

INTERNAL DEALING PROCEDURE OF  
RACING FORCE S.P.A.

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RACING  
**FORCE**  
GROUP



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Procedure relating to the identification of relevant persons and their closely associated persons, to the communication of transactions carried out by them, including through third parties, concerning shares issued by Racing Force S.p.A. pursuant to the Euronext Growth Milan Regulations adopted by Borsa Italiana S.p.A. ("**Borsa Italiana**") on March 1, 2012, as amended and supplemented (the "**EGM Issuers Regulation**"), and Regulation (EU) 596/2014.

This procedure (the **Procedure**) defines the rules for the performance by the Managers and the Persons Closely Related to them (all as defined below), as well as by Racing Force S.p.A. (**RF** or the **Company**), as specified below, of the obligations to inform the Company, Consob and the market about Relevant Operations (as defined below) carried out by the aforesaid persons, also through third parties, concerning financial instruments issued by RF or other financial instruments connected to them.

The legal and regulatory framework of the aforementioned disclosure obligations (the Discipline) is contained in Article 19 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 (the **MAR Regulation**), as novated by Regulation (EU) 2115/2019 of the European Parliament and of the Council of 29 November 2019 (the **2115/2019 Regulation**), in Delegated Regulation (EU) 2016/522 of the Commission of 17 December 2015 (the **Delegated Regulation (EU) 2016/522**) and in Implementing Regulation (EU) 2016/523 of the Commission of 10 March 2016 (the **Implementing Regulation (EU) 2016/523**).

The Procedure comes into force as of the date of admission to trading of the Company's financial instruments on Euronext Growth Milan, a multilateral trading system organized and managed by Borsa Italiana (**EGM**).

The Chief Executive Officer of the Company has been authorized by the resolution of October 29<sup>th</sup>, 2021 to make any amendments and additions to this Procedure that may be required as a result of legal or regulatory provisions or any amendments and additions requested by Borsa Italiana S.p.A., also following the integration or amendment of the applicable pro tempore regulations.

For anything not expressly provided for in this Procedure, reference is made to the relevant provisions of the applicable legal and regulatory provisions.

## Article 1 - Definitions

1. In addition to the terms defined elsewhere in this Procedure, the following terms shall have the meanings ascribed to them herein:

**Board of Directors:** the board of directors of the Company from time to time in charge.

**Board of Statutory Auditors:** the board of statutory auditors of the Company from time to time in charge.

**Chairman:** indicates the chairman of the Board of Directors of the Company.

**Chief Executive Officer:** means any director with management authority over the Company.

**Delegated Bodies:** each director of the Company holding management powers.

**Derivatives:** means any financial instrument as defined in Article 4(1)(44)(c) of Directive 2014/65/EU and referred to in Annex I, Section C, points 4 to 10 of that Directive.

**EG Advisor:** means the Euronext Growth Advisor appointed by the Company.

**Execution Date:** means the day on which:

- (a) the contract for the purchase, sale, exchange or loan of securities or carry-over that is the subject of the Relevant Transaction has been executed;
- (b) the payment of the consideration in case of acceptance of public offers of purchase, sale or exchange of Shares is carried out;
- (c) the allocation of Financial Instruments (as defined below) due following the exercise of those, including unlisted ones, which grant the right to subscribe, purchase or sell Shares, as well as the exercise of the conversion right connected with convertible bonds, including cum warrants, has been carried out;
- (d) the assignment of Financial Instruments was carried out following the execution of capital transactions.

**Financial Instruments:** collectively the financial instruments of the Company admitted to trading on an MTF, as defined in Article 4(1)(15) of Directive 2014/65/EU, including the Shares.

**Group:** means the Company and its Subsidiaries, if any.

**Issuers' Regulations:** means the CONSOB Issuers' Regulations adopted with Resolution no. 11971 of 14 May 1999.

**Investor Relations Manager:** indicates the head of the Company's investor relations department.

**Manager:** pursuant to art. 3, paragraph 1, points 25) of the MAR Regulation:

- (a) a member of the administrative, management or supervisory body of that entity;
- (b) a senior executive who is not a member of the bodies referred to in point (a), who has regular access to Price Sensitive Information relating directly or indirectly to that entity and power to take managerial decisions affecting the future developments and business

prospects of that entity.

**Manager Transactions:** all transactions carried out by, or on behalf of, Managers and/or Persons Closely Associated with Managers concerning the RF Shares, Derivative Instruments or other Financial Instruments Related thereto, as identified above by the Framework (including the transactions provided for in Article 19(7) of the MAR Regulation and Article 10 of Delegated Regulation (EU) 2016/522 as amended and supplemented from time to time), and in particular:

- (a) any sale or purchase or any agreement to sell or purchase such Financial Instruments, Derivative Financial Instruments or Related Financial Instruments;
- (b) the grant or acceptance by such person of any option with respect to such Financial Instruments, Derivative Financial Instruments or Connected Financial Instruments or with respect to any other present or future, conditional or unconditional right or obligation to acquire or dispose of such Financial Instruments, Derivative Financial Instruments or Connected Financial Instruments;
- (c) the purchase, sale, exercise or non-exercise of, or any disposition of, any such options, rights or obligations with respect to such Financial Instruments, Derivative Financial Instruments or Linked Financial Instruments;
- (d) off-market transactions;
- (e) gratuitous transfers;
- (f) the purchase, sale or waiver (in whole or in part) of a Financial Product Related to the performance of Financial Instruments of the Company in which the holder is a director or a family member of the director;
- (g) the additional transactions indicated in Article 10 of Council Regulation 522/2016/EU, with the exclusion of transactions whose aggregate amount does not reach €20,000 (twenty thousand) by the end of the year (the **Relevant Amount**), or such other amount as may be determined from time to time by the Discipline.

The Relevant Amount is calculated by summing without compensation all Relevant Operations carried out on behalf of each Manager and Relevant Person and those carried out on behalf of the Persons Closely Associated with them.

For Derivative Financial Instruments, the amount is calculated with reference to the underlying Financial Instruments.

**Persons Closely Associated with Managers:** within the meaning of Article 3(1)(26) of Regulation (EU) 596/2014, one of the following persons:

- (a) a spouse, or a partner considered to be equivalent to a spouse in accordance with Italian law;
- (b) a dependent child, in accordance with national law;
- (c) a relative who has shared the same household for at least one year on the date of the

Manager Transaction; or

- (d) a legal person, trust or partnership, the managerial responsibilities of which are held by a Manager or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

**Person Responsible:** the CFO or the other person identified by the Board of Directors of the Company as responsible for receiving, managing and disclosing to the market information on Manager Transaction.

**Price Sensitive Information:** pursuant to Article 7(1)(a) of Regulation (EU) 596/2014, means information of a precise nature, which has not been made public, concerning, directly or indirectly, the Company or one of its Subsidiaries or one or more Financial Instruments of the Company, and which, if made public, could have a significant effect on the prices of such Financial Instruments.

For purposes of this definition:

- a piece of information is of a *“precise nature”* if:
  - (a) relates to a set of circumstances that exists or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur; and
  - (b) it is sufficiently specific to allow conclusions to be drawn as to the possible effect of the set of circumstances or event referred to in (a) on the prices of the Financial Instruments or related Derivative Financial Instruments (as defined below).

In this regard, in the case of a prolonged process that is intended to materialize, or that determines, a particular circumstance or event, such future circumstance or future event, as well as the intermediate steps of said process that are related to the materialization or determination of the future circumstance or event, may be considered as information of a precise nature. It should be noted that an intermediate step in a prolonged process is considered Price Sensitive Information if it meets the criteria set out in this definition of "price sensitive information";

- *“information which, if made public, could have a significant effect on the prices of Financial Instruments”* means information which, presumably, a reasonable investor would use as one of the elements on which to base his or her investment decisions.

**Related Financial Instruments:** the financial instruments identified in this regard by the Regulations and any financial product the value of which is determined in whole or in part directly or indirectly in relation to the price of a Financial Instrument (including derivatives).

**SDIR:** the "Service for the disclosure of regulated information" pursuant to CONSOB regulations.

**Shares:** the ordinary shares of the Company admitted to trading on EGM.

**Subsidiary:** means the companies controlled by the Company pursuant to art. 2359 of the Civil Code.

**TUF:** indicates the Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation).

### **Article 2 - Communication of the Procedure to Managers**

1. The Delegated Bodies identify by name the Managers of whom they are aware, verifying at least once a year the need to add to this list, and communicate this list to the Board of Directors of the Company.
2. Upon receipt of this Procedure, each Manager shall sign a declaration, in compliance with the model contained in **Annex B** attached to this Procedure, acknowledging and accepting this Procedure and shall promptly send such declaration to the Investor Relations Manager.
3. Managers shall notify, in writing, the Persons Closely Associated with Managers - to whom the provisions set forth herein are also applicable - of the obligations set forth in this Procedure and shall keep a copy of the notification, also sending it to the Investor Relations Manager.

### **Article 3 - Transactions subject to reporting requirements**

1. All Transactions in Shares, debt securities, Derivative Financial Instruments or Connected Financial Instruments carried out by Managers and/or Persons Closely Associated with Managers are subject to disclosure.
2. Transactions on Financial Instruments, on Derivative Financial Instruments or on Connected Financial Instruments carried out by Managers and/or by the Persons Closely Associated with Managers whose total amount, by the end of each calendar year, has not reached 20,000 (twenty thousand) euros (or the different amount identified by the competent authority pursuant to article 19, paragraph 9 of the MAR) are not subject to the disclosure obligations set out in this procedure. Consequently, if the amount of 20,000 (twenty thousand/00) euros is exceeded during the calendar year, the Transaction that led to the reaching of the aforementioned threshold must be communicated, as well as all subsequent Transactions. Furthermore, the amount in question must be calculated by summing without compensation the countervalue of the Transactions (adding positive and negative transactions) relating to Financial Instruments, Derivative Financial Instruments or Connected Financial Instruments, carried out by or on behalf of each Relevant Person and/or by a Person Closely Associated with the Relevant Person since the beginning of the calendar year. For Derivative Financial Instruments, the amount is calculated by reference to the Financial Instruments.
3. When calculating the amount of the countervalue relating to Transactions carried out in a currency other than the Euro or in which the value of the asset underlying the Financial Instrument involved in the Transaction is expressed in a currency other than the Euro, it is also necessary to consider the daily reference exchange rate available on the European Central Bank's website to determine whether the threshold of Euro 20,000 has been exceeded.

### **Article 4 - Reporting obligations to Consob and RF**

1. Pursuant to the Discipline, Managers and Persons Closely Associated with Managers are obliged to notify Consob of Manager Transactions carried out by themselves or on their behalf **within and no later than 3 (three) working days** from the Date of Execution of such transactions (excluding Saturdays, Sundays and any other holiday).
2. Managers and the Persons Closely Associated with Managers are required to notify the Company of the Manager Transaction referred to in art. 4.1 **within 3 (three) working days** from the Execution Date so that the Company may publish them, by means of SDIR and publication on its website, promptly and in any case **no later than 2 (two) working days** from the notification of the operation (excluding Saturdays, Sundays and any other holiday).
3. The information notified to the Company pursuant to Article 4.2 above shall be transmitted to the Investor Relations Manager at the Company's certified e-mail address. The Investor Relations Manager, once such information has been received from the Relevant Person, shall be responsible for its management and dissemination to the market.
4. The Investor Relations Manager shall prepare the communication to be sent to the public referred to in Article 3.2 above. The Investor Relations Manager shall arrange for the aforesaid communication to be made public via SDIR, no later than the deadline referred to in article 4.2 above, as the case may be. A copy of this communication must also be published on the Company's website in the "investor relations" section. The text of the communication must be submitted to the Chief Executive Officer or the Chairman of the Board of Directors for final approval before being sent via SDIR.
5. Transactions entered into by Managers shall not be published elsewhere prior to being communicated via SDIR.
6. The communications to Consob referred to in art. 4.1 above shall be made by RF, on behalf of the Manager and/or the Persons Closely Associated with the Managers if the Manager has - also on behalf of the aforesaid Persons Closely Associated with the Manager - given a specific mandate to RF, pursuant to the provisions of art. 5 below.
7. Managers:
  - (i) acquire from the Persons Closely Associated with them the information necessary for the fulfilment of the communication obligations provided for by articles 3.1 and 3.2 above, if the latter do not do so directly;
  - (ii) notify in writing the respective Closely Associated Persons of their obligations under the Discipline and keep a copy of the notification made;
  - (iii) acquire from the Closely Related Persons the data necessary for inclusion in the list of Managers and their Closely Related Persons, kept by the Company pursuant to art. 8.1.c) below.

Communications regarding such Transactions must not be misleading, false or deceptive and must

not omit anything that might affect the relevance of such information.

#### **Article 5 - Methods of communication to Consob and disclosure to the public**

1. If they do not avail themselves of the option set forth in art. 6 below, Managers and Persons Closely Associated with Managers shall make the notifications set forth in art. 4.1., by transmitting to Consob the notification and communication model provided for in the annex to the Implementing Regulation (EU) 2016/523 shown in **Annex A** to this Procedure.

#### **Article 6 - Assignment to RF for the forwarding of notifications of Relevant Operations to Consob**

1. The Managers - also on behalf of the Persons Closely Associated with them, if authorized by them - may mandate RF (the **Assignment**) to carry out on behalf of the Managers and, if necessary, of the Persons Closely Associated with the Managers, the communications to Consob of the Manager Transactions, within the terms provided for therein.
2. The Assignment is conferred to RF by signing Section II of the Form attached to this Procedure and shown in **Annex B**.
3. The Managers who have given the assignment to RF shall inform the Chairman and the Person Responsible of every Manager Transaction that has reached the Relevant Amount, carried out by themselves or by their Closely Associated Persons **within 1 (one) working day** starting from the Execution Date.
4. The communication to RF referred to in Article 4.2 above shall be made by the Manager by sending to the President and the Person Responsible at the certified e-mail address of the Company the form set out in Annex A to this Procedure, correctly filled in, by e-mail and subject to telephone notice. The Chairman and/or the Person Responsible shall immediately acknowledge receipt of the communication by e-mail to the address that the Manager shall indicate.
5. The Chairman or the Person Responsible shall notify Consob on behalf of the Manager and/or the Persons Closely Associated with the Manager, pursuant to the Discipline<sup>1</sup>, of the transactions notified by the aforementioned persons within and no later than 3 (three) working days from the Execution Date of the transactions in question.
6. Without prejudice to the applicable provisions of law and to the provisions of art. 8 below, RF shall not be liable for incorrect and/or incomplete and/or untimely disclosure of Manager Transaction by the Manager and/or the Persons Closely Associated with them.

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<sup>1</sup> Via PEC at consob@pec.consob.it (if the sender is subject to the obligation to have PEC) or via e-mail at protocollo@consob.it. Specify as addressee "Market Information Office" and indicate at the beginning of the subject line "MAR Internal Dealing" (see Consob Communication no. 0061330 of 1.7.2016)

7. In any hypothesis of direct responsibility of the Manager and/or the Persons Closely Associated with them, RF reserves the right to proceed against them for compensation of any damage suffered or being suffered.

**Article 7 - Restrictions on the execution of transactions by Managers and Associated Persons ("black-out periods")**

1. Pursuant to Article 19, paragraph 11, of the MAR Regulations, Managers are prohibited from effecting, on their own behalf or on behalf of third parties, directly or indirectly, transactions in RF Financial Instruments and Financial Instruments Related to them during the 30 (thirty) calendar days preceding the announcement<sup>2</sup> of an interim or year-end financial report that the Company is required to make public pursuant to the statutory and regulatory provisions in force from time to time (the **Black-out period**).
2. If the Company publishes preliminary data, the Black-out period shall apply only with respect to the date of publication of such preliminary data (and not with respect to the final data), provided that the preliminary data contains all key information that should be included in the final results.
3. The prohibition does not apply: (i) in the case of exceptional situations of subjective necessity, to be assessed on a case-by-case basis, such as, by way of example, serious financial difficulties that require the immediate sale of shares; (ii) due to the characteristics of the trading in the case of transactions conducted at the same time as or in connection with any employee shareholding plans or a savings program, a guarantee or rights to shares, or even transactions in which the beneficial interest of the security in question is not subject to change; as well as (iii) in the additional circumstances and conditions set forth in art. 9 of Delegated Regulation (EU) 2016/522 as set forth in **Annex C** to this Procedure.
4. In addition to the provisions of Article 7.1 above, the Board of Directors, by means of a specific resolution, may establish additional periods in which some or all of the Managers are prohibited or restricted from carrying out all or some of the transactions referred to in paragraph 1 above, for the period of time deemed necessary, subject to notification of the start and end date of the period in question to the persons referred to above.
5. The Manager concerned must adequately justify the operation in writing to the Company, describing its nature and the exceptional nature of the circumstances as well as demonstrating that the specific operation cannot be carried out at any other time except during the Black-out period.
6. Circumstances shall be considered exceptional if they are extremely urgent, unforeseen and compelling situations that are beyond the Manager's control.
7. In considering whether the circumstances described in the written request are exceptional, the

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<sup>2</sup> The day of the announcement represents the 30th day of the Black-out period.

Board of Directors shall consider, in addition to other indicators, whether and to what extent the Manager:

- i. at the time the request is made, must perform a legally enforceable financial obligation or satisfy a claim;
- ii. must fulfill or is in a situation created prior to the commencement of the Black-out period that requires the payment of an amount to a third party, including tax obligations, and such person cannot reasonably fulfill a financial obligation or satisfy a claim other than by immediately selling the Company's Financial Instruments.

#### **Article 8 - Information-Accession**

1. The Person Responsible shall:

- (a) notify the Managers of their submission to the obligations covered by the Procedure;
- (b) inform each Manager in writing of the contents of the Procedure so that each of them can:
  - i. expressly confirm that he/she has read and acquired full knowledge of the Procedure, by signing Section I of the Form in **Annex B**;
  - ii. formalize the possible conferment of the Assignment by signing Section II of the Form in **Annex B**;
  - iii. notify in writing the Persons Closely Associated with them of the existence of the conditions on the basis of which these persons are required to comply with the disclosure obligations set out in the Discipline;
  - iv. consent to the processing of personal data in accordance with current privacy legislation, where applicable;
- (c) draw up and update the list of names of the Managers and the Persons Closely Associated with them and to keep the declarations of knowledge and acceptance of the Managers, as well as a record of all communications received and made to the market and to Consob.

2. The Procedure is applicable to Managers even if they have not returned to the Person Responsible the communication of acknowledgement and acceptance referred to in art. 8.1(b) above.

#### **Article 9 - Sanctions**

1. Failure by Managers to comply with the provisions of the Procedure which may result in non-compliance by the Company with the applicable provisions, including regulatory provisions, may result in the application to the Company of the sanctions set out in the MAR Regulation and the TUF, as well as those of the additional legal and regulatory provisions in force from time to time.

2. Abuse of Price Sensitive Information and market manipulation constitute criminal offences and may give rise to administrative liability for the Company pursuant to art. 187-quinquies of the TUF and art. 25-sexies of Legislative Decree 231/2001.
3. Should the Company or a Subsidiary incur pecuniary sanctions for violation of the provisions on corporate disclosure resulting from non-compliance with the principles set out in the Procedure or in the applicable laws or regulations, the Company shall also take action to recover from those responsible for such violations, in order to obtain reimbursement of the charges relating to the payment of said sanctions.
4. Violation of the provisions of the Procedure, even where it does not result in conduct sanctioned by the competent judicial and/or supervisory authorities, may cause serious damage to the Company, also in terms of its image, with significant economic and financial consequences, and will constitute grounds for termination of the existing relationship for good cause. The violation, therefore, implies the possibility for the Company to claim compensation from the author for the damages suffered by the same or suffered by the Group.
5. If the violation has been committed by a director of the Company, he/she will not be able to take part in the deliberation on sanctions. If the majority of the Board of Directors took part in the violation, the body competent to take the appropriate measures will be the Board of Auditors.
6. If the violation has been committed by a Manager who is also an employee, this may constitute a disciplinary offence and, in the most serious cases, may result in dismissal.

#### **Article 10 – Amendments and additions**

1. The Chairman of the Board of Directors and/or the Chief Executive Officer have been authorized to make such amendments and additions to this Procedure as may be necessary as a result of provisions of law or regulations, with subsequent ratification of the amendments by the Board of Director.
2. The Person Responsible shall promptly notify the Managers in writing of the amendments and/or additions to this Procedure and shall obtain their acceptance of the new contents of the same in the manner set out in art. 8 above. The communication shall also indicate the date of entry into force of the new or amended provisions.

#### **Article 11 – Processing of personal data**

1. For the purposes set forth in the Procedure, the Company may be required to process certain personal data of the Persons Closely Associated with Manager.
2. The personal data of which the Company becomes aware as a result of the communications received shall be processed in application of this Procedure, also through third parties, for the sole purpose of complying with the regulations on Internal Dealing.
3. The Persons Closely Associated with the Managers are, therefore, required by virtue of the

provisions of law and regulations illustrated, to provide personal data and information that the Company, also in its role as data controller, will process for the purposes and methods better described in the information pursuant to Article 13 of EU Regulation 679/2016 on the protection of personal data ("GDPR") and by the emanating provisions of law on the subject. The legal basis for the processing of personal data in question is based both on a legal obligation and on the assessment, conducted by the Company, as data controller, of the existence of a legitimate interest aimed at safeguarding the market to the prevention of fraud, pursuant to and in accordance with the GDPR and subsequent amendments or additions.

4. By signing Annex B by the Persons Closely Associated with the Managers, the Managers declare that they have read and understood everything concerning the processing of their personal data. Any refusal to provide the requested data would make it impossible for the Company to comply with the obligations provided for by the regulations on Internal Dealing and may justify the payment of the sanctions provided for.

**Article 12 – Final Provisions**

1. This Procedure shall enter into force as from the date of admission to trading of the Company's financial instruments on EGM, the multilateral trading system organized and managed by Borsa Italiana.
2. The Procedure shall be delivered to all Managers, who shall be required to (i) return a signed copy of this Procedure for receipt and acceptance; (ii) comply with the provisions contained in this Procedure; and (iii) contact the Investor Relations Manager in case of need for clarification on the application of the Procedure.

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Annexes:

- Annex A: Template to be used for disclosure by Managers and Persons Closely Associated with Managers of Manager Transactions and related instructions for completion (Annex to Regulation 2016/523)
- Annex B: Form for the declaration of acknowledgement and full knowledge of the Procedure and the possible assignment of the Assignment pursuant to art. 5 of the Procedure
- Annex C: Reference regulations

## ANNEX A (MANAGER)

### TEMPLATE FOR NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS SET OUT IN THE ANNEX TO IMPLEMENTING REGULATION (UE) 2016/523

<b>1</b>	<b>Details of the person discharging managerial responsibilities/person closely associated</b>	
a)	Name	<p><i>[For natural persons: the first name and the last name(s).]</i></p> <p><i>[For legal persons: full name including legal form as provided for in the register where it is incorporated, if applicable.]</i></p>
<b>2</b>	<b>Reason for the notification</b>	
a)	Position/status	<p><i>[For persons discharging managerial responsibilities: the position occupied within the issuer, emission allowances market participant/auction platform/auctioneer/auction monitor should be indicated, e.g. CEO, CFO.]</i></p> <p><i>[For persons closely associated,</i></p> <ul style="list-style-type: none"> <li><i>— An indication that the notification concerns a person closely associated with a person discharging managerial responsibilities;</i></li> <li><i>— Name and position of the relevant person discharging managerial responsibilities.]</i></li> </ul>
b)	Initial notification/ Amendment	<i>[Indication that this is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that this notification is amending.]</i>
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	<i>[Full name of the entity.]</i>
b)	LEI	<i>[Legal Entity Identifier code in accordance with ISO 17442 LEI code.]</i>
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	
a)	Description of the financial instrument, type of instrument  Identification code	<p><i>[— Indication as to the nature of the instrument:</i></p> <ul style="list-style-type: none"> <li><i>— a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument;</i></li> <li><i>— an emission allowance, an auction product based on an emission allowance or a derivative relating to an emission allowance.</i></li> </ul> <p><i>— Instrument identification code as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>
b)	Nature of the transaction	<p><i>[Description of the transaction type using, where applicable, the type of transaction identified in Article 10 of the Commission Delegated Regulation (EU) 2016/522 (1) adopted under Article 19(14) of Regulation (EU) No 596/2014 or a specific example set out in Article 19(7) of Regulation (EU) No 596/2014.</i></p> <p><i>Pursuant to Article 19(6)(e) of Regulation (EU) No 596/2014, it shall be indicated whether the transaction is linked to the exercise of a share option programme.]</i></p>

c)	Price(s) and volume(s)	Price(s)	Volume(s)
		<p><i>[Where more than one transaction of the same nature (purchases, sales, lendings, borrows, ...) on the same financial instrument or emission allowance are executed on the same day and on the same place of transaction, prices and volumes of these transactions shall be reported in this field, in a two columns form as presented above, inserting as many lines as needed.</i></p> <p><i>Using the data standards for price and quantity, including where applicable the price currency and the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>	
d)	Aggregated information — Aggregated volume — Price	<p><i>[The volumes of multiple transactions are aggregated when these transactions:</i></p> <ul style="list-style-type: none"> <li><i>— relate to the same financial instrument or emission allowance;</i></li> <li><i>— are of the same nature;</i></li> <li><i>— are executed on the same day; and</i></li> <li><i>— are executed on the same place of transaction.</i></li> </ul> <p><i>Using the data standard for quantity, including where applicable the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p> <p><i>[Price information:</i></p> <ul style="list-style-type: none"> <li><i>— In case of a single transaction, the price of the single transaction;</i></li> <li><i>— In case the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions.</i></li> </ul> <p><i>Using the data standard for price, including where applicable the price currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>	
e)	Date of the transaction	<p><i>[Date of the particular day of execution of the notified transaction.</i></p> <p><i>Using the ISO 8601 date format: YYYY-MM-DD; UTC time.]</i></p>	
f)	Place of the transaction	<p><i>[Name and code to identify the MiFID trading venue, the systematic internaliser or the organised trading platform outside of the Union where the transaction was executed as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014, or</i></p> <p><i>if the transaction was not executed on any of the above mentioned venues, please mention 'outside a trading venue'.]</i></p>	

(<sup>1</sup>) Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions (see page 1 of this Official Journal).

**ANNEX B**

**Form for the declaration of acknowledgement and full acceptance of the Procedure and the possible conferment of the Assignment pursuant to art. 5 of the Procedure**

**Section I**

Dear Sirs

Racing Force S.p.A.  
Via Bazzano 5  
16019  
Ronco Scrivia (GE) (Italy)

The undersigned \_\_\_\_\_ born in \_\_\_\_\_, on \_\_\_\_\_, resident in \_\_\_\_\_, Via/Piazza \_\_\_\_\_ nr. \_\_\_\_\_, in the position \_\_\_\_\_ (Manager) of Racing Force S.p.A.

**Hereby declare and certify**

- that I have received a copy of the "Internal Dealing Procedure" adopted by Racing Force S.p.A. (the Procedure), that I have read it and accept its contents in full and without reservation;
- that I have acknowledged that I have been included in the list of Managers pursuant to article 1 of the Procedure and, therefore, that I am subject to the disclosure obligations provided for by the Procedure and the Regulations in force (as defined in the Procedure)
- to undertake to comply with all the obligations imposed on me by the Procedure, including that of informing the Persons Closely Associated with me, as defined in article 1 of the Procedure, of the existence of their obligations pursuant to the Regulations in force.

**Hereby list**

- the following names of the Persons Closely Associated with me to whom a copy of the Procedure has been notified and who have been informed of their obligations under the Procedure:

<u>First name Surname / Company name</u>	<u>Relation</u>	<u>Telephone n.</u>	<u>E-mail address</u>

Place and date

Signature

\_\_\_\_\_

\_\_\_\_\_

I also declare that I have received from Racing Force S.p.A., and undertake - if necessary - to provide a copy to the Persons Closely Associated with the undersigned, as defined in article 1 of the Procedure, the following information:

#### **INFORMATION GIVEN TO THE INTERESTED PARTY FOR THE PROCESSING OF DATA**

Pursuant to Article 13 of European Regulation No. 679/2016 on the protection of personal data (**GDPR**), and in relation to the personal data you provide pursuant to the "Internal Dealing Procedure" (the **Procedure**), we inform you of the following:

1. The processing to which the personal data provided by you will be subject will take place in accordance with the provisions of the Procedure in compliance with legal obligations.
2. The processing will also be carried out with the aid of electronic or automated means.
3. The provision of personal data in accordance with the Procedure is mandatory.
4. The personal data you provide will be communicated, as provided for in Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014, Legislative Decree No. 58 of 24 February 1998 and the Regulations adopted by Consob with Resolution No. 11971 of 14 May 1999 and subsequent amendments and additions, to Consob and to the public.
5. You have the right to know, at any time, which are your data at the Data Controller and how they are used; you also have the right to exercise the rights of the data subject pursuant to Articles 15 et seq. of the GDPR. To exercise your rights, as well as for more detailed information about the subjects or categories of subjects who are aware of your data as managers or agents, you can send written notice to the Data Controller Racing Force S.p.A. - Via Bazzano 5 - 16019, Ronco Scrivia (GE).
6. The data controller is Racing Force S.p.A. - Via Bazzano 5 - 16019, Ronco Scrivia (GE).

Racing Force S.p.A.

Section II

(Applicable to Procedure Managers)

Hereby declare the following:

- to grant Racing Force S.p.A. (**RF**) the mandate as per art. 5 and following of the Procedure so that it may carry out, on my behalf and on behalf of the Persons Closely Associated with me and with my express authorization, under the conditions and within the terms provided by the Procedure itself, the communication to Consob [and to the public] of the Manager Transactions carried out by me personally and by the Persons Closely Related to me, as per the "Internal Dealing Procedure" of RF (the **Procedure**);
- that I therefore undertake to notify RF, pursuant to art. 5.3 of the Procedure, of each Manager Transaction that has reached the Relevant Amount, carried out by myself or on my behalf and/or by the Persons Closely Associated with me or on their behalf, **within 1 (one) working day**, starting from the Execution Date, in the case of Managers, by correctly completing and sending to the Person Responsible the form in Annex A of the Procedure;
- the engagement shall be effective from the date of receipt by RF of this Form until terminated by RF or myself in writing no later than **5 (five) business days prior** to the effective date of such termination;
- RF may also consider this Assignment as terminated with immediate effect, without the need for any notice, in the event that I fail to comply with the above conditions and methods of sending the notices provided for by the Procedure;
- for all matters not provided for in this Form, the provisions of the Procedure shall apply.

Place and date

Signature

\_\_\_\_\_

\_\_\_\_\_

## ANNEX C

### REGULATION (EU) No 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014

on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

(...)

#### *Article 1*

##### **Subject matter**

This Regulation establishes a common regulatory framework on insider dealing, the unlawful disclosure of inside information and market manipulation (market abuse) as well as measures to prevent market abuse to ensure the integrity of financial markets in the Union and to enhance investor protection and confidence in those markets.

#### *Article 2*

##### **Scope**

1. This Regulation applies to the following:

- (a) financial instruments admitted to trading on a regulated market or for which a request for admission to trading on a regulated market has been made;
- (b) financial instruments traded on an MTF, admitted to trading on an MTF or for which a request for admission to trading on an MTF has been made;
- (c) financial instruments traded on an OTF;
- (d) financial instruments not covered by point (a), (b) or (c), the price or value of which depends on or has an effect on the price or value of a financial instrument referred to in those points, including, but not limited to, credit default swaps and contracts for difference.

This Regulation also applies to behavior or transactions, including bids, relating to the auctioning on an auction platform authorized as a regulated market of emission allowances or other auctioned products based thereon, including when auctioned products are not financial instruments, pursuant to Regulation (EU) No 1031/2010. Without prejudice to any specific provisions referring to bids submitted in the context of an auction, any requirements and prohibitions in this Regulation referring to orders to trade shall apply to such bids.

2. Articles 12 and 15 also apply to:

- (a) spot commodity contracts, which are not wholesale energy products, where the transaction, order or behavior has or is likely or intended to have an effect on the price or value of a financial instrument referred to in paragraph 1;
- (b) types of financial instruments, including derivative contracts or derivative instruments for the transfer of credit risk, where the transaction, order, bid or behavior has or is likely to have an effect on the price or value of a spot commodity contract where the price or value depends on the price or value of those financial instruments; and
- (c) behavior in relation to benchmarks.

3. This Regulation applies to any transaction, order or behavior concerning any financial instrument as referred to in paragraphs 1 and 2, irrespective of whether or not such

transaction, order or behavior takes place on a trading venue.

4. The prohibitions and requirements in this Regulation shall apply to actions and omissions, in the Union and in a third country, concerning the instruments referred to in paragraphs 1 and 2.

### *Article 3*

#### **Definitions**

1. For the purposes of this Regulation, the following definitions apply:

(1) 'financial instrument' means a financial instrument as defined in point (15) of Article 4(1) of Directive 2014/65/EU;

(...)

(21) 'issuer' means a legal entity governed by private or public law, which issues or proposes to issue financial instruments, the issuer being, in case of depository receipts representing financial instruments, the issuer of the financial instrument represented;

(...)

(25) 'person discharging managerial responsibilities' means a person within an issuer, an emission allowance market participant or another entity referred to in Article 19(10), who is:

(a) a member of the administrative, management or supervisory body of that entity; or

(b) a senior executive who is not a member of the bodies referred to in point (a), who has regular access to inside information relating directly or indirectly to that entity and power to take managerial decisions affecting the future developments and business prospects of that entity;

(26) 'person closely associated' means:

(a) a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;

(b) a dependent child, in accordance with national law;

(c) a relative who has shared the same household for at least one year on the date of the transaction concerned; or

(d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person;

(...)

2. For the purposes of Article 5, the following definitions apply:

(a) 'securities' means:

(i) shares and other securities equivalent to shares;

(ii) bonds and other forms of securitized debt; or

(iii) securitized debt convertible or exchangeable into shares or into other securities equivalent to shares.

(b) 'associated instruments' means the following financial instruments, including those which are not admitted to trading or traded on a trading venue, or for which a request for admission to trading on a trading venue has not been made:

(i) contracts or rights to subscribe for, acquire or dispose of securities;

(ii) financial derivatives of securities;

(iii) where the securities are convertible or exchangeable debt instruments, the securities into which such convertible or exchangeable debt instruments may be converted or exchanged;

(iv) instruments which are issued or guaranteed by the issuer or guarantor of the securities and whose market price is likely to materially influence the price of the securities, or vice versa;

(v) where the securities are securities equivalent to shares, the shares represented by those securities and any other securities equivalent to those shares;

#### *Article 19*

#### **Managers' transactions**

1. Persons discharging managerial responsibilities, as well as persons closely associated with them, shall notify the issuer or the emission allowance market participant and the competent authority referred to in the second subparagraph of paragraph 2:

(a) in respect of issuers, of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or other financial instruments linked thereto;

(b) in respect of emission allowance market participants, of every transaction conducted on their own account relating to emission allowances, to auction products based thereon or to derivatives relating thereto.

Such notifications shall be made promptly and no later than three business days after the date of the transaction.

The first subparagraph applies once the total amount of transactions has reached the threshold set out in paragraph 8 or 9, as applicable, within a calendar year.

2. For the purposes of paragraph 1, and without prejudice to the right of Member States to provide for notification obligations other than those referred to in this Article, all transactions conducted on the own account of the persons referred to in paragraph 1, shall be notified by those persons to the competent authorities.

The rules applicable to notifications, with which persons referred to in paragraph 1 must comply, shall be those of the Member State where the issuer or emission allowance market participant is registered. Notifications shall be made within three working days of the transaction date to the competent authority of that Member State. Where the issuer is not registered in a Member State, the notification shall be made to the competent authority of the home Member State in accordance with point (i) of Article 2(1) of Directive 2004/109/EC or, in the absence thereof, to the competent authority of the trading venue.

3. The issuer or emission allowance market participant shall ensure that the information that is notified in accordance with paragraph 1 is made public promptly and no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with the implementing technical standards referred to in point (a) of Article 17(10).

The issuer or emission allowance market participant shall use such media as may reasonably be relied upon for the effective dissemination of information to the public throughout the Union, and, where applicable, it shall use the officially appointed mechanism referred to in Article 21 of Directive 2004/109/EC.

Alternatively, national law may provide that a competent authority may itself make public the information.

4. This Article shall apply to issuers who:

(a) have requested or approved admission of their financial instruments to trading on a regulated market; or

(b) in the case of an instrument only traded on an MTF or an OTF, have approved trading of their financial instruments on an MTF or an OTF or have requested admission to trading of their financial instruments on an MTF.

5. Issuers and emission allowance market participants shall notify the person discharging managerial responsibilities of their obligations under this Article in writing. Issuers and emission allowance market participants shall draw up a list of all persons discharging managerial responsibilities and persons closely associated with them.

Persons discharging managerial responsibilities shall notify the persons closely associated with them of their obligations under this Article in writing and shall keep a copy of this notification.

6. A notification of transactions referred to in paragraph 1 shall contain the following information:

(a) the name of the person;

(b) the reason for the notification;

(c) the name of the relevant issuer or emission allowance market participant;

(d) a description and the identifier of the financial instrument;

(e) the nature of the transaction(s) (e.g., acquisition or disposal), indicating whether it is linked to the exercise of share option programmes or to the specific examples set out in paragraph 7;

(f) the date and place of the transaction(s); and

(g) the price and volume of the transaction(s). In the case of a pledge whose terms provide for

its value to change, this should be disclosed together with its value at the date of the pledge.

7. For the purposes of paragraph 1, transactions that must be notified shall also include:

(a) the pledging or lending of financial instruments by or on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1;

(b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1, including where discretion is exercised;

(c) transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council, where:

(i) the policyholder is a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1,

(ii) the investment risk is borne by the policyholder, and

(iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

For the purposes of point (a), a pledge, or a similar security interest, of financial instruments in connection with the depositing of the financial instruments in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility.

Insofar as a policyholder of an insurance contract is required to notify transactions according to this paragraph, an obligation to notify is not incumbent on the insurance company.

8. Paragraph 1 shall apply to any subsequent transaction once a total amount of EUR 5 000 has been reached within a calendar year. The threshold of EUR 5 000 shall be calculated by adding without netting all transactions referred to in paragraph 1.

9. A competent authority may decide to increase the threshold set out in paragraph 8 to EUR 20 000 and shall inform ESMA of its decision and the justification for its decision, with specific reference to market conditions, to adopt the higher threshold prior to its application. ESMA shall publish on its website the list of thresholds that apply in accordance with this Article and the justifications provided by competent authorities for such thresholds.

10. This Article shall also apply to transactions by persons discharging managerial responsibilities within any auction platform, auctioneer and auction monitor involved in the auctions held under Regulation (EU) No 1031/2010 and to persons closely associated with such persons in so far as their transactions involve emission allowances, derivatives thereof or auctioned products based thereon. Those persons shall notify their transactions to the auction platforms, auctioneers and auction monitor, as applicable, and to the competent authority where the auction platform, auctioneer or auction monitor, as applicable, is registered. The information that is so notified shall be made public by the auction platforms, auctioneers, auction monitor or competent authority in accordance with paragraph 3.

11. Without prejudice to Articles 14 and 15, a person discharging managerial responsibilities within an issuer shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the

issuer is obliged to make public according to:

- (a) the rules of the trading venue where the issuer's shares are admitted to trading; or
- (b) national law.

12. Without prejudice to Articles 14 and 15, an issuer may allow a person discharging managerial responsibilities within it to trade on its own account or for the account of a third party during a closed period as referred to in paragraph 11 either:

- (a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or
- (b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change.

13. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 specifying the circumstances under which trading during a closed period may be permitted by the issuer, as referred to in paragraph 12, including the circumstances that would be considered as exceptional and the types of transaction that would justify the permission for trading.

14. The Commission shall be empowered to adopt delegated acts in accordance with Article 35, specifying types of transactions that would trigger the requirement referred to in paragraph 1.

15. In order to ensure uniform application of paragraph 1, ESMA shall develop draft implementing technical standards concerning the format and template in which the information referred to in paragraph 1 is to be notified and made public.

ESMA shall submit those draft implementing technical standards to the Commission by 3 July 2015.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

(...)

## CHAPTER 5

### ADMINISTRATIVE MEASURES AND SANCTIONS

#### *Article 30*

##### **Administrative sanctions and other administrative measures**

1. Without prejudice to any criminal sanctions and without prejudice to the supervisory powers of competent authorities under Article 23, Member States shall, in accordance with national law, provide for competent authorities to have the power to take appropriate administrative sanctions and other administrative measures in relation to at least the following infringements:

- (a) infringements of Articles 14 and 15, Article 16(1) and (2), Article 17(1), (2), (4) and (5), and (8), Article 18(1) to (6), Article 19(1), (2), (3), (5), (6), (7) and (11) and Article 20(1); and

(b) failure to cooperate or to comply with an investigation, with an inspection or with a request as referred to in Article 23(2).

Member States may decide not to lay down rules for administrative sanctions as referred to in the first subparagraph where the infringements referred to in point (a) or point (b) of that subparagraph are already subject to criminal sanctions in their national law by 3 July 2016. Where they so decide, Member States shall notify, in detail, to the Commission and to ESMA, the relevant parts of their criminal law.

By 3 July 2016, Member States shall notify, in detail, the rules referred to in the first and second subparagraph to the Commission and to ESMA. They shall notify the Commission and ESMA without delay of any subsequent amendments thereto.

2. Member States shall, in accordance with national law, ensure that competent authorities have the power to impose at least the following administrative sanctions and to take at least the following administrative measures in the event of the infringements referred to in point (a) of the first subparagraph of paragraph 1:

(a) an order requiring the person responsible for the infringement to cease the conduct and to desist from a repetition of that conduct;

(b) the disgorgement of the profits gained or losses avoided due to the infringement insofar as they can be determined;

(c) a public warning which indicates the person responsible for the infringement and the nature of the infringement;

(d) withdrawal or suspension of the authorization of an investment firm;

(e) a temporary ban of a person discharging managerial responsibilities within an investment firm or any other natural person, who is held responsible for the infringement, from exercising management functions in investment firms;

(f) in the event of repeated infringements of Article 14 or 15, a permanent ban of any person discharging managerial responsibilities within an investment firm or any other natural person who is held responsible for the infringement, from exercising management functions in investment firms;

(g) a temporary ban of a person discharging managerial responsibilities within an investment firm or another natural person who is held responsible for the infringement, from dealing on own account;

(h) maximum administrative pecuniary sanctions of at least three times the amount of the profits gained or losses avoided because of the infringement, where those can be determined;

(i) in respect of a natural person, maximum administrative pecuniary sanctions of at least:

(i) for infringements of Articles 14 and 15, EUR 5 000 000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;

(ii) for infringements of Articles 16 and 17, EUR 1 000 000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

(iii) for infringements of Articles 18, 19 and 20, EUR 500 000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

(j) in respect of legal persons, maximum administrative pecuniary sanctions of at least:

(i) for infringements of Articles 14 and 15, EUR 15 000 000 or 15 % of the total annual turnover of the legal person according to the last available accounts approved by the management body, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;

(ii) for infringements of Articles 16 and 17, EUR 2 500 000 or 2 % of its total annual turnover according to the last available accounts approved by the management body, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014; and

(iii) for infringements of Articles 18, 19 and 20, EUR 1 000 000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014.

References to the competent authority in this paragraph are without prejudice to the ability of the competent authority to exercise its functions in any ways referred to in Article 23(1).

For the purposes of points (j)(i) and (ii) of the first subparagraph, where the legal person is a parent undertaking or a subsidiary undertaking which is required to prepare consolidated financial accounts pursuant to Directive 2013/34/EU ( 1 ), the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives – Council Directive 86/635/EEC ( 2 ) for banks and Council Directive 91/674/EEC ( 3 ) for insurance companies – according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

3. Member States may provide that competent authorities have powers in addition to those referred to in paragraph 2 and may provide for higher levels of sanctions than those established in that paragraph.

#### *Article 31*

##### **Exercise of supervisory powers and imposition of sanctions**

1. Member States shall ensure that when determining the type and level of administrative sanctions, competent authorities take into account all relevant circumstances, including, where appropriate:

(a) the gravity and duration of the infringement;

(b) the degree of responsibility of the person responsible for the infringement;

(c) the financial strength of the person responsible for the infringement, as indicated, for example, by the total turnover of a legal person or the annual income of a natural person;

(d) the importance of the profits gained or losses avoided by the person responsible for the infringement, insofar as they can be determined;

(e) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;

(f) previous infringements by the person responsible for the infringement; and

(g) measures taken by the person responsible for the infringement to prevent its repetition.

2. In the exercise of their powers to impose administrative sanctions and other administrative measures under Article 30, competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers, and the administrative sanctions that they impose, and the other administrative measures that they take, are

effective and appropriate under this Regulation. They shall coordinate their actions in accordance with Article 25 in order to avoid duplication and overlaps when exercising their supervisory and investigative powers and when imposing administrative sanctions in respect of cross-border cases.

(...)

# REGULATIONS

## COMMISSION DELEGATED REGULATION (EU) 2016/522

of 17 December 2015

supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions

(...)

### Article 7

#### Trading during a closed period

1. A person discharging managerial responsibilities within an issuer shall have the right to conduct trading during a closed period as defined under Article 19(11) of Regulation (EU) No 596/2014 provided that the following conditions are met:

- (a) one of the circumstances referred to in Article 19(12) of Regulation (EU) No 596/2014 is met;
- (b) the person discharging managerial responsibilities is able to demonstrate that the particular transaction cannot be executed at another moment in time than during the closed period.

2. In the circumstances set out in Article 19(12)(a) of Regulation (EU) No 596/2014, prior to any trading during the closed period, a person discharging managerial responsibilities shall provide a reasoned written request to the issuer for obtaining the issuer's permission to proceed with immediate sale of shares of that issuer during a closed period.

The written request shall describe the envisaged transaction and provide an explanation of why the sale of shares is the only reasonable alternative to obtain the necessary financing.

### Article 8

#### Exceptional circumstances

1. When deciding whether to grant permission to proceed with immediate sale of its shares during a closed period, an issuer shall make a case-by-case assessment of a written request referred to in Article 7(2) by the person discharging managerial responsibilities. The issuer shall have the right to permit the immediate sale of shares only when the circumstances for such transactions may be deemed exceptional.

2. Circumstances referred to in paragraph 1 shall be considered to be exceptional when they are extremely urgent, unforeseen and compelling and where their cause is external to the person discharging managerial responsibilities and the person discharging managerial responsibilities has no control over them.

3. When examining whether the circumstances described in the written request referred to in Article 7(2) are exceptional, the issuer shall take into account, among other indicators, whether and to the extent to which the person discharging managerial responsibilities:

- (a) is at the moment of submitting its request facing a legally enforceable financial commitment or claim;
- (b) has to fulfil or is in a situation entered into before the beginning of the closed period and requiring the payment of sum to a third party, including tax liability, and cannot reasonably satisfy a financial commitment or claim by means other than immediate sale of shares.

### Characteristics of the trading during a closed period

The issuer shall have the right to permit the person discharging managerial responsibilities within the issuer to trade on its own account or for the account of a third party during a closed period, including but not limited to circumstances where that person discharging managerial responsibilities:

- (a) had been awarded or granted financial instruments under an employee scheme, provided that the following conditions are met:
  - (i) the employee scheme and its terms have been previously approved by the issuer in accordance with national law and the terms of the employee scheme specify the timing of the award or the grant and the amount of financial instruments awarded or granted, or the basis on which such an amount is calculated and given that no discretion can be exercised;
  - (ii) the person discharging managerial responsibilities does not have any discretion as to the acceptance of the financial instruments awarded or granted;
- (b) had been awarded or granted financial instruments under an employee scheme that takes place in the closed period provided that a pre-planned and organised approach is followed regarding the conditions, the periodicity, the time of the award, the group of entitled persons to whom the financial instruments are granted and the amount of financial instruments to be awarded, the award or grant of financial instruments takes place under a defined framework under which any inside information cannot influence the award or grant of financial instruments;
- (c) exercises options or warrants or conversion of convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants or convertible bonds falls within a closed period, as well as sales of the shares acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:
  - (i) the person discharging managerial responsibilities notifies the issuer of its choice to exercise or convert at least four months before the expiration date;
  - (ii) the decision of the person discharging managerial responsibilities is irrevocable;
  - (iii) the person discharging managerial responsibilities has received the authorisation from the issuer prior to proceed;
- (d) acquires the issuer's financial instruments under an employee saving scheme, provided that all of the following conditions are met:
  - (i) the person discharging managerial responsibilities has entered into the scheme before the closed period, except when it cannot enter into the scheme at another time due to the date of commencement of employment;
  - (ii) the person discharging managerial responsibilities does not alter the conditions of his participation into the scheme or cancel his participation into the scheme during the closed period;
  - (iii) the person discharging managerial responsibilities has received the authorisation from the issuer prior to proceed;
- (d) acquires the issuer's financial instruments under an employee saving scheme, provided that all of the following conditions are met:
  - (i) the person discharging managerial responsibilities has entered into the scheme before the closed period, except when it cannot enter into the scheme at another time due to the date of commencement of employment;
  - (ii) the person discharging managerial responsibilities does not alter the conditions of his participation into the scheme or cancel his participation into the scheme during the closed period;
  - (iii) the purchase operations are clearly organised under the scheme terms and that the person discharging managerial responsibilities has no right or legal possibility to alter them during the closed period, or are planned under the scheme to intervene at a fixed date which falls in the closed period;
- (e) transfers or receives, directly or indirectly, financial instruments, provided that the financial instruments are transferred between two accounts of the person discharging managerial responsibilities and that such a transfer does not result in a change in price of financial instruments;
- (f) acquires qualification or entitlement of shares of the issuer and the final date for such an acquisition, under the issuer's statute or by-law falls during the closed period, provided that the person discharging managerial responsibilities submits evidence to the issuer of the reasons for the acquisition not taking place at another time, and the issuer is satisfied with the provided explanation.

## Article 10

### Notifiable transactions

1. Pursuant to Article 19 of Regulation (EU) No 596/2014 and in addition to transactions referred to in Article 19(7) of that Regulation, persons discharging managerial responsibilities within an issuer or an emission allowance market participant and persons closely associated with them shall notify the issuer or the emission allowance market participant and the competent authority of their transactions.

Those notified transactions shall include all transactions conducted by persons discharging managerial responsibilities on their own account relating, in respect of the issuers, to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked thereto, and in respect of emission allowance market participants, to emission allowances, to auction products based thereon or to derivatives relating thereto.

2. Those notified transactions shall include the following:

- (a) acquisition, disposal, short sale, subscription or exchange;
- (b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
- (c) entering into or exercise of equity swaps;
- (d) transactions in or related to derivatives, including cash-settled transaction;
- (e) entering into a contract for difference on a financial instrument of the concerned issuer or on emission allowances or auction products based thereon;
- (f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- (g) subscription to a capital increase or debt instrument issuance;
- (h) transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps;
- (i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- (j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- (k) gifts and donations made or received, and inheritance received;
- (l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- (m) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council<sup>(1)</sup>, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- (n) transactions executed by manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- (o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a person discharging managerial responsibilities or a person closely associated with such a person;
- (p) borrowing or lending of shares or debt instruments of the issuer or derivatives or other financial instruments linked thereto.