

CASTA DIVA GROUP S.P.A.



INSIDER DEALING PROCEDURE

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 Board of Directors of Casta Diva Group S.p.A. (the “**Company**”) has adopted this insider dealing procedure for the purpose of consistently regulating the information flows relating to the transactions discharged – directly or indirectly – by the relevant persons, and any other persons closely associated with them, with regard to the Company’s shares or other related financial instruments.

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 herein shall have the meaning as follows.

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.

Execution Date means the date of: i) conclusion of the contract for the purchase, sale, exchange, whether free of charge or not, or lending of securities or repurchase of Financial Instruments (as defined herein), regardless of the date of settlement; ii) assignment of the Financial Instruments (as defined herein) due, as a result of the exercise of the instruments (whether listed or not) conferring the right to subscribe, purchase or sell the Financial Instruments, besides the exercise of the conversion option associated with convertible bonds, including cum warrants; iii) assignment of the Financial Instruments, as a result of any capital transactions.

Group means the Company and its Subsidiaries.

Investor Relator is the manager of the Investor Relations Office of the Company.

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

Transaction means:

- a) any change to the number of Financial Instruments (as defined herein) of the Company held by a Relevant Person or a Person Closely Associated with such a person (as defined herein), including: (i) any purchase or sale or any agreement for the purchase or sale of the said Financial Instruments; (ii) the attribution to or acceptance by a Relevant Person or a Person Closely Associated with such a person (as defined herein) of any option relating to the said Financial Instruments or relating to any other (present or future) right or obligation, whether conditional or unconditional, to buy or dispose of the said Financial Instruments; (iii) the purchase, sale, exercise or failure to exercise, or any provisions for the disposal of the options, rights or obligations relating to the said Financial Instruments; (iv) provisions for disposal between the Relevant Persons or the Persons Closely Associated with them (as defined herein) and/or relevant employees; (v) the conclusion of transactions outside the AIM Italia market and regarding the Financial Instruments; (vi) free transfers; (vii) transactions for the purchase by or sale to the Company of its Shares; and
- b) the purchase, transfer or disposal (in whole or in part) of a Related Financial Product by a Relevant Person and/or a Person Closely Associated with such a person;
- c) pursuant to article 19(7) of the MAR: (a) the pledging or lending of Financial Instruments by or on behalf of a Relevant Person or a Person Closely Associated with such a person; (b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a Relevant Person or a Person Closely Associated with such a person, including where discretion is exercised; and (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 or a person closely associated with such a 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.

Article 10 “Notifiable transactions” of the Commission Delegated Regulation (EU) 2016/522, which contains a comprehensive (albeit non-exhaustive) list of specific transactions subject to notification, is reproduced in its entirety in this Procedure (see “Annex B”).

Person Closely Associated means:

- a) a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;
- b) a dependent child;
- c) a relative who has shared the same household for at least one year on the date of the transaction concerned; or
- d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a Relevant Person or by a person referred to in point (a), (b) or (c) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the

economic interests of which are substantially equivalent to those of such a person.

Related Financial Product means any financial product whose value is entirely or partially, directly or indirectly, determined in relation to the price of a Financial Instrument.

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 companies adopted on 9 November 2015, as amended.

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

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

Responsible Person means the person defined in section 5 below.

Relevant Person means a person discharging managerial responsibilities, who is:

- a) a member of the Board of Directors or of the Board of Statutory Auditors of the Company;
- b) a senior executive who – although not a member of the bodies referred to in point (a) – nevertheless has regular access to inside information relating directly or indirectly to the Company and power to take managerial decisions affecting the future developments and business prospects of the Company;
- c) a Person Closely Associated with either of the persons referred to in points (a) and (b) above.

The following persons are not considered Relevant Persons: the members of the administrative, management and supervisory bodies, persons discharging managerial responsibilities and executives of subsidiaries having regular access to privileged information relating directly or indirectly to the listed company and power to take managerial decisions affecting its future developments and business prospects, regardless of the subsidiary's effect on the listed company's assets (previously, for the purpose of the developments in question, the subsidiaries were considered relevant only if the book value of the stake held represented more than 50% of the listed company's assets).

Financial Instruments means the financial instruments of the Company admitted to trading on the AIM Italia (and any debt/credit securities issued by the Company).

“Related Financial Instruments” means:

- a) the financial instruments for subscribing to, buying and disposing of the Financial Instruments;
- b) the debt securities convertible into or exchangeable with the Financial Instruments;
- c) the derivative instruments on the Financial Instruments referred to in article 1(3) of the Consolidated Law on Finance (TUF);
- d) the other financial instruments, equivalent to the Shares, representing the Shares.

TUF means Legislative Decree 58/1998, as amended.

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

2. Identification by the Company and its Subsidiaries of the Relevant Persons

For the purpose of complying with the provisions herein, and in accordance with the obligations of article 19(5) of the MAR, the Company – acting through the Responsible Person – shall define a procedure for identifying the Relevant Persons and the Persons Closely Associated with them and, likewise through the Responsible Person, inform the Relevant Persons referred to in points (a) and (b) of the Definitions of their identification and of their obligations pursuant to the law and these Procedures.

The Responsible Person shall notify to the Board of Directors of the Company, at least once a year, or at the first useful meeting, in the event of any changes in the relevant information, as a result of changes in and/or the suspension of relations with the Relevant Persons concerned, the list of Company persons qualified as Relevant Persons.

The Relevant Persons referred to in points (a) and (b) of the Definitions shall inform the Persons Closely Associated with them, in writing, of their obligations in accordance with these Procedures. It shall be necessary to file and keep a copy of this notice.

3. Scope of application

This Procedure governs the disclosure obligations of the Relevant Persons and the Persons Closely Associated with them towards the Company, and the Company's obligations towards the public, and is binding on the Relevant Persons even if they have not returned a signed copy of this Regulation, pursuant to article 9 below.

The disclosures shall concern Transactions involving the Financial Instruments or the Related Financial Instruments of the Company carried out by the Relevant Persons and the Persons Closely Associated with them.

Any Transactions carried out by the Relevant Persons and the Persons Closely Associated with them, which do not exceed the threshold of 5,000.00 (five thousand) euros in a calendar year, shall not be subject to the disclosure requirements herein, unless otherwise determined by the Consob pursuant to art. 19(9) of the MAR, although the threshold shall not, in any case, exceed 20.000,00 (twenty thousand) euros.

The above amount shall be determined by adding together the transactions (without compensation) relating to the Shares and the Financial Instruments, carried out by or on behalf of each Relevant Person or Person Closely Associated with such a person. When the threshold of 5,000.00 euros – or other threshold as may be laid down by the Consob – the Relevant Persons and Persons Closely Associated with them shall promptly notify the Company, the Consob and Borsa Italiana S.p.A., and in any case within 3 (three) working days after the Execution Date of the latest transaction determining the exceeding of the

said threshold, the transactions already carried out and any transaction carried out after the exceeding of the threshold, regardless of their amount.

However, compliance with this Procedure shall not exempt the Relevant Persons or the Persons Closely Associated with them from abiding by the other applicable legal provisions and Regulations on the matter, such as, by way of example only, those relating to the disclosure requirements for significant shareholdings, those relating to market abuse and insider dealing and any other applicable regulation.

4. Disclosure requirements

The Relevant Persons and the Persons Closely Associated with them shall promptly notify and disclose to the Consob, Borsa Italiana and the Company, any Transactions on Financial Instruments or Related Financial Instruments, in any case within 3 (three) working days from the Execution Date, providing the information (if available) required by the template in the Annex to the Commission Implementing Regulation (EU) 2016/523 and attached hereto (**Annex A – Filing Model**).

Notifications to the Consob shall be made using the template in the Annex and delivered as follows:

- by telefax to 06 8416703, or
- by email to consob@pec.consob.it (from a certified email address),
- other procedure determined by the Consob with a later provision, which shall be published on its website, or to the numbers specified by Borsa Italiana S.p.A.

The Company shall promptly notify to the public, and in any case within 3 (three) working days from the Execution Date, the information relating to each Transaction carried out by a Relevant Person or a Person Closely Associated with such a person.

In order to comply with these notification requirements, the Company is required to disclose the information in such a manner as to make it readily accessible to the public on a non-discriminatory basis, using any means that can reasonably ensure the effective dissemination of the information to the public throughout the European Union, also making use, if necessary, of the Dissemination of Regulated Disclosure System (SDIR) designated by the Company. If the Supervisory Authorities allow, the Company may make the notifications required hereunder by publishing them on its website, or in media on which the public can reasonably rely (involving the electronic transmission to at least two press agencies).

5. Terms and procedures for delivering the notifications to the Responsible Person

The Head of the Investor Relations function of the Company is the Responsible Person in charge of receiving, handling and disseminating to the Consob, Borsa Italiana S.p.A. and the public the Transactions disclosed by the Relevant Persons and the Persons Closely Associated with them.

Each Relevant Person and Person Closely Associated with such a person is required to disclose to the Responsible Person all the Transactions within 3 (three) working days from the Execution Date of the

Transaction, providing the information (where available) referred to in Annex A – Filing Model attached hereto, and taking full responsibility therefore.

The notifications shall be made by the Responsible Person by means of the following email address: investor.relations@castadivagroup.com.

In any case, the Relevant Persons and Persons Closely Associated with them shall give telephone notice of the disclosure by calling 02 3450817.

The Responsible Person shall then acknowledge receipt of the disclosure by the Relevant Person and the Persons Closely Associated with such a person by email.

The Relevant Persons and Persons Closely Associated with them may contact the Responsible Person at the above mentioned telephone number or email address to request clarifications regarding the compilation of the Filing Model.

6. Disclosure requirements of the Company

To enable the Company to make the notifications to the public and after having received the information from the Relevant Person and the Persons Closely Associated with such a person, the Responsible Person, after having informed the Nomad, shall promptly prepare the disclosure to the public, and in any case no later than 3 (three) working days from the Execution Date of the Transaction. The text of the disclosure shall be presented to the Chief Executive Officer or the Chairperson of the Board of Directors of the Company for final approval before delivery through the SDIR system, or other medium, as specified in section 4 above.

7. Black-out periods

The Relevant Persons are prohibited from carrying out the transactions on their own behalf, or on behalf of third parties, either directly or indirectly, in the 30 calendar days prior to the approval – by the Board of Directors – of the draft budget, the half-yearly report and any quarterly reports by the Company, as well as any other financial reports the publication of which has been preventively announced by the Company.

This prohibition does not apply to the exercise of the rights provided in the stock option plans and the option rights; however, it does apply to the transactions relating to the securities purchased by exercising the rights, but does not apply to the transactions that do not entail any actual changes to the title thereof.

Exceptions may be granted, in the presence of grounded reasons, by the Board of Directors and in particular, *inter alia*, in the presence of extraordinary circumstances, such as serious financial problems requiring the immediate sale of the Shares.

Nevertheless, the Board of Directors may, by special resolution, determine further periods in which transactions by the above mentioned parties are prohibited or restricted.

8. Sanctioning mechanism

Pursuant to article 182(2-bis) of the Consolidated Law on Finance (TUF), the provisions of articles 184, 185, 187-bis and 187-ter of the TUF shall apply to the financial instruments referred to in article 180(1)(a) of the TUF (i.e. the financial instruments referred to in article 1(2) of the TUF admitted to a multilateral trading facility) and, therefore, also to the financial instruments listed on the AIM Italia.

Furthermore, article 30 of the MAR provides for administrative sanctions in the case of breaches of the internal dealing provisions.

In the case of breaches of this procedure, the Company may act against the persons responsible for the violation, in accordance with the Civil Code, including any claims for damages suffered by the Company as a result of the breaches.

Furthermore, the failure by the Relevant Persons to comply with the provisions herein and leading to a failure, by the Company, to comply with the MAR provisions and the AIM Rules for Companies, may entail the application to the Company of various kinds of sanctions (personal warning, monetary sanctions, termination of the admission of the shares for trading on the AIM Italia, publishing of the measure applying the financial penalty).

If, as a result of the breaches of the company disclosure provisions, due to the failure to comply with the principles laid down herein, or with the applicable laws or regulations, the Company or a Subsidiary incurs monetary administrative sanctions, the Company shall be entitled to recourse against the persons responsible for the breaches for the reimbursement of the sanctions paid.

In any case, the breach of the provisions herein – even if it does not lead to the application of sanctions by the Judicial or Supervisory Authorities – may nevertheless significantly harm the Company, also in terms of its reputation, with important economic and financial consequences. The breach, therefore, shall entitle the Company to file claims against the author of any damage suffered by the Company and the Subsidiaries.

If the breach is committed by a Director, he or she shall not be allowed to take part in the decisions regarding the sanctions. If a majority of the Board of Directors has participated in the breach, the relevant sanctions shall be decided by the Board of Statutory Auditors.

If the breach is committed by an employee, this may constitute a disciplinary offence and, in the more serious cases, may lead to his or her dismissal.

In the event of late or partial disclosure, with regard to the information required in the template attached hereto, the Company shall make the notification to the Consob, Borsa Italiana S.p.A. and the general public specifying that the delay/incompleteness of the notification is the sole responsibility of the Relevant Person.

9. Final provisions

The Responsible Person shall send two copies of this Procedure to all the Relevant Persons. Each Relevant Person shall: (i) sign and return one of the copies of this Procedure as acknowledgement of receipt and token of acceptance; (ii) comply with the provisions herein; and (iii) request any clarifications, regarding the acceptance hereof, from the head of the Investor Relations Office.

The Relevant Persons shall notify the Persons Closely Associated with them of their obligations herein and shall keep a copy of the notice.

10. 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.

Attachments:

Annex A: Filing Model

Annex B: List of Transactions requiring notification

Annex A – Filing Model

Annex to the Commission Implementing Regulation (EU) 2016/523

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	<i>[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.]</i>	
2	Reason for the notification		
a)	Position / status	<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, — An indication that the notification concerns a person closely associated with a person discharging managerial responsibilities; — Name and position of the relevant person discharging managerial responsibilities.]</i>	
b)	Initial notification / Amendment	<i>[Indication that this is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that this notification is amending.]</i>	
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)	Description of the financial instrument, type of instrument Identification code	<i>[— Indication as to the nature of the instrument: — a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument; — an emission allowance, an auction product based on an emission allowance or a derivative relating to an emission allowance. — 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>	
b)	Nature of the transaction	<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. 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>	
c)	Price(s) and volume(s)	Price(s)	Volume(s)

		<p><i>[Where more than one transaction of the same nature (purchases, sales, lendings, borrows, ...) on the same financial instrument or emission allowance are executed on the same day and on the same place of transaction, prices and volumes of these transactions shall be reported in this field, in a two columns form as presented above, inserting as many lines as needed.</i></p> <p><i>Using the data standards for price and quantity, including where applicable the price currency and the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>
d)	<p>Aggregated information</p> <ul style="list-style-type: none"> — 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</i></p> <p><i>if the transaction was not executed on any of the above mentioned venues, please mention 'outside a trading venue'.]</i></p>
<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).</p>		

Annex B

COMMISSION DELEGATED REGULATION (EU) 2016/522

of 17 December 2015

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

Article 10

Notifiable transactions

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

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

2. Those notified transactions shall include the following:
 - a) acquisition, disposal, short sale, subscription or exchange;
 - b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
 - c) entering into or exercise of equity swaps;
 - d) transactions in or related to derivatives, including cash-settled transaction;
 - e) entering into a contract for difference on a financial instrument of the concerned issuer or on emission allowances or auction products based thereon;

- f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- g) subscription to a capital increase or debt instrument issuance;
- h) transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps;
- i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- k) gifts and donations made or received, and inheritance received;
- l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- m) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council (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.