

De' Longhi S.p.A.

INTERNAL DEALING PROCEDURE

UPDATED ON 31 JULY 2018

DEFINITIONS

In addition to any terms defined within the articles of this Procedure, all capitalised terms and expressions will have the meaning given below. It is also stated that the same meaning holds regardless of whether the term is singular or plural.

“Chief Executive Officer”: means the Chief Executive Officer of the Company in office at the time.

“Shares”: means the shares issued by the Company.

“Borsa Italiana”: means Borsa Italiana S.p.A.

“Board of Statutory Auditors”: means the Board of Statutory Auditors of the Company in office at the time.

“Board of Directors”: means the Board of Directors of the Company in office at the time.

“Consob”: means the Italian Securities and Exchange Commission.

“Subsidiaries”: means the subsidiaries of the Company pursuant to Art. 93 of the TUF.

“Execution Date”: means, for each Relevant Transaction, the day on which it was concluded.

“ESMA”: means the European Securities and Markets Authority.

“Filing Model I”: means the *“Template for notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them”* included under **Annex A** to this Procedure.

“Filing Model II”: means the *“Template for notification and public disclosure of transactions by anyone holding Shares equal to at least 10 percent of the share capital, and any other party that controls the listed issuer”* included under **Annex A** to this Procedure.

“Working Day”: means every working day of the week from Monday to Friday inclusive.

“De’ Longhi Group” or **“Group”**: means the Company and its Subsidiaries.

“Inside Information”: means any relevant information pursuant to Art. 7 of Regulation (EU) No. 596/2014, namely any information of a precise nature, which has not been made public, concerning directly or indirectly the Company or its financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of

those financial instruments or on the prices of associated derivative financial instruments.¹

“Storage Mechanism”: means the storage mechanism, authorised by Consob, that the Company uses. The name and web address of the storage mechanism are indicated on the Company’s website www.delonghigroup.com (section “Investor Relations” – “Governance” – “Subscription to the SDIR NIS and 1INFO services”).

“MTA”: means the Mercato Telematico Azionario, the Italian electronic stock market organised and managed by Borsa Italiana.

“Relevant Transactions”: means the Relevant MAR Transactions and the Relevant IR Transactions referred to in Art. 5 of this Procedure.

¹ Pursuant to **Art. 7 of Regulation (EU) No. 596/2014**, “1. For the purposes of this Regulation, **inside information** shall comprise the following types of information:

(a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;

(b) in relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the Union or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets;

(c) in relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;

(d) for persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client’s pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.

2. For the purposes of paragraph 1, information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

3. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information as referred to in this Article.

4. For the purposes of paragraph 1, information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts, or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.”

“Relevant MAR Persons”: means jointly the Relevant MAR Subjects and the Persons Closely Associated with Relevant MAR Subjects.

“Relevant IR Persons”: means jointly the Relevant IR Subjects and the Persons Closely Associated with Relevant IR Subjects.

“Relevant Persons”: means jointly the Relevant MAR Persons and the Relevant IR Persons.

“Persons Closely Associated with Relevant MAR Subjects”: means those persons referred to in Art. 2(B₁) of this Procedure.

“Persons Closely Associated with Relevant IR Subjects”: means those persons referred to in Art. 2(B₂) of this Procedure.

“Persons Closely Associated with Relevant Subjects”: means the Persons Closely Associated with Relevant MAR Subjects and the Persons Closely Associated with Relevant IR Subjects.

“Procedure” or **“Internal Dealing Procedure”**: means this *“Internal Dealing Procedure”*.

“Internal Dealing Register”: means the list referred to in Art. 4(1) of this Procedure.

“Regulation (EU) No. 596/2014”: means Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16.04.2014 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.

“Delegated Regulation (EU) 2016/522”: means the Commission Delegated Regulation (EU) 2016/522 of 17.12.2015 supplementing Regulation (EU) No. 596/2014 with regard to, among others, the types of notifiable managers’ transactions.

“Implementing Regulation (EU) 2016/523”: means the Commission Implementing Regulation (EU) 2016/523 of 10.03.2016 laying down implementing technical standards with regard to the format and template for notification and public disclosure of managers’ transactions in accordance with Regulation (EU) No. 596/2014.

“Issuers’ Regulation” or **“IR”**: means the Regulation adopted with Consob regulation no. 11971/1999 currently in force.

“SDIR”: means the *“system for disseminating regulated information”* authorised by Consob, that the Company uses. The name and web address of the system are indicated

on the Company's website www.delonghigroup.com (section "Investor Relations" – "Governance" – "Subscription to the SDIR NIS and 1INFO services").

"Company" or **"De' Longhi"**: means De' Longhi S.p.A. with registered office in Via Ludovico Seitz 47, Treviso (Italy) whose ordinary shares are listed on the MTA.

"Administrator": means the person referred to in Art. 6 of this Procedure.

"Relevant MAR Subjects": means the persons referred to in Art. 2(A₁) of this Procedure.

"Relevant IR Subjects": means the persons referred to in Art. 2(A₂) of this Procedure.

"Relevant Subjects": means the Relevant MAR Subjects and the Relevant IR Subjects.

"Financial Instruments": means the financial instruments issued by the Company and referred to in Art. 1(2) of the TUF², including the Shares and Debt Securities.

"Derivatives": means the financial instruments issued by the Company and referred to in Art. 1(3) of the TUF.³

"Associated Instruments": means the Derivatives and any other financial instrument specified in Art. 3(2)(b) of Regulation (EU) No. 596/2014⁴ the value of which is in whole or

² Pursuant to **Art. 1(2) of the TUF** "**Financial instruments**" mean:

- a) transferable securities;
- b) money-market instruments;
- c) units in collective investment undertakings;
- d) options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash;
- e) options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
- f) options, futures, swaps and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;
- g) options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point f) and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- h) derivative instruments for the transfer of credit risk;
- i) financial contracts for differences;
- j) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emissions allowances, inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned above, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF or they are cleared and settled through recognised clearing houses or are subject to regular margin calls."

³ Pursuant to **Art. 1(3) of the TUF** "**Derivatives**" shall mean the financial instruments specified in subsection 2, paragraphs d), e), f), g), h), i) and j), as well as the financial instruments specified in subsection 1-bis, paragraph d)."

⁴ Pursuant to **Art. 3(2)(b) of Regulation (EU) No. 596/2014**, **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;

in part determined, directly or indirectly, in relation to the price of the Financial Instruments.

“Debt Securities”: means the bonds and other debt securities issued by the Company.

“TUF”: means Italian Legislative Decree no. 58 of 24th February 1998 containing the *“Consolidated Finance Law”* as currently in force.

1. PREAMBLE

In consideration of the regulatory provisions laid down by Art. 19 of Regulation (EU) No. 596/2014 and related European implementing provisions – including Delegated Regulation (EU) 2016/522 and Implementing Regulation (EU) 2016/523 – as well as the national rules laid down on the subject by the TUF and by the Issuers’ Regulation (the **“Relevant Regulation”**), the Board of Directors, upon the proposal of the Chief Executive Officer and having consulted the Control, Risks and Corporate Governance Committee, approved the updated version of this Procedure at the meeting held on 31 July 2018.

This Procedure comes into effect at the same time it is approved by the Board of Directors and must be applied and interpreted in compliance with every European and national legal and regulatory provision in force at the time, and with the guidelines of the Supervisory Authorities and ESMA.

The Procedure aims to:

- a) identify the Relevant Persons, and the Relevant Transactions carried out by them, who must be disclosed to Consob, the Company and the public in accordance with the Relevant Regulation;
- b) determine the procedures and deadlines for disclosing the Relevant Transactions to Consob, to the Company and to the public;

(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”*

- c) give information to the Relevant MAR Persons concerning their identification as Relevant MAR Persons and the associated disclosure obligations and duties;
- d) guarantee compliance with the so-called Relevant Regulation on the subject of Market Abuse.

Compliance with the rules laid down in this Procedure will not exonerate the Relevant Subjects or the Persons Closely Associated with Relevant Subjects from the obligation to observe the other laws or regulations in force. Therefore, knowledge of the contents of this Procedure cannot be understood as a substitute for full knowledge of the applicable law in force, to which reference must be made.

2. RELEVANT SUBJECTS AND PERSONS CLOSELY ASSOCIATED WITH THEM (“RELEVANT PERSONS”)

For the purposes of applying this Procedure, in compliance with Art. 3(1), points 25 and 26 and Art. 19 of Regulation (EU) No. 596/2014 and with the European and national implementing regulations, as well as compliance with Art. 114(7) of the TUF and Art. 152-*sexies*(1)(c) and (1)(d) of the Issuers’ Regulation, the following are considered:

A₁) Relevant MAR Subjects:

- a) all the executive and non executive members of the Company’s Board of Directors;
- b) the Standing Statutory Auditors of the Company;
- c) the General Managers of the Company;
- d) other high-level managers of the De’ Longhi Group who have regular access to Inside Information, concerning the Company directly or indirectly, and who hold the power to adopt management decisions that may affect the Company’s future development and prospects. These persons are identified in accordance with Art. 3 of this Procedure;

A₂) Relevant IR Subjects:

- anyone who possesses a shareholding, calculated in accordance with Art. 118 of the Issuers’ Regulation, equal to at least 10 percent of the Company’s share capital

represented by Shares with voting rights, as well as any other person who controls⁵ the Company.

B₁) Persons closely associated with Relevant MAR Subjects:

- a) the spouse or partner equivalent to a spouse under the national law of a Relevant MAR Subject;
- b) dependent children of a Relevant MAR Subject under Italian law;
- c) a relative of a Relevant MAR Subject who has shared the same home for at least one year by the Execution Date;
- d) a legal person, trust or partnership:
 - (i) the managerial responsibilities of which are discharged by a Relevant MAR Subject or by a person referred to in points a), b) and c); or
 - (ii) directly or indirectly controlled by a Relevant MAR Subject or by a person referred to in points a), b) and c); or
 - (iii) set up for the benefit of a Relevant MAR Subject or of a person referred to in points a), b) and c); or
 - (iv) the economic interests of which are substantially equivalent to those of a Relevant MAR Subject or of a person referred to in points a), b) and c).

B₂) Persons closely associated with Relevant IR Subjects:

- a) the spouse, who is not legally separated, of a Relevant IR Subject;
- b) dependent children, including of a spouse, of a Relevant IR Subject;
- c) parents, relatives and kin of a Relevant IR Subject if they have cohabited for at least one year by the Execution Date;

⁵ For the application of this Procedure, the notion of control is that contained in Art. 93 of the TUF: “1. [...] in addition to the companies indicated in paragraphs 1 and 2 of the first subsection of Article 2359 of the Civil Code, the following shall also be considered subsidiaries:

a) Italian and foreign companies over which a person has the right, by virtue of a contract or a clause in the instrument of incorporation, to exercise a dominant influence, where the applicable law permits such contracts or clauses;

b) Italian and foreign companies where a shareholder controls alone, on the basis of agreements with other shareholders, enough votes to exercise a dominant influence in the ordinary shareholders' meeting.

2. For the purposes of subsection 1, rights held by subsidiaries or exercised through trustees or nominees shall be considered, those held on behalf of third parties shall not be considered.”

- d) legal persons, partnerships and trusts in which a Relevant IR Subject or one of the persons indicated in points *a)*, *b)* and *c)* holds, jointly or severally, the management function;
- e) legal persons directly or indirectly controlled by a Relevant IR Subject or by one of the persons referred to in points *a)*, *b)* and *c)*;
- f) partnerships the economic interests of which are substantially equivalent to those of a Relevant IR Subject or of one of the persons referred to in points *a)*, *b)* and *c)*;
- g) trusts set up for the benefit of a Relevant IR Subject or of one of the persons referred to in points *a)*, *b)* and *c)*.

3. IDENTIFICATION BY THE COMPANY OF THE MANAGERS QUALIFIED AS RELEVANT MAR SUBJECTS.

3.1 The identification of other managers referred to in point *d)* of Art. 2(A₁) of this Procedure is carried out by the Chief Executive Officer and according to the following criteria:

- (a) assessment on the manager's access to Inside Information in relation to the duties assigned to him/her;
- (b) assessment of the organisational structure and system of delegations and powers adopted by the Company and by its Subsidiaries;
- (c) examination that the manager has the powers to adopt management decisions that may affect ongoing operations and/or the Company's future development and prospects.

3.2. The names of the Company's managers qualified by the Chief Executive Officer as Relevant MAR Subjects in accordance with this Procedure and any subsequent change as a result of changes and/or interruptions in the employment relationship with the managers already identified, are reported by the Chief Executive Officer to the Administrator, who:

- (i) records these Relevant MAR Subjects in the Internal Dealing Register, ensuring that any changes made necessary by the communications provided by the Chief Executive Officer in relation to these Relevant MAR Subjects are then made in the same register;
- (i) promptly informs these Relevant MAR Subjects in writing that they have been identified and recorded in the Internal Dealing Register and of the related disclosure obligations provided for by law and by this Procedure.

3.3. If any changes occur to the relevant information as a result of changes and/or interruptions to the employment relationship with the managers concerned, the Chief Executive Officer provides the Company's Board of Directors at least once a year, namely at the first appropriate meeting, the list of Company managers qualified as Relevant Subjects.

4. RECORDING IN THE INTERNAL DEALING REGISTER, ACKNOWLEDGEMENT AND ACCEPTANCE OF THE PROCEDURE BY THE RELEVANT MAR SUBJECTS AND DISCLOSURE OBLIGATIONS.

4.1 Relevant MAR Persons are recorded, by the Administrator, in a special list called the "**Internal Dealing Register**" held at the Legal and Corporate Affairs Department of De' Longhi. The Internal Dealing Register contains the details for each individual person recorded in it, in alphabetical order, and in particular: (i) name and surname (or, in the case of legal persons, the company name); (ii) tax code (and/or, in the case of legal persons, the VAT registration number); (iii) reason for recording (specifying the category to which the Relevant MAR Person belongs according to Art. 2(A₁) and 2(B₁) of this Procedure); (iv) date the Relevant MAR Person was recorded in the Internal Dealing Register; (v) where appropriate, date the Relevant MAR Person was cancelled from the Internal Dealing Register; (vi) for Persons Closely Associated with Relevant MAR Subjects only, the name of the Relevant MAR Subject with whom they are associated.

4.2 Once they have been recorded in the Internal Dealing Register as a Relevant MAR Subject, the Relevant MAR Subjects are made aware of this Procedure by the Administrator, in writing, using the form in **Annex B** to this Procedure.

4.3 Each Relevant MAR Subject, upon acceptance of this Procedure, issues a statement that they have read and accepted it by signing the form in **Annex B**. By signing this form, they also undertake to observe the provisions of this Procedure and authorise the processing of their personal data required under the law.

4.4 Each Relevant MAR Subject also notifies, in writing, the Persons Closely Associated with them (as defined in Art. 2(B₁) of this Procedure), according to the model given in **Annex E**, of their obligations under this Procedure and under the regulations referred to herein and keeps a copy of this notification.

5. IDENTIFICATION OF THE RELEVANT TRANSACTIONS

5.1 The internal dealing obligations laid down by the Relevant Regulation apply to Relevant Transactions, which are understood to mean:

- 5.1.1.** the transactions carried out by the **Relevant MAR Subjects and by the Persons Closely Associated with them or on their behalf**, concerning the Financial Instruments or Associated Instruments (the “**Relevant MAR Transactions**”). An example list of Relevant MAR Transactions is given in **Annex C** to this Procedure;
- 5.1.2.** the transactions carried out by the **Relevant IR Subjects and by the Persons Closely Associated with them**, concerning the purchase, sale, subscription or exchange of Shares or of financial instruments linked to the Shares⁶ carried out by such Relevant Persons (the “**Relevant IR Transactions**”).

5.2 The internal dealing obligations laid down by the Relevant Regulation **do not apply to the following transactions:**

⁶ Pursuant to Art. 152-*sexies* 1(b) of the Issuers’ Regulation, “Financial instruments linked to Shares” mean:
b.1) financial instruments that permit the subscription, acquisition or disposal of shares;
b.2) debt financial instruments convertible into shares or exchangeable for shares;
b.3) derivative financial instruments based on shares referred to in Article 1(3) of the TUF;
b.4) other financial instruments, equivalent to shares, representing such shares.”

- Relevant MAR Transactions the total amount of which (sum of the prices paid and received) does not reach **€ 20,000 (twenty thousand euros)** over the same calendar year (or different threshold laid down by applicable national regulation), taking into account for the purposes of calculating this threshold that: *(i)* total amount is calculated by summing, without netting, all the Relevant MAR Transactions referred to in section 5.1.1 carried out by each Relevant Person directly or on their behalf; *(ii)* the amount of associated instruments is calculated with reference to the underlying shares. Once this relevance threshold is exceeded, the disclosure obligation applies to all the other Relevant MAR Transactions carried out over the same calendar year;
- Relevant MAR Transactions concerning transactions in financial instruments linked to Shares or to debt instruments of the Company where, at the time of the transaction, any of the following conditions is met:
 - (a)* the financial instrument is a unit or share in a collective investment undertaking in which the exposure to the Company's shares or debt instruments does not exceed 20% of the assets held by the collective investment undertaking;
 - (b)* the financial instrument provides exposure to a portfolio of assets in which the exposure to the Company's shares or debt instruments does not exceed 20% of the portfolio's assets; or
 - (c)* the financial instrument is a unit or share in a collective investment undertaking or provides exposure to a portfolio of assets and the Relevant MAR Person does not know, and could not know, the investment composition or exposure of such collective investment undertaking or portfolio of assets in relation to the Company's shares or debt instruments, and furthermore there is no reason for that person to believe that the Company's shares or debt instruments exceed the thresholds in point *(a)* or *(b)*.
- Relevant IR Transactions the total amount of which (sum of the prices paid and received) does not reach **€ 20,000 (twenty thousand euros)** over the same

calendar year (or different threshold laid down by applicable national regulation), taking into account for the purposes of calculating this threshold that the amount of associated instruments is calculated with reference to the underlying shares.

Once this relevant threshold is exceeded, the Relevant IR Transactions of which the total amount does not reach a further **€ 20,000 (twenty thousand euros)** by the end of the year are not disclosed;

- Relevant IR Transactions carried out by the Relevant IR Subject and the Persons Closely Associated with them referred to in section 5.1.2 above;

- Relevant IR Transactions carried out by the Company and by its Subsidiaries;

- Relevant IR Transactions carried out by a credit institution or by an investment firm that contribute to establishing the trading book of such institution or firm, as defined by Art. 4(1)(86) of Regulation EU No. 575/2013, provided that the same subject:

- (a) is organisationally separate from the treasury and from the departments that manage strategic shareholdings, the trading and market making departments;

- (b) is able to identify the shares held for the purposes of trading and/or market making activities using methods that can be checked by Consob or by holding these shares in a special separate account;

and, if said subject operates in the capacity as market maker,

- (a) is authorised by the home Member State pursuant to Directive 2004/39/EC to perform market making activities;

- (b) provides Consob with the market making agreement made with the market operating entity and/or with the issuer where required by law and by the related implementing provisions in force in the EU Member State where the market maker carries out its activities; and

- (c) notifies Consob that they intend to perform or are performing market making activities on the Company's Shares; the market maker must also immediately notify Consob that market making activities on the same

Shares have been terminated.

5.3 The obligations laid down by Art 114(7) of the TUF and by this Procedure do not apply to Relevant IR Transactions when the Relevant IR Persons are also Relevant MAR Persons and they are already obliged to notify transactions carried out pursuant to Regulation (EU) No. 596/2014.

6. ADMINISTRATOR

6.1 The General Counsel is the person in charge, (Administrator) of receiving, managing and disclosing the information on the Relevant Transactions to the market (substitute: Corporate Affairs Manager). These activities are carried out using Company staff identified for this purpose and appointed by the Administrator.

6.2 The Administrator, his/her collaborators and the substitute must keep the communications received strictly confidential in accordance with this article of the Internal Dealing Procedure, until they are disclosed to the market.

6.3 The Administrator is responsible for:

- a)* drafting and keeping the Internal Dealing Register up to date, ensuring that the Relevant MAR Persons recorded in the register are informed of the contents of this Procedure and of the associated obligations and prohibitions;
- b)* providing assistance to the Relevant MAR Persons and Relevant IR Subjects and so that the Relevant Transactions are disclosed by Company within the terms and according to the methods laid down by this Procedure;
- c)* receiving the communications on Relevant Transactions and their disclosure to the market within the terms laid down by this Procedure;
- d)* arrange the disclosure of Relevant MAR Transactions to the market and – where the Company has received the appointment from a Relevant IR Subject – of the Relevant IR Transactions within the terms laid down by this Procedure;

- e) keeping the communications received on Relevant Transactions and those disclosed to the market;
- f) monitoring the application of this Procedure, submitting any changes which may be necessary to adapt the Procedure to the laws and regulations in force at the time or to improve its operational management to the Chief Executive Officer.

7. CONDUCT AND REPORTING OBLIGATIONS

7.1 Methods for disclosing Relevant MAR Transactions

7.1.1 The Relevant MAR Persons are required to disclose all the Relevant MAR Transactions carried out by them or on their behalf:

- to Consob, promptly and in any case **no later than the third Working Day after the Execution Date**;
- to the Company, promptly and in any case **no later than 8:00 am of the third Working Day after the Execution Date**.

These Relevant MAR Persons discharge the disclosure obligation:

- a) to Consob: by sending the fully completed *Filing Model I* by certified email ("PEC") to consob@pec.consob.it (if the sender is required to have a PEC) or by email to the address protocollo@consob.it (specifying "*Ufficio Informazione Mercati*" as the addressee and indicating "*MAR Internal Dealing*" in the subject line) or using other methods laid down by Consob in a subsequent provision, in compliance with the regulation in force at the time;
- b) to the Company: by sending the fully completed *Filing Model I* to the Administrator by email to the address societariodelonghispa@legalmail.it with the obligation to check that it has been received, or by fax to +39 0422 413394, or to another number communicated by the Administrator, ensuring that the notice of successful transmission is kept, or by sending the communication by hand to the Administrator directly (who will issue a receipt) at the Company's offices.

7.1.2 The Company then publishes the information received in accordance with section 7.1.1 above using the SDIR by the **end of the third Working Day after the Execution Date** and transmits it at the same time to the Storage Mechanism. The information is also published on the Company's website www.delonghigroup.com (section "*Investor Relations*" – "*Governance*" – "*Internal Dealing*").

7.1.3 The same Relevant MAR Persons are responsible for precisely and immediately disclosing the information to Consob and to the Company. Therefore, they are liable to the Company for any damage sustained by the Company, including to its image, as a result of their failure to discharge their obligations.

7.1.4 Upon request of one of the Relevant MAR Persons, by signing the form contained in **Annex D, Form I** to this Procedure, the Company may be appointed to carry out the disclosure to Consob on behalf of the Relevant MAR Person who makes such request. In this case the Relevant MAR Transactions must, without exception, be reported to the Company by and **no later than the first Working Day after the Execution Date**. The Company will, in any case, carry out the disclosure activities due from the Relevant MAR Person to Consob **by the end of the second Working Day after** the one on which it receives the Relevant MAR Transactions from the Relevant MAR Persons.

7.2 Methods for disclosing Relevant IR Transactions

7.2.1 The Relevant IR Subjects are responsible for disclosing to Consob and to the public all the Relevant IR Transactions carried out by them or by Persons Closely Associated with them or in their interests or in the interests of the Persons Closely Associated with Relevant IR Subjects, **by the end of the fifteenth day of the month after the Execution Date**.

These Relevant IR Subjects discharge their disclosure obligation:

- a) to Consob: by sending the *Filing Model II* by fax to +39 06 8477757 or by certified email ("PEC") to consob@pec.consob.it (if the sender is required to have a PEC) or by email to the address protocollo@consob.it, or with other methods laid down by Consob in a subsequent provision, in compliance with the regulation in force at the

time. Where the Relevant IR Subject has appointed the Company to perform the disclosure to Consob on their behalf pursuant to section 7.2.2 below, the obligation is fulfilled by the Company sending *Filing Model II* via SDIR;

- b) to the public: by sending a disclosure to at least two press agencies, or by using an SDIR. Where this Relevant IR Subject has appointed the Company to perform the public disclosure pursuant to section 7.2.2 below, the obligation can also be fulfilled using the methods laid down by Articles 65-*bis* et seq. of the Issuers' Regulation, or with the methods established by the regulations in force at the time.

7.2.2 The Relevant IR Subjects are responsible for precisely and immediately disclosing the information to Consob and to the public in accordance with section 7.2.1 above. Upon the request of the Relevant IR Subject, made by signing the **Annex D, Form II** to this Procedure, the Company can be appointed to disclose the information to Consob and to the public, under section 7.2.1 above, while these Relevant IR Subjects remain liable for any failure to disclose or incorrect disclosure and, therefore, without prejudice the Company's right to seek compensation from the Relevant IR Subject for any damages, including to its image, sustained as a result of this failure.

If the Relevant IR Subject intends to appoint the Company to perform the disclosure, then they must, without exception, report the Relevant IR Transactions to the Company by **the end of the fifteenth day of the month after the Execution Date**, in accordance with the methods given in section 7.1.1(b).

The Company will, in this case, disclose the information due from the Relevant IR Subject to Consob and to the public **by the end of trading day after the one in which it received the information from the above Relevant IR Subject**, in accordance with the methods given in 7.2.1(a) and 7.2.1(b).

All the obligations laid down by the laws and regulations that are applicable to such Relevant IR Subjects still hold.

7.2.3 In accordance with the provisions of the Relevant Regulation, each Relevant IR Subject is obliged to make the Persons Strictly Associated with the Relevant IR Subject aware that there are conditions under which they are held to the disclosure obligations

laid down by national law and regulation in force and those incumbent pursuant to this Procedure.

8. BLACK-OUT PERIOD

8.1 In compliance with Art. 19(11) of Regulation (EU) No. 596/2014, the Relevant MAR Subjects do not perform transactions on their own behalf or on behalf of third parties, directly or indirectly, relating to the Financial Instruments or the Associated Instruments, **during the period of 30 calendar days before the Company's announcement of the data contained in the annual financial report, in the interim financial report or in additional periodic financial reports** that the Company publishes in compliance with the laws and regulations applicable at the time or as the Company decides⁷ (the "**Black-out Period**").

8.2 Without prejudice to the prohibition on abusing Inside Information, unlawful disclosure of inside information and market manipulation, Relevant MAR Subjects may negotiate on their own behalf or on behalf of third parties during the Black-out Period:

a) based on a case-by-case assessment by the Board of Directors where exceptional conditions exist, such as serious financial difficulties that require the immediate sale of the Financial Instruments. In these cases the Relevant MAR Subject asks the Company, using a written reasoned request, for authorisation to immediately sell the Financial Instruments during a Black-out Period. This written request contains a description of the transaction being considered and an explanation of the reason why the sale of the Financial Instruments is the only reasonable way to obtain the necessary financing; or

b) due to the characteristics of the negotiation, in the case of transactions carried out at the same time as or in relation to an employee shareholding plan, or a savings programme, or the purchase of a guarantee or rights to shares, or transactions where the beneficial interest of the security in question is not subject to change.

⁷ In line with the direction ESMA has expressed on this point, the deadline of 30 days starts from and includes the date on which the announcement is published.

In compliance with Delegated Regulation (EU) No. 522/2014, the Relevant MAR Subject must in any case be able to demonstrate that the specific transaction cannot be carried out at a time other than during the Black-out Period.

8.3 When deciding whether to authorise the immediate sale of the Financial Instruments during the Black-out Period, the Board of Directors makes a case-by-case assessment of the written request made by the Relevant MAR Subject.

8.4 The Board of Directors is entitled to authorise the immediate sale of Financial Instruments only if the circumstances of these transactions may be considered exceptional, in other words they are extremely urgent, unforeseen and impelling situations that are not attributable to the Relevant MAR Subject and are outside of their control.

8.5 When examining whether the circumstances described in the written request are exceptional, the Board of Directors assesses, together with other indicators, whether and to what extent the Relevant MAR Subject, at the moment the request is made:

- a)* must discharge a financial obligation that is legally enforceable or to satisfy a claim;
- b)* must discharge or is in a situation created before the start of the Black-out Period which requires payment of an amount to third parties, including tax obligations, and the Relevant MAR Subject cannot reasonably discharge a financial obligation or satisfy a claim without immediately selling the Financial Instruments.

8.6 The Company is entitled to authorise the Relevant MAR Subject to negotiate the Financial Instruments on their own behalf or on behalf of third parties during a Black-out Period in certain circumstances and, among others, in situations where:

- a)* the Relevant MAR Subject was granted or allocated financial instruments under a remuneration plan, provided that the following conditions are met: *i)* the remuneration plan and its conditions have been approved by the Company beforehand in compliance with national legislation and the plan's conditions specify timescales for allocating or granting such financial instruments and the amount of such instruments allocated or granted, or the basis for calculating the amount, provided that discretionary powers cannot be exercised; *ii)* the Relevant MAR Subject

does not have any discretionary powers concerning acceptance of the financial instruments allocated or granted;

b) the Relevant MAR Subject was allocated or granted financial instruments as part of a remuneration plan that was implemented during the Black-out Period, provided that a previously planned and organised method has been applied concerning the conditions, the periodicity and allocation times, provided that the group of people authorised (to which the financial instruments are granted) and the amount of the financial instruments to be allocated are indicated and provided that the allocation or granting of the financial instruments is part of a defined framework in which this allocation or granting cannot be influenced by any inside information;

c) the Relevant MAR Subject exercises options or warrants or the conversion right for convertible bonds that have been allocated to them as part of a remuneration plan, if the expiry date of such options, warrants or convertible bonds falls in a Black-out Period, and sells the shares acquired after the exercise of such options, warrants or conversion rights, provided that the following conditions are met: *i)* the Relevant MAR Subject notifies the Company of their decision to exercise the options, warrants or conversion rights at least four months before the expiry date; *ii)* the Relevant MAR Subject's decision is irrevocable; *iii)* the Relevant MAR Subject has been authorised by the Company beforehand;

d) the Relevant MAR Subject acquires financial instruments from the Company as part of a savings plan for employees, provided that the following conditions are met: *i)* the Relevant MAR Subject joined the plan before the Black-out Period, except in cases where they could not join at another time owing to the start date of the employment relationship; *ii)* the Relevant MAR Subject does not change the conditions of their participation in the plan nor revokes such participation during the Black-out Period; *iii)* the purchase transactions are clearly organised based on the plan's conditions and the Relevant MAR Subject does not have the right or the legal possibility to change them during the Black-out Period, or such transactions are part of the plan which was planned in such a way that they take place at a pre-established date falling during the Black-out Period;

e) the Relevant MAR Subject transfers or receives, directly or indirectly, financial instruments, provided that they are transferred from one account to another of such person and that the transfer does not entail any change in their price;

f) the Relevant MAR Subject acquires a guarantee or rights relating to the Company's shares and the final date of this acquisition falls within the Black-out Period, in compliance with the Company's articles of association or according to the law, provided that such person can demonstrate to the Company the reasons why the acquisition did not take place at another time and the Company accepts the explanation provided.

9. FAILURE TO DISCHARGE THE CONDUCT AND DISCLOSURE OBLIGATIONS LAID DOWN BY THE PROCEDURE: THE SANCTIONS

9.1 The rules of this Procedure are **binding** for the Relevant MAR Subjects and constitute an integral part of the duties and responsibilities of the Relevant MAR Subjects arising from the relationship they have established with the Company.

9.2 If the obligations regarding conduct and disclosure laid down in this Procedure are not observed, sanction measures against the Relevant MAR Subjects will be set from time to time by means of a resolution of the Company's Board of Directors and with the opinion of its Board of Statutory Auditors, depending on the severity of the infringement.

9.3 It should be noted that failure to observe the conduct and disclosure obligations placed on the Relevant Persons by the provisions of laws and regulations in force and those described in this Procedure, may result in the application of sanctions provided for by the regulations in force. In particular, for the Relevant MAR Persons this failure may entail, among others:

a) for the company, entity or association and for the individual whose obligation it is to disclose, the application of a **pecuniary administrative sanction** of a maximum of 1,000,000.00 euros for companies, entities or associations and 500,000.00 euros for individuals;

b) for the Relevant MAR Subjects, in any case, the consequences and liabilities provided for by the rules that apply to the relationship, including **liability for damages sustained by the Company**, including to its corporate image, as a result of such failure.

The sanctions provided for by the regulations in force and by this Procedure will be applied to employees of the Company, while the Company reserves the right to terminate its relationship with those persons who are not employees with or without notice. The Board of Directors may also decide to disclose any infringements by Relevant Subjects to the market.

10. PROCESSING OF PERSONAL DATA

The Company, pursuant to Art. 13 of GDPR 679/2016, in its capacity as Data Controller of the personal data collected as a result of the application of this Procedure, provides you with the following information:

- the following categories of personal data that concern you are collected:
 - information related to you – your name and surname, place and data of birth, residence address, telephone number, tax number, email address and certified email (PEC) address (if available),
 - information related to the Persons Closely Associated with you - name and surname, tax code (if natural person) or business name, registered office and VAT Registration number (if legal person) and the type of relationship with you;
- the Company collects and processes your personal data using the annexes to this Procedure and on paper and/or IT media;
- the processing of personal data is legitimised by the discharging of the obligations laid down by European and national laws and regulations in force at the time, their application to De' Longhi (and the other companies in the De' Longhi Group) derives from its listing on the electronic stock market regulated and managed by Borsa Italiana;

- your personal data may be reported, within the limits strictly pertinent to the obligations, for the duties and purposes indicated above, firstly to Consob, to Borsa Italiana and disclosed to the public;
- we keep your personal data only for the time needed in order to achieve the purposes for which they were collected and described above;
- the Company uses a vast range of security measures in order to improve security protection and maintenance and the integrity and accessibility of your personal data. All your personal data are stored on our secure servers (or on secure paper copies) or on those of our suppliers or our business partners, and are accessible and can be used according to our standards and our security policies (or equivalent standards for our suppliers or business partners).

Within the terms and limitations laid down by the regulations governing personal data processing (GDPR), you have the right to ask the Company:

- for access to your personal data,
- a copy of the personal data you have provided (so-called portability),
- rectification of the data in our possession,
- cancellation of any data for which we no longer have any legal basis for the processing,
- to object to the processing where provided for by the applicable regulation;
- to withdraw your consent, where processing is based on the consent,
- to limit the way in which we process your personal data, within the limits laid down by the personal data protection regulation.

To exercise such rights or should you have any questions concerning our processing of your personal data, you can email your requests to the Company at this address dpo.privacy@delonghigroup.com

Exercise of such rights is subject to some exceptions designed to safeguard public interest (e.g. the prevention or identification of crimes) and to safeguard our interests (e.g. maintenance of professional secrecy). If you exercise any of the above rights, the onus of

checking whether you have the right to exercise it lies with us and we will inform you, as a rule, within one month.

11. AMENDMENTS AND SUPPLEMENTS

The Chief Executive Officer has the authority to make any necessary or appropriate amendments to this Procedure in order to align it with the contents of the European and national laws and regulations in force at the time and with the guidelines of the Supervisory Authorities and ESMA.

In the event that this Procedure is amended, updated or supplemented, the Chief Executive Officer will notify the Relevant Subjects, including via the Administrator, from the date such changes come into force, and will inform the Board of Directors at the next board meeting after the adoption of such amendment.

ANNEXES

ANNEX A

FILING MODELS

TEMPLATES FOR NOTIFICATION AND PUBLIC DISCLOSURE OF RELEVANT TRANSACTIONS BY RELEVANT SUBJECTS AND BY THE PERSONS CLOSELY ASSOCIATED WITH THEM

FILING MODEL I

**ANNEX TO IMPLEMENTING REGULATION (EU) 2016/523
(TO BE USED FOR RELEVANT MAR TRANSACTIONS)**

“TEMPLATE FOR NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM”

1	Details of the person discharging managerial responsibilities/person closely associated	
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>
2	Reason for the notification	
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.] [For persons closely associated,</i></p> <p>— <i>An indication that the notification concerns a person closely associated with a person discharging managerial responsibilities;</i></p> <p>— <i>Name and position of the relevant person discharging managerial responsibilities.]</i></p>
b)	Initial notification/Amendment	<p><i>[Show whether it is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that is corrected by this notification.]</i></p>
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	<i>[Full name of the entity.]</i>
b)	LEI	<i>[Legal Entity Identifier code in accordance with ISO 17442 LEI code.]</i>
4	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	
a)	<p>Description of the financial instrument, type of instrument</p> <p>Identification code</p>	<p><i>[— Indication as to the nature of the instrument:</i></p> <p>— <i>a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument;</i></p> <p>— <i>an emission allowance, an auction product based on an emission allowance or a derivative relating to an emission allowance.</i></p> <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, borrowings, ...) 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"> <i>— relate to the same financial instrument or emission allowance;</i> <i>— are of the same nature;</i> <i>— are executed on the same day; and</i> <i>— are executed on the same place of transaction.</i> <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"> <i>— In case of a single transaction, the price of the single transaction;</i> <i>— In case the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions.</i> <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. 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 if the transaction was not executed on any of the above mentioned venues, please mention 'outside a trading venue'.]</i></p>	

⁽¹⁾ 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).

FILING MODEL II

**CONTAINED IN ANNEX 6 TO THE ISSUERS' REGULATION
(TO BE USED FOR RELEVANT IR TRANSACTIONS)**

“TEMPLATE FOR NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY ANYONE HOLDING SHARES EQUAL TO AT LEAST 10 PERCENT OF THE SHARE CAPITAL, AND ANY OTHER PARTY THAT CONTROLS THE LISTED ISSUER”

1	Data related to the subject holding shares equal to at least 10 percent of the share capital or that controls the listed issuer or the person closely associated with them	
a) ⁸	Name	<p><i>For natural persons:</i> First name: Last name(s):</p> <p><i>For legal persons:</i> Name:</p>
2	Reason for the notification	
a)	Reason for the notification	<p>Subject holding shares equal to at least 10 percent of the listed issuer: <input type="checkbox"/></p> <p>Subject controlling the listed issuer: <input type="checkbox"/></p> <p>-----</p> <p>Person closely associated <input type="checkbox"/></p> <p>Indicate that the notification concerns a person closely associated with:</p> <p><i>For natural persons:</i> First name: Last name(s):</p> <p><i>For legal persons:</i> Name:</p>
b) ⁹	Initial notification/Amendment	<p>Initial notification: <input type="checkbox"/></p> <p>Amendment to the previous notification</p> <p>Reason for the amendment:</p>
3	Issuer's data	

⁸ Data related to the subject carrying out the transaction
[For natural persons: the first name and the last name(s).]

[For legal persons: full name including legal form as provided for in the register where it is incorporated, if applicable.]

⁹ [Show whether it is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that is corrected by this notification.]

a) ¹⁰	Name						
b) ¹¹	LEI						
4	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						
a)	Description of the financial instrument, type of instrument Identification code						
b) ¹²	Nature of the transaction						
c) ¹³	Price(s) and volume(s)	<table border="1"> <tr> <td>Price(s)</td> <td>Volume(s)</td> </tr> <tr> <td></td> <td></td> </tr> </table>		Price(s)	Volume(s)		
Price(s)	Volume(s)						
d) ¹⁴	Date of the transaction						
e)	Place of the transaction	<i>Name of the trading centre:</i> <i>Identification code:</i> <i>"Outside a trading centre":</i> <input type="checkbox"/>					

¹⁰ [Full name of the entity.]

¹¹ [Legal Entity Identifier code in accordance with the ISO 17442 LEI code.]

¹² [Purchase, sale, subscription or exchange.]

¹³ [If multiple transactions of the same type are carried out on the same day or in the same place, indicate the overall volume in aggregate form and the average weighted price of said transactions]

¹⁴ [Date of the particular day of execution of the notified transaction. Using the ISO 8601 date format: YYYY-MM-DD; UTC time.]

ANNEX B

**INFORMATION NOTE FOR RELEVANT MAR SUBJECTS WITH THE ENCLOSED FORM FOR THE STATEMENT OF
FULL ACKNOWLEDGEMENT AND ACCEPTANCE OF THE INTERNAL DEALING PROCEDURE**

Dear Mr _____ / Dear Mrs _____ ,
[address]

Subject: **Communication of recording in the Internal Dealing Register pursuant to Art. 19(5) of Regulation (EU) No. 596/2014**

Dear Mr/Dear Mrs [enter name],

I would like to inform you, pursuant to Art. 19(5) of Regulation (EU) No. 596/2014 (hereinafter the “Regulation (EU)”), that, owing to the position of _____⁽¹⁾ you hold in De’ Longhi S.p.A. (the “Company” or “De’ Longhi”), you have been recorded in the Internal Dealing Register of De’ Longhi , provided for by Art. 19(5) of the Regulation (EU) and by Art. 4(1) of the Company’s “Internal Dealing Procedure” (the “Procedure”) as a Relevant MAR Subject of the Company pursuant to Art. 3(1)(25) of the Regulation (EU) and Art. 2(A₁) of the Procedure.

The provisions concerning internal dealing laid down by the regulations in force (particularly, Art. 19 of the above Regulation (EU), as well as Delegated Regulation (EU) No. 2016/522 and Implementing Regulation (EU) 2016/523, contained enclosed herewith under Annex 4) and the provisions contained in the Procedure therefore apply to you.

Therefore, I ask you to:

- carefully read the enclosed Procedure, which describes the disclosure obligations that this Procedure imposes on you and on the “Persons Closely Associated with Relevant Subjects”, together with the sanctions that may be levied against those who do not discharge the obligations in question;
- also carefully read the contents of *Filing Model I* in Annex A to the Procedure, which you can use to discharge your disclosure obligations arising from any negotiation, by you, of De’ Longhi’s Financial Instruments (shares or bonds in particular) or derivatives or other financial instruments associated with them;
- acquaint yourself with the disclosure obligations imposed on you pursuant to Art. 4(4) of the Procedure with regard to subjects who qualify as *persons closely associated with you* pursuant to the regulations in force and to Art. 2(B₁) of the Procedure (“Persons Closely Associated with Relevant MAR Subjects”);
- declare that you have acknowledged the provisions contained in the Procedure and that you accept the contents in full, undertaking, to the extent of my responsibility, to observe the provisions with the utmost diligence and, among others: (i) to provide the persons qualified as *persons closely associated* pursuant to the regulations in force and Art. 2(B₁) of the Procedure (“Persons Closely Associated with Relevant MAR Subjects”), with the information note as per Art. 4(4) of the Procedure; and (ii) to ensure – pursuant to Art. 1381 of the Italian Civil Code – that such *Persons Closely Associated with Relevant MAR Subjects* duly discharge such obligations;
- return the statement of acknowledgement and acceptance at the end of this letter, duly initialled on every page and signed for receipt and acknowledgement of the Procedure and its annexes.

Lastly, I would like to inform you that the personal data communicated to the Company are necessary for the proper maintenance, by De’ Longhi, of the Internal Dealing Register. The above data will be kept with the help of computer storage media, in compliance with Regulation (EU) 679/2016 and with the applicable provisions concerning the processing of personal data, in order to discharge the internal dealing obligations provided for by the regulations in force and for the period required by the above regulations. Communication of the personal data required is compulsory; failure to provide this information may expose you to sanctions under the regulations in force. You are still entitled to exercise your rights laid down by Regulation EU 679/2016. The Data Controller is the Company. To exercise such rights or should you have any questions concerning our processing of your personal data, you can email your requests to the Company at this address dpo.privacy@delonghigroup.com. Full information on this subject is given in Art. 10 of the Internal Dealing Procedure.

Yours sincerely,

Treviso, _____

[Enter name and signature of the Administrator]

For acknowledgement

[Place and Date]

[Enter the name and signature of the Relevant Subject]

¹ Enter the position held which entails the qualification as "Relevant Subject" for the purposes of the internal dealing regulations (i.e. member of the Board of Directors / Board of Statutory Auditors, or other top manager).

Annexes to the communication**Annex 1: Form for stating full acknowledgement and acceptance of the Internal Dealing Procedure by Relevant MAR Subjects**

Statement of full acknowledgement and acceptance of the *Internal Dealing Procedure*

I, the undersigned, _____ born in _____ on _____, resident in [street and number] _____, [town/city and country] _____, in my capacity as _____ of the listed company De' Longhi S.p.A. (the "Company"), acknowledge that I have been recorded among the Relevant Subjects of the Company pursuant to Art. 3(1)(25) of Regulation (EU) No. 596/2014 and to Art. 2(A₁) of the Company's "*Internal Dealing Procedure*" (the "Procedure")

- acknowledge that I have been recorded in the Internal Dealing Register as per Art. 4(1) of the Procedure as a "Relevant MAR Subject";
- declare that I have received the information as well as a full copy of the Procedure and that I have read and understood the provisions;
- acknowledge that I am aware of the legal obligations imposed on me by the regulations in force concerning internal dealing and by the Procedure and of the sanctions laid down in the event that I fail to discharge said obligations;

Now therefore

- I declare that I have acknowledged the provisions contained in the Procedure and that I accept the contents in full, undertaking, to the extent of my responsibility, to observe the provisions with the utmost diligence and, among others: (i) to provide the persons qualified as *persons closely associated* pursuant to the regulations in force and Art. 2(B₁) of the Procedure ("*Persons Closely Associated with Relevant MAR Subjects*"), with the information note as per Art. 4(4) of the Procedure; and (ii) to ensure – pursuant to Art. 1381 of the Italian Civil Code – that such *Persons Closely Associated with Relevant MAR Subjects* duly discharge such obligations;
- I declare that I hold the Company harmless from and indemnify the Company against any damages or loss arising from my failure, delay or incomplete discharge of the obligations laid down by the Procedure;
- giving the following personal contact details as per the Procedure: tel. no. _____ fax no. _____, email address _____ and certified email address (PEC) (if available) _____;
- giving the following names of "*Persons Closely Associated with Relevant MAR Subjects*" linked to me (identified pursuant to Art. 2(B₁) of the Procedure), who I undertake to inform in writing of their obligations under the regulations in force and as per the Procedure and I will keep a copy of such communications:

NAME, SURNAME AND TAX CODE/ BUSINESS NAME, REGISTERED OFFICE AND VAT REG. NO.*		LINK WITH THE RELEVANT MAR SUBJECT
Spouse		N/A
Partner equivalent to a spouse under Italian law		N/A
Dependent children under Italian law		N/A
Cohabiting relative		
Legal person, trust or partnership		

^(*)Legal person, trust or partnership

- I undertake to report to the Administrator referred to in Art. 6 of the Procedure all Relevant MAR Transactions as defined in Art. 5 of the Procedure, using the methods and within the deadlines laid down by the same Procedure, as well as any changes that may occur to the information already given herein.

[Place and Date]

Signature _____

Annex 2: Internal Dealing Procedure of De' Longhi S.p.A.

[enter the text of the current procedure]

Annex 3: REGULATORY APPENDIX

* * *

Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 ("MAR")

Article 19 of the MAR **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.

1a. The notification obligation referred to in paragraph 1 shall not apply to transactions in financial instruments linked to shares or to debt instruments of the issuer referred to in that paragraph where at the time of the transaction any of the following conditions is met:

(a) the financial instrument is a unit or share in a collective investment undertaking in which the exposure to the issuer's shares or debt instruments does not exceed 20 % of the assets held by the collective investment undertaking;

(b) the financial instrument provides exposure to a portfolio of assets in which the exposure to the issuer's shares or debt instruments does not exceed 20 % of the portfolio's assets; (c) the financial instrument is a unit or share in a collective investment undertaking or provides exposure to a portfolio of assets and the person discharging managerial responsibilities or person closely associated with such a person does not know, and could not know, the investment composition or exposure of such collective investment undertaking or portfolio of assets in relation to the issuer's shares or debt instruments, and furthermore there is no reason for that person to believe that the issuer's shares or debt instruments exceed the thresholds in point (a) or (b).

If information regarding the investment composition of the collective investment undertaking or exposure to the portfolio of assets is available, then the person discharging managerial responsibility or person closely associated with such a person shall make all reasonable efforts to avail themselves of that information.

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 (1), 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.

For the purposes of point (b), transactions executed in shares or debt instruments of an issuer or derivatives or other financial instruments linked thereto by managers of a collective investment undertaking in which the person discharging managerial responsibilities or a person closely associated with them has invested do not need to be notified where the manager of the collective investment undertaking operates with full discretion, which excludes the manager receiving any instructions or suggestions on portfolio composition directly or indirectly from investors in that collective investment undertaking.

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 of the MAR

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 authorisation 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 of the MAR

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.”

Article 34 of the MAR
Publication of decisions

“1. Subject to the third subparagraph, competent authorities shall publish any decision imposing an administrative sanction or other administrative measure in relation to an infringement of this Regulation on their website immediately after the person subject to that decision has been informed of that decision. Such publication shall include at least information on the type and nature of the infringement and the identity of the person subject to the decision.

The first subparagraph does not apply to decisions imposing measures that are of an investigatory nature. Where a competent authority considers that the publication of the identity of the legal person subject to the decision, or of the personal data of a natural person, would be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardise an ongoing investigation or the stability of the financial markets, it shall do any of the following:

- (a) defer publication of the decision until the reasons for that deferral cease to exist;*
- (b) publish the decision on an anonymous basis in accordance with national law where such publication ensures the effective protection of the personal data concerned;*
- (c) not publish the decision in the event that the competent authority is of the opinion that publication in accordance with point (a) or (b) will be insufficient to ensure:

 - (i) that the stability of financial markets is not jeopardised; or*
 - (ii) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.**

Where a competent authority takes a decision to publish a decision on an anonymous basis as referred to in point (b) of the third subparagraph, it may postpone the publication of the relevant data for a reasonable period of time where it is foreseeable that the reasons for anonymous publication will cease to exist during that period.

2. Where the decision is subject to an appeal before a national judicial, administrative or other authority, competent authorities shall also publish immediately on their website such information and any subsequent information on the outcome of such an appeal. Moreover, any decision annulling a decision subject to appeal shall also be published.

3. Competent authorities shall ensure that any decision that is published in accordance with this Article shall remain accessible on their website for a period of at least five years after its publication. Personal data contained in such publications shall be kept on the website of the competent authority for the period which is necessary in accordance with the applicable data protection rules.”

* * *

Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 (“Delegated Act 522”)

Article 7 of Delegated Act 522
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 of Delegated Act 522

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."

Article 9 of Delegated Act 522

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 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 of Delegated Act 522

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 transactions;
- (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 (4), 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.”*

* * *

Commission Implementing Regulation (EU) 2016/523 of 10 March 2016 (“ITS 523”)

Article 1 ITS 523

Definitions

“For the purposes of this Regulation, the following definition shall apply: ‘electronic means’ are means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio, optical technologies, or any other electromagnetic means.”

Article 2 ITS 523

Format and template for the notification

“1. Persons discharging managerial responsibilities and persons closely associated with them shall ensure that the template for notifications set out in the Annex is used for the submission of the notifications of the transactions referred to in Article 19(1) of Regulation (EU) No 596/2014.

2. Persons discharging managerial responsibilities and persons closely associated with them shall ensure that electronic means are used for the transmission of the notifications referred to in paragraph 1. Those electronic means shall ensure that completeness, integrity and confidentiality of the information are maintained during the transmission and provide certainty as to the source of the information transmitted.

3. Competent authorities shall specify and publish on their website the electronic means referred to in paragraph 2 with respect to the transmission to them.”

Article 3 ITS 523

Entry into force

“This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

It shall apply from 3 July 2016.”

ANNEX C

LIST OF TRANSACTIONS INCLUDED AMONG RELEVANT MAR TRANSACTIONS

- In compliance with Art. 10 of Delegated Regulation (EU) 2016/522, Relevant MAR Transactions include:

- a) acquisition, disposal, short sale, subscription or exchange;
- b) acceptance or exercise of a stock option (including of a stock option granted to a Relevant Subject or to 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 transactions;
- e) entering into a contract for difference on a financial instrument of the Company;
- f) acquisition, disposal or exercise of rights (including put and call options) and warrants;
- g) subscription to a capital increase or issuance of bonds or debt securities of the Company;
- h) transactions in derivatives and financial instruments linked to a bond of the Company, including credit default swaps;
- i) conditional transactions upon the occurrence of the condition(s) 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;
- 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.

It is specified that, in accordance with Art. 19(1-bis)(a) of the Regulation (EU) No. 596/2014, the disclosure obligation relating to such cases does not exist if, at the moment the transaction is carried out, the exposure of the collective investment undertaking to the shares or bonds of De' Longhi S.p.A. (or to the related derivatives or other instruments associated with them) does not exceed 20% of the assets held by the same collective investment undertaking. If information regarding the investment composition of the collective investment undertaking is available, the Relevant Subject or the Person Closely Associated with them will make all reasonable efforts to avail themselves of that information.

- n) transactions executed by manager of an AIF in which the Company's Relevant Person has invested.

It should, however, be noted that, pursuant to Art. 19(7), third paragraph of the Regulation (EU) No. 596/2014, the disclosure obligation relating to such cases does not exist if the manager of the collective investment undertaking acts under total discretion (which excludes the opportunity that he/she received instructions or suggestions of any kind on the composition of the portfolio, directly or indirectly, from the investors of such collective investment undertaking).

- o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a Relevant Person.

It is specified that, in accordance with Art. 19(1-*bis*)(b) of the Regulation (EU) No. 596/2014, the disclosure obligation relating to such cases does not exist if, at the moment the transaction is carried out, the exposure of the individual asset management to the shares or bonds of De' Longhi S.p.A. (or to the related derivatives or other instruments associated with them) does not exceed 20% of the assets held by the same individual asset management. If information regarding the investment composition of the individual asset management is available, the Relevant Subject or the Person Closely Associated with them will make all reasonable efforts to avail themselves of that information.

- p) borrowing or lending of the Company's shares or bonds or derivatives or other financial instruments associated with them.

- Pursuant to Art. 19(7) of Regulation (EU) No. 596/2014, Relevant MAR Transactions also include:

- a) the pledging or lending of the Company's Financial Instruments or derivatives or other financial instruments associated with them by or on behalf of a Relevant Person.

Pledges or other similar guarantees relating to the deposit of the financial instruments indicated above into a custodial account are excluded, provided that this transaction is aimed at a specific credit facility;

- b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a Relevant Person, 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 Relevant Person; (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.

ANNEX D

FORM FOR REQUESTING DISCHARGE OF THE DISCLOSURE OBLIGATIONS PROVIDED FOR BY THE “INTERNAL DEALING PROCEDURE”

[Form I: request form for Relevant MAR Persons indicated in Art. 2(A₁) and 2(B₁) of the Procedure]

Messrs.

DE' LONGHI S.p.A.

Via L. Seitz, n. 47,
31100 - TREVISO

For the kind attention of the *General Counsel*

Subject: **Requesting discharge of the disclosure obligations laid down by the “Internal Dealing Procedure”**

I, the undersigned, _____ born in _____ on _____, [or, if legal person: _____ with registered office in [street and number] _____ [town/city and country] _____ VAT Reg. No. _____ in the person of the legal representative *pro tempore* [name] _____ born in _____ on _____], in my capacity as

☐ **Relevant MAR Subject** of the company De'Longhi S.p.A. (the “Company”) pursuant to Art. 2(A₁) of the Company’s “Internal Dealing Procedure” (the “Procedure”)

☐ **Person closely associated with the Relevant MAR Subject** of the Company pursuant to Art. 2(B₁) of the Procedure, Mr/Mrs _____ [or if a legal person enter the entity’s name]

Request

in accordance with Art. 7.1.4 of this Procedure, that my disclosure obligations to Consob under Art. 7.1 of the Procedure, be discharged by the Company on my behalf.

To this end, the undersigned undertakes to report to the Administrator as per Art. 6 of the Procedure, within the terms and under the conditions indicated in the Procedure, the Relevant MAR Transactions that are the subject of disclosure and to hold the Company harmless from any damages or loss arising from my failure, delay or incomplete discharge of the obligations laid down by the Procedure.

(Place and Date)

Signature _____

[Form II: request form for Relevant IR Subjects indicated in Art. 2(A₂) of the Procedure]

Messrs.

DE' LONGHI S.p.A.
Via L. Seitz, n. 47,
31100 - TREVISO

For the kind attention of the *General Counsel*

Subject: **Requesting discharge of the disclosure obligations to Consob and to the public laid down by the "Internal Dealing Procedure"**

I, the undersigned, _____ born in _____ on _____, [or, if legal person: _____ with registered office in [street and number] _____ [town/city and country] _____, VAT Reg. No. _____ in the person of the legal representative *pro tempore* Mr/Mrs _____ born in _____ on _____], in my capacity as **Relevant IR Subject** of the company De'Longhi S.p.A. (the "Company") in accordance with Art. 2(A₂) of the Company's "Internal Dealing Procedure" (the "Procedure")

Request

in accordance with Art. 7.2.1 of this Procedure, that my disclosure obligations to Consob and the public under Art. 7.2 of the Procedure, be discharged by the Company on my behalf.

To this end, the undersigned undertakes to report to the Administrator as per Art. 6 of the Procedure, within the terms and under the conditions indicated in the Procedure, the Relevant IR Transactions that are the subject of disclosure and to hold the Company harmless from any damages or loss arising from my failure, delay or incomplete discharge of the obligations laid down by the Procedure.

(Place and Date)

Signature _____

ANNEX E

INFORMATION NOTE TO PERSONS CLOSELY ASSOCIATED WITH RELEVANT MAR SUBJECTS

Dear Mr ____ / Dear Mrs _____ ,
[address]

OR
Messrs. [Business name]
[address]

Subject: Internal Dealing Procedure of De' Longhi S.p.A. (the "Procedure") – notification of the obligations laid down by the Procedure

Dear Mr [enter name]/Dear Mrs [enter name]/ Dear Sirs,

For the purposes of the obligation referred to in Art. 19(5) of Regulation (EU) No. 596/2014 (the "**MAR Regulation**") and in Art. 4(4) of the "Internal Dealing Procedure" (the "**Procedure**") adopted by De' Longhi S.p.A. (the "**Company**"), in respect to which I am a relevant subject pursuant to Art. 3(1)(25) of the MAR Regulation (the "**Relevant MAR Subject**"), I hereby inform you that:

- you have been identified as a person closely associated with me, pursuant to Art. 3(1)(26) of the MAR Regulation ("**Person Closely Associated with a Relevant MAR Subject**") and to the Procedure and therefore you will be recorded in the Internal Dealing Register held by the Company in accordance with Art. 4 of the Procedure;
- you must comply with the legal obligations regarding internal dealing and, in particular, the disclosure obligations laid down by Art. 19 of the MAR Regulation and by the Procedure;
- also in light of the sanctions that may be levied in the event of any failures to comply with the above disclosure obligations, I invite you to read the applicable regulations as well as the Procedure (enclosed herewith).

To comply with the obligations laid down by the applicable regulations in force, please return a copy of this letter, duly signed by you for acknowledgement and acceptance.

Yours sincerely,

[Place and Date]

[Enter the name and signature of the Relevant MAR Subject]

For acknowledgement

[Place and Date]

[Enter the name of the Person Closely Associated with the Relevant MAR Subject receiving the communication as well as their signature, or in the case of a legal person, the signature of the legal representative]
