

Guidelines

Management of transactions with Related and Connected Parties

Poste Italiane S.p.A.

These Guidelines were approved by the Board of Directors of Poste Italiane S.p.A. on 26 September 2019, on the proposal of the Chief Executive Officer, having consulted the Manager of Bancoposta and based on the prior opinion of the Related and Connected Parties Committee and the Board of Statutory Auditors.

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Introduction

This document “Guidelines for the management of transactions with related and connected parties” (hereinafter “Guidelines”) was prepared by Poste Italiane S.p.A. (“Poste Italiane”) with the objective of ensuring the transparency and substantive and procedural correctness in carrying out transactions in which a potential conflict of interests may arise.

The need to prepare and publish the Guidelines was based on two regulatory requirements:

- Consob Regulation 17221, “Regulation containing provisions governing related party transactions”, to which Poste Italiane adheres as listed company (“**Consob Regulation**”);
- Bank of Italy Circular no. 263/2006, “New regulations for the prudential supervision of banks”, Title V, Chapter 5, “Risk activities and conflicts of interest with regard to connected parties”, applicable to Poste Italiane with reference to transactions carried out by BancoPosta¹ with connected parties of Poste Italiane, excluding section II “Limits for risk activities” (“**Bank of Italy Regulation**”).

The Consob Regulation and the Bank of Italy Regulation require the organisational structures and internal control system to ensure constant observance of the decision-making procedures established and, also, to pursue the objective, compliant with sound and prudent management, of preventing and correctly managing potential conflicts of interest regarding any transactions with Related and Connected Parties.

In this domain, the autonomy of the recipients of the regulations in identifying solutions that can be adopted in practice is recognised and procedures must be adopted, according to expressly established methods, that ensure the correctness and substantive and procedural transparency of transactions with Related and Connected Parties.

The Bank of Italy Regulation also requires recipients of the regulations to:

- identify, in relation to the operating characteristics and the strategies, the business sectors and the types of economic relations, also different from those that involve the assumption of risk activities, in relation to which conflicts of interests may arise;
- establish the levels of risk appetite consistent with the strategic profile and organisational characteristics;
- establish and regulate the organisational processes targeted at identifying and registering Related and Connected Parties in a comprehensive manner and identify and quantify the associated transactions at each phase of the relationship;
- establish and regulate the control processes aimed at guaranteeing the correct measurement and management of the risks assumed vis-à-vis Related and Connected Parties and verify the correct design and effective application of internal policies.

¹ The legislative and regulatory provisions in force actually treat Poste the same as banks in terms of oversight, establishing that the banking and financial services and accessory activities carried out through BancoPosta pursuant to the Presidential Decree no. 144 of 14 September 2001, are exercisable in observance of the provisions of the TUB (Consolidated Law on Banking) and TUF (Consolidated Law on Finance) which govern the performance of said activities by banks, stock brokerage firms and other supervised intermediaries, except in the case of the adoption of specific provisions by the competent authorities.

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1 Objectives, scope of application and methods of implementation

1.1 Document objective

The regulation governing Related and Connected Parties aims to monitor the risk that the closeness of said entities to decision-making centres may compromise the objectivity and impartiality of the evaluations relating to the performance of transactions with said parties.

Therefore, the objective is to prevent any distortion in the allocation of assets and resources, generated by existing conflicts of interests, and monitor the exposure to risks that are not adequately measured or controlled.

To this end, this document establishes the principles and rules which Poste Italiane must adhere to in order to ensure the transparency and substantive and procedural correctness of transactions with Related and Connected parties and to monitor the risk deriving from potential conflicts of interests.

The Guidelines make provision, in particular, for:

- the definition of roles and responsibilities;
- the definition of Related and Connected parties falling within the perimeter of Poste Italiane and the associated registration;
- the process for the identification of transactions with Related and Connected Parties and cases of exemption/exclusion;
- the classification of transactions by main type and on the basis of relevance thresholds and the associated decision-making process;
- the internal information flows and disclosure obligations to the market, Consob and the Bank of Italy.

The Guidelines are reviewed at least every three years and, in any case, are updated in response to any:

- regulatory amendments;
- revisions of the organisational and governance model;
- significant changes to the business model or the strategies.

The Guidelines are approved by the Board of Directors, on the proposal of the Chief Executive Officer, having consulted the Manager of BancoPosta. Approval occurs based on the prior favourable opinion of the Committee, as outlined later, and the Board of Statutory Auditors.

The approval of the guidelines is communicated to the Shareholders' Meeting and kept available for any requests from the Supervisory Authorities.

If it is necessary to make any amendments or additions of a formal and non-substantive nature, such as, for example, the variation, in implementation of the provisions established by Poste at organisational level, of the name of the functions involved in the process, the Guidelines may be updated and/or supplemented on approval of the Chief Executive Officer, who will inform the Committee of this, as defined below, and the Board of Directors, at the next meeting.

The updated version of the Guidelines is published on the website of Poste Italiane at the address: <https://www.posteitaliane.it/files/1473808035001/linee-guida-parti-correlate-soggetti-collegati.pdf>.

1.2 Area of application and methods of implementation

The area of application of the Guidelines for the management of transactions with Related and Connected Parties differs depending on the regulation applied, i.e. the provisions of the Consob Regulation applies to Poste Italiane (in the performance of both postal activities and the activities of BancoPosta), while the Bank of Italy Regulation applies

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solely to BancoPosta Ring-fenced Capital. The area of application of the Bank of Italy regulation regards, in particular, BancoPosta transactions with Connected Parties of Poste Italiane.

Owing to the provisions of the Consob Regulation, the transactions with the Related parties of Poste Italiane carried out through subsidiaries also fall under the area of application of these Guidelines.

The contents of the Guidelines for the management of transactions with Related and Connected Parties are binding and apply to Poste Italiane and, based on the prior process of acknowledgement and solely for the Consob provisions, to the companies directly or indirectly controlled by it that implement the phases of the management process under their responsibility. The subsidiaries subject to special regulations, in particular those in the banking and insurance sector, whose internal control system is subject to industry regulations, receive these Guidelines and adopt them, by adjusting them into line - where necessary - with the unique characteristics of their company, taking into account the regulation applicable to them and consistent with their management autonomy. Said entities consider, in particular, the obligations set out in chapter 8 of these Guidelines.

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1.3 Responsibilities for updating

The function responsible for the Guidelines, which ensures they are drafted and updated, is the Corporate Affairs function.

The Guidelines are reviewed at least every three years and, in any case, are updated in response to any:

- regulatory amendments;
- revisions of the organisational and governance model;
- significant changes to the business model or the strategies.

The Guidelines are approved by the Board of Directors, on the proposal of the Managing Director, having consulted the Manager of BancoPosta. Approval occurs based on the prior favourable opinion of the Committee, as outlined later, and the Board of Statutory Auditors.

The approval of the guidelines is communicated to the Shareholders' Meeting as part of the annual "Report on corporate governance and ownership structures", prepared in accordance with art.123-bis of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance).

If it is necessary to make any amendments or additions of a non-substantive nature, the Guidelines may be updated and/or supplemented on approval of the Chief Executive Officer, who will inform the Committee of this, as defined below, and the Board of Directors, at the next meeting.

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2 Reference principles

The persons involved in the area of application of these Guidelines operate in respect of the regulatory and organisational system and the powers and internal authorisations and are required to operate in compliance with the legal provisions and regulations in force and in observance of the principles reported hereunder.

COMPLIANCE WITH THE LAWS AND CONSISTENCY WITH THE GENERAL REFERENCE REGULATORY FRAMEWORK- The management of transactions with related and connected parties is defined in respect of the applicable regulations, with particular reference to the Consob regulation and, as regards the transactions implemented by, or on behalf of, BancoPosta, to the applicable supervisory provisions of the Bank of Italy, as well as with the internal regulatory framework composed, by way of example, of: Articles of Association, Regulation of BancoPosta Ring-fenced Capital, Code of Ethics, Regulation of the Related and Connected Parties Committee, etc.

CONFIDENTIALITY - Without prejudice to the transparency of the activities carried out and the disclosure obligations imposed by the provisions in force, the persons that manage transactions with related and connected parties ensure the confidentiality dictated by the circumstances for each item of news / information received based on a person's job.

TRACEABILITY - The persons involved in the management of transactions with related and connected parties must guarantee, each for the part within their competence, the traceability of the activities and documents concerning the process, ensuring the identification and reconstruction of their sources, the information elements and the controls performed that support the activities.

EMPOWERMENT OF MANAGEMENT – The management, as part of the functions held and in the pursuit of the related objectives, ensure the application of the management of transactions with related and connected parties for the activities within its competence, by actively participating in its functioning.

COMMUNICATION AND INFORMATION FLOWS – All company bodies and structures are provided with the necessary information for fulfilling their responsibilities.

CORPORATE AUTONOMY OF SUBSIDIARIES – The corporate autonomy of the subsidiaries is guaranteed, as regards establishing and maintaining the adequate and functioning management of transactions with related and connected parties in observance of the management and coordination guidelines defined by Poste Italiane.

3 References².

- Consob Regulation 17221, "Regulation containing provisions governing related party transactions";
- Legislative Decree No. 58 of 24 February 1998, "Consolidated Law on Finance";
- Bank of Italy Circular 285/2013, "Supervisory provisions for banks", part four, Chapter 1 "BancoPosta", introduced with the 3rd update of 27 May 2014;
- Bank of Italy Circular no. 263/2006, "New provisions of prudential supervision for banks", Title V, Chapter 5, "Risk activities and conflicts of interest with regard to connected parties";
- Bank of Italy Circular 286/2013, "Instructions for the compilation of prudential disclosures for banks and stock brokerage firms", Part II, Section 1;
- Legislative Decree no. 385 of 1 September 1993, "Consolidated law on banking and credit";
- Code of Corporate Governance for Listed Companies, approved by the Corporate Governance Committee;
- Issuers' Regulation, adopted by means of resolution no. 11971 of 14 May 1999;
- International accounting standard IAS 24, Related party disclosures;
- Articles of Association of Poste Italiane;
- Regulation of separate Ring-fenced Capital of BancoPosta;
- Remuneration Report of Poste Italiane;

²The reference to the legislative and regulatory provisions must relate to the provisions in force from time to time.

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- Guidelines on the policies of remuneration and incentivisation of BancoPosta ring-fenced Capital;
- Code of Ethics of Poste Italiane;
- Regulation of the Related and Connected Parties Committee of Poste Italiane;
- “Company regulatory system” Guidelines of Poste Italiane.

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4. Definitions³

Where deemed useful, the different definitions contained in the Consob Regulation and the Bank of Italy Regulation are reported for the same term

Term	Definition
Unrelated Directors	Directors other than the counterparty in a given transaction and its related parties.
BancoPosta	Capital intended exclusively for the performance of BancoPosta activities, established by Poste Italiane pursuant to art. 2, paragraphs 17 octies et seq. of Decree Law no. 225 of 29 December 2010, converted from Law no. 10 of 26 February 2011.
Parent Company or Poste Italiane or Company	Poste Italiane S.p.A.
Bank of Italy Circular 263/2006	Bank of Italy Circular no. 263 of 27 December 2006 "New provisions of prudential supervision for banks".
Bank of Italy Circular 285/2013	Bank of Italy Circular no. 285 of 17 December 2013, "Part four, Chapter 1 "BancoPosta", introduced with the 3rd update of 27 May 2014".
Code of Corporate Governance	The Code of Corporate Governance for Listed Companies, approved by the Corporate Governance Committee, in force from time to time.
Committee	<p>The Related and Connected Parties Committee established within the body with the function of strategic supervision of Poste Italiane, composed of at least three directors. All members of the Committee must be independent. Independence is evaluated in compliance with art. 148 of the Consolidated Law on Finance and art. 3 of the Code of Corporate Governance.</p> <p>The composition of the Committee must, if required, be supplemented from time to time in order to ensure the presence of three independent Directors unrelated to the transaction, in the case of transactions of greater importance or at least two independent Directors not associated with the transaction, in the case of transactions of lesser importance. In cases where there isn't a sufficient number of Directors who hold the necessary requirements, the duties shall be undertaken individually by the sole independent Director unrelated to the transaction or, jointly, in the case in which there are two of them.</p>
Control (Bank of Italy)	Control pursuant to art. 23 of the Consolidated Law on Banking: <ul style="list-style-type: none"> - the cases set forth in art. 2359, first and second paragraphs, of the Italian Civil Code; - control from contracts or statutory clauses regarding or as a

³Where deemed useful, the different definitions contained in the Consob Regulation and the Bank of Italy Regulation are reported for the same object

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	<p>result of the power to exercise management and coordination activities;</p> <ul style="list-style-type: none"> - cases of control in the form of a dominant influence. <p>Also situations of joint control, understood as the sharing, established contractually, of control of an economic activity, are identified as control. In that case, the following are considered parent companies:</p> <ul style="list-style-type: none"> a) entities that have the ability to exercise a significant influence over the company's strategic financial and operating decisions; b) other entities able to shape the management of the company based on the equity investments held, any form of agreements stipulated, statutory clauses, regarding or as a result of the possibility of exercising control. <p>Control is also verified when it is exercised indirectly, via subsidiaries, trust companies or third parties. Companies and enterprises controlled by entities who are, in turn, subject to joint control, are not considered indirectly controlled.</p>
<p>Control (Consob)</p>	<p>Control means the power to determine an entity's financial and operating policies in order to obtain benefits from its activities. Control is presumed to exist when an entity owns, directly or indirectly through its subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that said ownership does not constitute control. Control also exists when an entity owns half, or a lesser portion, of the voting rights that can be exercised at Shareholders' Meetings if the latter has:</p> <ul style="list-style-type: none"> a) control of more than half of the voting rights by virtue of agreements with other investors; b) the power to determine the financial and operating decisions of the entity based on the articles of association or an agreement; the power to appoint or remove the majority of members of the Board of Directors or the equivalent corporate governance body, and control of the entity is held by said Board or body; c) the power to exercise the majority of the voting rights at meetings of the Board of Directors or the equivalent corporate governance body, and control of the entity is held by said Board or body.
<p>Joint Control (Consob)</p>	<p>Joint control is the sharing, established contractually, of control of an economic activity.</p>
<p>Managers with strategic responsibilities (Consob)</p>	<p>Managers with strategic responsibilities are those who have the power and the responsibility, whether directly or indirectly, to plan, manage and control the activities of the company, including Directors (executive or non-executive) of the company itself. Persons who do not hold the aforementioned functions at the moment of approval of the transaction do not fall under said definition.</p>
<p>Bank of Italy Regulation</p>	<p>The regulation of "Risk activities and conflicts of interest vis-à-vis</p>

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	Connected Parties”, pursuant to Title V, Chapter 5 of Bank of Italy Circular 263/2006.
Company representatives (Bank of Italy)	Company representatives are subjects that carry out functions of administration, management and control at a bank, a parent financial company or a supervised intermediary. The definition includes directors and statutory auditors in the traditional administration system. The definition includes the general manager and the person who fulfils roles involving the exercise of functions equivalent to that of the general manager. In particular, at BancoPosta, the person similar to the general manager is the Manager of BancoPosta. Persons who do not hold the aforementioned functions at the moment of approval of the transaction do not fall under said definition.
Proposing Function	Poste Italiane S.p.A. functions that propose the transaction with Related and Connected Parties, or functions of the subsidiaries through which the transactions are carried out with members of the Single Perimeter.
Poste Group	For the purposes of these Guidelines, the Group comprised of Poste Italiane and the group of Poste’s subsidiaries.
Significant influence (Bank of Italy)	<p>Significant influence is the power to participate in determining the financial and operating policies of an investee, without having control of it. Significant influence is presumed to exist in the event of the direct or indirect ownership of 20% or more of the share capital or the voting rights at the ordinary Shareholders’ Meeting or in another equivalent body of the investee, or 10% in the case of companies with shares listed on regulated markets. In the event of ownership of a stake below said thresholds, specific in-depth analyses must be conducted to ascertain the existence of a significant influence, at least on verification of the following circumstances:</p> <ul style="list-style-type: none"> a) being represented in the body with management function or the body with the function of strategic supervision of the investee; the sole fact of designating the member to represent the minority according to the provisions of the regulation of issuers of shares listed on regulated markets does not, in itself, constitute an indicator of a significant influence; b) participating in the strategic decisions of a company, in particular, given that it holds crucial voting rights in the decisions of the Shareholders’ Meeting regarding the financial statements, allocation of profits, distribution of reserves, without this representing a situation of joint control; c) the existence of relevant transactions - meaning “transactions of greater importance” as defined in this document-, the exchange of management personnel, the supply of essential technical information. <p>A significant influence is also verified when it is exercised indirectly, via subsidiaries, trust companies or third parties. Companies invested in by entities who are, in turn, subject to joint control, are not considered indirectly subject to a significant influence.</p>
Significant influence (Consob)	Significant influence is the power to participate in determining the financial and operating policies of an entity, without having control

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	<p>of it. A significant influence can also be obtained through the ownership of shares, through statutory clauses or agreements.</p> <p>If an entity owns, directly or indirectly (for example, through subsidiaries), 20% or more of the votes exercisable at the investee's Shareholders' Meeting, a significant influence is said to exist, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity owns, directly or indirectly (for example, through subsidiaries), less than 20% of the votes exercisable at the investee's Shareholders' Meeting, the investor is not presumed to hold a significant influence, unless said significant influence can be clearly demonstrated. The presence of an entity in possession of an absolute or relative majority of the voting rights does not necessarily rule out another entity from having a significant influence.</p> <p>The existence of a significant influence is usually signalled by the verification of one or more of the following circumstances:</p> <ol style="list-style-type: none"> a) the representation of the investee in the Board of Directors or in the equivalent body; b) the participation in the decision-making process, including participation in decisions regarding dividends or another type of distribution of profits; c) the presence of significant transactions between the investor and the investee; d) the interchange of management personnel; e) the provision of essential technical information.
Joint Venture (Consob)	A joint venture is a contractual agreement in which two or more parties undertake an economic activity subject to joint control.
Transactions with Related Parties (Consob)	<p>Any transfer of resources, services or obligations between the related parties, regardless of the fact that a consideration has been agreed.</p> <p>Nonetheless, the following are considered included:</p> <ul style="list-style-type: none"> - merger transactions, division by incorporation or non-proportional divisions in the strictest sense, where carried out with related parties; - any decision relation to the assignment of remuneration and economic benefits, in any form, to members of the administration and control bodies and managers with strategic responsibilities, without prejudice to the cases of exclusion allowed.
Transactions with Connected Parties (Bank of Italy)	<p>Transactions with Connected Parties that involve the assumption of risk activities, transfer of resources, services or obligations, regardless of the provision of a consideration.</p> <p>The following are not considered transactions with Connected Parties:</p> <ol style="list-style-type: none"> a) the fees paid to company members, if compliant with the supervisory provisions regarding bank incentive and remuneration systems; b) the transactions to be carried out on the basis of the instructions for the purpose of stability handed down by the Bank of Italy.
Transactions of Greater	Transactions carried out by or on behalf of BancoPosta with

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Importance (Bank of Italy)	connected parties of Poste in which at least one of the following ratios is higher than the 5% threshold: <ul style="list-style-type: none"> - Value relevance ratio: the ratio between the value of the transaction and the regulatory capital of BancoPosta taken from the most recent published balance sheet; - Asset relevance ratio: the ratio between total assets of the entity involved in the transaction and the total assets of BancoPosta. This ratio is envisaged for acquisitions, mergers and divisions.
Transactions of Greater Importance (Consob)	The Transactions carried out by Poste or its subsidiaries, with related parties of Poste in which at least one of the following ratios is higher than the 5% threshold: <ul style="list-style-type: none"> - Value relevance ratio: the ratio between the value of the transaction and the shareholders' equity taken from the most recent balance sheet (consolidated, if drafted) published by the company; - Asset relevance ratio: the ratio between total assets of the entity involved in the transaction and the total assets of the company; - Liability relevance ratio: the ratio between total liabilities of the entity acquired and the total assets of the company.
Transactions of Lesser Importance	Transactions with an amount exceeding a small amount, but below the threshold of greater importance.
Operations for a Small Amount (Consob and Bank of Italy)	Transactions whose value does not exceed: <ul style="list-style-type: none"> - Euro 1,000,000, if concluded by Poste Italiana and its subsidiaries with legal entities, with the exception of transactions completed by, or on behalf of, BancoPosta Ring-fenced Capital; - the lower amount between Euro 1,000,000 and 0.05% of regulatory capital of BancoPosta, if concluded with legal entities by, or on behalf of, BancoPosta Ring-fenced Capital; - Euro 300,000, if concluded with natural persons and with Connected Parties of Directors, Statutory Auditors, Company representatives and Managers with Strategic Responsibilities.
Ordinary Transactions (Bank of Italy)	Ordinary transactions with members of the Single Perimeter, of minor importance, falling under ordinary operations and completed under conditions equivalent to market or standard ones. In defining these transactions, account is taken of the following elements: attributability to ordinary activities, objectivity of the conditions, simplicity of the economic-contractual framework, low quantitative relevance, counterparty type.
Ordinary Transactions (Consob)	Transactions which are part of the ordinary exercise of operating activities or connected financial activities.
Decision-making body	The Board of Directors or any Body or natural person, to which the power to obligate the company to third parties has been conferred.

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Participant	The entity required to request the authorisations set forth in articles 19 et seq. of the Consolidated Law on Banking.
Related parties	Group of related parties defined by the Consob Regulation.
Capital	For the purposes of these Guidelines, Capital means: a) the Regulatory Capital of BancoPosta, in relation to the application of the Bank of Italy Regulation to transactions carried out between BancoPosta and a related/connected party; b) the consolidated shareholders' equity of Poste Italiane, in relation to the application of the Consob Regulation to transactions carried out as part of agreements stipulated between Poste Italiane and (also in the exercise of BancoPosta activities) or one of its subsidiaries and a related/connected party.
Single Perimeter	Group of Related Parties and Connected Parties of Poste Italiane, as defined respectively by Consob and Bank of Italy. The group is composed by considering, for each type of entity, the most stringent rule between that of Consob and the Bank of Italy.
Consob Regulation	The "Regulation containing provisions concerning related party transactions" adopted by Consob through resolution No. 17221 of 12 March 2010 and subsequent amendments.
Associated company (Consob)	An associated company is an entity, including with no legal persons, as in the case of a partnership, in which a shareholder exercises a significant influence but not control or joint control.
Product Company	Indicates jointly Poste Vita S.p.A. (and its subsidiaries), BancoPosta Fondi S.p.A. S.G.R. and PostePay S.p.a., company wholly-owned by Poste Italiane, whose products are placed by BancoPosta.
Associated Parties	The group represented by the Related Parties of Poste Italiane and the associated Connected Parties pursuant to the Bank of Italy Regulation.
Connected Parties	The group of Connected Parties pursuant to the Bank of Italy Regulation.
Close relatives (Bank of Italy)	Close relatives are, second-degree relatives ⁴ and the spouse or cohabiting common-law husband/wife or a related party, as well as the children of the latter.
Close relatives (Consob)	Persons that can be expected to influence, or be influenced by, the interested party in their relations with the company are considered close relatives of an entity. They can include: a) the non-legally separated spouse or the cohabiting common-law husband/wife; b) the children and dependents of the entity, of the non-legally separated spouse or the cohabiting common-law husband/wife.

⁴According to the definition of articles 74-76 of the Italian Civil Code.

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TUB (Consolidated Law on Banking)	Legislative Decree No. 385 of 1 September 1993.
TUF (Consolidated Law on Finance)	Legislative Decree no. 58 of 24 February 1998.

5 Object of the document

These Guidelines meet the requirements set forth in the Consob Regulation and the Bank of Italy Regulation (hereinafter collectively, “Supervisory Regulations”) and aim to define the governance and the process for the management of transactions with Related Parties and Connected Parties carried out directly by Poste Italiane, also in the exercise of BancoPosta activities, or through Poste Group companies.

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6 Roles and Responsibilities

The observance of the Supervisory Regulations entails, for the management of transactions with Related Parties and Connected Parties, the involvement of the Board of Directors, the Board of Statutory Auditors, the Committee and various company functions of Poste Italiane, of BancoPosta and of the subsidiaries.

Without prejudice to the fact that the detailed roles and responsibilities are specified in the internal operating procedures of Poste Italiane and of BancoPosta, the most important tasks of the company bodies are reported hereunder, and of the competent functions involved in coordinating the decision-making process and in the proposal of transactions with Related Parties and Connected Parties, of the second and third level control functions of BancoPosta, involved by virtue of the control responsibilities attributed to them by the Bank of Italy Regulation.

6.1 Shareholders' Meeting

The Shareholders' Meeting (Joint decision-making body):

- resolves on the transactions falling under the obligations of the Supervisory Regulations in cases in which the responsibility for passing resolutions is attributed to the Shareholders' Meeting by law, by the Articles of Association, as well as, for BancoPosta activities, by the supervisory provisions set forth for the latter by the Bank of Italy;
- resolves on the transactions falling under the Consob obligations subject to a negative judgment or subject to remarks by the Committee;
- is informed of the approval of these Guidelines;
- is informed at least annually of the transactions of BancoPosta subject solely to Bank of Italy obligations, which were approved in spite of the negative judgment of the Committee or of the Board of Statutory Auditors.

6.2 Board of Directors

The Board of Directors (Body with strategic supervision function):

- approves the "Guidelines for the management of transactions with Related and Connected Parties" and subsequent updates, on the proposal of the Chief Executive Officer, having consulted the Manager of BancoPosta (for matters within the competence of BancoPosta), with the prior favourable judgments of the Committee and of the Board of Statutory Auditors;
- appoints the members of the Committee in compliance with the appointment criteria established by the legislation in force;
- resolves the transactions of greater importance, except those attributed to the Shareholders' Meeting (see paragraph 6.1);
- receives the periodic disclosure, according to the provisions of paragraph 7.6.1, on transactions with Related and Connected Parties.

6.3 Chief Executive Officer

The Chief Executive Officer (Body with management function):

- receives the periodic disclosure, according to the provisions of paragraph 7.6.1, on transactions with Related and Connected Parties;
- proposes the "Guidelines for managing transactions with Related and Connected Parties" to the Board of Directors for approval;

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- approves amendments or additions purely of a formal and non-substantive nature, such as, for example, the change, in implementation of the provisions established by Poste at organisational level, of the name of the functions involved in the process, informing the Committee and the Board of Directors of this at the next meeting.

6.4 The Board of Statutory Auditors

The Board of Statutory Auditors (Body with control function):

- expresses a preliminary, reasoned opinion, for the purposes of the resolution of the Board of Directors, on the overall adequacy of the Guidelines, as well as of subsequent updates thereto, to achieve the objectives of the Supervisory Regulations;
- expresses an opinion on the transactions of greater importance of BancoPosta which are not also transactions of greater importance for Consob purposes, for which the decision-making process has been halted due to a preliminary negative opinion, or subject to remarks, issued by the Committee;
- monitors the compliance of the procedures adopted with the regulatory principles, as well as their observance and reports on this to the Shareholders' Meeting, pursuant to art. 2429 of the Italian Civil Code or art. 153 of the Consolidated Law on Finance.
- receives the periodic disclosure, according to the provisions of paragraph 7.6.1 "Internal information flows", on transactions with Related and Connected Parties.

6.5 Committee

The Committee:

- expresses a preliminary, reasoned opinion, for the purposes of the resolution of the Board of Directors, on the overall adequacy of the Guidelines, as well as of subsequent updates thereto, to achieve the regulatory objectives;
- where envisaged, formulates preliminary and reasoned opinions on transactions of lesser or greater importance, that do not qualify as exemptions, regarding the interest in carrying out such transactions, the cost-effectiveness and substantive correctness of the associated conditions and the non-existence of anomalous conditions;
- is involved from the negotiation and preliminary stage of transactions of greater importance, receiving a complete and timely flow of information, with the power to request information and make remarks to the delegated bodies and to the persons appointed to conduct negotiations and preliminary activities;
- monitors, also in order to report on any corrective changes to the Guidelines and internal procedures, the transactions carried out, including ordinary transactions of lesser importance and under market conditions subject to periodical reporting.

If there are not at least two or three independent directors unrelated to the individual transaction, respectively for the transactions of lesser and greater importance, the Committee will be supplemented according to the indications in paragraph 4 (Definitions), in order to safeguard the substantive correctness of the transaction.

6.6 Manager of BancoPosta

The Manager of BancoPosta:

- proposes, executes and verifies the guidelines established by the Board of Directors and the Chief Executive Officer regarding BancoPosta's transactions with Related and Connected Parties;

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- presents the Chief Executive Officer with the proposal for the definition and revision of the “Guidelines for the management of transactions with Related and Connected Parties” limited to the part pertaining to BancoPosta;
- receives the periodic disclosure, according to the provisions of paragraph 7.6.1, on transactions with Related and Connected Parties through the reporting of the *Tableau de Bord* (Dashboard).

6.7 BancoPosta Risk Management

BancoPosta’s Risk Management department, with reference solely to BancoPosta operations:

- contributes, for matters within its competence, to the preliminary activities on transactions with related and connected parties subject to approval by the Committee;
- contributes to the definition and updating of the regulatory perimeter of Related and Connected Parties and to the evaluation and proposal of the voluntary extension of the latter⁵;
- handles the measurement of risks, also including market risks, underlying relations with Related and Connected Parties;
- as regards the risk appetite, periodically monitors the risk activities and the existing exposures with Related and Connected Parties;
- supports the unit responsible for Supervisory Reporting with the correct preparation of reporting flows;
- receives and verifies the quarterly flows prepared by BP Fondi relating to the activities outsourced through the asset management mandate.

6.8 BancoPosta Compliance

BancoPosta’s Compliance department, with reference solely to BancoPosta operations:

- continuously verifies the existence and reliability of the procedures and systems for ensuring the observance of all regulatory obligations and those established by the internal regulations;
- contributes to the definition and updating of the regulatory perimeter of Related and Connected Parties and to the evaluation and proposal of the voluntary extension of the latter⁶.

6.9 BancoPosta Internal Audit

BancoPosta’s Internal Audit department, with reference solely to BancoPosta operations:

- verifies the observance of internal policies, promptly reports any anomalies to the Board of Statutory Auditors, the Board of Directors, the Chief Executive Officer and the Manager of BancoPosta;
- periodically reports to the Board of Statutory Auditors, the Board of Directors, the Chief Executive Officer and the Manager of BancoPosta on BancoPosta’s overall exposure to the risks deriving from transactions with Related and Connected Parties and from other conflicts of interest;
- suggests, if applicable, revisions of internal policies and the organisational and control structures deemed appropriate to reinforce the monitoring of said risks.

⁵In addition to the provisions of the applicable legislation, Related and Connected Parties can also be included in the Single Perimeter on a discretionary basis.

⁶ See note 5.

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6.10 Central coordination function

The Central coordination function (Poste Italiane function that coordinates and supervises the process, identified in the internal regulations):

- carries out coordination activities and provides support to the proposing functions, with the objective of ensuring consistency with the processes and decision-making procedure to be observed;
- is the representative of the Committee and of the Board of Statutory Auditors, supporting them with the activities forming part of the management of the transactions (e.g. verifies, organises and transmits information about the transaction subject to approval, subsequently collecting the opinions issued);
- prepares, in collaboration with the proposing functions, the information on transactions with Related and Connected Parties needed for internal reporting and for disclosure to the public and to Consob;
- assesses and registers, in collaboration with the other functions of Poste Italiane involved, the Related Parties and the Connected Parties falling under the Single Perimeter, sending the certification forms in the required cases.

The function, in carrying out its activities, avails itself of the support of the function of Poste Italiane and BancoPosta involved in the process in various guises.

6.11 Proposing Function

The Proposing Function⁷:

- before each transaction, it verifies (i) whether the counterparty is included in the Single Perimeter; (ii) whether the amount, including the management of the cumulative totals of the transactions of lesser importance, can be classified as an amount of greater importance, an amount of lesser importance, small amount; (iii) the nature of the transaction (ordinary or not) and the conditions applied (market or standard); (iv) whether the transaction falls under the cases of exclusion;
- sends to the competent central coordination function of Poste Italiane, with the necessary advance, complete and adequate disclosure of the various profiles of the transaction subject to approval;
- following the appropriate procedure, approves the transaction if it is the competent body;
- prepares, in collaboration with the central coordination function, the information on transactions with Related and Connected Parties needed for internal reporting and for disclosure to the public and to Consob.

7 Process of management of transactions with Related and Connected Parties

The process of management of transactions with Related and Connected Parties implemented by Poste Italiane makes provision for the identification, updating and monitoring of the perimeter of Related and Connected Parties (so-called Single Perimeter) and of transactions carried out with the latter. Based on the types of transactions and their economic value, the methods of resolution and approval are defined, as well as the information flows between the company functions/bodies and Consob/Bank of Italy.

The Guidelines contain a definition of the processes of:

- identification and management of the perimeter of Related and Connected parties;
- definition of the transactions, classification criteria and relevance thresholds;
- identification of the preliminary and decision-making process;
- preparation of information flows;

⁷ See paragraph 7.2.

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- second and third level controls on the process.

7.1 Identification and management of the Single Perimeter of Related and Connected Parties

The Single Perimeter of Related and Connected Parties of Poste Italiane, indicated in the table below⁸, is applicable in a unified manner for both Consob and Bank of Italy purposes and is identified on the basis of the definition of Consob related parties and related and connected parties of the Bank of Italy.

Consob Related Parties	Bank of Italy Connected Parties	
	Related parties	Connected Parties
<ol style="list-style-type: none"> 1. Subjects that directly, or indirectly, also through subsidiaries, trust companies or third parties: <ol style="list-style-type: none"> a) control (*) Poste Italiane, are controlled by it or are subject to common control; b) hold an equity investment in Poste Italiane as such to be able to exercise a significant influence (*) over the latter; c) exercise control of Poste Italiane jointly (*) with other entities. 2. The associated companies (*) of Poste Italiane; 3. The joint ventures (*) in which Poste Italiane participates; 4. The executives with strategic responsibilities (*) of Poste Italiane or its parent company; 5. The close relatives (*) of one of the parties pursuant to points 1-4; 6. The entities in which one of the parties set out in points 4 or 5 exercise control, joint control or a significant influence or hold, directly or indirectly, a significant share, of nonetheless no lower than 20% of voting rights. 7. Collective or individual supplementary pension funds, Italian or foreign, set up or promoted by Poste Italiane, in favour of the employees of the company or any other related entity. 	<ol style="list-style-type: none"> 8. Company representatives (*) 9. The participant (*) 10. Parties other than the participants able alone to appoint one or more members of the body with management function or the body with strategic supervision function of Poste Italiane, also on the basis of agreements stipulated in any form or statutory clauses regarding or due to the effect of the exercise of said rights or powers. 11. The companies or enterprises also incorporated in non-corporate form over which Poste Italiane is able to exercise control (*) or a significant influence (*). 	<ol style="list-style-type: none"> 12. The companies and enterprises also incorporated in non-corporate form controlled by a related party. 13. The entities that control the related parties pursuant to previous points 9 and 10 or the entities subject, directly or indirectly, to common control with the same related party. 14. The close relatives (*) of a related party or the companies controlled by the latter.

The perimeter also includes the entities potentially able to exercise a significant influence in the most important transactions, identified by Poste Italiane as the key personnel pursuant to the internal remuneration and incentive policies and procedures.

⁸ The meaning of the terms marked with (*) is reported in the “Definitions” of these Guidelines.

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The functions of Poste Italiane and BancoPosta concerned are responsible for the registration of Related and Connected Parties falling under the perimeter and its periodic updating, depending on the different type of related or connected party. The functions involved in the registration are also required to insert and update the relevant information in the appropriate register.

The natural persons falling under the Single Perimeter cooperate with Poste Italiane in order to allow the correct and complete registration of Related and Connected Parties. The natural persons falling under the Single Perimeter must also promptly communicate any circumstances they have learned of which may involve changes to the Single Perimeter itself.

The natural persons subject to registration are, therefore, required to declare, according to the frequency and time-scales established, by filling in the necessary certification form, their position, by listing the entities in which they exercise control or joint control, close relatives⁹ and the companies controlled by the latter. These persons are also required to promptly communicate any subsequent variation.

Provision is made for control of the completeness of the information provided by members of the perimeter, as a result of which any in-depth analyses and confirmations can be requested.

The updating of Related and Connected Parties included in the perimeter of Poste Italiane is carried out at least annually or, at any rate, whenever a change is verified, directly or on the basis of communications received from said related parties.

Furthermore, the existence of existing relations with economic groups is verified. In the event in which one of the registered entities belongs to an economic group, the entities that present with these legal or economic connections are included in the perimeter.

7.2 Definition of the relevance thresholds and of the transactions

Transactions that involve the assumption of risk activities, transfer of resources, services or obligations, regardless of the agreement of a consideration, falling under the relevant thresholds defined below, represent transactions with Related and Connected Parties.

Some of the main macro-types of transactions with Related and Connected Parties (non-exhaustive list) are reported hereunder:

- merger transactions, division by incorporation or non-proportional divisions in the strictest sense, where carried out with Related and Connected Parties;
- decisions relating to the assignment of remuneration and economic benefits, in any form, to members of the administration and control bodies, executives with strategic responsibilities and the most important entities for the purposes of BancoPosta’s remuneration and incentive policies, without prejudice to the exclusions set forth in the next paragraph 7.4.5;
- transactions connected with BancoPosta’s funding (e.g. deposits, current accounts, deposit books, repurchase agreements).
- financial transactions (e.g. trading of OTC derivative instruments, investment services, proprietary finance);
- agreements, including those for placement services performed on behalf of third parties;
- purchase contracts;
- contractual agreements of any kind, other than those indicated in the previous points.

Transactions deriving from the obligations of primary legislation, provided they are carried out under market conditions and not negotiated directly with Related and Connected Parties (e.g. Government bonds or Government-backed bonds acquired on regulated markets) do not constitute transactions with Related and Connected Parties.

At the same time as the recording of transactions with Related and Connected Parties, the main company functions which may carry out said transactions (hereinafter, “Proposing functions”) have been identified. Without prejudice to

⁹Given not constituting Related and Connected Parties pursuant to this regulation, second-degree relations are also registered as close relatives of a related party, in order to keep this information available for any requests from the Regulators.

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the general principle for which all transactions that Poste Italiane enters into with members of the Single Perimeter are defined as transactions with Related and Connected Parties, the identification of the main proposing functions is considered necessary to allow awareness-raising activities and training where significant transactions may originate with Related and Connected Parties. Merely by way of a non-exhaustive example, reference is made to the purchasing, sales and marketing functions which may stipulate agreements and active conventions with counterparties, the functions responsible for investments, etc.

The company, through the company functions involved and with the support of the second level control functions of BancoPosta, carries out this activity on a periodic basis, at least annually, and nonetheless whenever there is a need for it in view of significant strategic, organisational and/or business changes.

The type and intensity of the controls set forth in the Supervisory Regulations vary depending on the relevance of the transaction entered into, as described in paragraph 7.4.

7.3 General transaction qualification criteria

Transactions with related and connected parties are classified based on size relevance, nature (ordinary and not) and the financial terms applied.

Criteria for identifying relevance

Transactions with related and connected parties are distinguished, on the basis of size relevance, into Transactions of Greater Importance, Transactions of Lesser Importance and Transactions for Small Amounts.

The size of the transaction is defined in relation to the nature of the transaction itself (e.g. nominal value, estimate, value of the contract, value of the company acquired, etc.).

Criteria for identifying the ordinary nature

Transactions of an ordinary nature (i.e. falling under the normal exercise of operating activities or connected financial activities) and concluded under market or standard conditions are defined as “ordinary”.

In order to define transactions as “Ordinary”:

- as regards the objective, the transaction must be related to ordinary activities;
- as regards the recurring nature, only those that are repeated regularly and continuously over time are considered;
- in relation to the size, transactions that do not have dimensions significantly greater than those that normally typify similar transactions performed by the company are considered;
- as regards the contractual terms and conditions, only transactions whose contractual characteristics do not deviate from standard or prevailing market conditions, also for categories of customers, are considered;
- as for the consideration of the transaction, transactions for which provision is made for a non-monetary consideration do not fall under the ordinary exercise of operating activities;
- in relation to the nature of the counterparty, transactions carried out with a counterparty that presents anomalous characteristics with respect to the type of transaction performed are not considered.

Transactions of greater importance carried out by, or on behalf of BancoPosta are never ordinary for the purposes of the Bank of Italy Regulation.

Criteria for determining the conditions applied

“Market or standard conditions” generally mean those:

- applied to counterparties that are not members of the Single Perimeter with reference to transactions with similar characteristics in terms of size, nature, type, risk, etc.;
- taken from manuals, tariff lists, product tables, framework agreements, etc. or applied on the basis of the conditions defined and imposed by law;
- defined following a competitive procedure, adequately documented and governed by company rules consistent with the reference legal provisions, in which the application of the best market practices is guaranteed and which is adequately publicised.

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7.4 Definition of the relevance thresholds

7.4.1 Transactions of Greater Importance

Pursuant to the Consob Regulation and the Bank of Italy Regulation, transactions of greater importance are those for which the following ratio exceeds the 5% threshold:

- Value relevance ratio: the ratio between the value of the transaction and the capital ¹⁰ *taken from the most recent published balance sheet.*

As set forth in the supervisory regulations, if the financial conditions of the transaction are determined, the value of the transaction is:

- for components in cash, the amount paid/to be paid to/by the contractual counterparty;
- for components comprised of financial instruments, the fair value determined, at the date of the transaction, in compliance with the international accounting standards.

If the financial conditions of the transaction depend wholly or partly on balances which are still unknown, the value of the transaction is the maximum amount receivable or payable in accordance with the agreement (in the case of long-term services remunerated with commissions/fees the value is represented by their present value).

For acquisitions, mergers or divisions, the 5% threshold is calculated according to the following ratios:

- Asset relevance ratio: the ratio between total assets of the counterparty involved in the transaction and the total assets of the entity that carries out the transaction (BancoPosta or Poste).

As set forth in the Supervisory Regulations, for acquisitions and transfers of equity investments in companies that impact the scope of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of share capital subject to the provision.

For acquisitions and transfers of equity investments in companies that do not impact the scope of consolidation, the value of the numerator is:

- in the case of acquisitions, the value of the transaction plus the liabilities of the company acquired assumed, if needs be, by the purchaser;
- in the case of transfers, the consideration of the asset transferred.

For acquisitions and transfers of other assets (other than the acquisition of an equity investment) the value of the numerator is:

- in the case of acquisitions, the higher of the consideration and the book value which will be attributed to the asset;
- in the case of transfers, the book value of the asset.

- Liability relevance ratio: the ratio between total liabilities of the entity acquired and the total assets of the company's Ring-fenced capital.

The data to be used must be taken from the most recent balance sheet (consolidated, if drafted) published by the company; where possible, similar data must be used to determine the total liabilities of the company or of the business unit acquired.

In the case of homogeneous transactions or those realised in implementation of a single objective, carried out during the year with the same related party/connected party, their value is cumulated for the purposes of calculating the relevance threshold (for more details please refer to paragraph 7.4.4).

¹⁰ As defined in the Chapter 4 "Definitions", the capital used to determine the relevance threshold valid for Consob purposes (for the transactions of Poste, BancoPosta or subsidiaries) and the reported consolidated shareholders' equity. By contrast, the capital used to determine the Bank of Italy relevance threshold for BancoPosta transactions is the BancoPosta Regulatory Capital.

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Type of Transactions	Subject to Consob obligations	Subject to Bank of Italy obligations
Greater Importance	Transactions carried out by Poste Italiane, BancoPosta or subsidiaries whose value is 5% higher than the consolidated shareholders' equity of Poste or for which the asset and liability relevance ratios exceed the threshold by 5%.	BancoPosta transactions whose value is 5% higher than the Regulatory Capital.

7.4.2 Transactions of Lesser Importance

Transactions of lesser importance are those for an amount exceeding a small amount and up to the threshold of greater importance.

7.4.3 Transactions for a Small Amount

The provisions of the Supervisory Regulations do not apply to transactions for a small amount.

For Consob purposes, the company can define the small amount threshold independently. For Bank of Italy purposes, the transactions carried out by or on behalf of BancoPosta with members of the Single Perimeter, whose value does not exceed the lower of Euro 1,000,000 and 0.05% of regulatory capital of BancoPosta, are considered of a small amount.

In light of the above, transactions whose value does not exceed the following are considered transactions for a small amount:

- Euro 1,000,000, if concluded with legal entities by Poste Italiane and its subsidiaries, with the exception of transactions completed by, or on behalf of, BancoPosta Ring-fenced Capital;
- the lower amount between Euro 1,000,000 and 0.05% of regulatory capital of BancoPosta, if concluded with legal entities by, or on behalf of, BancoPosta Ring-fenced Capital;
- Euro 300,000, if concluded with natural persons and with Connected Parties of Directors, Statutory Auditors, Company representatives and Managers with Strategic Responsibilities.

The total annual amount of the transactions for a small amount carried out under the exemption system is, nonetheless, tracked in the company systems, also in order to prepare an adequate disclosure for the company bodies.

Type of Transactions	Exemption
Small amount	<p>Transactions whose value does not exceed:</p> <ul style="list-style-type: none"> • Euro 1,000,000, if concluded with legal entities by Poste Italiane and its subsidiaries, with the exception of transactions completed by, or on behalf of, BancoPosta Ring-fenced Capital; • the lower amount between Euro 1,000,000 and 0.05% of regulatory capital of BancoPosta, if concluded with legal entities by, or on behalf of, BancoPosta Ring-fenced Capital; • Euro 300,000, if concluded with natural persons and with Connected Parties of Directors, Statutory

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	Auditors, Company representatives and Managers with Strategic Responsibilities.
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7.4.4 Cumulative transactions

In the case of several homogeneous transactions or those realised in implementation of a single objective, carried out during the year with the same related party or connected party, their value is cumulated for the purposes of calculating the threshold of greater importance and the application of the relevant decision-making procedure.

In fact, even if these transactions do not qualify on an individual basis as transactions of greater importance, they could exceed the thresholds envisaged when cumulatively considered and, therefore, be subject to the same obligations of said transactions of greater importance. However, all those transactions attributable to cases of exclusion reported in the subsequent paragraph 7.4.5 are not included under so-called cumulative transactions.

In summary, the cumulative transactions must present the following aggregation criteria:

- *amount*: higher than the small amount but below the threshold for the determination of transactions of greater importance;
- *time-scale*: transactions carried out during the same year;
- *subject*: transactions carried out with a Related party or Connected Party;
- *object*: transactions included between cases and rights of exclusion are not relevant;
- *homogeneity and single objective*: in the first case this relates to transactions that share a common nature and characteristics, in the second that share the objective for which the transactions are carried out.

7.4.5 Right of exemption and derogation

Consistently with the provisions of the reference legislation, the types of transactions are identified for which provision is made for the exemption of all or part of the procedural obligations envisaged.

The transactions for which the provisions of the Supervisory Regulations do not apply, but only the obligations set forth in art. 154-ter of the Consolidated Law on Finance and art. 5, paragraph 8 of the Consob Regulation, are:

- the Shareholders' Meeting resolutions pursuant to art. 2389, paragraph 1 of the Italian Civil Code, relating to the fees due to members of the Board of Directors, as well as the resolutions regarding the remuneration of the directors vested with special roles falling under the total amount determined in advance by the Shareholders' Meeting pursuant to art. 2389, paragraph 3 of the Italian Civil Code;
- the Shareholders' Meeting resolutions pursuant to art. 2402 of the Italian Civil Code, relating to the fees due to members of the Board of Statutory Auditors;
- payment plans based on financial instruments approved by the Shareholders' Meeting pursuant to art. 114-bis of Legislative Decree 58/1998 and the associated executive transactions;
- the resolutions, other than those pursuant to art. 2389, paragraph 1 of the Italian Civil Code, regarding the remuneration of Directors vested with special roles, Company representatives, as well as Executives with strategic responsibilities and the most important personnel for the purposes of BancoPosta's remuneration and incentive policies, provided that they conform to the remuneration and incentive policies defined internally for Poste and BancoPosta;
- the transactions to be carried out on the basis of the instructions for the purpose of stability handed down by the Supervisory Authority, or based on provisions issued by the parent company for the implementation of the instructions handed down by the Supervisory Authority in the interest of the Group.

By availing itself of the rights of exemption and derogation set out in the legislation, Poste Italiane excludes from the application of the decision-making procedures:

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- Operations for a small amount¹¹ as defined by these Guidelines;
- Ordinary Transactions, as defined by these Guidelines;

In the event ordinary transactions do not apply to the decision-making obligations set out in these Guidelines for transactions with entities included in the perimeter; however:

- the resolution must contain elements that prove the ordinary nature of the transaction;
 - information flows must be guaranteed, at least of an aggregate type, suited to allowing adequate monitoring of these transactions also by the Committee, for the purposes of any corrective actions;
 - for transactions of greater importance carried out by Poste Italiane or subsidiaries, for which the ordinary nature permits the exemption from the publication obligations set out in art. 5, paragraphs 1-7, of the Consob Regulation, the disclosure obligations set forth in art. 17 of Regulation (EU) no. 596/2014, as well as art. 5, paragraph 8 and art. 13, paragraph 3, letter c) of the aforementioned Regulation remain valid.
- transactions with subsidiaries and companies subject to a significant influence;

These relate to transactions with subsidiaries, or transactions subject to a significant influence, when the transaction does not contain significant interests of other Related Parties and Connected Parties.

More specifically, the following are considered significant interests of Other Related Parties and Connected Parties;

- a) a stake in the subsidiary or associate (counterparty of the transaction), that involves the exercise of a significant interest;
- b) the presence of the remuneration and incentive mechanisms and policies of Company representatives (common to Poste Italiane and the subsidiary or associate) which depend to a significant degree (greater than 30% of total remuneration) on the results achieved for the period by the subsidiaries or associates with which the transaction is carried out. The evaluation of significance is conducted in light of the weight assumed by the remuneration that depends directly on the performance of the subsidiary with respect to the total remuneration of the Company representative.

In any case, the following are not considered significant interests:

- a) those deriving from the holding of an equity investment in the subsidiary or associate (counterparty of the transaction) by another direct or indirect subsidiary of Poste Italiane;
- b) those deriving from the mere sharing of one or more company representatives between Poste Italiane and the subsidiary or associate with which the transaction is carried out.

In these cases, the decision-making obligations set forth in the Guidelines do not apply, but the information flows are guaranteed, at least of an aggregate type, suited to allowing adequate monitoring of these transactions also by the Committee, for the purposes of any corrective actions.

The agreements and contracts concluded by BancoPosta with the Group's Product Companies are not considered exempt for the purposes of the Bank of Italy Regulation, without prejudice to the exemption from the Consob Regulation.

- transactions of an urgent nature;

Transactions that do not fall within the competence of the Shareholders' Meeting and that do not need to be authorised by said meeting, if of an urgent nature, are excluded from the application of the decision-making process defined for transactions with related parties and connected parties, if envisaged by the currently applicable Articles of Association. The existence of an urgent nature must be specifically proven by the decision-making body based on the objective circumstances and not exclusively attributable to its own decisions.

In particular, for transactions subject to the Consob obligations, in cases in which the transaction is not within the competence of the Shareholders' Meeting and does not need to be authorised by the latter, the procedures may

▪ ¹¹The smallness of the amount always involves exemption, except for the following cases: (i) the small amount exemption does not apply to sales of properties. These must always be subject to the prior opinion of the Committee, if carried out under non-market conditions, however taking into account transactions governed by specific rules; (ii) in-court and out-of-court settlement agreements can never be considered either ordinary transactions or transactions for a small amount.

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require, in the event of urgency, without prejudice to the disclosure obligations set forth in art. 5 of the Consob Regulation, transactions with the Single Perimeter to be concluded in derogation to the authorisation procedures envisaged for transactions of lesser or greater importance, provided that:

- a) if the transaction to be completed falls within the competencies of the Chief Executive Officer, the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors are informed of the reasons of urgency before the transaction is carried out;
- b) these transactions are subsequently subject, without prejudice to their effectiveness, of a non-binding decision of the next ordinary Shareholders' Meeting;
- c) the Board of Directors prepares a report containing an adequate justification of the reasons of urgency. The Board of Statutory Auditors reports its evaluations on the existence of the reasons of urgency to the Shareholders' Meeting;
- d) the report and the evaluations pursuant to letter c) are made available to the public at least twenty-one days before the date set for the Shareholders' Meeting at the company's headquarters and according to the methods indicated in Title II, Chapter I, of the Issuers' Regulation. These documents may be contained in the information document pursuant to art. 5, paragraph 1 of the Consob Regulation;
- e) by the next day after that of the Shareholders' Meeting, the companies make the information on the results of the vote available to the public according to the methods indicated in Title II, Chapter I, of the Issuers' Regulation, with particular regard to the total number of votes expressed by unrelated shareholders.

For transactions subject also or exclusively to the Bank of Italy Regulation, in the case of transactions that fall under the decision-making competence of the Board of Directors or the Chief Executive Officer, the other bodies (Board of Directors, Chief Executive Officer, Board of Statutory Auditors) must be informed of the reasons of urgency before the transaction is carried out. Where one or more of said bodies, as well as the Related Party and Connected Party Committee, do not believe the nature of urgency exists, they must provide prompt information to the other bodies and, at the next Shareholders' Meeting.

7.5 Identification of the preliminary and decision-making process

Before carrying out a transaction, the proposing function must verify:

- whether the counterparty is included in the Single Perimeter, by searching the Related and Connected Parties register;
- whether the amount, including the management of the cumulative totals of the transactions of lesser importance¹², can be classified as an amount of greater importance, an amount of lesser importance, small amount;
- the nature of the transaction (ordinary and not) and the conditions applied (market or standard);
- whether the transaction falls under cases of exclusion.

Non-exempt transactions, with an economic value whose quantification cannot be determined or estimated in advance, prudentially adhere to the greater importance procedure.

With reference to the transactions carried out by, or on behalf of, BancoPosta: (i) the opinion of the Committee comes before the approval of the Board of Directors in all cases in which the opinion, despite not regarding a transaction of greater importance with the related party, relates to transactions that are approved by the same Board; (ii) in any case, the decision-making process envisaged for transactions of greater importance is applied to transactions of strategic importance (e.g. corporate transactions).

¹² See paragraph 7.4.4.

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The transactions performed on the basis of contracts, including long-term, concluded before the entry into force of these Guidelines, albeit continuing to produce their economic-equity effects also after the entry into force of these Guidelines, are not subject to the decision-making processes provided, but are exclusively subject to reporting.

7.5.1 Resolution of Transactions of Lesser Importance

The decision-making process envisaged for transactions of lesser importance that are not ordinary, and therefore not exempt, is structured into the following activities:

- the pre-approval phase:
 - the proposing functions, with the support or through an appropriate central function of Poste Italiane, provide, with the necessary advance, a complete and adequate disclosure of the different profiles of the transaction subject to approval (e.g. counterparty, transaction type, conditions applied - economic and non-economic, financial cost-effectiveness, impact on the interests of the parties involved) in order to ensure the Committee has in-depth knowledge of the transactions with Related and Connected Parties. The Committee has the right to be assisted, at the expense of the Company, by one or more independent experts of its choice¹³;
 - the Committee presents any gaps or inadequacies identified in the pre-approval phase to the competent decision-making entities;
- the approval phase:
 - the Committee expresses an advanced, reasoned opinion to the competent decision-making body on the Company's interest in carrying out the transaction, as well as on the cost-effectiveness and the substantive correctness of the conditions thereof and the non-existence of anomalous conditions. In the event of a resolution of transactions with a negative opinion or one subject to the remarks of the Committee, the latter shall provide a detailed explanation of the reasons for which the decision was made in any case and a point by point illustration of the remarks made by the committee;
 - the transaction is resolved by the bodies vested with the relevant powers, providing an adequate justification regarding:
 - the opportunity and cost-effectiveness of the transaction;
 - the reasons for any deviations, in terms of the financial and contractual terms as well as other typical profiles of the transaction, with respect to standard or market conditions. The documentation in support of the resolution contains the appropriate evidence of this justification;
 - the decision-making body¹⁴ provides the Board of Directors, the Chief Executive Officer, the Board of Statutory Auditors and, where relating to BancoPosta transactions, the Manager of BancoPosta with a quarterly disclosure on the transactions concluded and their characteristics. The transactions on which the Committee has expressed a negative or conditional opinion are communicated to the aforementioned bodies on an individual basis as soon as resolved and are subject to the disclosure set forth in paragraph 7.6.2.

7.5.2 Approval of Transactions of Greater Importance

For transactions of greater relevance with Related and Connected Parties the procedural rules set forth for transactions of lesser importance pursuant to the previous paragraph apply, as well as the following additional provisions:

- the pre-approval phase:

¹³Limits can be set on the total amount of these expenses based on the prior favourable opinion of the Board of Statutory Auditors.

¹⁴In the case of transactions of lesser importance, the decision-making body avails itself of the structure of authorisations and powers defined by the Board of Directors.

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- the Committee is also involved at the negotiation and preliminary phase, through the receipt of a complete and prompt information flow, and has the right to request information from and make comments to the delegated bodies and the persons in charge of conducting negotiations or preliminary activities.
- the approval phase:
 - in the event of a favourable opinion of the Committee, they are always resolved by the Board of Directors, following the issuing of the opinion by the Committee, with the exception of matters within the competence of the Shareholders' Meeting;
 - for BancoPosta transactions (that do not meet the relevance threshold for Consob purposes):
 - In the event of a negative opinion or one that is subject to remarks by the Committee, an advance opinion is also required from the Board of Statutory Auditors, which must be provided with appropriate information about the transaction in terms of both content and timing. Like the Committee, the Board of Statutory Auditors expresses an advance reasoned opinion on BancoPosta's interest in carrying out the transaction, as well as on the cost-effectiveness and the substantive correctness of the associated conditions to the body empowered by law or the articles of association to resolve upon it;
 - In the event of a negative opinion or one subject to remarks by the Board of Statutory Auditors, the resolution must provide a detailed justification of the reasons for which it has been made, and a point-by-point reply to the remarks made by the statutory auditors;
 - Transactions carried out on which the Committee or the Board of Statutory Auditors has expressed a negative opinion or made remarks shall be reported at least on an annual basis to the Shareholders' Meeting.
 - transactions of greater importance subject to Consob obligations, for which the Committee has formulated a negative or conditional opinion, may be resolved by the Board of Directors provided that the performance of this transaction is authorised by the Shareholders' Meeting pursuant to art. 2364 of the Italian Civil Code (see paragraph 7.5.3).

7.5.3 Transactions within the competence of the Shareholders' Meeting

If the responsibility for resolving on transactions with Related and Connected Parties rests, by law or due to the articles of association, the rules set out in the previous paragraphs (paragraphs 7.5.1 and 7.5.2) apply to the phase of the proposal that the Board of Directors presents to the Shareholders' Meeting.

In the case of a transaction of greater importance subject to Consob obligations, whose proposed resolution presented to the Shareholders' Meeting has been approved by the Board of Directors in the presence of a negative opinion of the Committee, without prejudice to the provisions of articles 2368, 2369 and 2373 of the Italian Civil Code and the statutory provisions set forth by law, the performance of the transaction must be prevented if the majority of the unrelated voting shareholders vote against the transaction. In any event, the performance of the transactions of greater importance is prevented only when unrelated shareholders attending the Shareholders' Meeting represent at least 10% of the share capital with voting rights.

If set forth in the currently applicable articles of association, in the event of urgency linked to situations involving company crisis, without prejudice to the provisions of art. 5 of the Consob Regulation, where applicable, the transactions with Related Parties are concluded in derogation to the authorisation process envisaged previously, provided that the provisions of art. 13, paragraph 6, letters c) and d) of the Consob Regulation apply to the Shareholders' Meeting called to resolve, which respectively require:

- the Board of Directors to prepare a report containing an adequate justification of the reasons of urgency. The Board of Statutory Auditors reports its evaluations on the existence of the reasons of urgency to the Shareholders' Meeting;
- the report and the evaluations pursuant to the previous point are made available to the public at least twenty-one days before the date set for the Shareholders' Meeting at the company's headquarters and according to the methods indicated in Title II, Chapter I, of the Issuers' Regulation. These documents may be contained in the information document pursuant to art. 5, paragraph 1 of the Consob Regulation;

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If the evaluations of the Board of Statutory Auditors pursuant to art. 13, paragraph 6, letter c) are negative, the transaction resolved may only be carried out with the favourable vote of the majority of unrelated voting shareholders. In the opposite case, the disclosure obligations pursuant to art. 13, paragraph 6, letter e) shall apply.

7.5.4 Framework Resolutions

Categories of homogenous and sufficiently determined transactions can be carried out on the basis of framework resolutions. For the assumption of these resolutions, the rules compliant with the provisions set out in the previous paragraphs must be observed.

In particular, the framework resolutions:

- based on the expected maximum amount of the transactions subject to the framework resolution, considered cumulatively, must be adopted on the basis of the decision-making processes envisaged for transactions of lesser importance and transactions of greater importance;
- have a maximum effectiveness of one year;
- must indicate all the foreseeable elements of information of the transactions, including the total maximum amount of the transactions which are expected to be carried out in the reference period;
- a complete quarterly disclosure of the implementation of the framework resolutions must be provided to the Board of Directors.

If a transaction, even if initially attributable to a framework resolution, does not, however, respect the requirements of uniqueness, homogeneity and precision forming the basis of the framework itself, it cannot be carried out in execution of the latter. The general rules established for each transaction with Related and Connected Parties therefore apply to said transaction.

7.5.5 Additional Oversight

Transactions with members of the perimeter, also after their resolution by the competent bodies, may be subject to conditions which may nullify their integrity and transparency.

Therefore, when a transaction already carried out subsequently gives rise to losses, in-court or out-of-court settlement agreements, the relevant decisions by the competent bodies must comply with the provisions established in previous paragraphs 7.5.1 and 7.5.2.

7.6 Disclosure obligations

7.6.1 Internal information flows

The decision-making bodies and structures, also through the competent function of Poste Italiane, report:

- on an event-related basis:
 - to the Board of Directors, to the Board of Statutory Auditors, to the Chief Executive Officer and, for BancoPosta transactions, to the Manager of BancoPosta, the transactions of greater and lesser importance concluded with Related and Connected Parties in spite of a negative opinion or an opinion subject to remarks by the Committee. Information is sent promptly following the resolution of the transaction;

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- to the Shareholders' Meeting on the transactions subject solely to the Bank of Italy Regulation¹⁵ for which the bodies other than the decision-making body do not consider the nature of urgency to exist. In said case, the disclosure is provided by said bodies which identified the non-existence of urgency;
- on a quarterly basis:
 - to the Board of Directors, to the Board of Statutory Auditors, to the Chief Executive Officer and, for BancoPosta transactions, to the Manager of BancoPosta, on the transactions of greater and lesser importance concluded, including ordinary transactions under standard conditions or those whose relevance derives from an accumulation of transactions for a small amount or transactions of lesser importance;
 - to the Board of Directors and the Board of Statutory Auditors on the transactions carried out in implementation of any framework resolutions adopted.
- on an annual basis:
 - to the Shareholders' Meeting on the BancoPosta transactions of greater importance carried out in spite of the negative opinion of the Board of Statutory Auditors;
 - to the Committee, on the ordinary transactions, the transactions concluded with subsidiaries in the absence of significant interests of other Related and Connected Parties, small transactions (individual and accumulated) and transactions of an urgent nature resolved by the company functions possessing the necessary powers (not by company bodies).

The aforementioned information, with reference to the BancoPosta section, is also sent to the Compliance and Risk Management functions of BancoPosta.

BancoPosta's Risk Management function reports, as part of the quarterly *Tableau de Bord* (dashboard) examined by the Board of Directors and subsequently sent to the Bank of Italy, the outcome of the monitoring carried out on the risk activities and on the existing exposures with Related and Connected Parties (see paragraph 7.7.1).

7.6.2 Disclosure obligations on transactions with related parties pursuant to the Consob Regulation

The disclosure and transparency obligations required by the Consob Regulation for Transactions with Related Parties (and connected updates in the event of changes to the elements of information communicated) are different in consideration of the specific circumstances.

❖ Transactions of Greater Importance

Following the approval of a transaction of greater importance by Poste Italiane or a Poste Group company, including any Framework Resolutions of greater importance, Poste Italiane prepares, in accordance with art. 114, paragraph 5, of Legislative Decree 58/1998¹⁶, an information document in compliance with the provisions of the Consob Regulation.

This document, together with the opinion of the Committee, is provided to the public, at the company's headquarters and according to the methods set forth in the Consob Issuers' Regulation, Part III, Title II, Chapter I, within seven days of approval of the transaction or, if the resolution concerns the presentation of a contractual proposal, within seven days of the date of conclusion of the contract or the preliminary contract.

In cases of competence of or authorisation by the Shareholders' Meeting, said information document is made available, together with the opinion of the Committee, within seven days of the approval of the proposal to be submitted to the Shareholders' Meeting.

¹⁵Transactions exempt from the Consob obligations owing to the nature of urgency are, instead, subject to a non-binding decision of the next ordinary Shareholders' Meeting.

¹⁶If an information document also needs to be prepared pursuant to art. 70, paragraphs 4 and 5, and art. 71 of the Issuer's Regulation, a single document can be published that contains the information required by the two regulations, in the quickest time possible from the terms envisaged by each of the applicable provisions (see art. 5, paragraph 6 of the Consob Regulation).

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The information document and the opinions of the Committee are sent to Consob at the same time as dissemination to the public.

In the event the relevance threshold is exceeded due to an accumulation of several transactions of lesser importance, the information document is made available to the public within fifteen days of approval of the transaction or conclusion of the contract that led to the situation in which the threshold was exceeded. In the event the relevance threshold is exceeded due to a transaction carried out by a Poste Group company, the terms take effect from the moment Poste Italiane received information on the transaction.

If a transaction with related parties is also subject to the communication obligations set forth in art. 17 of Regulation (EU) no. 596/2014, the press release to be circulated to the public contains, in addition to the other information to be published pursuant to the aforementioned regulation, the information required by art. 6 of the Consob Regulation.

For ordinary transactions of greater importance carried out by Poste Italiane or subsidiaries, for which the company has departed from the aforementioned publication obligations, the disclosure obligations set forth in the following remain valid:

- art. 17 of Regulation (EU) no. 596/2014;
- art. 154-ter of the TUF (Consolidated Law on Finance) and art. 5, paragraph 8, of Consob Regulation (see paragraph 7.6.2.1);
- art. 13, paragraph 3 letter c) of Consob Regulation, which requires:
 - i) companies to inform Consob, within the term indicated in art. 5, paragraph 3, of the counterparty, the objective and the consideration of the transactions that benefitted from the exclusion;
 - ii) companies with shares listed on regulated markets to indicate in the interim report on operations and in the annual report on operations, as part of the information set out in art. 5, paragraph 8, which of the transactions subject to the disclosure obligations outlined in the latter provision have been concluded by availing of the exclusion set forth for ordinary transactions;
 - iii) publicly traded companies to indicate in the report on operations the counterparty, the objective and the consideration of the transactions of greater importance concluded in the year by availing of the exclusion envisaged for ordinary transactions.

❖ **Transactions of Lesser Importance**

In compliance with the Consob Regulation, no provision is made for the obligation of communication to the market of transactions of lesser importance, with the exception of transactions concluded in spite of the negative opinion of the Committee. Poste Italiane provides the public, within fifteen days of the close of each quarter of the year, at the company's headquarters and according to the methods set forth in the Consob Issuers' Regulation, Part III, Title II, Chapter I, with an information document, approved by the Board of Directors, which indicates:

- the counterparty;
- the objective;
- the consideration;
- the reasons that, in spite of a negative opinion of the Committee, led to the conclusion of the transactions.

The negative opinions issued by the Committee must also be made available to the public, attached to the aforementioned information document or posted on Poste Italiane's website, within the aforementioned term of fifteen days.

❖ **Mergers, divisions, share capital increases, acquisitions and transfers**

If, in relation to a transaction of greater importance, Poste Italiane is required to prepare an information document pursuant to art. 70, paragraphs 4 and 5, and art. 71 of the Issuers' Regulation, it can publish a single document that contains the information required by Annex 4 of the Consob Regulation for the drafting of the information document and by said articles 70 and 71. In this case, the document is made available to the public at the company's headquarters and according to the methods indicated in Title II, Chapter I, of the Issuers' Regulation, in the quickest time possible from the terms envisaged by each of the applicable provisions. Where separate documents are published, Poste Italiane can include, through a reference, the information already published.

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❖ **Transactions of an urgent nature**

Without prejudice to the disclosure obligations set forth in art. 5 of the Consob Regulation, for transactions of an urgent nature, exempt from observance of the decision-making processes for transactions of lesser or greater importance, the disclosure obligations set out in art. 13, paragraph 6 of the Regulation shall apply.

7.6.2.1 Financial Disclosure

Pursuant to art. 5, paragraph 8, of the Consob Regulation, Poste Italiane inserts information in the annual report and the interim report on operations:

- on the individual transactions of greater importance concluded in the reference period, also through reference to the relevant information documents published, reporting any significant updates and indicating, for each transaction (also in table form) (i) the name of the transaction counterparty, (ii) the nature of the relationship with the related party, (iii) the objective of the transaction, (iv) the consideration of the transaction, and (v) any other piece of information needed to understand the effects of the transaction with related parties on the company’s financial statements;
- on any other individual transactions with related parties - as defined in accordance with art. 2427, paragraph 2, of the Italian Civil Code - concluded in the reference period, which had a significant impact on the capital position or results of the consolidated financial statements, even if carried out by the subsidiaries;
- on any change or development of transactions with related parties described in the last annual report which had a significant impact on the capital position or the results of the companies in the reference period.

7.6.3 Supervisory Reporting pursuant to the Bank of Italy Regulation

Solely for BancoPosta operations is the reporting regulation set forth by the Bank of Italy applicable.

The Bank of Italy Regulation requires the Bank of Italy to be periodically informed of both the risk activities vis-à-vis Connected Parties, and the transactions carried out by the latter based on the frequency and level of detail required by the relevant prudential reporting regulation.

Based on the regulations applicable to BancoPosta, the following are subject to supervisory reporting to the Bank of Italy:

- risk activities on a quarterly basis¹⁷, according to the amount thresholds defined by the reporting regulation in force, and the transactions of greater importance;
- on an annual basis, the transactions not involving a small amount with Related and Connected Parties.

7.7 Second and third level controls on the process

Taking into account the prudential regulations in force applied to supervised intermediaries, Poste Italiane has established and regulated the control processes aimed at guaranteeing the correct measurement and management of the risks assumed by BancoPosta vis-à-vis Related and Connected Parties and verifying the correct design and effective application of internal policies. Within said context, the Risk Management, Compliance and Internal Audit functions of BancoPosta are involved, according to the responsibilities attributed to them in chapter 6.

7.7.1 Monitoring of risk appetite

As regards the risk appetite, given the prudential limits governed by Circular 263/2006 of the Bank of Italy, Title V, Chapter 5, Section II are not applicable to BancoPosta, Poste Italiane’s Board of Directors requires, with reference to

¹⁷The prudential limits set forth in Circular 263/2006 are not applicable to BancoPosta, pursuant to Circular 285/2013.

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total exposures to all Related and Connected Parties, periodic monitoring to be carried out on the risk activities in relation to regulatory capital.

The responsibility for monitoring is assigned to BancoPosta's Risk Management department, which reports the relevant results as part of the quarterly *Tableau de Bord* (dashboard).

8 Provisions for the subsidiaries

The Poste Group companies draw up and submit to their competent corporate governance bodies for approval the appropriate procedures for managing transactions with the members of the Single Perimeter of Poste Italiane, by applying controls consistent with those established by the Guidelines, commensurate to the actual relevance of potential conflicts of interest, by adhering to the following provisions:

- a) the tasks that the supervisory regulations assign to the independent directors are performed by Poste Italiane's Committee;
- b) a representative within the company must be identified, with the task of coordinating relations with Poste Italiane;
- c) transactions entered into by Group companies with members of the Single Perimeter of Poste Italiane, if they fall under the cases of exemption pursuant to paragraph 7.4.5, must be submitted, through the central coordination function of Poste Italiane, to the Related Party and Connected Party Committee of the Parent Company, for the purposes of the decision-making process, according to the provisions of paragraph 7.5;
- d) the companies must prepare the internal information flows for Poste Italiane with regard to Transactions with members of the Single Perimeter of Poste Italiane (see paragraphs 7.6.1 and 7.6.2).

If, in response to the pertinent supervisory provisions, the supervised companies of the Poste Group have already adopted their own internal process for the management of the authorisation procedures of transactions with the members of the Single Perimeter of Poste Italiane, they are exclusively required to inform the Parent Company of all information needed for the fulfilment of the disclosure obligations set forth in paragraphs 7.6.1 and 7.6.2.

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