

# Procedure for implementation of significant operations and operations with correlated parties

## Premise

This procedure (“Procedure”) includes all the rules on significant operations and operations with correlated parties adopted by Indesit Company SpA (the “Company” or “IndesitCo”) and is designed to provide practical implementation of the recommendations in the “Code of Self-Discipline for Listed Companies” ( “Code of Self-Discipline”) and current legislation.

Together with the “Procedure for implementation of Significant Operations with Correlated Parties by Indesit Company Group companies” and the “procedure for fulfilment of obligations pursuant to art. 150, clause 1, consolidated finance acts (TUIF) regarding notices to statutory auditors”, this Procedure enables directors to carry out their duties with a proper degree of awareness and knowledge. The three Procedures, in fact, activate the information flows between executive directors, the board of directors and the statutory auditors recommended in the Code of Self-discipline, which are designed on one hand to reinforce the central role of the board of directors in the Company’s corporate governance system and on the other to support the Company’s Internal Control System and statutory audit committee functions.

The basic principles of the Procedure are:

1. significant operations with independent parties (as identified in art. 1, significant operations with correlated parties (as identified in art. 3 hereunder) and significant operations with Group companies (as identified in art. 4) must be approved by IndesitCo’s board of directors (the “Board”);
2. all operations with correlated parties (as identified in art. 2) are subject to special criteria of material and procedural correctness.

“Operation” or “single operation” means a single legal act binding the Company in respect of 3rd parties or a number of legal acts forming a single and indivisible economic context.

## Article 1. Significant operations with independent parties

- 1.1 Significant operations with independent parties include the operations listed below when carried out by the Company with parties other than correlated parties (as defined in art. 2 hereunder):
  - a. acquisitions, disposals and other operations which in any way affect the availability of shareholdings stated under the financial fixed assets of companies or businesses, real estate and/or other tangible and/or intangible assets stated and/or which may be stated under fixed assets if the value of single operations exceeds €25m;
  - b. underwriting of loans (of whatever kind) with a maturity of over 12 months and worth, singly, more than €50m;
  - c. underwriting of loans (of whatever kind and maturity that contain covenants less favourable than those of other loans already approved by the Board and still operating at the date of approval of this Procedure;
  - d. all operations disciplined by procedures approved by the Board (defined in art. 7), if carried out in a manner different from that contemplated in such procedures;
  - e. application to banks and insurance companies for and underwriting/issue by the Company of personal or real security in favour of 3rd parties (excluding Correlated Parties other than

Group companies) worth more than €25m or, even if over only €1m, transacted in ways not contemplated by the Treasury Policy;

f. all operations not at arm's length or that are atypical or unusual.

1.2 Significant operations with independent parties form an exclusive reserve of the board of directors, who make their decisions on the basis of strategic analysis, economic feasibility and expected returns for the Company or Group (ie. IndesitCo and Group companies).

## Article 2. Correlated parties and Group companies

2.1 Correlated parties are as indicated in IAS 24 and listed here by way of example only:

a. subjects which directly or indirectly i) control or are controlled by or are under the same control as IndesitCo; ii) hold an interest sufficient to exercise considerable influence over IndesitCo; or iii) jointly control IndesitCo;

b. subjects associated with IndesitCo as defined in IAS 28 - Shareholdings in associated companies;

c. joint ventures in which IndesitCo (or Group companies) is a partner;

d. managers with strategic responsibility in IndesitCo or its parent company;

e. close relatives of natural persons covered by a) to d) above;

f. subjects controlled, jointly controlled or subject to considerable influence by any of the subjects in d) or e) above or subjects which directly or indirectly hold a significant share of voting rights;

g. pension funds for Company employees or any other organization linked thereto.

For the purposes of the above definition:

- a subject's close relatives means those potentially capable of influencing or being influenced by the subject in their relationships with the Company and may include: a) a cohabitant, b) children of the subject and of the cohabitant and c) persons dependant on the subject or cohabitant;

- control means the power to determine financial and management policies of an organization in order to enjoy the benefits of its business.

- joint control means contractually stipulated sharing of the control of a business;

- the subjects under d) above are those having power and responsibility, directly or indirectly, in the planning, management and control of the Group's businesses, including the Chief Financial Officer, Chief Marketing Officer, Chief Technical Officer, the Supply Chain Manager and other executive or non-executive directors;

- considerable influence means the power to participate in the determination of the Company's or the Group's financial and management policies and may be obtained by virtue of holding shares under contractual clauses or agreements.

2.2 Operations with correlated parties are operations involving the transfer of resources, services or obligations between IndesitCo (and/or Group companies) and the subjects indicated in art. 2.1 above irrespective of whether or not a price has been stipulated.

2.3 All operations with correlated parties are subject to the criteria of material and procedural correctness described in art. 5 hereunder.

2.4 Within 30 days of the end of each half calendar year (ie. by 30th July and 30th January of each year) the subjects indicated in a) and g) of art. 2.1 above provide the head of the legal and corporate affairs department with details of the parties correlated to them in accordance with the Procedure ex art. 150 TUIF.

2.5 Group companies are those consolidated line by line in the Group's consolidated financial statements. Group companies are correlated parties but operations with them are disciplined specifically in art. 4 hereunder.

### Article 3. Significant operations with Correlated Parties

- 3.1 Significant operations with correlated parties are those carried out by the Company with correlated parties, as follows:
- a. financial operations (involving either assets or liabilities)
  - b. acquisitions, disposals or other operations that in any way affect the availability of shareholdings stated under the financial fixed assets of companies or businesses, real estate and/or other tangible and/or intangible assets stated under fixed assets if the value of a single operation exceeds €12m;
  - c. application to banks and insurance companies for and the underwriting/provision by the Company of personal or real security and/or other forms of binding support in favour of correlated parties;
  - d. any other operation in general involving €2m or more or an annual aggregate of €10m or any operation, irrespective of worth, that produces an economic effect on the Group's consolidated income statement of €1m or more as an annual aggregate;
  - e. any operations not at arm's length or that are atypical or unusual.
- 3.2 Significant operations with correlated parties are an exclusive reserve of the board of directors.

### Article 4. Significant operations with Group companies

- 4.1 Significant operations with Group companies are those carried out by the Company with Group companies and which have the following parameters:
- a. acquisitions, disposals or other operations that in any way affect the availability of shareholdings stated under the financial fixed assets of companies or businesses, real estate and/or other tangible and/or intangible assets stated under fixed assets if the value of a single operation exceeds €50m or if the buyer Group company is based in a country with a higher risk rating than the EU whatever the amount involved (unless the counterparty Group company is wholly owned, directly or indirectly or substantially, eg. through put&call contracts) and irrespective of the percentage interest held;
  - b. all operations disciplined by procedures approved by the Board (defined in art. 7) if implemented in ways differing from those indicated in said procedures;
  - c. any operations not at arm's length or that are atypical or unusual.
- 4.2 Significant operations with Group companies are an exclusive reserve of the board of directors.
- 4.3 The following are not considered Significant operations with Group companies:
1. financial operations, involving assets or liabilities, conducted by the Group treasury department at arm's length and in any case in line with treasury policy;
  2. commercial operations relating to routine business conducted at arm's length and in any case in line with procedures approved by the Board.

### Article 5. Principles of conduct disciplining implementation of operations with correlated parties

- 5.1 In considering operations with correlated parties, attention must focus on the substance of the relationship and not merely its legal form.
- 5.2 Prior to voting on significant operations with correlated parties the board of directors must receive adequate information on the nature of the correlation, the mode of execution of the operation, the terms (including economic) of the transaction, the evaluation procedure adopted, the underlying interest and motivations and eventual risks for the Company.

- 5.3 In operations with correlated parties, directors who have an (even potential or indirect) interest must i) promptly provide the board with full information on such interest and relevant circumstances, and ii) abandon the meeting during the vote.
- 5.4 Depending on the nature, value and other characteristics of the operation and in order to prevent operations from being transacted under inappropriate conditions, the Board consults one or more experts on the economic conditions and/or legality and/or technical aspects of the operation (consultants are chosen on the basis of proven professionalism and expertise in the relevant fields).
- 5.5 In the case of operations with correlated parties not subject to Board approval, executive directors or managers in charge of performing the operation collect and record the necessary information, also by type or group of operations, on the nature of the correlation, the type of operation, the terms (including economic) under which it is to be transacted, the evaluation procedure to be adopted, the underlying interest and motives and any risks for the Company. Here too, one or more experts may be appointed (as provided for above) to advise on such operations.
- 5.6 In the case of significant operations with correlated parties and significant operations with Group companies, including those carried out through subsidiaries, which by their nature, price or mode and timing of implementation may affect shareholders' equity or the completeness and correctness of information (including accounting information) regarding the Company, the Company issues a publicly available document in accordance with the provisions of art. 71bis, Listed Companies Regulations. Such document is made available to the public at the Company's headquarters and those of the stockmarket operator within 15 days of completion of the operation. As an alternative to the procedure indicated in the preceding clause, the Company may issue, following completion of an operation, a press release pursuant to art. 66, Listed Companies Regulations, or in cases of merger, spin-off, capital increase by contribution in kind, acquisition or disposal, the disclosure notice provided for in art. 70 and 71, Listed Companies Regulations.

## Article 6. Liability and penalties

Infringements of this procedure may be sanctioned under the "Code of Conduct ex decree law ex 231/2001" adopted by the Company.

## Article 7. Procedures approved by the Board

The board has approved:

- a. the Treasury Policy.

The Procedure is a fundamental part of the organization and management model adopted by the Company pursuant to decree law 231/01.