submitted to the Board of the Company for approval or an advisory vote;
- iv) remuneration assigned is consistent with this policy.

(c) **Payment plans** based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Financial Intermediation and relative implementing operations.

(d) **Ordinary transactions i.e. transactions carried out in the normal course of operating activities¹¹ and connected financial activities taking place in market-equivalent or standard conditions**, meaning the same conditions as those normally adopted for unrelated parties for OPCs of a corresponding nature, entity and risk, or based on regulated rates or set prices, or conditions adopted for entities with whom the Company is required by law to negotiate a specific amount. If this case applies, the Company shall comply with requirements in Article 6.2. below.

The conditions for exclusion in this article also apply in the case of transactions carried out through Subsidiaries as of Article 10 above.

5.2 Reporting stage

Without prejudice to the reporting obligations of Article 114, paragraph 1¹², of the Consolidated Law on Financial Intermediation, if the condition for exemption as of article 6.1 (d) above applies:

- i) the CFO/DP, assisted by the GGC, will inform CONSOB, within 7 days from the transaction being approved by the relevant body (or, if the relevant body decides to submit a contract proposal, within 7 days from the when the contract, even if preliminary, is entered into based on applicable regulations), of the other party, the object and remuneration of Transactions qualifying for exemption from

¹¹ "**Operating activity**" means: (i) all activities generating company revenues and (ii) all other activities which cannot be classified as an "investment" or "financial" activity. A financial activity connected to an operating activity of the company comes under ordinary activities. This makes it possible for abstract transactions that may be qualified as financial operations to qualify for exemption, to the extent that these operations are in addition to the operating activity carried out.

For the "**Normal course**" of activities, the following shall be considered for each transaction: the subject, recurrence, function or purpose, scale, terms and conditions of the agreement, nature of the other party, times.

¹² If the reporting requirements of Article 114, paragraph 1 of the Consolidated Law on Financial Intermediation also apply to the OPC, public disclosure, besides the information to be published in accordance with the aforesaid Law, shall include the following:

- information that the other party of the transaction is a related party with the relative name and a description of the type of relation;
- whether the transaction exceeds thresholds;
- information about any subsequent publication of the Information Document;
- the procedure that has been or will be adopted to approve the OPC if the latter qualifies as an Excluded Transaction;
- any approval of the transaction, despite notification to the contrary from directors or independent board directors.

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publication of the information document as of Article 5 of the Related Parties Transaction, as each transaction exceeds the thresholds established for Significant Transactions.

- ii) the CFO/DP indicates in the interim and annual report on operations, in information required as of Article 5, paragraph 8 of the Related Parties Regulation, which transactions subject to reporting obligations, were carried out qualifying for the exemption indicated herein.

6 PROCEDURE FOR SIGNIFICANT OPCs

The Company Board approves Significant OPCs subject to the CPC's favourable opinion, with relative reasons, of the Company's interest in carrying out the OPC and on the financial benefits and substantial fairness of the relative conditions.

6.1 *Decision-making stage*

The CFO prepares complete and adequate information for the CPC on the characteristics of the OPC, in particular about the nature of the relationship, the main terms and conditions of the OPC, the times expected for its completion, the evaluation procedure adopted, the reasons underlying the OPC, as well as any risks for the Company and its subsidiaries.

This information is sent to the GGC, that promptly forwards it to the Chairman of the CPC and in any case no later than the 20th business day before the BoD meeting convened to resolve on the OPC.

The CPC meets in sufficient time before the BoD is convened, to resolve on the OPC. The notice convening the Committee, along with relative documents, is forwarded at least 5 days before the date the committee meeting is held. In necessary and in urgent circumstances, reporting shall be provided no later than 5 days before the BoD convened to resolve on the OPC.

The Chairman of the CPC convenes the committee so it may give its **binding opinion** on the Company's interest in carrying out the transaction as well as the financial benefits and substantial fairness of the relative conditions, within five business days from receiving documents.

The CPC, or one or more of its delegated members, may request information and make observations, as well as request all other information considered useful for evaluating the OPC.

In carrying out its duties, the CPC may be assisted, at the Company's expense, by one or more experts of its own choice, that will have the professional expertise and competency for areas of the OPC, proven independence and no conflicts of interest. In this regard, the Company will allocate the CPC a budget for the services of independent experts.

The CPC will issue its own opinion, usually at least 5 days before the Company Board meeting convened to approve the OPC and in the same time frame it will forward the opinion to the LEG.

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After the CPC has given its opinion, the OPC will be submitted to the Company's BoD for approval.

If the CPC's opinion is favourable and the BoD approves the transaction, disclosure to the market and CONSOB is provided according to the times and procedures in the Related Parties Regulation.

If the CPC's opinion is negative, the BoD, where indicated by the Articles of Association of the Company, may submit the Significant Transaction to the Ordinary Shareholders' Meeting for authorisation; without prejudice to majorities required by law, the Articles of Association and applicable provisions concerning conflicts of interest, the Significant Transaction will be approved by the Ordinary Shareholders' Meeting, if voted by least half of Unrelated Shareholders voting, provided that said account for at least 10% of the share capital with voting rights at the Shareholders' Meeting.

If one or more CPC members are related to a specific OPC, they shall be replaced - where possible - with reference to all obligations concerning the OPC, by one or more unrelated Independent Directors, in order of seniority, or if this is not possible, by the most senior non-independent, unrelated directors.

If there are not at least two unrelated Independent Directors available to sit on the CPC, as regards a given OPC, the functions as of this section will be carried out by the only unrelated Independent Director, or subordinately, by the CS.

6.2 Reporting stage

a) Disclosure to CONSOB and the market

The CFO, assisted by the GGC, prepares an Information Document, produced in compliance with Attachment 4 of the Related Parties Regulation (**Attachment 2: the "Information Document"**). This document is made available to the public at the company's registered office, according to procedures of applicable regulations, within 7 days from the Company BoD's approval of the OPC, or, if the BoD resolves to submit a contractual proposal, from when the contract is finalised.

If the Significant Transaction concerns a Subsidiary, the above term will start from when the Company is informed of approval of the OPC by the competent decision-making body pursuant to corporate governance and the powers assigned to the Subsidiary. With the same procedure, any opinions of the CPC or independent experts are made available to the public, attached to the Information Document or on the Company's website. With reference to the opinions of independent experts, the Company, giving due reasons, may decide to publish only an excerpt provided it contains at least the information indicated in attachment 2 of this procedure.

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b) Periodic reporting to the BoD and CS

On a quarterly basis, the CFO reports in full to the BoD and CS on Significant Transactions. The CFO/DP provides the periodic financial reporting as of Article 5, paragraph 8¹³ of the Related Parties Regulation in the annual and interim report on operations. The CFO shall also keep a specific archive of Significant Transactions occurring during the reporting period

7 PROCEDURE FOR NON-SIGNIFICANT OPCs

The Company Board or competent decision-making body approves Non-significant OPCs subject to the Related Parties Committee's non-binding opinion, with relative reasons, on the Company's interest in carrying out the OPC and on the financial benefits and substantial fairness of the relative conditions.

7.1 Decision-making stage

The CFO prepares complete and adequate information for the CPC on the characteristics of the Non-significant OPC, in particular about the nature of the relationship, the main terms and conditions of the OPC, the times expected for its completion, the evaluation procedure adopted, the reasons underlying the OPC, as well as any risks for the Company and its subsidiaries.

This information is sent to the GGC, that promptly forwards it to the Chairman of the CPC.

The Chairman of the CPC convenes the committee so it may give its **non-binding opinion** on the Company's interest in carrying out the transaction as well as the financial benefits and substantial fairness of the relative conditions, within five business days from receiving the information.

The CPC, or one or more of its delegated members, may request information and make observations, as well as request all other information considered useful for evaluating the OPC.

To provide its opinion, the CPC may be assisted, at the Company's expense, by one or more independent experts of its own choice. In this regard, the Company will allocate the CPC a budget for the services of independent experts.

The CPC will issue its own opinion, usually at least 5 days before the Company Board meeting convened to approve the OPC and in the same time frame it will forward the opinion to the LEG.

¹³ The CFO/DP provides information in the interim and annual report on operations, about:

- d) individual Significant Transactions carried out in the reporting period;
- e) any individual OPCs, as defined pursuant to Article 2427, paragraph 2, of the Italian Civil Code, carried out in the reporting period, which have considerably affected the financial position and performance of the Company;
- f) any change to or development in OPCs described in the last annual report that have had a significant effect on the financial position and performance of the Company in the reporting period.

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After obtaining the above approval, the Non-Significant Transaction will be submitted for approval by the competent decision-making body pursuant to corporate governance and the powers assigned to the Company.

If one or more CPC members are related to a specific OPC, they shall be replaced - where possible - with reference to all obligations concerning the OPC, by one or more unrelated Independent Directors, in order of seniority, or if this is not possible, by the most senior non-independent, unrelated directors.

If there are not at least two unrelated Independent Directors available to sit on the CPC, as regards a given OPC, the functions as of this section will be carried out by the only unrelated Independent Director, or subordinately, by the CS.

7.2 Reporting stage

a) Market disclosure

Without prejudice to the obligations of Article 114, paragraph 1, of the Consolidated Law on Financial Intermediation¹⁴, in the case of a **negative, non-binding opinion** from the CPC, the CFO, assisted by the GGC, will issue a document to the public, within 15 days from the end of each quarter, at the company's registered office and according to procedures in applicable regulations, indicating the other party, the subject and payment of OPCs approved in the relative quarter, and reasons for not agreeing with the negative opinion.

The opinion will be published in the attachment to this document or on the Company's website, according to the same terms.

b) Periodic reporting to the BoD and CS and archive of Non-significant Transactions

On a quarterly basis, the CFO reports in full to the BoD and CS on Non-significant Transactions. The CFO will also keep a specific archive of documents on Non-significant Transactions occurring during the reporting period, at his/her office.

8 TRANSACTIONS OVERSEEN BY THE SHAREHOLDERS' MEETING

¹⁴ If the reporting requirements of Article 114, paragraph 1 of the Consolidated Law on Financial Intermediation also apply to the OPC, public disclosure, besides the information to be published in accordance with the aforesaid Law, shall include the following:

- information that the other party of the transaction is a related party with the relative name and a description of the type of relation;
- whether the transaction exceeds thresholds;
- information about any subsequent publication of the Information Document;
- the procedure that has been or will be adopted to approve the OPC if the latter qualifies as an Excluded Transaction;
- any approval of the transaction, despite notification to the contrary from directors or independent board directors.

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If the OPC to carry out falls within the responsibility of the Shareholders' Meeting or must be authorised by said, the same procedures in articles 5, 7 and 8 shall be complied with, *mutatis mutandis*, making a distinction between Significant Transactions and Non-significant Transactions. In this case, the CPC shall issue its opinion when the Company Board of Directors approves the proposed resolution to be submitted to the Shareholders' Meeting.

The opinions of the CPC and independent experts, if any, shall be attached to the proposed resolution approved by the Company Board of Directors.

If the proposed resolution to submit to the Shareholders' Meeting, in relation to a Significant Transaction, is approved by the Board of Directors and the CPC's opinion was negative, the OPC - where established by the Articles of Association of the Company and without prejudice to the quorums for convening meetings or passing ordinary or extraordinary resolutions - may not be carried out unless it is approved by the majority of Unrelated Shareholders voting, provided that said account for at least 10% of the share capital with voting rights at the Shareholders' Meeting.

9 TRANSACTIONS THROUGH SUBSIDIARIES

The procedures in articles 6, 7 and 8 above, also apply if an OPC is carried out by a Subsidiary and the Company Board of Directors (or another entity with powers to perform specific operations) independently decides, in compliance with recommendations in the Corporate Governance Code or with applicable laws or regulations, to examine or approve the transaction to carry out, in advance.

The Chairman of the Board of Directors (and/or the entity with powers to perform specific operations), after consulting with the CFO, GGC and CPC, may request the Company's Board of Directors, from time to time, to adopt the procedures described in articles 6, 7 and 8 above, also for OPCs independently carried out by Subsidiaries.

For this purpose, the Chief Executive Officer / Managing Director of each Subsidiary is responsible for the following:

- a) giving appropriate instructions to its own personnel, in order for this Procedure to be adopted;
- b) guaranteeing that Significant Transactions are approved by competent bodies in compliance with local corporate governance;
- c) identifying, for each transaction that is significant as of this Procedure, a delegated body which, as applicable, is competent in accordance with the powers granted to it by the Board;

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d) ensuring that all OPCs approved pursuant to this procedure are promptly notified to the CFO and CFO OPCOS for reporting/disclosure obligations of applicable legislation.

The CFO OPCOS of each Subsidiary is responsible for collecting and retaining adequate information on OPCs carried out in the reporting period.

10 FRAMEWORK DECISIONS

For the purposes of this Procedure, the adoption of framework decisions is allowed for uniform OPCs to be carried out by the Company, directly or through companies directly and/or indirectly controlled, with certain categories of Related Parties, that will be identified by the Company's Board of Directors. In this case, framework decisions:

- a) shall be effective for no more than 1 year; and
- b) shall refer to OPCs that have been sufficiently determined, indicating at least the foreseeable maximum amount of the transactions to be carried out in the reporting period and the reason for the expected conditions.

Framework decisions shall be adopted in compliance with the above requirements, based on the foreseeable maximum amount of transactions the framework decision refers to.

The Chairman of the Board of Directors, as part of periodic reporting on operations required by law and by the Articles of Association, reports in full to the BoD and CSI, at least quarterly, on the implementation status of framework decisions.

When a framework decision is approved by the BoD, the Company will publish an information document pursuant to Article 5 of the Related Parties Transaction if the foreseeable maximum amount of Transactions to be carried out in the reporting period identified in the framework decision exceeds one of the thresholds applicable to Significant Transactions.

The provisions of articles 6, 7 and 8 above, do not apply to individual Transactions with Related Parties carried out as part of a framework decision.

11 FINAL PROVISIONS

The BoD evaluates, on a regular basis and at least quarterly, whether to revise this Procedure, taking into account, among others, the effectiveness of its application and any changes to Company ownership structures.

Any amendments to this Procedure are approved by the BoD, subject to the opinion of the CPC.

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The LEG sends the Procedure, along with the list of entities registered in the Related Parties List, to the CFO/DP and main corporate functions of the Company, as well as to Functions that must monitor compliance with the Procedure (for example, the Internal Audit Department and Board of Statutory Auditors).

The Procedure is also sent by the LEG to directors and main company functions of Subsidiaries, for consultation.

The CS monitors the compliance of this Procedure with the general principles in the Related Parties Regulation and its conformity and reports to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Law on Financial Intermediation.

For all matters not expressly provided for in this Procedure, reference is made to applicable laws and regulations.

12 ATTACHMENTS

ATTACHMENT 1: Information on the OPC

ATTACHMENT 2: Information Document

ATTACHMENT 3: Flow charts

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ATTACHMENT 1

Information on the OPC

The information to send pursuant to section 4.2 of this procedure shall include the information summarised below.

1) <i>The companies involved in the transaction</i>	
2) <i>The nature of the transaction</i>	
3) <i>The financial conditions agreed on</i>	
4) <i>The date when the transaction is effective</i>	
5) <i>The reason for the transaction</i>	
6) <i>Any interests of managers involved</i>	

NOTES:

- 1) identification of other companies that are party to the OPC;
- 2) E.g. purchase/sale of property and/or investments, taking out of loans; rental of property, supply of goods and services, etc.);
- 3) E.g. the amount, terms and conditions of payment, interest, any guarantees, etc. If the financial conditions of the transaction are defined as being equivalent to market or standard conditions, adequate reasons for this equivalence shall be provided;
- 4) Indicate the times for carrying out the transaction and if it is subject to any suspension conditions;
- 5) Indicate the underlying reasons of the decision to carry out the transaction with a related party and not with a third party;
- 6) If the amount of fees of the management board of the company involved in the OPC changes based on the outcome of the transaction, give information about the changes.

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ATTACHMENT 2

Information Document on Significant OPCs

If the Company carries out a Significant OPC as identified in section [●], the Information Document required by Article [●] of this Related Parties Procedure shall include at least the following information:

Contents

1. Warnings

Briefly indicate the risks connected to potential conflicts of interest arising from the related-party transaction described in the information document.

2. Information on the transaction

2.1. Description of the characteristics, procedures, terms and conditions of the Transaction.

2.2. The related parties involved in the transaction, nature of the relationship and, where such information has been given to the management board, the nature and scope of the interests of these parties in the transaction.

2.3. The economic reasons and financial benefits of the transaction for the company. If the transaction has been approved in the case of a negative opinion from directors or independent board directors, adequate, analytical reasons indicating why this opinion was not shared.

2.4. Method for determining the cost of the transaction and evaluations of its adequacy with market values of similar transactions. If the financial conditions of the transaction have been defined as equivalent to market or standard conditions, give adequate reasons for this statement and objective evidence. Indicate any opinions of independent experts supporting the adequacy of this amount and their conclusions, specifying:

- the bodies or entities that appointed the experts to issue opinions;
- the evaluations made to select the independent experts. In particular, indicate any economic, capital and financial relations between independent experts and (i) the issuer, (ii) entities controlling the issuer, companies controlled by the issuer or subject to common control with the latter, (iii) the directors of companies as of points (i) and (ii), considered, for the purpose of qualifying the expert as independent and the reasons for which these relationships are considered as irrelevant for the purposes of the qualification of independence. Information on any relationships may be provided, attaching a statement from the independent experts;
- the terms and object of the appointment of the experts;

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- the names of the experts appointed to evaluate the adequacy of the payment. Indicate that the opinions of the independent experts or essential information about them, pursuant to Article 5 of the Related Parties Regulation, is attached to the Information Document or published on the company's website. At least the following essential information about the opinions, which must also be published, must be provided:

- evidence, if applicable, of specific limits in performing the appointment (for example concerning access to significant information), of assumptions used, as well as conditions to which the opinion is subject;
- evidence of any critical aspects reported by experts regarding the specific transaction;
- indication of the evaluation methods adopted by experts to give their opinion on the adequacy of the payment;
- indication of the relative importance given to each evaluation method adopted for the above purposes;
- indication of the values obtained from each evaluation method adopted;
- if, based on the evaluation methods used, a range of values is identified, indication of the criteria used to establish the final value of the payment;
- indication of sources used to determine significant data for processing;
- indication of the main parameters (or variables) used as the reference for adopting each method.

As regards information about the opinions of experts made public, confirm that this information has been reproduced consistently with the content of the opinions to which reference is made, and, as far as the issuer is aware, that there are no emissions that could make the information disclosed inaccurate or misleading.

2.5. An explanation of the capital and financial effects of the transaction, providing at least applicable thresholds. If the transaction exceeds the threshold parameters determined by CONSOB pursuant to Articles 70 and 71 of the Issuer Regulation, indicate that pro-forma financial information will be published in the document required, as applicable, by paragraph 4 of Article 70 above, or by Article 71 and according to the terms indicated therein. The foregoing is without prejudice to the possibility of publishing a single document pursuant to section 4.5.2 letter e).

2.6. If the amount of fees of members of the management board of the company and/or companies controlled by said changes based on the outcome of the transaction, give detailed information about the changes. If no changes are to take place, include a relative statement, in any case.

2.7. In the case of transactions where the related parties are members of management bodies, general directors and key executives of the issuer, provide information about the financial instruments of the issuer held by said persons and their interests in extraordinary transactions, as provided for by paragraphs 14.2 and 17.2 of annex I to Regulation (EC) No 809/2004.

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2.8. Information about the bodies or directors that have overseen or taken part in negotiations and/or been informed about and/or approved the transaction, specifying their relative roles, with particular reference to Independent Directors, if present. With reference to resolutions to approve the transaction, indicate the names of persons voting in favour or against the transaction, or abstaining, giving relative reasons. Indicate that any opinions of Independent Experts, pursuant to Article 5 of the Related Parties Regulation, are attached to the Information Document or published on the company's website.

2.9. If the materiality of the transaction arises from the accumulation of several transactions carried out during the year with the same related party, or with entities related to the latter and to the company, the information provided in the above points must be given for each of the aforesaid transactions.