



SABAF S.p.A.

Policy for the management of the dialogue with the Investors

*Approved by
the Board of Directors
on 10 February 2022*

1. INTRODUCTION

Sabaf S.p.A. has always believed that the establishment and maintenance of transparent and ongoing communication with the Shareholders and the market aimed at building solid and lasting relationships is of relevant importance in that it allows for a greater understanding of the strategies and activities of the Company and the Group and can contribute to improving financial and non-financial results, including environmental, social and governance factors, while at the same time providing an incentive for the medium to long-term commitment of its Shareholders.

In this perspective, Sabaf has established, for several years now, multiple forms of dialogue, including, by way of example, meetings - also through conference calls and/or video conferencing platforms - with the financial community (retail investors, institutional investors, financial analysts, etc.), roadshows, participation in international conferences, management of the website, information provided and discussions with Shareholders at the Company's Shareholders' Meetings.

Sabaf, in compliance with the regulations applicable in this regard, ensures the prompt availability on the Company's website of press releases, financial and corporate documents and presentations made to the financial community, thus providing the Shareholders and the market in general adequate and aware information, useful for maintaining a constant dialogue with the financial markets.

To this end, the Company, since its listing, has set up a company function dedicated to investor relations. The aspects of managing dialogue with Shareholders at the Shareholders' Meetings are regulated by laws and regulations, as well as by the Articles of Association and the Shareholders' Meeting Regulations.

Therefore, the above-mentioned forms of dialogue with the financial community and those relating to or in any case connected with the Shareholders' Meeting do not fall within the scope of this Policy, which instead addresses the aspects of management of the Dialogue (as defined below) with Investors that require contact with the Board of Directors on matters falling within its specific competence (as identified below), in compliance with the principles of equal treatment of information, fairness and transparency.

This Policy defines the general principles, the management procedures, the main contents and topics of the Dialogue, identifying the stakeholders, the timing and the channels of interaction between the Company and the Investors, also taking into account the best practices in this field as well as the engagement policies adopted by institutional investors.



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1.1 Definitions and Terminology

For the purposes of the Policy, the following terms, where indicated with a capital letter, shall have the following meaning, with the clarification that terms defined in the singular shall be understood as referring also to the plural and vice versa:

Chairman	The Chairman of the Board of Directors of Sabaf S.p.A.
Chief Executive Officer	The Chief Executive Officer of Sabaf S.p.A.
CFO	The Director who holds the position of Administration, Finance and Control Director and Investor Relations Manager of Sabaf S.p.A.
Appointed Directors	The Chairman, the Chief Executive Officer and the CFO, who are entrusted with the management of the Dialogue, also severally.
Shareholders	Holders of shares issued by Sabaf.
Corporate Governance Code	The Corporate Governance Code of listed companies prepared by the Corporate Governance Committee of Borsa Italiana S.p.A., with which the Company complies.
Board of Directors	The management body of Sabaf
Dialogue	The dialogue between Sabaf and the Investors who request contact with the Board of Directors on matters within the Board's competence, as defined in paragraph 4 of the Policy.
Sabaf Group or Group	Sabaf S.p.A. and the companies controlled by it.
Investors	Current and/or potential shareholders of Sabaf, other holders of financial instruments of the Company as well as those who are stakeholders in the shareholding relationship, other financial instruments and rights arising from the shares in the share capital on their own behalf or on behalf of third parties, such as institutional investors and asset managers.
Investor Relations	The Investor Relations Function of Sabaf
MAR	The Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014.
Policy or Document	This Policy regulates the management of the Dialogue with the Investors.
Sabaf or the Company	Sabaf S.p.A.
Website	The company website www.sabafgroup.com
Consolidated Law on Finance (T.U.F.)	The Consolidated Law on Finance, i.e. Italian Legislative Decree no. 58 of 24 February 1998.

2. **GENERAL PRINCIPLES**

Through the Policy, Sabaf's Board of Directors intends to regulate opportunities for communication and participation with investors in general, in addition to those referred to in paragraph 3 below, with a view to ensuring transparency of information, increasing investors' understanding of certain matters falling within the competence of the Board of Directors that are relevant to investment decisions, including with regard to Environmental, Social and Governance factors, as well as fostering the stability of investors' investments and thus the sustainable success of the Company.

In pursuing these objectives, the Dialogue shall, in any case, be carried out in full compliance with the applicable regulations in force and shall be guided by the principles of symmetry and equality of information, transparency, timeliness and fairness, in accordance also with the principles and corporate values expressed in the Charter of Values of the Sabaf Group.

In particular, the Dialogue is carried out in full compliance with the rules governing the management and public disclosure of information, duties of confidentiality and, in general, regulations on market abuse (MAR). More specifically, should inside information or specific inside information come to light during the Dialogue, pursuant to Consob Guidelines no. 1/2017 on the "Management of inside Information" and the relevant company policies, the Company ensures compliance with the relevant regulatory provisions in force, including those on market abuse contained in the MAR and the relevant implementing provisions, as well as the internal procedure adopted in this regard by the Company itself.

For all matters not expressly regulated in the Policy, the regulatory and self-regulatory provisions as well as the Articles of Association in force *pro tempore*, to which reference is expressly made, shall apply.

2.1 Approval, monitoring and review of the Policy

The Policy, after examination by the Control, Risk and Sustainability Committee of Sabaf, was approved by the Company's Board of Directors.

The Board of Directors monitors the correct application of this Policy and periodically checks its adequacy in the light of the evolution of the law, regulations, self-regulation and best practices on the subject, reviewing it whenever necessary.

The Policy comes into force on 10 February 2022, the date of its approval by the Board of Directors.

3. **THE DIFFERENT CHANNELS FOR MANAGING THE DIALOGUE BETWEEN SABAF AND INVESTORS**

According to what is mentioned in the Introduction, the dialogue between the Company, the Investors, the other stakeholders and the market in general is usually carried out through channels and forms of communication not regulated by this Policy, as described below.

The place of election of the relationship between the Company and the Shareholders is, in any case, the Shareholders' Meeting, the related investigation and information activities and the exercise of participation and voting rights.

Meetings and other forms of communication with investors are normally organised and managed by Investor Relations within the framework of the activities entrusted to it.

The main channels and forms of communication involved are essentially the following:

- **direct communications with the financial community**, including the dissemination of separate and consolidated financial statements, quarterly and half-yearly financial information, communications to the public, meetings with analysts, investors, journalists and press conferences, as well as additional conferences in Italy or abroad;
- the **Company's institutional website**, on which information is made available to investors;
- **press releases issued to the market** through the system of dissemination of regulated information (known as SDIR) chosen by the Company (currently *eMarket SDIR: www.emarketstorage.com*);
- conference calls, especially those dedicated to the presentation of periodic results and other important communication moments addressed to the financial community;
- **other communication channels** used from time to time (e.g. specific events).

As mentioned above, the above-mentioned forms of dialogue are not regulated by the Policy as they are already governed by laws and regulations, as well as by the Articles of Association and the Shareholders' Meeting regulations, or delegated to the Investor Relations function.

4. SUBJECT MATTER OF THE POLICY

The Policy is aimed at regulating the Dialogue with Investors exclusively on the following matters within the competence of the management body:

- the corporate governance system adopted by the Company and, in particular, the appointment and composition of the Board of Directors, also in terms of size, professionalism, honourableness, independence and diversity, as well as of its Board Committees;
- Sabaf remuneration policies;
- internal control and risk management system;
- strategic and industrial plans of the Company;
- strategic guidelines and policies on environmental and social sustainability.

As mentioned, the Policy addresses the management aspects of the Dialogue with most of the Investors that require contact with the Board of Directors on the matters listed above.

In view of the individual subject under discussion, the reasons for the Dialogue, the specific requests that may be made, the characteristics of the possible participants and the Company's interest, the latter - according to the processes indicated in the following paragraphs - assesses whether to establish the Dialogue in the manner set out below.

5. THE SUBJECTS IN CHARGE OF MANAGING THE DIALOGUE

5.1 The Board of Directors

The Board of Directors is responsible for promoting the Company's Dialogue with Investors and defines the Policy, monitoring its implementation and effectiveness over time.

In particular, the management body is responsible for:

- approving the Policy, also taking into account the engagement policies adopted by institutional investors and asset managers;
- describing in the report on corporate governance and ownership structures the essential elements of the Policy and the main events occurring in its implementation;
- appointing and dismissing one or more Appointed Directors to be entrusted with the management of the Dialogue, taking into account their specific expertise and role within the company organisation;
- receiving information on the management of the Dialogue by the Appointed Director(s).

This is without prejudice to the different competences and powers entrusted to the company functions to which, within the framework of the Company's organisational structure, the ordinary management of forms of dialogue not falling within the scope of the Policy is delegated.

5.2 The Appointed Directors

The Board of Directors entrusts the management of the Dialogue to the Chairman, the Chief Executive Officer and the CFO, also severally.

The Appointed Directors are vested with the following powers/duties:

- in consideration of the subject matter and purpose of the contact request received, decide, in application of the assessment criteria set out in paragraph 6.2 below, whether and how to follow it up, identifying the times and procedures for conducting the Dialogue, as well as the participants on behalf of the Company;
- periodically inform the Board of Directors about the progress of the Dialogue, as well as promptly in case of significant events.

The Appointed Directors, after allocating their respective tasks as appropriate from time to time, define the methods for managing the Dialogue and supervise all related phases.

Therefore, the involvement of other members of the Board of Directors is excluded in the management of the Dialogue.

5.3 Investor Relations

Investor Relations is the company function that, for the purposes of the Policy, represents the contact point for Investors to whom all requests for activation of the Dialogue should be addressed, according to the terms and procedures specified in paragraph 6 below.

The Investor Relations are responsible for the preliminary investigation of requests to activate the Dialogue, also taking care of the coordination and operational organisation of the Dialogue as well as the preparation of reports and any other documentation required for the information to be provided to the Board of Directors pursuant to paragraph 7 below.

6. DIALOGUE MANAGEMENT: ACTIVATION AND ASSESSMENT CRITERIA

The forms of Dialogue regulated by this Policy are exclusively those that provide for an exchange of information between the Company and the Investors (implemented in a *two-way manner*). Such exchange may take place either bilaterally, i.e. with the participation, from time to time, of a single Investor, or collectively, i.e. with the simultaneous participation of several Investors.

The Dialogue may be activated upon written request by the Investors (known as reactive engagement), to be activated according to the procedures regulated by paragraph 6.1 below.

This is without prejudice to the possibility for the Company to organise collective or bilateral meetings with the Investors, with the support, where appropriate, of the Top Management and/or of the competent company functions.

The meetings and engagement activities regulated by the Policy do not normally take place during the black-out periods envisaged by the applicable regulations, i.e. 30 calendar days prior to the public announcement of the results for the period.

In any case, other dialogue initiatives that are deemed necessary or even just appropriate in the general interest of the Company are allowed even during black-out periods.

During the Dialogue, only the topics contained in the activation request may be addressed. In the event that, during a meeting, an Investor raises issues or questions in addition to those contained in the request, the Appointed Directors can decide, in their sole discretion, to suspend the meeting in order to carry out necessary and/or appropriate checks, or to terminate it and not continue the Dialogue.

6.1 Activating the Dialogue

Investors wishing to activate the forms of Dialogue on the subjects specified in paragraph 4 above must submit a request in writing as indicated below, specifying expressly:

- (i) the topic(s) proposed for discussion in the Dialogue;
- (ii) an anticipation of the applicants' possible opinion/position on the proposed topic;
- (iii) the reasons why they consider it necessary or appropriate to establish the Dialogue with the Company, indicating any other forms of dialogue not covered by the Policy in which the applicant has previously participated;
- (iv) the way the Dialogue is proposed to be carried out;
- (v) any representatives of the applicant who would like to participate in the Dialogue, specifying their role in their organisation and their contact details;
- (vi) any other indication and/or information deemed useful for the effective conduct of the Dialogue.

Such requests should be sent to Investor Relations by email.

The Investor Relations, having carried out the preliminary investigation, shall promptly inform the Appointed Directors of the request made pursuant to this paragraph.

In no case, as mentioned above, shall the management of the Dialogue be entrusted to Directors and/or persons other than the Appointed Directors. Requests for information that may be addressed to one or more of the Directors shall be sent by them to the Appointed Directors for the investigation required and handled in accordance with this Policy.

6.2 Assessment criteria

In deciding whether to accept or reject a request for Dialogue and, if so, in what manner (bilateral, collective), the Appointed Directors can take into account a number of factors, also jointly, such as:

- compliance with any relevant regulatory and/or self-regulatory limits, in particular with regard to market abuse and ownership structure regulations;
- the relevance of the topics covered by the request compared to the subject matters of the Dialogue as well as the appropriateness and significance of the topics;
- the adequacy and completeness of the disclosure that the Company has already made available to Investors on the subject matter of the request for Dialogue;
- the potential interest of the topic to be dealt with for a large number of Investors or for Investors with special characteristics and/or for the market, where appropriate taking into account also the number of requests received, even previously, on the same topic;
- the actual relevance and significance of the topics covered by the request for Dialogue and their expected usefulness, including in the perspective of long-term value creation, also taking into account previous Dialogue experiences;
- the behaviour of the Investor at previous shareholders' meetings and/or opportunities for Dialogue;
- the size and characteristics of the Investors involved in the Dialogue and/or the size, nature and strategy of their investment;
- the foreseeable approach of the Investors to the matters covered by the Dialogue, also taking into account the engagement policies adopted by institutional investors and asset managers;
- the presence of any conflict of interest, potential or otherwise, of the Investors towards the Company;
- the characteristics of the activism initiatives concretely implemented by the Investors interested by the Dialogue vis-à-vis the Company, including the types and forms of activism adopted by the Investors in previous experiences.

In order to formulate the most appropriate assessment, the Company has the right to request, also in writing, further information from the Investors.

On the basis of the information provided as part of the request for Dialogue, the assessment criteria set out in this paragraph and the Company's primary concern in the management of the Dialogue itself, the Appointed Directors shall decide whether or not to accept the request for Dialogue and shall notify the requesting party in the form deemed most appropriate.

If deemed necessary and/or appropriate, the Appointed Directors can decide to submit to the Board of Directors the decision on whether or not to request the activation of the Dialogue.



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7. REPORTING TO THE BOARD OF DIRECTORS

In line with the recommendations of the Corporate Governance Code and within the scope of his powers regarding the management of the boards works, the Chairman ensures that the Board of Directors is promptly informed, at the first available meeting, on the development and significant contents of the Dialogue.

For these purposes, the Chairman, the CEO and the CFO, each in relation to those matters falling within their competence, report to the Board of Directors on the Dialogue that has taken place.

8. POLICY PUBLICATION

This Policy is made available to Investors and to the public on the Company's website www.sabafgroup.com in the "Investors" section.

A brief description of the Document and any amendments and/or additions thereto is contained in the Report on Corporate Governance and Ownership Structure, prepared annually by the Company pursuant to Article 123-*bis* of the Consolidated Law on Finance.

The above-mentioned Report also contains information on the periodic assessment carried out by the Board of Directors on the application of the Policy.