

De' Longhi S.p.A.

**PROCEDURE
FOR INTERNALLY MANAGING AND DISCLOSING CORPORATE
INFORMATION TO THE MARKET**

UPDATED JULY 30, 2019

Contents

| | |
|--|----|
| Definitions | 3 |
| 1. Preamble | 9 |
| 2. Relevant Information..... | 10 |
| 2.1 Mapping of types of Relevant Information and the OFRII..... | 10 |
| 2.2 Management of specific Relevant Information..... | 11 |
| 2.3 Information flows | 12 |
| 3. Information to be disclosed to the market: Inside Information..... | 13 |
| 3.1 Gauging the “inside” nature of the information | 13 |
| 3.2 Information flows | 14 |
| 3.3 Rumours | 15 |
| 4. Procedures and deadlines for disclosing Regulated Information..... | 16 |
| 4.1. Management of Regulated Information | 16 |
| 4.2 Contents of the press release | 16 |
| 4.3 Approval and publication of press releases..... | 17 |
| 4.4 Methods for disclosing and storing the Regulated Information..... | 17 |
| 4.5 Meetings with market operators, interviews and statements given to the media..... | 18 |
| 5. Delay in disclosure to the public of Inside Information..... | 19 |
| 5.1 Conditions for the Delay | 19 |
| 5.2 Procedure for activating the Delay (the “Delay Procedure”)..... | 20 |
| 6. Market Soundings..... | 23 |
| 7. Confidentiality obligations of the Recipients of the Procedure | 23 |
| 8. Sanctions | 24 |
| 9. Final Provisions | 25 |
| Annexes | 27 |

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.

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

“Corporate Governance Code”: means the Corporate Governance Code for listed companies in force at the time and approved by the Corporate Governance Committee and set up by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria.

“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.

“Subsidiaries”: means the companies directly or indirectly controlled by the Company pursuant to Art. 93 of the TUF.

“Consob” or **“Supervisory Authority”**: means the Italian Securities and Exchange Commission.

“Recipients of the Procedure”: means the persons who must abide by this Procedure, namely: *(i)* the members of the Board of Directors, of the Board of Statutory Auditors and persons who perform management functions in the Company; *(ii)* the employees of the Company; *(iii)* the members of the administrative bodies and supervisory bodies, and the persons who perform the management functions and employees of the Subsidiaries; *(iv)* all other persons who, during the exercise of their employment, profession or duties have access to Material Information and/or Inside Information on a regular or occasional basis.

“De’ Longhi” or **“Company”** or **“Issuer”**: means De’ Longhi S.p.A. with registered office in Via Lodovico Seitz 47, Treviso (Italy) whose ordinary shares are listed on the MTA.

“Financial Reporting Officer”: means the *“manager responsible for drafting the company accounts”* referred to in Art. 154-bis of the TUF appointed by the Company pursuant to Art. 13-bis of the Articles of Association of De’ Longhi.

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

“Inside Information Management Function” or **“IIMF”**: means the organisational function in charge of ensuring the prompt identification, adequate monitoring and appropriate management of Relevant Information and Inside Information. For the purposes of this Procedure, this role is carried out by the Chief Executive Officer (or, where the CEO is absent or unavailable, by the Chairman of the Board of Directors).

“Organisational Functions Responsible for Inside Information” or **“OFRII”**: means the functions and all the other corporate structures of the Company in which, as a rule, specific Relevant Information and/or Inside Information arise or are identified for the first time and which are, therefore, involved, in various capacities, in the mapping of types of Relevant Information and the treatment (identification and management) of any specific Relevant Information and/or Inside Information concerning their respective areas of responsibility.

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

“Info-Room”: means the group of persons that support the IIMF in assessing, identifying and managing the specific Relevant Information or Inside Information. This group is made up, in each instance, of the Heads of OFRII to which the specific Relevant Information or Inside Information refer (taking into account the mapping carried out pursuant to section 2.1 of this Procedure) and, based on what the IIMF will considered necessary at the time, by the *Chief Strategy & Control Officer* and/or by the *Investor Relations Officer*, and/or by the *General Counsel* (or by the Corporate Affairs Manager) and/or by the Financial Reporting Officer in consideration of their respective responsibilities.

“Inside Information”: means any information contemplated by Art. 7, subsections 1 to 4, of Regulation (EU) No. 596/2014,¹ 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.²

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...”

² Pursuant to **Art. 3, subsection 2, letter 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;

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.”

“Regulated Information”: means any information that, pursuant to Art. 113-ter of the TUF, must be made public by the Issuer in application of European and national legislation and regulations in force at the time, including Inside Information.

“Relevant Information”: means information relating to data, events, projects or circumstances that, on an ongoing, repetitive, periodic or intermittent, occasional or unexpected basis, directly pertain to the Company and which, according to a reasonable assessment and on the basis of a preliminary and normative judgement, may, at a later time – or imminently – become Inside Information, as identified from time to time pursuant to section 2.1 of this Procedure.

“Consob Guidelines”: means Guidelines no. 1/2017 concerning the *“Management of inside information”*, published by Consob on 13 October 2017, as amended and supplemented by the provisions of law after their publication.

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

“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.

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

“First Level Managers”: means the first level managers of the Group who report to the Chief Executive Officer.

“Procedure”: means this *“Procedure for internally managing and disclosing corporate information to the market”*.

“MAR Registers Procedure”: means the current *“Procedure for setting up, managing and updating the MAR Registers”* adopted by the Company.

“MAR Registers”: means the *Relevant Information List* and the *Insider Register*.

“Insider Register”: means the list of persons with access to Inside Information set up, managed and updated by the Company in accordance with the MAR Registers 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 competent authority for notifications of delays.

“Delegated Regulation (EU) 2016/960”: means the Commission Delegated Regulation (EU) 2016/960 of 17.05.2016 supplementing Regulation (EU) No. 596/2014 with regard to regulatory technical standards for the appropriate arrangements, systems and procedures for disclosing market participants conducting market soundings.

“Implementing Regulation (EU) 2016/959”: means the Commission Implementing Regulation (EU) 2016/959 of 17.05.2016 laying down implementing technical standards for market soundings with regard to the systems and notification templates to be used by disclosing market participants and the format of the records in accordance with Regulation (EU) No. 596/2014.

“Implementing Regulation (EU) 2016/1055”: means the Commission Implementing Regulation (EU) 2016/1055 of 29.06.2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information 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.

“Financial Reports”: means the financial reports referred to in Art. 154-ter of the TUF that the Issuer must publish in compliance with the provisions laid down by the Issuers’ Regulation, as well as the additional periodic financial reporting that the Company publishes on a voluntary basis.

“**Relevant Information List**” or “**RIL**”: means the list of persons with access to specific Relevant Information set up, managed and updated by the Company in accordance with the MAR Registers Procedure.

“**Internal Audit Manager**”: means the “Manager of the internal audit function” of the Company in office at the time, who reports directly to the Board of Directors.

“**MAR Registers Manager**”: means the person in charge of keeping the MAR Registers, identified pursuant to Art. 4 of the MAR Registers Procedure as the *General Counsel* of the Company.

“**Heads of OFRII**”: means the First Level Managers, the Chairman of the Board of Directors, the Chief Executive Officer, the Board of Statutory Auditors and the Internal Audit Manager as well as any other persons identified by the mapping referred to in section 2.1 as heads of a single OFRII.

“**Delay**”: means the delay in disclosure to the public of Inside Information referred to in this Procedure.

“**SDIR**”: means the “service for disseminating regulated information”, authorised by Consob, that the Company uses. The name and web address of the service are indicated on the Company’s website www.delonghigroup.com.

“**External Auditors**”: means the firm appointed by the shareholders’ meeting of the Company to carry out the audit of De’ Longhi’s accounts.

“**Market Sounding**”: means the communication of information, including Inside Information, by the Company or by third parties acting in the name and on behalf of the Company, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors.

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

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1. PREAMBLE

In accordance with the provisions regarding the management of Inside Information and the related public disclosure obligations laid down by Regulation (EU) No. 596/2014 and by the related implementing provisions - including Delegated Regulations (EU) No. 2016/522 and 2016/960 and Implementing Regulations (EU) No. 2016/959 and 2016/1055 - as well as consideration of the recommendations laid down on this subject by the Consob Guidelines, the Board of Directors, upon the proposal prepared in accordance with the application criteria 1.C.1 of the Corporate Governance Code by the Chief Executive Officer and having consulted the Control, Risks, Corporate Governance and Sustainability Committee, approved the updated version of this Procedure at the meeting held on 30 July 2019 adopted by the Company, for the first time, in 2006.

This Procedure defines the principles and rules on the internal management of documents and information concerning the Company and the Group, including Relevant Information and Regulated Information and particularly with reference to Inside Information, and their disclosure outside of the Company. This is to: *(i)* ensure compliance with the relevant European and national legal and regulatory provisions in force; *(ii)* ensure the maximum confidentiality of Relevant Information and Inside Information; *(iii)* avoid any selective disclosure of documents and information concerning the Company that may occur (i.e. that they may be released early to certain persons such as, for example, shareholders, journalists or analysts), or that disclosure is untimely, incomplete or inadequate.

In observance of Art. 114, para. 2 of the TUF, the principles and rules contained in this Procedure are implemented by the other companies in the Group.

This Procedure:

- comes into effect on the same day it is approved by the Board of Directors and must be applied in compliance with every European and national legal and regulatory provision in force at the time, and with the guidelines of the Supervisory Authority and ESMA;

- is made available by the Company on the website www.delonghigroup.com and on the company Intranet, including in English, in order to guarantee uniform conduct and strict compliance, at Group level, with the provisions contained within it, in accordance with European and national legislation and regulations in force on the subject.

2. RELEVANT INFORMATION

2.1 Mapping of types of Relevant Information and the OFRII

2.1.1 To facilitate identification of the Inside Information and promptly comply with the obligations laid down by the current regulations on the management and disclosure of Inside Information, the Company identifies and monitors the types of Relevant Information in which or in relation to which it is more reasonable to expect that specific Relevant Information and/or Inside Information may arise or result.

For each of the above type of Relevant Information, the IIMF also identifies the OFRII within which, as a rule, specific Relevant Information arise or are identified for the first time and which could become Inside Information. The head of each OFRII is identified, as are the other individuals involved in the OFRII, distinguishing between those who always have access to all the specific Relevant Information about the OFRII they belong to and those for whom such access is possible but not certain.

2.1.2 The periodic assessment on the adequacy of the mapping of Relevant Information is the responsibility of the Chief Executive Officer (or, where the CEO is absent or unavailable, the Chairman of the Board of Directors), who, in performing their role as IIMF, organises its updating whenever it is necessary with the support of the OFRII.

2.1.3 Annex A to this Procedure contains the list of types of Relevant Information mapped by the IIMF, in accordance with sections 2.1.1 and 2.1.2, about the Group and which it is more reasonable to expect will become specific Relevant Information and/or Inside Information. Changes to the types of Relevant Information shown in the mapping will entail an updating of the contents of the Annex by the IIMF.

2.2 Management of specific Relevant Information

Management of specific Relevant Information is broken down into the following stages:

- assessment and identification of specific Relevant Information;
- activation, keeping and updating of the Relevant Information List.

2.2.1 Assessment and identification of specific Relevant Information

Assessment on the relevant nature of a specific item of information is carried out by the IIMF, with the support of the Info-Room, taking into account the mapping carried out in accordance with section 2.1 and the non-exhaustive criteria indicated in Section IV of the Consob Guidelines.

For the purposes of the above assessment, the IIMF – supported by the Info-Room and based on the indications given by the OFRII concerned – prepares a form containing, inter alia, the following information:

- summary description of the information and the reasons why the OFRII reporting the information considers that it has the nature of specific Relevant Information;
- assessment about whether the relevant nature of the information exists or not and summary description of the related reasons;
- if the assessment is positive, indicating: *(i)* the type of Relevant Information from among those mapped by the Company in accordance with section 2.1 of this Procedure; *(ii)* the date and time from which it is considered that the information has become specific Relevant Information; *(iii)* the code name attributed in order to identify the specific Relevant Information.

The duly completed form – the template of which is given in **Annex B** to this Procedure – is kept by the IIMF, supported by the Legal and Corporate Affairs Department.

2.2.2 Relevant Information List

Once a specific Relevant Information has been identified, the IIMF – supported by the Info-Room – informs, as soon as possible:

- the MAR Registers Manager so that the latter can immediately implement the Relevant Information List, as well as its keeping and updating with regard to the specific Relevant

Information, in compliance with the MAR Registers Procedure;

- the Heads of OFRII concerned so that they can communicate to the MAR Registers Manager the names of the persons belonging to their respective OFRII concerned who are aware of the information at that time and, subsequently, those who become aware of it later.

2.3 Information flows

2.3.1 The Heads of OFRII must promptly inform the IIMF about all information they become aware of as a result of their work duties or arising within their organisational area or they became aware of as per section 2.3.2 below that they deem possesses the characteristics of Relevant Information. The Heads of OFRII are also required to promptly inform the IIMF about any changes to the Relevant Information that may occur after it has been identified.

2.3.2 Managers and, more generally, all the employees of the Company are required to notify their immediate superiors of all events and/or news that could be potentially relevant for the purposes of identifying information as specific Relevant Information. Having received information of such events and/or news, these immediate superiors are required to promptly inform the Head of the OFRII they belong to, so that the latter may carry out the disclosure requirements referred to in section 2.3.1.

In the same way, managers and, more generally, all the employees of the Subsidiaries are required to notify their immediate superiors of all events and/or news that they deem could be potentially relevant for the purposes of identifying information as specific Relevant Information. Having received information of such events and/or news, these immediate superiors are required to promptly inform the Subsidiary's chief executive officer, who will immediately inform the Heads of OFRII in which the events and/or news were generated, so that the latter may carry out the disclosure requirements referred to in section 2.3.1.

3. INFORMATION TO BE DISCLOSED TO THE MARKET: INSIDE INFORMATION.

In accordance with Art. 17 of Regulation (EU) No. 596/2014, the Company discloses Inside Information to the public as soon as possible, using the procedures laid down by the European and national law and regulations in force at the time.

3.1 Gauging the “inside” nature of the information

3.1.1 Assessment on the inside nature of the information and, therefore, the need to disclose it to the public, is carried out by the IIMF, with the support of the Info-Room, taking into account the mapping carried out in accordance with section 2.1 and the non-exhaustive criteria indicated in Section IV of the Consob Guidelines.

3.1.2 For the purposes of the above assessment, the IIMF – supported by the Info-Room and based on the indications given by the OFRII concerned – prepares a form containing, inter alia, the following information:

- summary description of the information, specifying the type of Relevant Information from among those mapped by the Company in accordance with section 2.1 of this Procedure;
- summary description of the reasons why the OFRII reporting the information considers that it has inside nature;
- indicating whether or not the information had previously been assessed as specific Relevant Information, and if so, giving its code name;
- assessment about whether the inside nature of the information exists or not and summary description of the related reasons;
- if the assessment is positive, indicating: (i) the date and time from which it is considered that the information has the nature of Inside Information; and (ii) the code name attributed in order to identify the specific Inside Information;
- outcome of the decision about the alternative to immediately disclosing the Inside Information to the market, namely the activation of the Delay Procedure, giving the related reasons.

The duly completed form – the template of which is given in **Annex C** to this Procedure – is kept by the IIMF, supported by the Legal and Corporate Affairs Department.

3.1.3 Assessment of the significance of each event, or set of circumstances, in terms of

the information being qualified as Inside Information, must be carried out on a case-by-case basis. **Annex A** to this Procedure contains the list of types of Relevant Information mapped by the IIMF in accordance with section 2.1, which it is more reasonable to expect will become Inside Information. Changes to the types of Relevant Information shown in the above mapping will entail an updating of the contents of the Annex by the IIMF.

3.1.4 Having identified the inside nature of the information, the IIMF makes use of the Info-Room to carry out the following as soon as possible:

a) notify the MAR Registers Manager that new Inside Information has been identified and the names of those persons who are aware of it and those who will become aware of it before the Inside Information is disclosed to the public. The Insider Register Manager will immediately make use of the Insider Register in accordance with the MAR Registers Procedure;

b) ask the MAR Registers Manager to update and close the specific section of the Insider Register regarding Inside Information;

c) disclose the Inside Information to the market in accordance with the methods and deadlines given in Art. 4 below. Alternatively, if the conditions referred to in section 5.1 exist, the IIMF will activate the Delay Procedure described in section 5.2 below.

3.2 Information flows

3.2.1 The Heads of OFRII must promptly inform the IIMF about all information they become aware of as a result of their work duties or arising within their organisational area or they became aware of as per section 3.2.2 below that they deem possesses the characteristics of Inside Information or likely to become such. The Heads of OFRII are also required to promptly inform the IIMF about any changes to the Inside Information that may occur after it has been identified.

3.2.2 Managers and, more generally, all the employees of the Company are required to notify their immediate superiors of all events and/or news that could be potentially

relevant for the purposes of identifying information as Inside Information. Having received information of such events and/or news, these immediate superiors are required to promptly inform the Head of the OFRII they belong to, so that the latter may carry out the disclosure requirements referred to in section 3.2.1.

In the same way, managers and, more generally, all the employees of the Subsidiaries are required to notify their immediate superiors of all events and/or news that they deem could be potentially relevant for the purposes of identifying information as Inside Information. Having received information of such events and/or news, these immediate superiors are required to promptly inform the Subsidiary's chief executive officer, who will immediately inform the Heads of OFRII in which the events and/or news were generated, so that the latter may carry out the disclosure requirements referred to in section 3.2.1.

3.3 Rumours

If there is news in the public domain that was not disclosed using the methods contained in the Procedure, concerning the balance sheet, profit and loss account or financial position or any extraordinary financial transactions of the Company (and, where appropriate, of Subsidiaries) or its business performance (namely rumours), the Company considers whether to publish a specific press release aimed at correcting the information or informational symmetry with the public and prevent the public from being misled, without prejudice to the requirement to immediately disclose Inside Information to the public as per section 5.2.4. This assessment is carried out by the IIMF, with the support of the Info-Room. More specifically, the IIMF, supported by the Info-Room, examines the situation to assess the need or opportunity to inform the public on the truthfulness of the news in the public domain, if necessary, correcting or supplementing the content in order to restore the correctness of the information.

If the outcome of this assessment is to inform the public, the press release, once approved by the IIMF, is issued and published as per the methods and deadlines given in section 4 below.

4. PROCEDURES AND DEADLINES FOR DISCLOSING REGULATED INFORMATION.

4.1. Management of Regulated Information

Management of public disclosure of Regulated Information (including Inside Information) is the responsibility of the IIMF, with the support of the Info-Room.

4.2 Contents of the press release

4.2.1. Press releases are drafted by the Investor Relations Officer.

4.2.2 Each press release must contain:

- all the elements necessary to allow a complete and accurate assessment of the events and circumstances represented;
- links and comparisons with the content of previous press releases already released to the public.

Press releases on Inside Information and those defined in the *Instructions for the Regulation of Markets organised and managed by Borsa Italiana S.p.A.* as “Price-Sensitive Press Releases” consist of:

- title, which contains an objective and concise description of the event. If the press release refers to several relevant events, the title must mention each one;
- summary, which outlines the characterising elements of the event, set out in table or list form, providing a non-misleading summary and it may be omitted if the title of the press release already contains a full description of the event’s essential elements;
- text, which contains a breakdown of the news content according to a list format chosen by the company, provided that it ensures the presentation has logical consistency. If greater clarity of the content is required, the text is arranged in sections, each with a title;
- company contacts, which contains the names of the people and/or departments to contact for information, their telephone numbers and email addresses, and the Company’s website address;

- the statement of the Financial Reporting Officer, where required by the law and regulations in force at the time;

4.2.3 The drafting of “price-sensitive press releases” identified in the *Instructions for the Regulation of Markets organised and managed by Borsa Italiana S.p.A.* relating to the most relevant and recurring company events (including, among others, the approval of financial and economic data for the period, qualified or negative opinions, or a statement that it is impossible to give an opinion on the periodic accounting reporting issued by the independent auditing firm, appointment and dismissal of members of the administration and control bodies or other key managers, purchase/sale transactions and programmes, capital increases, issue of bonds, treasury share transactions) must take into account the methods for representing the information and the minimum content to be provided to the market indicated by Borsa Italiana in the same instructions.

4.3 Approval and publication of press releases.

The draft press release prepared by the Investor Relations Officer is sent by the same officer for comments to the Chief Strategy & Control Officer and the First-Level Managers of the area to which the information refers, and to the Legal and General Counsel (or the Corporate Affairs Manager) and the Financial Reporting Officer. Once all the comments are collected, the final version of the draft is sent to the Company’s relevant bodies for approval. In particular:

a) press releases concerning periodic financial reporting (Financial Reports, etc.) and those relating to extraordinary transactions (mergers, acquisitions, capital increases, etc.) must first be sent to the Financial Reporting Officer for approval so that the latter’s statement, required under current regulations, can be issued and, in any case, any time the press releases contain information of an accounting or financial nature. These press releases must not be disclosed without the prior approval of the Chairman of the Board of Directors and/or the Chief Executive Officer.

b) in other cases, approval of the press release text is given by the IIMF.

4.4 Methods for disclosing and storing the Regulated Information.

4.4.1 The Regulated Information, including Inside Information, must be disclosed to the public via its dissemination by the General Counsel (or the Corporate Affairs Manager) through the SDIR, in accordance with the technical methods indicated by the system manager and with applicable regulations.

4.4.2 At the same time as their disclosure to the public, the Regulated Information must be transmitted by the General Counsel (or by the Corporate Affairs Manager) to the Storage Mechanism for filing, in accordance with the methods indicated by the manager of the Storage Mechanism and with applicable regulations. Information transmitted via the connection with the Storage Mechanism is understood to be also transmitted to Consob. The obligations of this section are considered as fulfilled if an SDIR, that performs the service of transmitting Regulated Information to the Storage Mechanism on behalf of the Company, is used to disclose Regulated Information to the public.

4.4.3 If Regulated Information must be disclosed during trading, it must be sent to Consob and Borsa Italiana at least fifteen minutes before its release.

4.4.4 Regulated Information must also be published on the Company's website before the market opens on the day after its publication, and the date and time it was disclosed to the market must be indicated. This Regulated Information must remain available on the website for at least the next five years, or for a different period of time required by the regulations applicable at the time (e.g. the financial reports referred to in Art. 154-ter of the TUF that the Issuer is obliged to publish must be available for ten years).

4.5 *Meetings with market operators, interviews and statements given to the media.*

Management of relations with institutional investors, financial analysts and market operators, which is primarily the responsibility of the Chief Executive Officer, is entrusted by the CEO to the Investor Relations Officer.

The Company's disclosure requirements, arising from principle no. 5 of the Guide to Market Disclosure, must be fulfilled by the Investor Relations Officer. In particular, in meetings with financial operators that are not individual meetings, the Investor Relations Officer will:

- (i) inform Consob and Borsa Italiana beforehand or, in particular cases, at the latest at the same time as when the meetings are held, of the date, time and place of the meeting, specifying the main items to be discussed and transmitting the documentation made available to the participants;
- (ii) in the case of group meetings with the financial community, invite financial press journalists to attend the meeting (if the meetings are open to all market operators without distinction) or, where this is not possible, issue a press release outlining the main issues discussed;
- (iii) promptly inform the market, using the procedures laid down in this Procedure, of any forecast or other relevant information which may have been unintentionally disclosed during these meetings;
- (iv) inform the market beforehand of any forecast or other relevant information that the Company intends to disclose during the meeting with market operators.

Points (iii) and (iv) apply, where the conditions are met, also for individual meetings.

5. DELAY IN DISCLOSURE TO THE PUBLIC OF INSIDE INFORMATION.

5.1 Conditions for the Delay

5.1.1. In accordance with the provisions of Art. 17, subsections 4 and 7 of the Regulation (EU) No. 596/2014 and of the related implementing provisions, the Company may, on its own responsibility, delay disclosure of Inside Information to the public, provided that all the following conditions are met (the “**Conditions for the Delay**”):

- a) immediate disclosure of the Inside Information is likely to prejudice the **legitimate interests** of the Company;³
- b) delay of disclosure is not likely to **mislead the public**;⁴

³ The existence of a **legitimate interest** to delay is assumed for example in cases of:

- (i) pending negotiations that could be prejudiced by disclosure to the public;
- (ii) decisions made or contracts entered into by one body that require the approval of another body;
- (iii) development of products or inventions whose immediate disclosure could prejudice the intellectual property rights;
- (iv) decision made by the Company to sell a significant shareholding in another issuer;
- (v) an extraordinary transaction, where an authority has conditioned the authorisation to proceed on the fulfilment of certain conditions.

c) the Company is able to ensure the **confidentiality of that information**.

5.1.2. In the case of a protracted process that occurs in stages and is intended to bring about, or results in, a particular circumstance or a particular event, the Company may, on its own responsibility, delay the public disclosure of Inside Information relating to this process, provided that all the Conditions for the Delay exist and are maintained.

5.2 Procedure for activating the Delay (the “Delay Procedure”)

5.2.1 The assessment on whether to delay disclosure of Inside Information to the public is carried out, on a case-by-case basis, by the IIMF (or if necessary or where the information concerns a subject that is reserved for the Board of Directors, by that Board). For this reason, the IIMF (or if necessary or where the information concerns a subject that is reserved for the Board of Directors, that Board) checks whether the Conditions for the Delay exist, using the Info-Room.

The decision to activate the Delay is made by the IIMF (or if necessary or where the information concerns a subject that is reserved for the Board of Directors, by that Board) who then:

(i) ensures that the documentation, on which the assessment and decision to activate the Delay is based, is filed with the Legal and Corporate Affairs Department. This documentation must show the reasons for the Delay and contain all the elements laid down by the Implementing Regulation (EU) No. 1055/2016 for evidencing and notifying the Delay to Consob, as better specified in sections 5.2.2 and 5.2.5;

(ii) promptly informs the General Counsel (or, where this Officer is absent or unavailable, the Corporate Affairs Manager) that the Delay Procedure has been activated so that the

⁴ The delay is considered **misleading for the public**, for example, in cases where the Inside Information being delayed:

- (i) is significantly different from a previous public announcement made by the Company on an issue to which the Inside Information refers;
- (ii) concerns the failure to meet the Company’s or the Group’s financial objectives, if these objectives had been previously announced;
- (iii) contrasts with market expectations, if these expectations are based on the signals given by the Company beforehand.

latter can, based on the information contained in the documentation referred to in point (i), notify the Delay in accordance with section 5.2.2.

5.2.2 In the case of a Delay, in accordance with Art. 4 of Implementing Regulations (EU) No. 1055/2016, the Company uses technical means that ensure the accessibility, readability and maintenance in a durable medium of the following information:

- a) the date and time when: *i)* the Inside Information first existed within the Company; *ii)* the decision to delay the disclosure of Inside Information was made; *iii)* the Company is likely to disclose the Inside Information;
- b) the identity of the persons within the Company responsible for: *i)* making the decision to delay disclosure and deciding on the start of the delay and its likely end; *ii)* ensuring the ongoing monitoring of the conditions for the delay; *iii)* making the decision to publicly disclose the Inside Information; *iv)* providing the requested information about the Delay and the written explanation to Consob;
- c) evidence of the initial fulfilment of the Conditions for the Delay and of any change of this fulfilment during the delay period, including: *i)* the information barriers which have been put in place internally and with regard to third parties to prevent access to Inside Information by persons other than those who require it for the normal exercise of their employment, profession or duties within the Company; *ii)* the arrangements put in place to disclose the Inside Information as soon as possible where the confidentiality is no longer ensured.

5.2.3 The confidentiality of Inside Information for which it has been decided to activate the Delay is ensured by adopting effective measures that make it possible to:

- a) prevent access to such information by persons other than those who require it in order to perform their duties within the Company;
- b) ensure that any person with access to such information acknowledges the legal and regulatory duties entailed and is aware of the sanctions attaching to the misuse or unauthorised disclosure of such information;
- c) immediately disclose the Inside Information to the public if these persons are unable to ensure its confidentiality.

5.2.4 If the disclosure of Inside Information is delayed in accordance with the previous subsections of Art. 5 and the confidentiality of such information is no longer ensured, the Company will disclose such Inside Information to the public in accordance with the procedures and deadlines referred to in Art. 4 of this Procedure. For the purposes of this subsection, confidentiality is considered to have been lost in situations where a rumour explicitly relates to Inside Information (the disclosure of which has been delayed) and where that rumour is sufficiently accurate to imply that the confidentiality of that information is no longer ensured.

5.2.5 When the Company has delayed disclosure of Inside Information to the public, in accordance with the previous sections of Art. 5, the IIMF, in cooperation with the General Counsel (or with the Corporate Affairs Manager) – immediately after such information has been disclosed to the public – must inform Consob of this delay in accordance with the deadlines and procedures laid down by the regulations in force at the time. In particular, the obligation to notify Consob is fulfilled by sending the information below (and any information required by the regulations in force at the time) to the address consob@pec.consob.it, specifying “*Divisione Mercati*” as the addressee and indicating “*MAR Ritardo comunicazione*” 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:

- a) the identity of the Company: full legal name;
- b) the identity of the person making the notification: name, surname, position within the Company;
- c) the contact details of the person making the notification: professional email address and phone number;
- d) identification of the publicly disclosed Inside Information subject to the Delay: title of the disclosure statement; the reference number where the system used to disseminate the Inside Information assigns one; date and time of the public disclosure of the Inside Information;
- e) date and time of the decision to delay the disclosure of Inside Information;
- f) the identity of all persons responsible for the decision to delay the public disclosure of Inside Information.

In compliance with Art. 114, para. 3 of the TUF, in the event of a subsequent request by Consob, the Company – via the IIMF, again in collaboration with the General Counsel (or with the Corporate Affairs Manager) – also transmits to the Supervisory Authority the documentation proving the fulfilment of the obligation under Art. 17, para. 4 of Regulation (EU) No. 596/2014 and related implementing technical rules, in compliance with the deadlines and procedures laid down by the regulations in force at the time.

The above notification to Consob is not due if, after the decision to delay the disclosure of Inside Information, the information is not disclosed to the public because it has lost its inside nature.

5.2.6 If the Inside Information concerns Subsidiaries, the assessment and decision referred to in section 5.2.1 above are the responsibility of the IIMF, which may request support of the chief executive officers of the Subsidiary to which the information refers.

6. MARKET SOUNDINGS

6.1 With the decision taken by the IIMF (or, if necessary, by the Board of Directors) the Company may carry out, also via third parties who act in the name and on behalf of the same, Market Soundings under which it may legitimately disclose Inside Information in a confidential way, provided that all the conditions laid down by Art. 11 of Regulation (EU) No. 596/2014 and the related implementing provisions (including, in particular, Implementing Regulations (EU) No. 2016/960 and 2016/959) and any further regulatory provisions in force on the subject are met.

7. CONFIDENTIALITY OBLIGATIONS OF THE RECIPIENTS OF THE PROCEDURE

7.1 Except as specifically provided in this Procedure, it is absolutely forbidden for anyone to give interviews to the press or make any statements containing specific Relevant Information or Inside Information which has not been included in press releases or documents already released to the public.

7.2 All the Recipients of the Procedure are required to keep the documents and company information, and in particular specific Relevant Information and Inside Information, acquired during performance of their duties confidential and to observe this Procedure for disclosing such documents and information to the public.

The confidentiality obligation is binding and must be observed at Group level: the relevant bodies of all the Subsidiaries therefore ensure that all their employees and consultants abide by the obligation.

7.3 Without prejudice to the public disclosure requirements, specific Relevant Information and Inside Information may be communicated, during the normal exercise of their employment, profession or duties, to third persons provided that the latter are bound by confidentiality obligations, regardless of whether these obligations are legal, regulatory or contractual in nature or laid down by the company articles of association.

Beyond such cases, the disclosure of Inside Information to third parties (outside of normal exercise of their employment, profession or duties) is unlawful disclosure of Inside Information as per Art. 10 of Regulation (EU) No. 596/2014.

8. SANCTIONS

8.1 Failure to comply with the obligations and prohibitions laid down in this Procedure will entail the liability referred to in applicable European and/or national law and regulations.

8.2 The rules contained in this Procedure are binding for the Recipients of this same Procedure.

8.3 If the obligations regarding conduct and disclosure contained in this Procedure are not observed by the members of the administrative and control bodies of De' Longhi or its Subsidiaries, the Company may adopt sanctions against offenders. Such sanctions 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 and on the person failing to comply. Such sanctions may include:

a) disclosure of any violations committed to the market (e.g. by mentioning the violation along with the perpetrator in the report on operations drafted by the Company's Board of Directors for the period in which the violation occurred or was ascertained);

b) proposing to the Shareholders' Meeting that the perpetrator be revoked for just cause.

8.4 If the obligations regarding conduct and disclosure contained in this Procedure are not observed by the employees of De' Longhi or its Subsidiaries, such conduct by the offender may be relevant for the application of disciplinary sanctions that may be imposed under the national collective bargaining agreement applicable to them, including, in the most severe cases, dismissal for just cause and without prejudice to any liability of a different nature as per the law and/or regulations in force at the time.

8.5 For persons who perform work and/or provide professional activity to De' Longhi or to its Subsidiaries and not as part of an employment relationship, failure to comply with the obligations regarding conduct and disclosure contained in this Procedure that may be relevant, pursuant to the law and to the contract regulating the relationship, and in the most severe cases may entail the termination – including without notice – of or withdrawal from the contract, without prejudice to any liability of a different nature as per the law and/or regulations in force at the time.

8.6 Should failure to comply with the principles laid down in this Procedure entail the violation of the corporate disclosure provisions with the consequence that the Company incurs pecuniary administrative sanctions, the Company will also seek compensation from the perpetrators of such violations to obtain a refund of the costs relating to the payment of such sanctions as well as compensation for further damages, including damages to the Company's image as a result of such failure.

9. FINAL PROVISIONS

9.1 The Company will inform its employees, collaborators and consultants as well as the relevant bodies of the Subsidiaries about the publication of this Procedure on the Company's website www.delonghigroup.com and on the Intranet. The relevant bodies of all the companies belonging to the Group, in turn, will ensure that all the employees,

collaborators and consultants of the individual companies are made aware of the publication of this Procedure.

9.2 The Chief Executive Officer, also in their capacity as IIMF, may make amendments and/or additions to this Procedure and to its annexes *(i)* that may be necessary as a consequence of changes to the Company's organisational structure or *(ii)* merely to bring them into line with changes in the law and/or regulations. In this case, the Chief Executive Officer will inform the Board of Directors, at the next Board meeting, about the amendments and/or additions made to this Procedure.

Any changes and/or additions to this Procedure, other than those mentioned above, will be approved by the Board of Directors upon the proposal of the Chief Executive Officer and after having consulted the Control, Risks, Corporate Governance and Sustainability Committee.

9.3 This Procedure, as most recently updated with the resolution of the Board of Directors of 30 July 2019, comes into effect on the same day and must be applied in compliance with every European and national legal and/or regulatory provision in force at the time, and with the guidelines of the Supervisory Authority and ESMA.

Annexes

ANNEX A

TYPES OF RELEVANT INFORMATION MAPPED BY THE COMPANY

The estimation of the significance of each event, or set of circumstances, in terms of the information being qualified as Relevant Information and/or Inside Information, must be carried out on a case-by-case basis. A list of types of Relevant Information mapped by the Company in accordance with section 2.1 of this Procedure is given below in order to facilitate identification of specific Relevant Information and/or Inside Information:

1. information concerning the ownership structure (for example, information relating to changes in controlling interests);
2. information concerning the composition of management (including information regarding resignations and appointments of directors and/or statutory auditors of the Company or changes in strategic personnel);
3. information concerning management's incentive plans;
4. information concerning the activities of the External Auditors (including withdrawal from the appointment or the issue of an opinion with findings, a negative opinion or a statement that the auditor is unable to give its opinion on the financial statements);
5. information concerning operations on the Company's capital;
6. information concerning the issue of financial instruments by the Company and the characteristics of the financial instruments issued;
7. information concerning acquisitions, mergers, demergers, business joint ventures, etc.;
8. information concerning corporate restructurings and reorganisations;
9. information concerning transactions involving the Company's financial instruments, buy-back and accelerated book-building;
10. information concerning a legal dispute (for example, information relating to court proceedings or extra-judicial disputes that may have a significant impact on the Company's or the Group's financial or equity situation);
11. information concerning write downs / revaluations of assets or financial instruments in the portfolio;
12. information concerning patents, licences, inventions, rights, etc.;

13. information concerning the insolvency of major debtors;
14. information concerning the purchase or sale of assets (for example, shareholdings or other assets that are significant for the Group);
15. information concerning the operating performance of the Company and of the De' Longhi Group);
16. information concerning changes to the expected accounting results for the period (profit warning and earning surprise);
17. information concerning the receipt or cancellation of important orders;
18. information concerning entry into new markets (or exit from markets), whether geographic or product;
19. information on the policy for distributing dividends.

ANNEX B

ASSESSMENT FORM FOR POTENTIAL SPECIFIC RELEVANT INFORMATION

Assessment form for potential specific Relevant Information

| |
|---|
| <p>REPORTING OFRII:</p> <hr/> <p style="text-align: center;"><i>(indicate the reporting OFRII)</i></p> <p>Description of the specific Relevant Information reported:</p> <hr/> <hr/> <hr/> <p>Reasons why the reporting OFRII considers that the information has the nature of specific Relevant Information:</p> <hr/> <hr/> <hr/> <p>Any documentation enclosed that may be useful for the assessment:</p> <hr/> <hr/> <p>Any other OFRII involved in the assessment:</p> <hr/> <hr/> |
| <p><u>ASSESSMENT OF THE IIMF</u></p> <p><input type="checkbox"/> Yes, specific Relevant Information <input type="checkbox"/> No, not specific Relevant Information</p> <p>Reason:</p> <hr/> <hr/> <hr/> <p>Type of Relevant Information:</p> <hr/> <p>Date and time from which is it considered that the information has the nature of specific Relevant Information:</p> <hr/> <p>Code name of the specific Relevant Information:</p> <hr/> <p>Place and date _____</p> <p style="text-align: center;">Signature of the Chief Executive Officer (or of the Chairman of the Board of Directors)</p> <hr style="width: 20%; margin: auto;"/> |

Annex C

ASSESSMENT FORM FOR POTENTIAL INSIDE INFORMATION

Assessment form for potential Inside Information

REPORTING OFRII: _____
(indicate the reporting OFRII)

Description of the potential Inside Information under assessment:

Type of Relevant Information (cf. mapping of the types of Relevant Information)

Information previously qualified as specific Relevant Information:
 Yes Code name of the specific Relevant Information _____
 No

Reasons why the reporting OFRII considers that the information has the nature of Inside Information:

Any documentation enclosed that may be useful for the assessment:

Another other OFRII involved in the assessment:

ASSESSMENT OF THE IIMF

Yes, Inside Information **No, not Inside Information**

Reason: _____

[to be completed only if the assessment is 'yes']

Date and time from which is it considered that the information has the nature of Inside Information:

Code name of the Inside Information:

IIMF DECISION REGARDING DISCLOSURE TO THE MARKET OR ACTIVATION OF THE DELAY

Disclose to the market the Inside Information
 Activate the Delay Procedure referred to in section 5.2 of the Corporate Information Procedure

Reason: _____

Place and date _____
 Signature of the Chief Executive Officer (or of the Chairman of the Board of Directors) _____