



**Sabaf S.p.A.**

**Procedure for Managing Relevant  
Information and Inside Information**

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This **Procedure** describes:

- general conduct principles which all Recipients are required to comply with, to ensure and maintain the confidentiality of company information, as well as the correct performance of the obligations contained in current legislation concerning Inside Information;
- the organizational and procedural system adopted by Sabaf, to ensure correct management of Inside Information and Relevant Information;
- management and communication procedures for inside information, in compliance with the obligations, set out in current legislation, and specifically:
  - obligations that Directors, Statutory Auditors, managers and employees (each for his/her area), as well as consultants and other collaborators of Sabaf must comply with in managing Inside and Relevant Information concerning Sabaf;
  - disclosure obligations that Sabaf is required to comply with vis-a-vis the Market.

## 1. FOREWORD

Sabaf S.p.A. (hereinafter "**Sabaf**" or "**Company**") has adopted this Procedure to regulate the internal management and external disclosure of Relevant Information and Inside Information, regarding the Issuer and the companies it controls (the "**Subsidiaries**" and, jointly with the Company, the "**Group**").

The Procedure is adopted in compliance with laws and regulations *pro tempore* in force concerning disclosures to the Market and the prevention of Market abuse crimes.

Sabaf's Board of Directors voted to adopt this Procedure on 26 June 2018 to modify and replace the previous "Procedure for handling confidential and inside information" and "Procedure for management of the Insider list."

The Procedure is in addition to and does not replace the rules contained in the Code of Conduct concerning internal dealing.

Moreover, this Procedure is an essential component of the Group's internal control system, also with reference to the "Market Abuse" offences recalled by Italian Legislative Decree 231/2001 and the Organisational, Management and Control Model adopted by Sabaf for this purpose.

## 2. REGULATORY REFERENCE FRAMEWORK

Sabaf has prepared this Procedure on the basis of requirements set forth by:

- Regulation (EU) no. 596/2014 ("**MAR**") - EU legislation related to Inside Information and Market Abuses;
- MAR implementing legislation (Commission implementing regulation EU 2016/347, Commission implementing regulation EU 2016/1055);

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- Italian Legislative Decree no. 58 of 24 February 1998 as amended (“**TUF**”);
- CONSOB regulation” no. 11971 of 14 May 1999 as amended (“**Issuers’ Regulation**”);
- Corporate Governance code for Italian listed companies;
- **Guidelines** concerning "Management of Inside Information," adopted by CONSOB on 13 October 2017.

### 3. SCOPE AND RECIPIENTS

This Procedure applies to Sabaf S.p.A. and all controlled companies. The Directors of each subsidiary are responsible for granting the right dissemination of this Procedure and ensuring its consistent application.

In detail, the provisions of the Procedure apply to the following **Recipients**:

- Members of the administration, management and control bodies of the Group’s companies (directors, statutory auditors, etc.);
- Managers and employees of the Group’s companies;
- Consultants and other external collaborators who, by working on behalf of or in the interest of the Group’s companies, become aware of Relevant or Inside Information, in performing their duties or jobs.

### 4. INSIDE INFORMATION AND RELEVANT INFORMATION

#### 4.1 Definition of Inside Information

For the purposes of the Procedure and according to article 7 of MAR, “**Inside Information**” means information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or financial instruments issued by the Company, and which, if it was made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

#### 4.2 Criteria for identification of Inside Information

Based on the MAR definition above, to consider an information as “inside information” the following four conditions have to be satisfied:

- The information must concern the Issuer directly*
- The information has not been made public*
- The information has a precise nature*
- If made public, it would be likely to have a significant effect on the prices of the financial instruments*

With specific reference to the conditions of *sub c)* and *sub d)*, it is possible to base the assessment on the following elements, as suggested by the Consob Guidelines:

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- Dimension of the transaction underlying the information. The more important the transaction (compared to the dimension of the issuer in terms, for example, of revenue, assets, capitalization, debt or profit), the more likely it is that the information is inside in nature.
- Impact on core business. The more the information provides indications on the current and future performance of the company's core business (i.e. on a key performance indicator of operations), the more likely it is that the information takes on an inside nature.
- Development or progress status of the transaction underlying the information. The more a project is in an advanced phase, the more likely it is that it is inside in nature.
- The relevance of the information for the industry. The more a transaction is susceptible to upset the balance of an industry, the more likely it is that it takes on an inside nature.
- Impact on the expectations of investors and financial analysts. The more company strategies and period accounting information differ from operator forecasts, especially if supported by previous indications provided by the company, the more likely that the information is inside in nature.
- Information in the economic scenario. For example, in a context of strong domestic demand grown in the industry of reference, the lower the period accounting results, the more likely that the information is inside in nature.
- The positioning of the information in the current institutional context. For an issuer with significant activities in a foreign country, recent political and economic events occurring in such a country could become relevant, in assessing the inside nature of the information related to such activities.
- De facto situations. Particularly in the area of so-called "protracted processes," the conclusion of some intermediate steps increases the possibility that the information shall be considered an inside one, related to the overall process. For example, an agreement (still informal) for a Non-Disclosure Agreement ("NDA") with one of the main competitors.
- Involvement of multiple organizational units. For example, in situations where the issuer's internal procedures require the involvement of various organizational units, for different purposes, to start a merger or acquisition transaction: the more units that are involved in the specific case, the more likely that the information is inside.
- "Top-down" processes. The more a project is the result of indications from top management, rather than directions from operating offices ("bottom-up processes"), the more likely that the project has the nature of inside information.

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- Assignments to external consultants. For example, if at the end of an internal process it is decided to select one or more external consultants to assess the feasibility of a project, then it should be more likely that such project is inside information.
- Request for external financing. For example, within an ambitious M&A project, a decision is made to request a specific loan from a bank, then it should be more likely that the information has inside nature.
- Impact on information already made public by the issuer. For example, if the issuer had provided indications related to an increase of activities in a certain geographic area, the sale of a subsidiary in the same area would likely be inside information.

#### 4.3 Categories of Inside Information

Below it is provided an illustrative and non-exhaustive list of Inside Information that may concern Sabaf. For additional details, see Annex 1.

Information related to:

- ownership structures
- composition of management
- management incentive plans
- auditor activities
- transactions on share capital
- issuing of financial instruments
- characteristics of issued financial instruments
- acquisitions, mergers, spin-offs, etc.
- corporate restructuring and reorganizations
- transactions on financial instruments, buy-backs, and accelerated book-building
- bankruptcy/insolvency procedures
- litigation
- revocation of bank credit facilities
- write-downs / revaluations of assets or financial instruments in the portfolio
- patents, licenses, property rights, etc.
- insolvency of significant debtors
- destruction or damage of uninsured assets
- purchase or sale of assets
- performance trends
- changes in expected period accounting results (profit warning and earning surprise)
- cancellation of important orders
- entrance in new (or departure from) markets
- change in investment plans
- dividend distribution policy

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#### 4.4 Definition of Relevant Information

For the purposes of this Procedure, “**Relevant Information**” means all information or news not (yet) classifiable as Inside Information which is not of public domain and which the Company - based on a preventive and presumptuous opinion - considers relevant, as related to data, events, projects or circumstances that directly regard Sabaf (or a subsidiary) and which may later become of an inside nature.

#### 4.5 Criteria for the identification of relevant Information

Compared to the criteria mentioned above, to be considered as Relevant:

- a) *The information must concern the Issuer directly*
- b) *The information has not been made public*
- c) *The information does not have a precise nature to be classified as inside information yet, and therefore it is not specific enough to identify possible effects on the prices of financial instruments of the circumstances or events that the information refers to.*
- d) *The information may (already) be “material” (if made public, it would likely have a significant effect on the prices of financial instruments) or it is not possible to estimate if the information is material and has a significant impact yet*

By difference from instructions provided for the identification of Inside Information, preliminary stages and start-up of activities conducted in the areas listed above (ownership structure, the composition of management, management incentive plans, auditor activities, transactions on share capital, etc.) might be considered relevant information. For additional details and examples, see Annex 1.

## 5. CONDUCT PRINCIPLES AND GENERAL RULES

In carrying out their duties, all Recipients, that, for any reason, become aware of Inside Information or Relevant Information, are required to comply with:

- the existing applicable Laws and, in particular, those mentioned in Chapter 2 (“*Regulatory reference framework*”) of this Procedure;
- the principles stated in the Charter of Values adopted by Sabaf Group;
- the requirements of the Organisation, Management, and Control Model pursuant to Italian Legislative Decree 231/2001.

### 5.1 Conduct Principles

All Recipients are required to:

- behave fairly and professionally in handling the interests of Sabaf, acting in a manner that ensures all information concerning relations and transactions performed within the Group are covered with the due confidentiality;
- maintain the utmost discretion on the information acquired in performing their jobs and ensure the confidentiality of Inside Information or Relevant Information until the same is disclosed to the Market, according to rules described in the Procedure;

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- use all necessary precautions, so that information are shared within the company without prejudice to the nature of the information, in compliance with the operating procedure depicted below;
- use the information only for or professional activity and, under any reason or circumstances, not use it for personal purposes;
- promptly inform the competent functions of any act, fact or omission that may represent an infringement of the Procedure.

Moreover, for Recipients is explicitly forbidden:

- disseminating, both inside and outside the Group, by means of any channel, information, rumours or news that do not correspond to reality, or information whose truthfulness is uncertain, and that are able, even if only potentially, to provide false or misleading indications;
- buying, selling or making - for personal interests or on behalf of third parties - a transaction involving, directly or indirectly, Sabaf financial instruments, using acquired Inside Information;
- recommending or inducing others, based on Inside Information, to make such transactions.

Sabaf S.p.A. and the subsidiaries act in compliance with applicable legislation on the protection of personal data, adopting suitable security measures to ensure they are protected. Therefore, when managing Inside and Relevant Information, the Recipients are obliged to adopt all of the security measures, both physical and digital, implemented by the Company in compliance with the aforesaid legislation.

## 5.2 General rules

An illustrative and non-exhaustive list of rules that Recipients must follow is provided below:

- ensure maximum confidentiality in the transmission of preliminary documentation for meetings of the Board of Directors and Board of Statutory Auditors and those of Committees established within the Board of Directors;
- for extraordinary transactions, use particular care when exchanging information and documentation with consultant or advisor of such transactions;
- maintain utmost confidentiality of information, drawings and other documents related to the production process, the equipment, and the product, which the Recipients become aware of during their activity;
- printed and electronic documentation containing Inside Information or Relevant Information must be stored and archived with special diligence, to prevent unauthorized subjects from obtaining access and, at the same time, to ensure traceability of the performed activities;

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- the confidential (or inside) nature of printed and electronic documents must be shown by inserting the word "confidential" (or similar), using specific envelopes or other closed container for their circulation.

### **5.3 Responsibility of Recipients**

**Each Recipient is personally responsible for storing documentation related to Inside Information or Relevant Information that is delivered to him/her.** The documentation related to the Information must be stored by the Recipient, even if in electronic format, so that it can only be accessed by authorized persons.

If a Recipient needs to transmit documents or information related to Inside or Relevant Information to third parties, in the normal performance of his/her professional activities or function, he/she must verify that such third parties are required to comply with a confidentiality obligation of the received documentation and information, regardless of the fact that such obligation is of a legislative, regulatory, statutory or contractual nature.

### **5.4 Relations with the Press**

In order to ensure a coordination and uniform orientation in the interest of the Group, all relations of the Directors and other Recipients of this Procedure with the press and other communication media, which involves news (including not of an inside nature) concerning Sabaf and/or the companies it controls, must only take place in agreement with the Company' Chief Executive Officer and through the Investor Relator of Sabaf S.p.A., in compliance with the provisions included in this Procedure.

### **5.5 Relations with financial analysts and institutional investors**

The Investor Relator of Sabaf S.p.A. is responsible for managing relations with the financial community (for example financial analysts, institutional investors, and rating agencies).

When meeting financial analysts, institutional investors or other financial market operators, the Investor Relator is responsible for:

- communicating the place and main topics of the meeting to Consob and Borsa Italiana beforehand;
- transmitting the documentation made available to meeting attendees to Consob and Borsa Italiana at the same time the meetings are held.

If during a prior verification of the contents of the event, Inside Information is found, a specific press release is prepared and provided to the market, according to the requirements of this Procedure.

If unintentional disclosure of Inside Information occurs during meetings with the financial community, Sabaf prepares a press release that is promptly distributed according to the requirements of this Procedure.

### **5.6 Dissemination of information via the Sabaf website**

Without prejudice to the contents of the following paragraphs of the Procedure regarding disclosure of Inside Information to the public, Sabaf has specific sections on its website [www.sabaf.it](http://www.sabaf.it) where it makes available institutional information (e.g., financial statements and consolidated financial statements, half-year reports and interim reports, etc.), press releases

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and documentation that are at the disposal of attendees at meetings with financial analysts and institutional investors. In compliance with the requirements for companies listed on the STAR segment of Borsa Italiana, this information is always published in English as well.

The website [www.sabaf.it](http://www.sabaf.it) allows users to access Inside Information published on the website, with no discrimination and no cost, in a section that is easy to find.

The Company publishes and maintains Inside Information that is released on its website for at least five years.

Regarding publication of information on the website [www.sabaf.it](http://www.sabaf.it), Sabaf S.p.A. Investor Relator, with the assistance of the Administration Department, is responsible for:

- ensuring that the institutional information is reported on adequate editorial criteria, that take into account the information function that distinguishes financial disclosures;
- indicating the date and time of information updates on each Internet page;
- ensuring the content of documents prepared in English is the same as documents prepared in Italian, and if not, highlighting any differences, with the understanding that the Italian version remains the reference text;
- citing the source of the information for publication of information and news created by third parties;
- making available to the public documents preferably in the complete version, or ensuring that any summaries faithfully match the disclosure framework of the original document;
- indicating if published documents represent the complete version or an excerpt/summary (also explaining the procedures for obtaining the documents in their original format);
- in the event of relevant and significant errors in the information published on the website, disseminating a correction notice as soon as possible indicating the corrections made.

### 5.7 Non-disclosure clauses

Consultants, auditors and other collaborators (not employees), that assist Sabaf and its subsidiaries, must sign a non-disclosure agreement related to confidential information, which they may become aware of while performing their assigned jobs.

For an example of a standard test to be inserted in contracts signed by Sabaf, see the contents of Annex 2 of this Procedure.

## 6. MANAGEMENT OF RELEVANT INFORMATION AND INSIDE INFORMATION

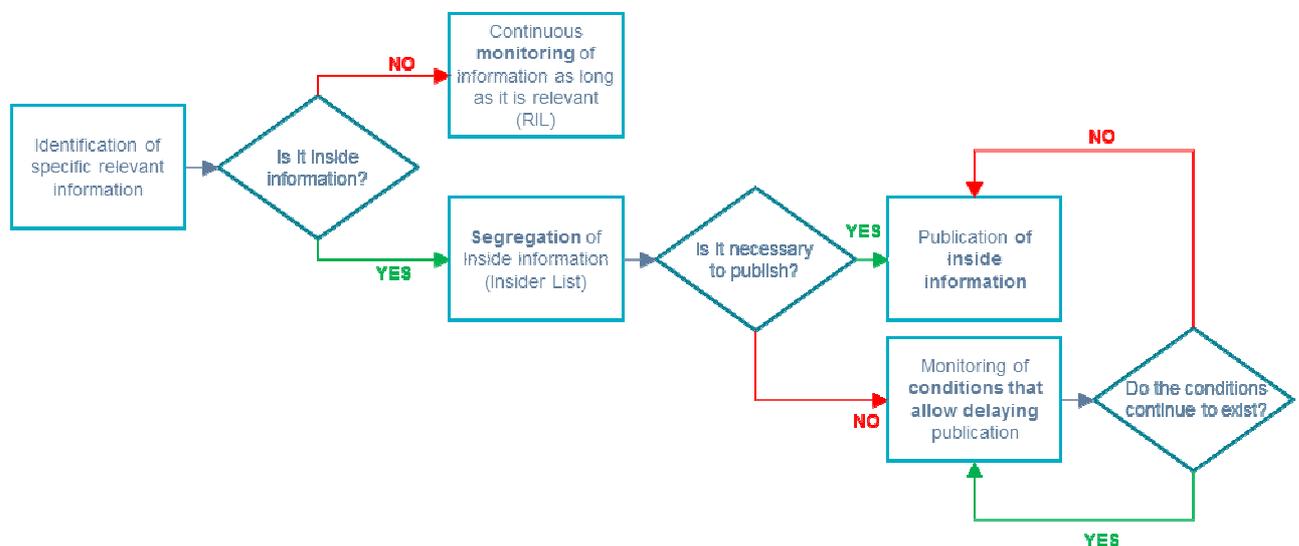
According to the regulatory framework, Sabaf is required to disclose to the public, as soon as possible, Inside Information that directly regards the Company, ensuring that the disclosure occurs (i) using procedures that allow fast, free and non-discriminatory access, simultaneously in the whole European Union, as well as a complete, fair and accurate assessment of the Inside Information the same public and, in any case, (ii) in compliance with the provisions of current *pro tempore* applicable law (with particular regard to the Commission Regulation EU 2016/1055).

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When certain conditions indicated in the regulatory reference and cited below in the Procedure occur (Chapter 10 - "*Delay in disclosure to the Public*"), the Company may delay, under its responsibility, disclosure to the public of Inside Information.

### 6.1 Procedural system

To ensure accurate and fair management of Inside Information, as well as to fulfil the obligations required by MAR, Sabaf has adopted a procedural system for management of Relevant Information and Inside Information, summarised in the following diagram.



Each phase of the process is described in the following chapters of the procedure:

- Identification, assessment, and monitoring of Relevant Information with the Relevant Information List (or "RIL"): Chapter 7
- Assessment of Inside Information and segregation of the information: Chapter 8
- Maintenance of the Insider List: Chapter 9
- Delay in the disclosure of Inside Information: Chapter 10
- Publication of Inside Information: Chapter 11

### 6.2 Organizational Structure

Sabaf has identified the Chief Executive Officer and General Manager as the figure in charge of managing Relevant Information and Inside Information, as well as for monitoring the correct application of the Procedure (also called "**Inside Information Management Function**", or **FGIP** - "Funzione Gestione Informazioni Privilegiate").

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The FGIP, with the support of the Chief Financial Officer (“**CFO**”), as well as the Investor Relator, is responsible for:

- a) defining and assessing the adequacy of this Procedure over time;
- b) giving instructions to other company structures, to ensure the correct application of the Procedure;
- c) identifying Relevant Information, based on defined criteria;
- d) ensuring correct management of the list of people who have access to Relevant Information (“Relevant Information List” or “RIL”);
- e) monitoring the circulation of Relevant Information;
- f) identifying Inside Information, or identifying the time when relevant information becomes inside;
- g) ensuring correct management of the Insider List;
- h) deciding on the time frame for publishing Inside Information;
- i) monitoring the existence of conditions that make it possible to delay the publication of inside information;
- j) monitoring the circulation of inside information;

In performing his/her duties, the FGIP is operatively supported by the Management Secretarial Department.

The **Chief Executive Officer of Sabaf S.p.A.** is responsible for the publication of inside information and approval of press releases and other informational documents before their release to the public.

**CFO and Investor Relator** of Sabaf S.p.A. is in charge of:

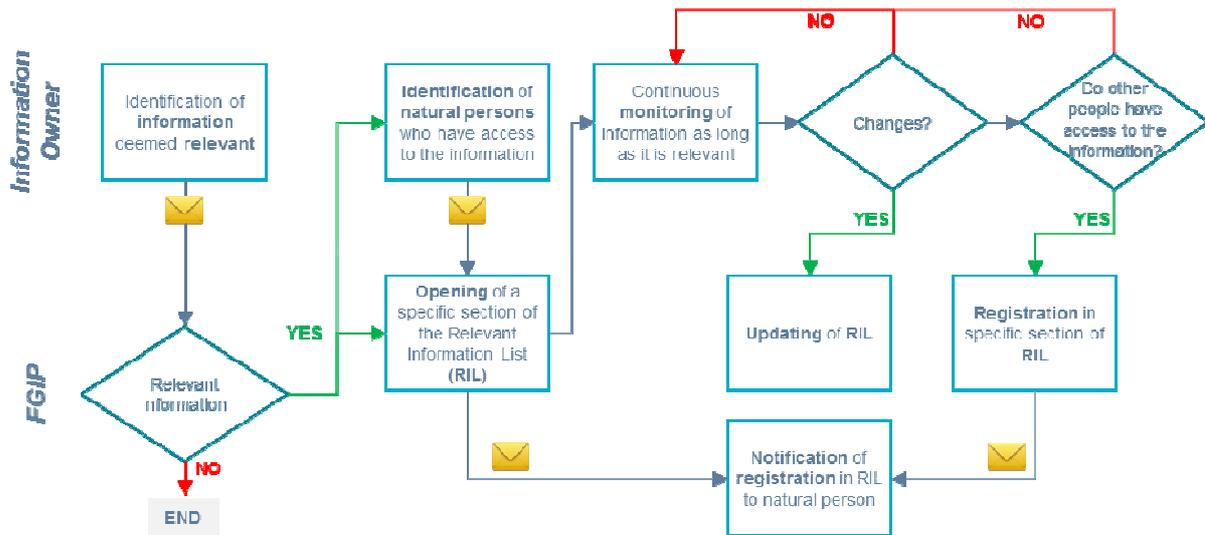
- a) assisting the FGIP in verifying the correct application of this Procedure;
- b) supporting the FGIP in identifying and assessing the Relevant Information and Inside Information;
- c) supporting the FGIP in updating the RIL and Insider List;
- d) managing all relations with the press and other media, as well as financial analysts and institutional investors;
- e) drafting press releases, sending them for approval to the Company’s Chief Executive Officer or submitting them for approval to the Board of Directors and sending them to Consob, Borsa Italiana and distributing it to the public in compliance with applicable laws.

**Human Resources Department** of Sabaf S.p.A. is responsible for ensuring the distribution of this Procedure (and its later amendments) to all Sabaf employees. Human Resources is responsible for archiving all the signed statements (Annex 3) which demonstrate knowledge and acceptance of the Procedure by employees.

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All **managers** of Sabaf S.p.A. and the controlled companies are responsible for identifying and reporting to the FGIP all events, data and information which, directly or indirectly, impact the economic, financial and asset situation of Sabaf, or its ownership structure, and can be classified as relevant or inside information, following the rules described in this Procedure.

## 7. IDENTIFICATION, ASSESSMENT, AND MONITORING OF RELEVANT INFORMATION



As described in Chapter 4.5 of the Procedure (“*Criteria for identification of relevant information*”) potential Relevant Information includes the preliminary stages and start-up of activities conducted in areas where Inside Information normally originates, as listed in Annex 1.

Each manager of Sabaf or its subsidiary (“**Information owner**”) who believes that, within his/her area of activity, a specific information, due to the characteristics already present, can be classified as Relevant Information, since it may become Inside Information later, shall immediately:

- 1) notify the FGIP, by sending an email to [pietro.iotti@sabaf.it](mailto:pietro.iotti@sabaf.it) (copying the CEO - [gianluca.beschi@sabaf.it](mailto:gianluca.beschi@sabaf.it)) of the information considered Relevant;
- 2) assist the FGIP and the CFO in assessing the nature of the information received, to classify it (or not) as Relevant Information.

If, at the end of assessment performed by the FGIP, the Information is considered Relevant, it is the responsibility of the Information Owner to identify all the single individuals (internal or external to the Group) who have access to such information and communicate the identification data of such individuals to the FGIP - by email addressed to [pietro.iotti@sabaf.it](mailto:pietro.iotti@sabaf.it), copying [gianluca.beschi@sabaf.it](mailto:gianluca.beschi@sabaf.it)

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The FGIP shall then open a specific section of the list of people who have access to the Relevant Information established by Sabaf (“**Relevant Information List**” or “**RIL**”), inserting the description of the Relevant Information and the contact details of the individuals that have access to the Relevant Information, who will promptly receive communication of their registration on the list.

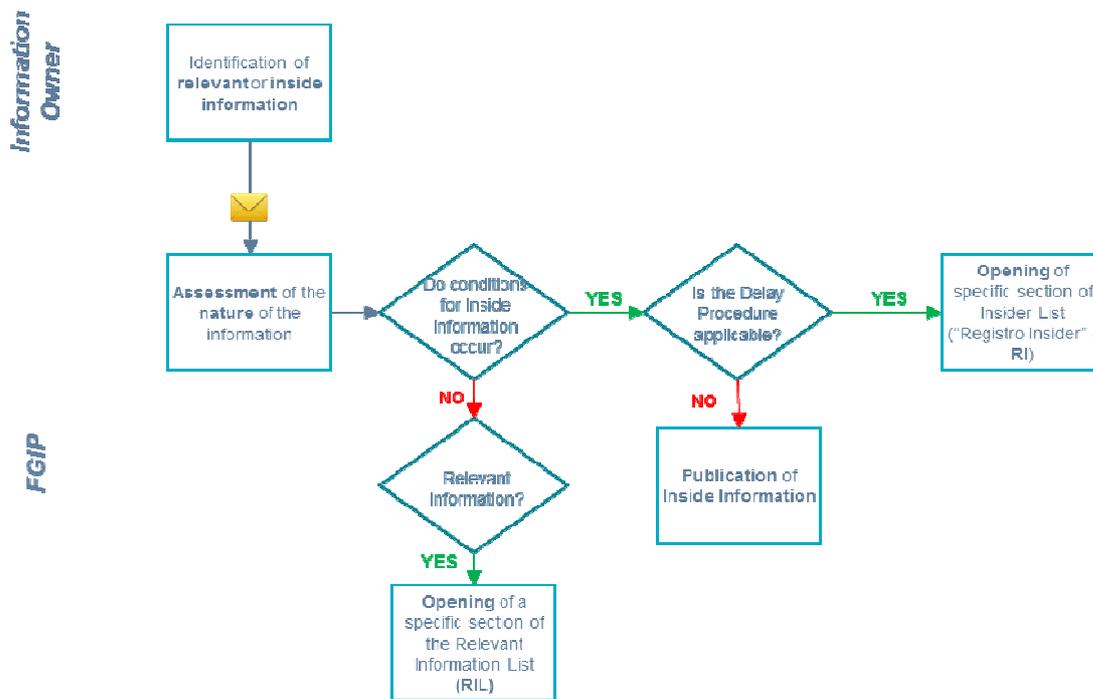
The Relevant Information List has the aim to ensure traceability of people with access to Relevant Information, within the broader scope of effectively monitoring corporate information, also with the aim to promptly identify individuals with access to Information and to comply with the disclosure obligations to the Market for Inside Information.

After the opening of the RIL, the “*information owner*” is responsible for:

- monitoring the evolution of Relevant Information, keeping the FGIP informed and, in particular, reporting any significant change that may cause the information to be classified as inside (see Chapter 8 “*Assessment of the inside nature of Information*”);
- ensuring compliance with the principles illustrated in Chapter 5 of the Procedure (“*Conduct principles and General rules*”) and adoption of measures aimed at reducing the risk that individuals who do not have a reason for learning the information may gain access to it;
- reporting to the FGIP in writing any need for changes, useful for updating the RIL (e.g., the addition of other natural persons who have access to Relevant Information, change in the identification data of individuals registered on the RIL).

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## 8. ASSESSMENT OF THE INSIDE NATURE OF THE INFORMATION



Based on the monitoring activity performed on the Relevant Information - as per the previous chapter - the FGIP, together with the CFO shall establish as quickly as possible, if the information has an Inside nature or not, by verifying the existence of the four conditions provided by MAR (cited in Chapter 4.2 of this Procedure - “*Criteria for identification of Inside Information*”).

*Note:* Each function manager is required to identify and report to the FGIP all the information that meet the definition of Relevant Information or Inside Information. Information may be classified as Inside, even if it was not previously classified as Relevant Information.

Upon completion of this assessment:

- If the nature of the information is considered as **not inside**, the Company shall still act to ensure that the information is kept confidential, maintaining the information written in the RIL, or registering it in the RIL (if this has not already been done)
- If the nature of the information is considered **inside**, Sabaf shall act so that the Inside Information is disclosed to the public based on instructions provided in Chapter 11 below (“*Disclosure of Inside Information to the public*”), unless the conditions are met to activate the Delay procedure as per Chapter 10 (“*Delay in public disclosure*”). If a decision is made to activate said Delay procedure, the FGIP shall open a specific section of the Insider List,

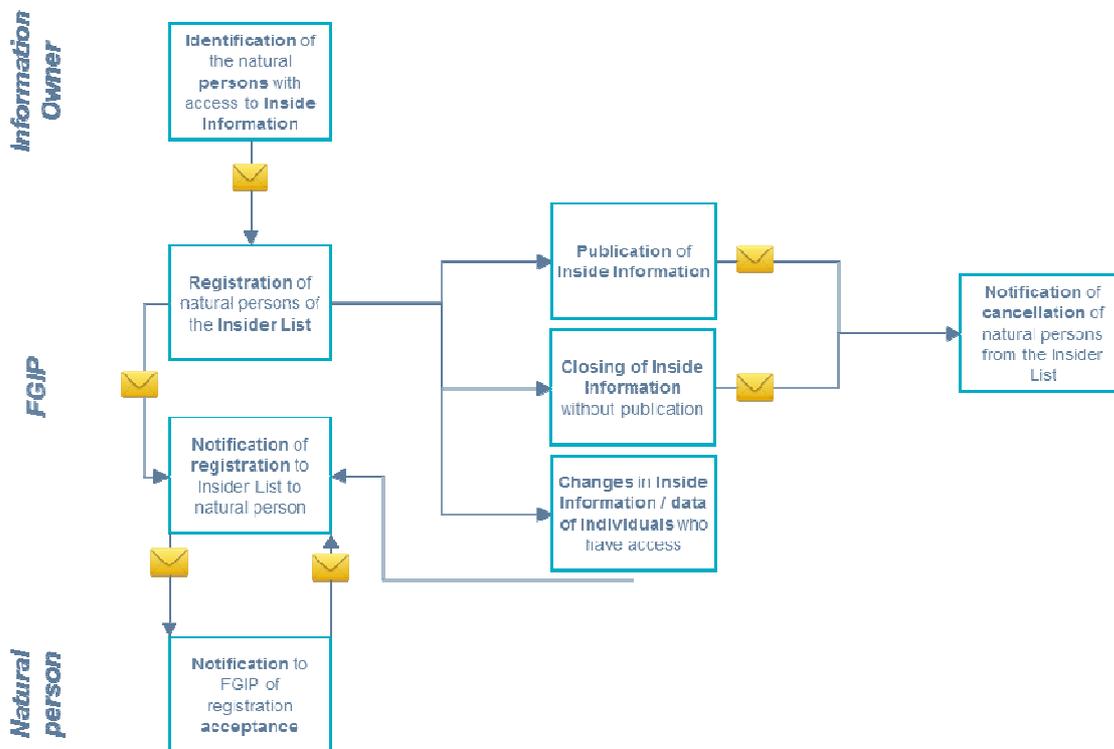
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based on the instructions in Chapter 9 of this Procedure (“*Maintenance of the Insider List*”).

## 9. MAINTENANCE OF THE INSIDER LIST

Sabaf shall implement and keep constantly updated the list of people who have access to Inside Information (“**Insider List**” or “**IL**”) as per article 18 of MAR, the Commission implementing regulation (EU) no. 347 of 10 March 2016, as well as article 115-*bis* TUF.

The FGIP, with the support of the CFO, is responsible for the proper maintenance of the Insider List.



### 9.1 Structure of the IL

The IL is divided into different sections:

- A “permanent” section (that is created, regardless of the existence of specific Inside Information) where are registered only people who, due to their function or position at Sabaf, always have access to all Inside Information;
- A specific section for every single piece of Inside Information, which contains the identification data of all the people with access to that information.

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The identification data to report on the Insider List at the time of registration (if not already present in the corresponding section of the RIL) are the following:

- a) surname, first name, date, and place of birth, the address of residence, tax code, email address, and telephone number;
- b) the function / role and reason for accessing the Inside Information;
- c) the date on which the individual gained access to the Inside Information.

If the subject who had access to the Inside information belongs to a third-party company, an association or another organisation (thus, for example, professional firms, auditing firms, etc.), the data related to the natural persons have to be registered on the Insider List, with indication of the company / association / organisation they belong to and the position /role they hold there.

*Note:* Individuals, who are in possession of Inside Information and were not previously registered on the RIL, are also registered on the Insider List. These individuals remain registered on the Insider List from the date the Information is classified, as Inside, until the date the Information is made public, or until the date the information ceases to have the characteristics of Inside information.

## 9.2 Data updating and cancellation

Each “Information owner” is responsible for the correct communication of identification data to the FGIP of natural persons with access to Inside Information.

FGIP shall update the identification data entered on the IL, based on communications received from the Information Owner.

The issuer shall update the Insider List section in the following circumstances:

- if the reason why the person is included in the section changes;
- if a new person has access to inside information;
- if a person registered in the section no longer has access to the information.

## 9.3 Notices

When a person is registered on the Insider List, the FGIP shall send a specific notice by email. Each registered individual is responsible for returning a copy of this notice signed for acceptance by email to the address [registro.insider@sabaf.it](mailto:registro.insider@sabaf.it).

The FGIP is responsible for monitoring receipt of the signed notices from the individuals registered on the IL and sending reminders after the third workday.

The FGIP shall also notify interested individuals of their cancellation from the IL.

The data related to individuals registered on the Insider List (and a copy of related registration notices) shall be archived for at least five years after processing or updating.

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## 10. DELAY IN DISCLOSURE TO THE PUBLIC

### 10.1 Conditions for activating a Delay procedure

The FGIP may decide to delay the disclosure to the public of Inside Information, as long as the conditions of article 17 paragraph 4 of MAR are met, as described below.

a) *immediate disclosure is likely to prejudice the legitimate interests of the Company*

Those emerging in the situations listed below can be abstractly considered as “Legitimate interests” (including but not limited to):

- the Company is pursuing negotiations whose outcome would likely be compromised by immediate disclosure to the public (e.g., negotiations related to mergers, acquisitions, spin-offs and spin-outs, acquisition or disposals of significant assets or business units, restructuring and reorganizations);
- the financial sustainability of the Issuer is in serious or imminent danger, even if not classifiable within the applicable bankruptcy laws, and immediate disclosure to the public would seriously affect the interest of existing and potential shareholders, compromising the conclusion of negotiations undertaken to ensure financial recovery;
- the Company has developed a product or an invention, and the immediate release of such information to the public could compromise the Company’s intellectual property rights;
- the Company is planning the purchase or sale of significant shareholdings in another entity, and the disclosure of such information could compromise the implementation of this plan;
- a previously announced transaction is subject to approval by a public authority, and this approval is subject to additional requirements, where immediate disclosure to the public of these requirements may influence the Company's ability to meet them and therefore prejudice the final success of the agreement or transaction.

In any case, the Issuer is responsible for the explanation of the existence of legitimate interest that would be prejudiced by immediate disclosure to the public.

b) *Delay of disclosure is not likely to mislead the public*

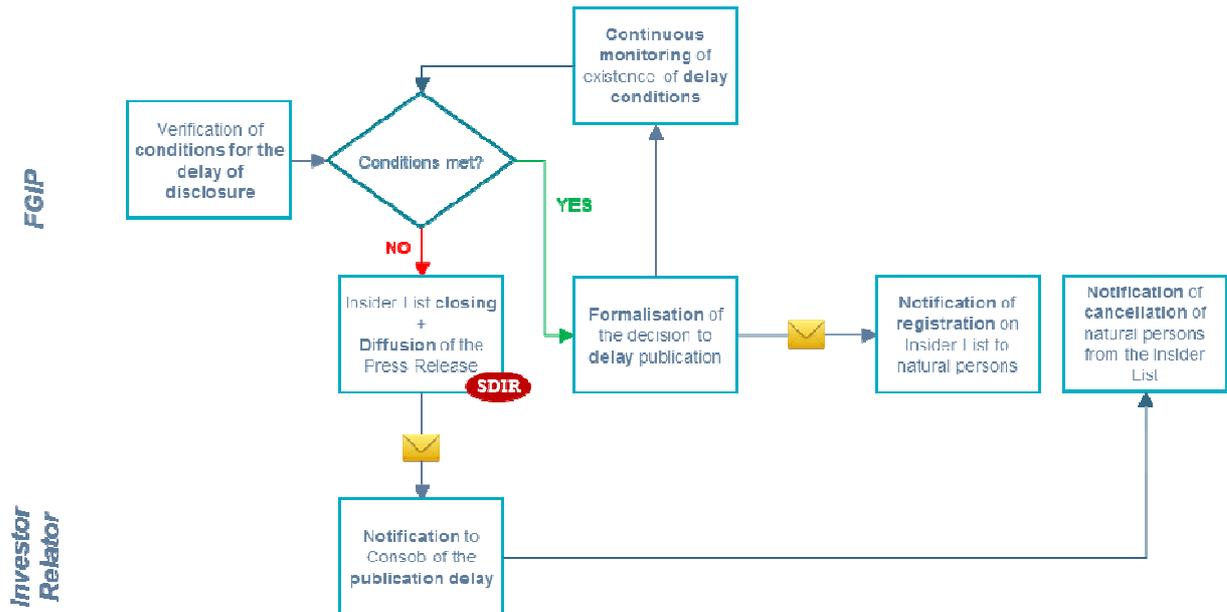
A situation where a delay in disclosure of Inside Information may mislead the public, may include (illustrative list):

- the Inside Information is substantially different from the Company’s previous public announcement regarding the subject which the information is referred;
- the Inside Information regards the circumstance in which the issuer's financial objectives will probably not be reached if such objectives have been previously announced publicly;
- the Inside Information conflicts with Market expectations, where such expectations were based on reports previously sent by the issuer to the market, such as interviews, road shows or any other type of disclosure organized by the issuer or with the consent of the same.

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c) The Company can ensure the confidentiality of the Inside Information

Based on the rules contained in Chapter 5 of the Procedure (“*Conduct principles and General rules*”), confidentiality is ensured by protective measures for Inside Information adopted both internally and externally, to prevent access to Inside Information by people other than those who must access it performing their job or function normally.



**10.2 Preparation, formalization, and registration of the decision to delay disclosure**

If the FGIP, subject to proof of the existence of the three conditions described above, decides to activate the Delay procedure, then the FGIP has to formalise such decision in writing in a document with firm date, and that must contain the following information:

- date and time of the decision to delay the publication of Inside Information;
- estimated date and time of the likely future publication of such Inside Information;
- the identity of the people who contributed to the decision to delay the publication and the decision that established the start of the period of delay and its probable end;
- the identity of the people who continuously monitor the condition that enable the delay;
- evidence of the initial conditions that allowed the delay, including:
  - adoption of protection measures for the information;
  - procedures set up for disseminating the Inside Information as soon as possible, should the confidentiality be not ensured.

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Once the decision to delay publication of the Inside Information is taken, the individuals in possession of undisclosed Inside Information, are registered on the Insider List, based on the contents of Chapter 9 (“*Maintenance of the Insider List*”) of this Procedure.

The FGIP, with the assistance of the CEO and other Function Managers, ensures continuous monitoring of the existence of the conditions that permit delaying its publication until the Inside Information is published, or ceases to have its Inside nature.

### **10.3 Publication and Notification to Consob**

Immediately after the public release of the Inside Information that was the object of delay (to be performed following the procedure described in Chapter 11 below), Sabaf shall notify Consob that the Press Release concerns delayed Inside Information, indicating the related circumstances. This notification to Consob shall be made in writing (by Certified Electronic Mail) using a notification standard format, describing in writing the procedures used to meet the conditions for delaying of the disclosure.

The notification shall be addressed to Consob "Divisione Mercati," indicating in the subject line "MAR Ritardo Comunicazione" and including the following details:

- a) issuer's identity (complete company name);
- b) notifying party's identity: name, surname, the position at the issuer;
- c) notifying party's contact details (work email address and telephone number);
- d) identification of the Inside Information involved in the publication delay (the title of the release; reference number assigned by the system used to publish the inside information - SDIR: date and time of the public disclosure of the inside information);
- e) date and time of the decision to delay the publication of inside information;
- f) the identity of all people in charge of the decision to delay disclosure.

### **10.4 Rumours**

If it is detected a rumour that explicitly refers to the delayed inside information and this is sufficiently accurate to indicate that the confidentiality of such information is no longer ensured, the issuer is required to disclose the information.

Without prejudice to such obligation, when:

- in the presence of news disclosed to the public not pursuant of article 66 of the Issuers' Regulation, concerning the asset, economic or financial situation of the Company and subsidiaries, or extraordinary financial transactions, or the Company's business performance (so-called rumour)

**and**

- the market price of financial instruments significantly changes, or it is not aligned with market trends, compared to the last price of the previous day;

the Company shall inform the public without delay, publishing a press release on the truthfulness of the news, integrating or correcting its contents, where necessary, to restore fair conditions and information parity.

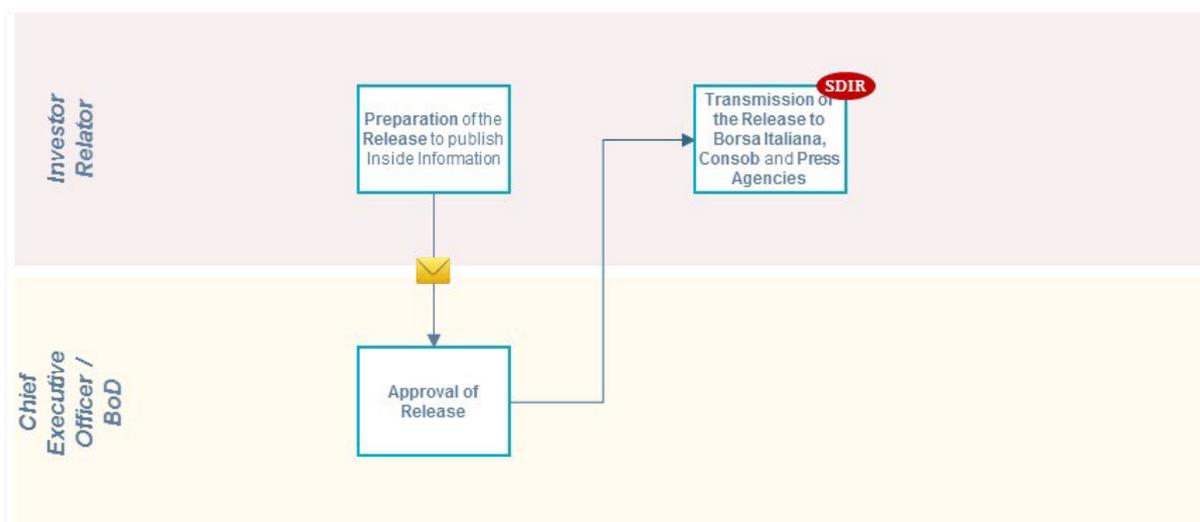
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## 11. DISCLOSURE OF INSIDE INFORMATION TO THE PUBLIC

Inside Information shall be disclosed to the Market in complete compliance with the principles of fairness, clarity, transparency, timeliness, ample and homogeneous diffusion to ensure parity of treatment, completeness, intelligibility and informative continuity.

This disclosure shall be made in the time necessary to create a draft of the Press release, to allow a complete and correct assessment of the information by the public and its later transmission to the System for Transmission of Regulated Information ("SDIR") or to the media.

Under article 17 MAR, Sabaf shall disclose Inside Information to the market according to procedures, which enable fast access and complete, correct and timely assessment of the Information by the public.



### 11.1 Preparation of Press Releases

In preparing the draft of the press release to disclose Inside Information, the Investor Relator shall comply with applicable regulatory provisions, related to:

- minimum contents of the Press release and representation procedures of the information contained therein, with reference to each singly type of facts;
- procedures applicable to listed companies to disclose information to the market.

Specifically, disclosures made through the SDIR (system for transmission of regulated information - see the next chapter) shall include information on:

- a) the nature of the inside information;
- b) Complete name of the Company;
- c) the identity of the notifying party: name, surname, the position at the Company;
- d) the subject of the Inside Information;
- e) date and time of the disclosure to the media;

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- f) elements suitable to enable a complete and correct assessment of the represented events and circumstances;
- g) connections and comparisons with contents of any previous Press releases;
- h) any significant changes in Inside Information already disclosed to the public.

In any case, the Press release shall not combine marketing, or promotional contents, that could mislead the public.

### 11.2 Publication procedures

To allow Consob and Borsa Italiana SpA to exercise their supervisory activities in time, Sabaf shall notify Consob, even if informally, and in advance, of the possibility that Sabaf may publish particularly significant Inside Information while financial instruments are traded. The same notice is given to Borsa Italiana, following the Market regulations.

Disclosure of Inside Information to the market shall be performed by the Investor Relator using the specific system for transmission of regulated information (SDIR), authorized by Consob, to disclose regulated information to the public and to attribute the identification code and category of the Inside Information to the transmitted information.

After sending it, Sabaf shall:

- verify the disclosure status of the press release;
- post it on the Company's website without delay;
- manage communication with institutional investors and the financial community.

## 12. SANCTIONS

The regulatory reference framework, contained in Chapter 2 ("*Regulatory reference framework*") of this Procedure, establishes criminal and administrative sanctions for:

- "Any person who, possessing inside information by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position: *a)* buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information; *b)* discloses such information to others outside the normal exercise of his employment, profession, duties or position; *c)* recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in paragraph *a)*." (Offence of insider trading as per article 184 TUF).
- "Any person who disseminates false information or sets up sham transactions or employs other devices concretely likely to produce a significant alteration in the price of financial instruments" (Offence of market manipulation as per article 185 of TUF).

Without prejudice to Sabaf's possibility of claiming damages and liability that may be caused to Sabaf due to infringement of this procedure, the failure to comply with the required obligation shall result in the following disciplinary sanctions:

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- for Recipients who are employees of Sabaf or its Subsidiaries, violation of the Procedure provisions shall be relevant for application of the applicable disciplinary sanctions related to employment. Disciplinary measures for employees shall be applied based on the criterion of proportionality, and the seriousness and degree of intention of the committed infringement, taking into account also any repetitions of non-compliance and/or of foreseen infringements;
- for Recipients under contract, infringement of the procedure shall entail Sabaf's or the Subsidiaries' right to terminate the contract for just cause, and without notice;
- for Directors and Statutory Auditors, the Board of Directors may propose the removal of the non-compliant Director or Statutory Auditor for just cause, at the next meeting.

### 13. MONITORING AND UPDATING OF THE PROCEDURE

The FGIP, also with the support of the CFO, is responsible for disseminating and monitoring implementation of this Procedure.

Moreover, the FGIP is responsible for the updating of the Procedure, also in case of changes in applicable laws or regulations and is responsible for submitting each revision of the Procedure to Sabaf's Board of Directors for approval.

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**14. ANNEX 1 - CRITERIA FOR IDENTIFICATION OF INSIDE INFORMATION**

<b>Types of Inside Information</b>	<b>Examples of (potential) Inside Information</b>
<i>Ownership structures</i>	<ul style="list-style-type: none"> <li>• Significant changes in the composition of share capital and changes in control structures</li> <li>• Introduction / amendment / cancellation of shareholders' agreements</li> </ul>
<i>Composition of management</i>	<ul style="list-style-type: none"> <li>• Resignation or appointment of Directors or Statutory Auditors</li> <li>• Changes in managers with strategic responsibilities</li> </ul>
<i>Management incentive plans</i>	<ul style="list-style-type: none"> <li>• Adoption of incentive plans based on financial instruments</li> <li>• Final balance of incentive plan results</li> </ul>
<i>Auditor activities</i>	<ul style="list-style-type: none"> <li>• Issue by the auditing firm of opinion with findings, a negative opinion or statements of an impossibility of expressing an opinion on periodic accounting reports.</li> <li>• Renouncement of the appointment by the auditing firm</li> <li>• Replacement of the auditing firm</li> </ul>
<i>Transactions on share capital</i>	<ul style="list-style-type: none"> <li>• Increases in share capital and issue of bonds (including convertible) aimed at acquiring funding</li> <li>• Treasury share purchase/sales transactions</li> </ul>
<i>Issuance of financial instruments</i>	<ul style="list-style-type: none"> <li>• Issue of bonds and other debt securities</li> </ul>
<i>Characteristics of issued financial instruments</i>	<ul style="list-style-type: none"> <li>• Modifications of the category rights of listed shares or other issued financial instruments</li> </ul>
<i>Acquisitions, mergers, spin-offs, etc.</i>	<ul style="list-style-type: none"> <li>• Significant asset purchase or disposal transactions, including transactions made through the contribution of assets</li> </ul>
<i>Restructuring and reorganizations</i>	<ul style="list-style-type: none"> <li>• Restructuring and reorganizations with an effect on the balance sheet, income statement or financial situation</li> <li>• Merger or spin-off transactions</li> </ul>
<i>Transactions on financial instruments, buy-backs, and accelerated book-building</i>	

<b><i>Bankruptcy proceedings</i></b>	<ul style="list-style-type: none"> <li>• Filing of petitions, requests for admission or issue of orders requiring bankruptcy proceedings.</li> </ul>
<b><i>Litigation</i></b>	<ul style="list-style-type: none"> <li>• Legal / tax litigation</li> <li>• Liability or lawsuits resulting from environmental damage</li> </ul>
<b><i>Revocation of bank credit facilities</i></b>	<ul style="list-style-type: none"> <li>• Opening /Closing of credit facilities</li> </ul>
<b><i>Write-downs / revaluations of assets or financial instruments in the portfolio</i></b>	<ul style="list-style-type: none"> <li>• Significant changes in the value of assets</li> <li>• Impairment test results</li> </ul>
<b><i>Patents, licenses, rights, etc.</i></b>	<ul style="list-style-type: none"> <li>• Technological innovations</li> <li>• Completion of processes related to intangible assets such as inventions, patents or licenses</li> <li>• Reduction of the value of patents or rights related to the Group's intangible assets</li> </ul>
<b><i>Insolvency of significant debtors</i></b>	<ul style="list-style-type: none"> <li>• Insolvency of significant debtors or suppliers</li> </ul>
<b><i>Destruction or damage of uninsured assets</i></b>	
<b><i>Purchase or sale of assets</i></b>	<ul style="list-style-type: none"> <li>• Significant asset purchase or disposal transactions, including transactions made through the contribution of assets</li> <li>• Purchase or disposal transactions of shareholdings, other assets or business units</li> </ul>
<b><i>Performance of operations</i></b>	<ul style="list-style-type: none"> <li>• Creation/approval of forecast figures or quantity objectives concerning operations</li> <li>• Final and budget economic-financial figures (budgets, forecasts, interim and annual financial reports, profit analyses)</li> <li>• Tax information and data</li> </ul>
<b><i>Changes in expected period accounting results (profit warning and earning surprise)</i></b>	<ul style="list-style-type: none"> <li>• Changes in the profit/loss for a year or expected losses</li> </ul>
<b><i>Receipt or cancellation of important orders</i></b>	<ul style="list-style-type: none"> <li>• Disclosures related to significant changes in the number of clients served</li> <li>• Signing, change or termination of significant contracts or agreements</li> </ul>

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	<ul style="list-style-type: none"> <li>• Value of order portfolio</li> </ul>
<i>Entrance in new (or departure from) markets</i>	<ul style="list-style-type: none"> <li>• Company / Group strategic plans</li> <li>• Entrance in, or withdrawal from, a business sector</li> </ul>
<i>Change in investment plans</i>	<ul style="list-style-type: none"> <li>• Group investment policy</li> <li>• Budget and final figures of investment projects</li> </ul>
<i>Dividend distribution policy</i>	<ul style="list-style-type: none"> <li>• Proposals to distribute dividends or dividend advances</li> <li>• Payment dates of dividends, amount</li> <li>• Changes in dividend policy</li> </ul>

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**15. ANNEX 2 - STANDARD TEXT FOR NON-DISCLOSURE CLAUSES IN CONTRACTS**

Art. [ ]

*(Company name)* at this moment agrees to maintain maximum confidentiality on all reserved material transmitted, revealed, delivered or exchanged while performing the activity of this Contract/Agreement, concerning the business of SABAF S.p.A. or its subsidiaries, and not to use such information other than to perform what is required under the same Contract/Agreement.

“Confidential/reserved” shall refer to any information of confidential nature related to SABAF or the Group, including information of personal nature, that *(Company name)* acquires performing the Contract/Agreement and, specifically, information concerning the business of SABAF S.p.A. or its subsidiaries or any other information which *(Company name)* has had access while performing the Contract/Agreement.

By means of example, the knowledge of a project, a proposal, an initiative, a negotiation, an understanding, a commitment, an agreement, a fact or an act shall be considered confidential, even if future or uncertain, if it is not of public domain, and it is related to the sphere of SABAF’s activities or the companies it controls.

*(Company name)* agrees not to disclose such Confidential Information to third parties, nor to divulge it, in any way, directly or through third parties.

Specifically, *(Company name)* agrees to:

- use the Confidential Information provided by SABAF or its subsidiaries solely and exclusively to fulfil its contractual obligations;
- comply with all of the security measures that may be necessary to ensure the confidentiality and integrity of the information of a personal nature that SABAF or its subsidiaries provide in compliance with the Contract/Agreement, specifically the security measures required with legislation related to the automated processing of personal data;
- not reveal, not disclose or provide third parties with information of personal nature to which it has access.

*(Company name)* shall comply with the confidentiality obligation after the expiration of the Contract/Agreement or after its termination no matter what the cause.

*(Company name)* Shall be held liable for any illegitimate use of such Confidential Information. Based on the effects of this Contract/Agreement, illegitimate use shall be considered the use of the same in a different form or for purposes other than those established in the Contract/Agreement.

*(Company name)* acknowledges that any breach of the provisions of this Contract/Agreement, from which the treatment of provided Confidential Information is derived, by third parties not authorized by SABAF or its subsidiaries, may constitute an infringement of provisions included in current laws.

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PROCEDURE FOR MANAGING RELEVANT INFORMATION  
AND INSIDE INFORMATION

The violation of this confidentiality clause shall give SABAF and its subsidiaries the right to terminate this Contract/Agreement for just cause and to act to obtain compensation for all sustained damages.

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**16. ANNEX 3 - STATEMENT OF COMPLETE KNOWLEDGE AND ACCEPTANCE OF THE PROCEDURE**

The undersigned ....., born in.....,  
on....., resident in.....,  
Via/Piazza....., in his/her capacity  
of.....,

- confirms to have received a copy of the "*Procedure for Managing Relevant Information and Inside Information*" and to have read and understood its intentions and its provisions;
- is aware of the obligations I am responsible for under the "*Procedure for Managing Relevant Information and Inside Information*" and the sanctions in the event of non-compliance with such obligations;

**At this moment DECLARES**

to commit me with utmost diligence, insofar as responsible, to compliance with the provisions contained in the indicated "*Procedure for Managing Relevant Information and Inside Information*."

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(Date)

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(Signature)

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