

CASTA DIVA GROUP S.P.A.



PROCEDURE FOR THE INTERNAL MANAGEMENT AND PUBLIC DISCLOSURE OF INSIDE INFORMATION AND MANAGEMENT OF THE INSIDER REGISTER

Introduction

Pursuant to article 19 of the Regulation (EU) 16 April 2014, No 596/2014 on market abuse (the “**Market Abuse Regulation**” or “**MAR**”), the purpose of the Procedure is to regulate and handle all inside information, with regard to the internal management and public disclosure of documents and information relating to the Company and its capital transactions.

This Procedure shall enter into effect on 4 July 2016.

1. Definitions

In addition to the terms defined in the other sections of this Procedure, the capitalized terms not otherwise defined shall have the meaning defined below.

AIM Italia means the multilateral trading facility called AIM Italia organized and managed by Borsa Italiana S.p.A..

Shares means the ordinary shares of the Company admitted to trading on the AIM Italia.

Board of Statutory Auditors means the board of statutory auditors of the Company, as appointed from time to time.

Board of Directors means the board of directors of Company, as appointed from time to time.

Subsidiaries means the companies controlled by the Company, pursuant to article 2359 of the Civil Code.

Employees means the employees of the Company or its Subsidiaries, not included among the Relevant Persons.

Price Sensitive Events means the events referred to in section 6 of this Procedure.

Group means the Company and its Subsidiaries.

Inside Information means, pursuant to article 7 of the MAR, information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company 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. Information shall be deemed to be of a precise nature if: i) 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; ii) where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event referred to in point i) above, on the prices of the Financial Instruments or the related derivative financial instrument. 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.

“Information which, if it were made public, would be likely to have a significant effect on the prices” of financial instruments or derivative financial instruments, shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

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 herein.

MAR or Market Abuse Regulation means Regulation (EU) No 596/2014 on market abuse.

CONSOB Regulation means Regulation No 11971 adopted by the CONSOB (the Italian Securities & Exchange Commission) on 14 May 1999, as amended.

AIM Italia Rules for Companies means the Rules applicable to AIM Italia issuers adopted on 9 November 2015, as amended.

Dissemination of Regulated Disclosure System (abbreviated as SDIR) means a system for disseminating regulated disclosures – pursuant to the relevant Consob Regulation – to the general public, Borsa Italiana and the Consob.

Company means Casta Diva Group S.p.A..

Responsible Person means the person defined in section 5 below.

Relevant Persons means: i) the members of the Board of Directors and of the Board of Statutory Auditors of the Company; ii) persons discharging managerial responsibilities in the Company and employees having regular access to Inside Information and power to take managerial decisions affecting the future developments and business prospects of the Company; as well as all other persons who are authorized, because of their position, to take part in the meetings of the management body, in relation to all the Inside Information relating to the Company; iii) persons carrying out the functions in points i) and ii) above in a Subsidiary directly or indirectly controlled by the Company.

Financial Instruments means the financial instruments of the Company admitted to trading on the AIM Italia including the Shares.

TUF means Legislative Decree 58/1998 (Consolidated Law on Finance), as amended.

Investor Relations Office means the Investor Relations function of the Company.

2. Recipients of the Procedure

The recipients of this Procedure are:

- Relevant Persons;
- Employees.

The Procedure contains the provisions relating to the regulation and handling of Inside Information, as well as to the public disclosure of documents and information relating to the Company, especially with regard to Inside Information.

Pursuant to article 17 of the MAR, the Company shall timeously disclose to the public any Inside Information directly regarding the Company.

The Company issues specific provisions to its Subsidiaries instructing them to promptly disclose all the necessary information for fulfilling the disclosure requirements referred to herein.

3. Assessment of the “price sensitive” nature of information

The heads of the offices and the chief executive officers of the Company and the Group must promptly disclose to the Chair of the Board of Directors of the Company and the Head of the Investor Relations Office all the information relating to the Company that they believe to be potentially price sensitive, or the occurrence of Price Sensitive Events, as defined herein, that they become aware of by reason of their work or professional activities, or of the functions carried out. Likewise, the Employees are required to report to their line manager any potentially price sensitive information, or the occurrence of Price Sensitive Events, that they become aware of by reason of their work.

The assessment of the price sensitive nature of the information and, therefore, the need to publicly disclose the information in accordance with the MAR, shall be carried out by the Chair of the Board of Directors and the CEO of the Company, with the support of the Investor Relations Office.

4. Handling Inside Information

The Chair of the Board of Directors and the CEO are responsible for handling the Inside Information relating to the Company. If they are absent, this responsibility shall lie with the head of the Investor Relations Office. Each of them shall be responsible for handling the inside information, within their remit (the “**Responsible Person**”).

The Responsible Person shall provide for the handling of Inside Information exclusively through the authorized channels and ensures that the information is disseminated within the Company without prejudice to the price sensitive nature thereof. The Responsible Person, if he or she thinks fit, shall inform the Board of Directors of the contents and measures he or she intends to adopt for the dissemination of the said information

The Relevant Persons and all the Employees who become aware of any Inside Information by reason of their position within the Company or Group are forbidden to divulge, disseminate or otherwise disclose the information to persons other than those to which the information must be notified to allow them to fulfill their functions within the Company or Group.

5. Exceptions

The Company, subject to the consent of the Responsible Person, may confidentially disclose the Inside Information, in accordance with the applicable laws and/or regulations, to the following persons, given by way of example only:

- a) own consultants and any other person involved or who might be involved in the developments or matters in question;
- b) the audit firm appointed to audit the Company's accounts;
- c) the persons with which the Company is negotiating or intends to negotiate any commercial, financial or investment transactions (including any likely subscribers or placers of its Financial Instruments);
- d) banks, in connection with the granting of credit lines;
- e) rating agencies;
- f) the representatives of the Employees or their trade union organizations;
- g) any government office, the CONSOB, the Bank of Italy, the National Authority on Markets and Competition, Borsa Italiana and any other institutional or regulatory body or authority.

On disclosing the information, the Company shall procure from the above mentioned persons and bodies a declaration wherein they represent that they are aware of the circumstance that they will not be allowed to trade the Financial Instruments on the AIM Italia until the Inside Information, confidentially disclosed to them, is made public pursuant to the AIM Italia Rules for Companies.

If the Responsible Person has reason to believe that the obligation of confidentiality has been or may be breached and, in any case, the matter is such that the knowledge thereof could probably lead to a substantial variation of the price of the Financial Instruments, he or she must publish the information without delay.

Article 9 of the MAR provides for several cases of legitimate behaviour that do not constitute insider dealing.

6. Events likely to engender Inside Information

The following, given by way of example only, are events that could constitute a price sensitive event or circumstance, in accordance herewith (the "**Price Sensitive Event(s)**"):

- a) entry into or withdrawal from business segments;
- b) resignation or appointment of board directors or statutory auditors;
- c) purchase or disposal of stock, other assets or business units;

- d) withdrawal of the audit firm;
- e) capital transactions;
- f) issue of warrants, bonds and other debt securities;
- g) changes in the rights attaching to listed Financial Instruments;
- h) losses that have an adverse material effect on shareholders' equity;
- i) mergers and demergers;
- j) execution, amendment or termination of contracts and agreements;
- k) conclusion of procedures concerning intangible assets, such as inventions, patents or licenses;
- l) litigation;
- m) changes in strategic company personnel;
- n) transactions on treasury shares;
- o) petitions filed or orders handed down for mandatory bankruptcy proceedings;
- p) filing for bankruptcy procedures;
- q) transactions with related parties;
- r) issuing by the audit firm of qualified or adverse opinion, or a disclaimer of opinion;
- s) accounting data that will be reported in the financial statements, in the consolidated financial statements and in the half-yearly condensed financial statements, as well as the information and accounting data that will be reported in the interim reports, where such accounting data are disclosed to third parties, unless the third parties owe a duty of confidentiality and disclosure is made in compliance with statutory obligations, or as soon as the accounting data are sufficiently certain; and
- t) decisions taken by the Board of Directors to approve draft financial statements, proposals to distribute dividends, consolidated financial statements, half-yearly condensed financial statements and interim reports.

7. Confidentiality during the formation of Inside Information

The Relevant Persons and Employees shall put into place every appropriate measure for:

- a) preventing access to and the dissemination of confidential information constituting Inside Information to unauthorized persons, by keeping confidential all the documents and information acquired during the fulfillment of their duties;
- b) using the said documents and information exclusively in connection with the fulfillment of their duties;
- c) keeping any such documents in their possession in such a manner as to minimize the risk of unauthorized access and handling;
- d) ensuring that all mail received through the postal service is opened and distributed in accordance with the appropriate confidentiality criteria.

The Relevant Persons and Employees who are in possession of documents or information must keep them in such a manner as to minimize the risk of unauthorized access and handling, by adopting appropriate

security measures.

The sender of any paper and/or electronic documents containing Inside Information must highlight their strictly confidential nature by marking them as “*STRICTLY CONFIDENTIAL*”.

The Relevant Persons and Employees are personally accountable for keeping the confidential information they receive and must make sure that it is kept in a suitable place to which access is restricted to authorized persons only. In the event of loss of documents containing Inside Information, the Relevant Persons and Employees involved must promptly notify the Responsible Person, providing an account of the relevant conditions and circumstances, in order to enable him or her to adopt the necessary measures, including the publication of a notice.

8. Disclosure of Inside Information relating to the Company or its Subsidiaries

The Responsible Person, acting in the name of the Company and through the Investor Relations Office, shall handle all relations with the media, professional investors, financial analysts and shareholders, if necessary by specifically delegating his or her functions.

In any case, the information shall be disclosed clearly, completely and promptly, avoiding any information asymmetries between the investors and situations capable of influencing market prices.

If the other Relevant Persons receive a request from a third party to disclose non-confidential information, data and documents relating to the Company or its Subsidiaries, the said Relevant Persons must apply for authorization from the Responsible Person and await the latter’s written consent to the disclosure of the information.

If the information can be classified as Inside Information, and especially as so-called “price sensitive” Inside Information, the Responsible Person alone shall be allowed to disclose it; acting in agreement with the Investor Relator, and after consulting with the Nomad, he or she decides whether article 114 of the TUF and article 17 of the MAR also apply to any specific information that is not included in the case in question, and notifies the persons concerned to this effect.

The Company shall promptly disclose to the public the Inside Information that directly concerns it, by means of a procedure that ensures fast access and full, accurate and prompt evaluation by the public, if necessary using the Company’s Dissemination of Regulated Disclosure (SDIR) system. If the Supervisory Authorities allow the Company may make the notifications herein by posting them in its website, or publishing them in the media on which the public can reasonably rely (through the transmission, by electronic means, to at least two press agencies).

The Company shall store all the Inside Information it is required to disclose to the public in its website for at least 5 (five) years.

In the event of press releases issued on trading days, the Company and the Nomad should give prior notice, by telephone, to Borsa Italiana S.p.A., in order to enable the latter to assess the possible impact that the

released news may have on the trading. In view of the imminent conclusion of important transactions or of the formalization of decisions regarding price sensitive events, the Company shall consult with Borsa Italiana S.p.A., also through the Nomad, to jointly and more thoughtfully evaluate the possible impact on the market.

9. Delays in disclosing Inside Information

Pursuant to the combined provisions of article 114(3) of the TUF and article 66-bis of the CONSOB Regulation, as well as article 17(4) of the MAR, the Company may delay – under its own responsibility – the disclosure to the public of any Inside Information, in the following circumstances:

- a) the immediate disclosure of the information could harm the Company's legitimate interests;
- b) the delayed disclosure would probably not mislead the public;
- c) the Company is able to ensure the confidentiality of the information.

In the event of a prolonged process, involving a number of stages and aimed at determining or entailing a specific circumstance or event, the Company may, under its own responsibility, delay the public disclosure of any Inside Information relating to the process, without prejudice to points a), b) and c) above.

If the Company decides to delay the disclosure of any Inside Information, it must notify the delay to the CONSOB and Borsa Italiana S.p.A. and provide an explanation in writing of the circumstances above, immediately after the disclosure of the information to the public.

The CONSOB has the authority to request the parties concerned, having received information of a delay in the public disclosure of any inside information and having assessed the relevant circumstances, to promptly make the necessary disclosures (and to disclose the information itself, at the defaulting parties' expense, if they do not).

If the disclosure of Inside Information is delayed in accordance herewith and the Company can no longer guarantee the confidentiality thereof, it will be required to disclose the Inside Information as soon as possible.

If the Company, or a party acting in its name or on its behalf, discloses the Inside Information to a third party, in connection with its professional activities or its function, it must fully and effectively disclose the information to the public as well, at the same time, in the case of intentional disclosure, and promptly in the case of non-intentional disclosure. This requirement does not apply if the person receiving the information owes a duty of confidentiality, regardless of whether the said duty is required under the law, regulations, bylaws or contract.

Lastly, a delay may also be justified by any events or circumstances regarding the Company's Subsidiaries.

10. Rumours

The Responsible Person, with the assistance of the Investor Relator and having consulted with the Nomad,

to ensure accuracy and symmetry in its disclosure to the public, may, in the case of information in the public domain, which has not been disclosed according to this Procedure and concerning the Company's (or its Subsidiaries') assets and liabilities and its economic and financial situation, or any extraordinary financial transactions, or the trend in their business (the so-called "rumours"), assess the expediency of publishing an ad hoc press release aimed at re-establishing the truthfulness and fairness of the information and preventing the public from being misled in any way.

11. Breaches of the prohibition to disclose Inside Information

Breaching the provisions of this Procedure, even though it does not translate into a behaviour directly sanctioned by the Judicial or Supervisory Authorities, may nevertheless seriously harm the Company, also in terms of its reputation, with significant economic and financial consequences. The breach, therefore, shall entitle the Company to claim damages from the author for the harm caused to the Company and its Subsidiaries.

In the event that this Procedure is breached by one of the members of the Board of Directors, he or she may not participate in the deliberations regarding the sanctions. If it is breached by a majority of the members of the Board of Directors, the body responsible for taking appropriate action shall be the Board of Statutory Auditors.

If the obligations herein are breached by Relevant Persons other than the Directors and the Statutory Auditors, and by the Employees, it may be deemed as a disciplinary offence by the persons responsible for its application and, in severe cases, may lead to dismissal, without prejudice to any further criminal and administrative sanctions.

If the Company is sanctioned for having breached the provisions in the matter of company disclosures, as a result of having failed to comply with the principles laid down in this Procedure, the Board of Directors shall make claims/take action against the persons responsible in order to recoup any and all expenses relating to the payment of the sanctions, without prejudice to further claims for damages, including reputational damage.

The Board of Directors, acting on the proposal of the Responsible Person, shall adopt against the persons responsible for any violations of the above-mentioned provisions, the measures set out in the rules governing employment contracts (in the case of managers and employees) and in the Civil Code.

Furthermore, insider dealing and market manipulation are criminal (articles 184-187 of the TUF), as well as administrative (articles 187-bis-187-quater of the TUF) offences and may lead to situations entailing the administrative responsibility of the Company itself (articles 187-quinquies of the TUF and 25-sexies of Legislative Decree 231/01).

Article 30 of the MAR provides for administrative sanctions in the case of breaches of the inside information disclosure requirements.

12. Insider Register of persons with access to Inside Information

Pursuant to article 18 of the MAR, the Company shall set up and keep a register of the persons within the Company itself, as well as the its subsidiaries and parent companies (if any), have access to the Inside Information (the “**Insider Register**”).

The Commission Implementing Regulation (EU) 2016/347 of 10 March 2016 (the “**347 Regulation**”), implementing the provisions of the MAR, lays down the technical standards with regard to the precise format of the sections of the Insider Register and the related updating procedure.

The Insider Register shall include all the persons who (i) have access, on a regular or occasional basis, to Inside Information, when (ii) the access occurs by reason of their work or profession or the functions performed on behalf of the party required to keep the Insider Register.

Regarding point (i), it should be noted that access to Inside Information is obviously the circumstance that gives rise to the obligation to be entered in the Insider Register, and the legitimacy of the registration itself, even if the access is only occasional.

According to the MAR, and the related 347 Regulation, the Insider Register should be drawn up in electronic format, based on the template shown in the 347 Regulation (“Annex A”), and features two distinct sections:

- a) a section for each piece of inside information, in which a new section is added each time a new Inside or Price Sensitive Information is identified (the so-called “occasional section”);
- b) a supplementary section with the details of individuals who have access at all times to all Inside Information (the so-called “permanent section”).

Following is a list of the information to be entered in the “occasional sections” of the Register:

- date and time of creation of the section of the Insider Register, i.e. when the Inside Information was identified;
- date and time of the last update of the section;
- date of transmission to the competent authority;
- first name(s) and surname(s) of the insider. If necessary, birth name(s) of the insider (if different);
- professional telephone number(s) (work direct telephone line and work mobile numbers);
- company name and address;
- function and reason for being insider;
- date and time at which the insider obtained access to Inside Information;
- date and time at which the insider ceased to have access to Inside Information;
- date of birth, national identification number (tax identification number, in Italy, or equivalent number elsewhere, if any);
- personal telephone number(s) (home and personal mobile telephone numbers);
- personal full home address (street name, street number, city post/zip code, country).

The information to be entered in the “permanent section” of the Insider Register are:

- date and time of creation of the permanent insiders section;
- date and time of the last update of the section;
- date of transmission to the competent authority;
- first name(s) and surname(s) of the insider. If necessary, birth name(s) of the insider (if different);
- professional telephone number(s) (work direct telephone line and work mobile numbers);
- company name and address;
- function and reason for being insider;
- date and time at which the insider was included in the permanent insider section;
- date of birth, national identification number (tax identification number, in Italy, or equivalent number elsewhere, if any);
- personal telephone number(s) (home and personal mobile telephone numbers);
- personal full home address (street name, street number, city post/zip code, country).

The Insider Register, at the request of the CONSOB, shall be transmitted to it via the electronic means referred to in its website.

The Board of Directors (or any person delegated by the Board), shall identify the persons who, by reason of their work, profession or functions, have access at all times to the Inside Information, to be entered in the “permanent section” of the Insider Register, and the reasons for the said entry. The details of the persons registered in the “permanent section” are not repeated in the “occasional sections”.

The persons to be entered in the “occasional section” of the Insider Register are identified by the Chair of the Board of Directors and the CEO of the Company, with the assistance of the Investor Relations Office.

The Insider Register shall be updated by the Company, or other party acting in its name or on its behalf. Article 18(4) of the MAR specifies that the Insider Register shall be updated promptly, including the date of the update, in the following circumstances:

- a) where there is a change in the reason for including a person;
- b) where there is a new person who has access to Inside Information;
- c) where a person ceases to have access to Inside Information (whether registered in the permanent or occasional section).

The Insider Register shall be updated for each registered insider, in relation to his or her access to the various successive stages of “maturity” of the set of circumstances or of the price sensitive event that has given rise to the Inside Information.

Each update shall specify the date and time when the change triggering the update occurred.

The update shall be required by the Chair of the Board of Directors and the CEO of the Company, with the assistance of the Investor Relations Office, in accordance with the regulations, based on the reports promptly sent by the insiders.

The Company, or the party acting in its name and on its behalf, must promptly adopt all reasonable measures for ensuring that all the persons included in the Register acknowledge, in writing:

- a) their entry into or cancellation from the Insider Register, and any updates of the information contained therein;
- b) the obligations arising from having access to the Inside Information and the sanctions established in the event of any breaches thereof or in the case of unauthorized disclosure of the Inside Information.

The details of the insiders included in the Insider Register shall be kept for five years after the end of the circumstances warranting their initial entry or updating.

If another person acting in the name or on behalf of the Company undertakes to draw up and update the Insider Register, the Company shall nevertheless be responsible for the obligation referred to in article 18 of the MAR.

The Company shall be entitled to access the Insider Register at any time.

13. Effective date

This Procedure shall enter into effect on 4 July 2016.

14. Amendments

If it becomes necessary to amend the provisions hereof, as a result of changes in the applicable laws or regulations (including the AIM Rules for Companies), specific requests from the competent Authorities, as well as the experience gained and developing market practices, the amendments shall be made by the Chair of the Board of Directors and/or the CEO, and subsequently ratified by the Board of Directors at the next useful meeting.

Annex:

Annex 1: Annex I to Commission Implementing Regulation (EU) 2016/347

ANNEX 1

TEMPLATE 1

Insider list: section related to [Name of the deal-specific or event-based inside information]

Date and time (of creation of this section of the insider list, i.e. when this inside information was identified): [yyyy-mm-dd; hh:mm UTC (Coordinated Universal Time)]

Date and time (last update): [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date of transmission to the competent authority: [yyyy-mm-dd]

First name(s) of the insider	Surname(s) of the insider	Birth surname(s) of the insider (if different)	Professional telephone number(s) (work direct telephone line and work mobile numbers)	Company name and address	Function and reason for being insider	Obtained (the date and time at which a person obtained access to inside information)	Ceased (the date and time at which a person ceased to have access to inside information)	Date of birth	National Identification Number (if applicable)	Personal telephone numbers (home and personal mobile telephone numbers)	Personal full home address: street name; street number; city; post/zip code; country)
[Text]	[Text]	[Text]	[Numbers (no space)]	[Address of issuer/emission allowance market participant/auction platform/auctioneer/auction monitor or third party of insider]	[Text describing role, function and reason for being on this list]	[yyyy-mm-dd, hh:mm UTC]	[yyyy-mm-dd, hh:mm UTC]	[yy-yy-mm-dd]	[Number and/or text]	[Numbers (no space)]	[Text: detailed personal address of the insider — Street name and street number — City — Post/zip code — Country]

TEMPLATE 2

Permanent insiders section of the insider list

Date and time (of creation of the permanent insiders section) [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date and time (last update): [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date of transmission to the competent authority: [yyyy-mm-dd]

First name(s) of the insider	Surname(s) of the insider	Birth surname(s) of the insider (if different)	Professional telephone number(s) (work direct telephone line and work mobile numbers)	Company name and address	Function and reason for being insider	Included (the date and time at which a person was included in the permanent insider section)	Date of birth	National Identification Number (if applicable)	Personal telephone numbers (home and personal mobile telephone numbers)	Personal full home address: street name; street number; city; post/zip code; country)
[Text]	[Text]	[Text]	[Numbers (no space)]	[Address of issuer/emission allowance market participant/auction platform/auctioneer/auction monitor or third party of insider]	[Text describing role, function and reason for being on this list]	[yyyy-mm-dd, hh:mm UTC]	[yy-y-mm-dd]	[Number and/or text]	[Numbers (no space)]	[Text: detailed personal address of the insider — Street name and street number — City — Post/zip code — Country]