

Eurotech S.p.A.

Procedure for Complying with Obligations

regarding

Internal Dealing

*This document has been translated into English
for the convenience of readers outside Italy.
The original Italian document should be considered
the authoritative version.*

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INTRODUCTION

This Procedure governs the disclosure obligations relating to transactions in financial instruments carried out by Relevant Persons, as identified below in this Procedure, in order to ensure greater transparency toward the market and adequate preventive measures against market abuse and, in particular, against the misuse of inside information. This Procedure is adopted by Eurotech S.p.A. to implement the provisions contained in Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of the European Union of April 16, 2014, on market abuse (*Market Abuse Regulation—MAR*), supplemented by Articles 7 et seq. of Delegated Regulation (EU) 2016/522 of the European Commission of December 17, 2015, and by Implementing Regulation (EU) 2016/523 of the European Commission of March 10, 2016.

Furthermore, this Procedure must be applied and interpreted in accordance with the guidelines of ESMA (including the ESMA Q&As, as defined *below*) and Consob, within their respective areas of competence.

This Procedure, effective as of July 3, 2016, was subsequently updated by resolutions of the Company's Board of Directors dated September 4, 2020, June 18, 2024, January 27, 2026, and September 11, 2026. Any further subsequent amendments and/or additions shall take effect on the date of publication of the Procedure on the Company's *website*, or on the date otherwise provided for by law or regulation or by a resolution of the Board of Directors, or, in cases of urgency, by the Chairman of the Board of Directors or the Chief Executive Officer.

1. DEFINITIONS

For the purposes of this Procedure, the terms and expressions listed below, when capitalized, have the meanings assigned to them in this Article 1 or in the text of this Procedure. Where the context so requires, terms defined in the singular shall have the same meaning in the plural and vice versa.

Borsa Italiana	the market operator Borsa Italiana S.p.A.
List of Relevant Persons	the list consisting of the List of Relevant Persons and the List of Persons Closely Associated with Relevant Persons.
Business Day	All days other than Saturdays, Sundays, and other public holidays as defined by the national calendar.
Letter of Acceptance	the letter of acceptance of the Procedure—drafted in accordance with Annex “C” (Letter of Acceptance for Relevant Persons) of the Procedure—duly completed in all its parts and accompanied by the List of Persons Closely Associated with the Relevant Person, signed by the Relevant Person concerned as a sign of full acceptance of the Procedure.
Cover Letter	the cover letter for the Procedure, drafted in accordance with the template set forth in Annex “B” of the Procedure and signed by the Designated Person.
List of Relevant Persons	The list of Relevant Persons prepared by the Board of Directors and updated by the Chairman or the Chief Executive Officer, with the assistance of the Designated Officer.
List of Persons Closely Associated with Relevant Persons	The list of Persons Closely Associated with Relevant Persons provided to the Company by each Relevant Person.
MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of the European Union of April 16, 2014, on market abuse (<i>Market Abuse Regulation</i>).
Notification Form	The form for notifying and publicly disclosing Transactions carried out by Relevant Persons. For Relevant Persons, the form is reproduced in paper format <i>in</i> Annex “D” to this Procedure.
Transactions	The transactions subject to disclosure, listed by way of

example and not exhaustively in Annex “A” to the “ ” (Regulations on the Disclosure of Transactions by Relevant Persons) of this Procedure.

Significant Transactions	the transactions referred to in Article 7 of this Procedure.
Relevant Persons	Relevant Entities together with Persons Closely Associated with Relevant Entities.
Persons Closely Associated with Relevant Entities	the persons as defined in Article 3.
Procedure	This procedure for compliance with <i>internal dealing</i> obligations, including the related Annexes, which form an integral part thereof.
ESMA Q&A	the <i>Questions and Answers on the Market Abuse Regulation</i> , prepared and updated by ESMA (<i>European Securities and Markets Authority</i>), in the version updated from time to time and available on its official <i>website</i> .
Issuers’ Regulation	The Regulation approved by Consob by Resolution No. 11971/1999.
SDIR	The SDIR network, which the Company uses to transmit <i>Regulated Information</i> .
Trading Venue	a trading venue as defined in Article 4, paragraph 1, point 24), of Directive 2014/65/EU, namely a regulated market, a multilateral trading facility, or an organized trading facility.
the Company or the Issuer	Eurotech S.p.A., with registered office in Amaro (UD), Via Fratelli Solari No. 3/A.
Interested Party	the person as defined in Article 9.2.
Designated Person	The Head of the Issuer’s Legal and Corporate Affairs Department who, for the purposes of this Procedure, has the duties, obligations, and responsibilities set forth herein.
Relevant Parties	the persons as defined in Article 2
Financial Instruments	The financial instruments specified in Article 5.2.
SSA	the authorized storage mechanism used by the Company to maintain published <i>Regulated Information</i> .
TUF	Legislative Decree No. 58/1998.

2. RELEVANT PERSONS

2.1 For the purposes of this Procedure, the following are considered Relevant Persons:

- (i) the members of the Company's board of directors or supervisory board;
- (ii) senior executives, identified by the Board of Directors, who, although not members of the bodies referred to in subparagraph (i), have regular access to Inside Information directly or indirectly concerning the Company and hold the power to make management decisions that may affect the Issuer's future development and prospects.

2.2 The List of Relevant Persons is prepared by the Board of Directors and updated by the Chairman or the Chief Executive Officer, with the assistance of the Designated Officer. The Designated Officer is responsible for maintaining this list in the archive referred to in Article 4.2(b) and reports to the Board of Directors, when deemed necessary or appropriate, or in urgent cases, to the Chairman of the Board of Directors or the Chief Executive Officer.

3. PERSONS CLOSELY ASSOCIATED WITH RELEVANT PERSONS

3.1 "Persons Closely Associated with Relevant Persons" means individuals falling into the following categories:

- (a) the spouse or a *partner* treated as a spouse under Italian law;
- (b) dependent children under Italian law;
- (c) relatives who have shared the same residence for at least one year as of the date of the Transaction;
- (d) legal entities, *trusts*, or partnerships, where management responsibilities are held by a Relevant Person or by a closely related person falling within the categories referred to in subparagraphs (a), (b), or (c), or are directly or indirectly controlled by one of said persons, or are established for their benefit, or whose economic interests are substantially equivalent to the interests of one of said persons.

3.2 Relevant Persons are required to inform, in writing, the Persons Closely Associated with the Relevant Persons of the conditions, procedures, and terms under which such Persons are required to comply with the legal and regulatory obligations relating to and/or resulting from the execution of the Transactions, as well as to comply with this Procedure. Relevant Persons shall retain a copy of the aforementioned communication. Each Relevant Person shall provide the Company with the List of Persons Closely Associated with that Relevant Person, which constitutes an attachment to the Letter of Acceptance referred to in Article 10.2, and shall promptly notify the Company of any changes to said list, by means of a specific declaration signed in original and delivered to the Designated Officer, or sent to the same via certified mail with return receipt requested, or via certified email, or via email with confirmation of receipt and reading. The Designated Person shall maintain the List of Persons Closely Associated with the Relevant Person in the archive referred to in Article 4.2(b).

- 3.3 The List of Persons Closely Associated with the Relevant Person, together with the List of Relevant Persons, constitutes the List of Relevant Persons. The Designated Person shall ensure that this list is maintained in the archive referred to in Article 4.2(b) .
- 3.4 All obligations, duties, responsibilities, and/or formalities relating to or connected with compliance with the Procedure by Persons Closely Associated with the Relevant Person, including the related liabilities, remain the sole responsibility and/or burden of each Relevant Person concerned.
4. **DESIGNATED OFFICER**
- 4.1 The Head of the Company's Legal and Corporate Affairs Department performs the duties of the Designated Officer set forth in Section 4.2 below.
- 4.2 The Designated Officer is assigned the following duties:
- (a) receiving information submitted by Relevant Persons in accordance with the Procedure;
 - (b) managing the information submitted by Relevant Parties: this management includes maintaining, in a dedicated archive, the documentation—including in electronic format—received or transmitted pursuant to the Procedure, as well as verifying and selecting all Transactions reported by Relevant Parties necessary for the proper fulfillment of the obligations to disclose information to the public and to Consob as set forth in Article 7 ;
 - (c) transmission of information to the public and to Consob, and making such information available on the Company's *website*, in accordance with the procedures and within the timeframes set forth in Article 8 ;
 - (d) notification to Relevant Persons regarding the adoption of the Procedure, as well as any amendments and additions thereto, in accordance with the provisions of Articles 10 and 12 ;
 - (e) performance of the additional functions set forth in the Procedure;
 - (f) reporting to the Board of Directors, or in urgent cases, to the Chief Executive Officer, on matters pertaining to the implementation of the Procedure, whenever deemed appropriate or necessary, including for the purpose of proposing any amendments and/or additions to the Procedure pursuant to Article 12 .
- 4.3 The Designated Officer has the right to request, via email with confirmation of receipt and acknowledgment of reading, from each Relevant Party any information, clarification, and/or additional details—including those relating to Persons Closely Associated with the Relevant Parties—that are necessary and/or useful for the purposes of implementing this Procedure. The Relevant Party to whom the request is addressed is required to respond to the Designated Officer, via email with confirmation of receipt and reading, no later than 5 Business Days from receipt of the request. The deadline by which the Relevant Party is required to respond to the Designated Officer is reduced to 2 Business Days in cases of urgency duly indicated by the Designated Officer.

- 4.4 The Designated Person is required to fulfill the obligations set forth in this Procedure with a level of diligence commensurate with the position held.
- 4.5 Communications to the Designated Person made pursuant to and for the purposes of this Procedure shall be addressed as follows:
- by certified mail with return receipt to the address: Eurotech S.p.A. – Via Fratelli Solari No. 3/A – 33020 Amaro (UD);
 - by fax to the number: +39 0433 485499;
 - by email to the address: internaldealing@eurotech.com;
 - by certified email to the address: eurotechgroup@legalmail.it;
 - in the case of a telephone notification, by calling: +39 0433 485411.
5. **TRANSACTIONS SUBJECT TO DISCLOSURE TO THE DESIGNATED OFFICER**
- 5.1 The Relevant Person is required to report to the Designated Officer, in the manner and within the timeframes specified in Article 6, all transactions involving financial instruments issued by the Company (**the “Financial Instruments”**), regardless of their amount (the “Transactions”), as specified below.
- 5.2 *Transactions Carried Out by Relevant Persons and Persons Closely Associated with Relevant Persons*
- 5.2.1 With respect to Relevant Persons and Persons Closely Associated with Relevant Persons, for the purposes of this Financial Instruments Procedure, the following definitions apply:
- (a) shares;
 - (b) debt instruments;
 - (c) derivatives;
 - (d) financial instruments linked to the instruments referred to in points (a) and (b) above.
- 5.2.2 It should be noted that, in any case, transactions carried out by Relevant Persons and Persons Closely Associated with Relevant Persons, as defined in and for the purposes of this Procedure, include the transactions listed, by way of example and not exhaustively, in Annex “A” to the Procedure.
- 5.3 Transactions involving Financial Instruments carried out by Persons Closely Associated with the Relevant Person must be reported to the Designated Officer by the Relevant Person, in accordance with Articles 5 and 6.
6. **PROCEDURES AND DEADLINES FOR NOTIFICATION TO THE DESIGNATED PERSON**

- 6.1 The notification referred to in Article 5 by the Relevant Person to the Designated Person must be made no later than the Business Day following the date on which the Transaction was executed (the “**Transaction Date**”), in accordance with the procedures set forth in Article 6.3 below.
- 6.2 For the purposes of this Procedure, with respect to Transactions executed on a Trading Venue, the Transaction Date means the date on which the order is matched with the opposing order, regardless of the settlement date. It should be noted that in the case of Transactions subject to a condition, the notification obligation on the part of Relevant Persons arises upon the occurrence of such condition.
- 6.3 The notification referred to in Article 5.1 is made by sending the Notification Form to the Designated Officer, duly completed by the Relevant Person in accordance with the instructions contained therein, in the following ways:
- by fax to the number: +39 0433 485499;
 - by email to the address: internaldealing@eurotech.com;
 - by certified email to the address: eurotechgroup@legalmail.it;
 - in any case, with prior telephone notification of the submission to the number: +39 0433 485411.
- 6.4 If multiple Transactions involving the same Relevant Person are executed on the same day, that person must submit a single notification by sending the Notification Form containing a summary of all Transactions. In the case of multiple Transactions of the same nature, relating to the same Financial Instrument, carried out on the same trading day and at the same Trading Venue, or outside a Trading Venue, the volume of all such Transactions must be indicated in the notification as a single figure representing the arithmetic sum of the volume of each Transaction. The corresponding volume-weighted average price for the aforementioned Transactions must also be indicated. When completing the Notification Form, Transactions of different types—such as, for example, purchases and sales—must not be aggregated or offset against one another.
7. **SIGNIFICANT TRANSACTIONS SUBJECT TO PUBLIC DISCLOSURE AND REPORTING TO CONSOB**
- 7.1 The Designated Person shall notify the public and Consob, in accordance with the procedures and within the time limits set forth in Article 8 below, of the Transactions reported to the Company by each Relevant Person, the aggregate amount of which reaches 50,000.00 (fifty thousand/00) euros over the course of a calendar year (the “**Significant Transactions**”). Such notification shall be deemed to have been made by the Company on behalf of and under the sole responsibility of the Relevant Person concerned, pursuant to the Letter of Acceptance duly completed and signed in accordance with Article 10.2. It is understood that, should the Relevant Persons delay, with respect to the deadline set forth in Article 6.1 (or fail, even partially), the notification referred to in Article 5, the obligation to file notifications with Consob regarding Significant Transactions shall rest solely with the Relevant Persons, and the Company

shall not be held liable in any way for the late or failure to submit such notifications.

- 7.2 Once the amount referred to in Article 7.1 above has been reached, all transactions carried out by Relevant Persons and by Persons Closely Associated with Relevant Persons shall be considered Significant Transactions;
- 7.3 For the purposes of calculating the value referred to in Article 7.1 above, the value of the Transactions:
- (a) is calculated by summing all such Transactions without offsetting, net of commissions or taxes;
 - (b) the notional value of Transactions carried out on behalf of each Relevant Person must not be added to the notional value of Transactions carried out on behalf of Persons Closely Associated with each Relevant Person.

8. PROCEDURES AND DEADLINES FOR PUBLIC DISCLOSURE AND REPORTING TO CONSOB OF MATERIAL TRANSACTIONS

- 8.1 The disclosure to the public and to Consob of Significant Transactions referred to in the preceding Article 7, by the Designated Person, must be made by submitting the Notification Form via (i) SDIR; and (ii) SSA, completed by the Designated Person in accordance with the notification sent by the Relevant Person pursuant to Article 6.3, as well as (iii) in accordance with any additional procedures established by Consob.
- 8.2 The notification referred to in the preceding article 8.1 must be made promptly and, in any event, no later than the 3rd Business Day following the Transaction Date.
- 8.3 Notifications made pursuant to this Article 8 are promptly made available to the public on the Company's *website* in a dedicated section titled "*internal dealing*," accessible under the "investors/corporate documents" section.

9. BLOCKING PERIOD

- 9.1 Relevant Persons shall not engage in Transactions involving Financial Instruments, on their own behalf or on behalf of third parties, directly or indirectly, during the 30 calendar days preceding the announcement of the annual financial report and the semiannual financial report referred to in Article 154-ter of the TUF, as well as the interim management reports (or other comparable periodic financial statements) that the Company is required to disclose in accordance with the rules of the trading venue on which the Issuer's shares are listed (*the so-called "blocking period"*). It is understood that the 30-calendar-day period preceding the announcement begins on the date of the Board of Directors' meeting scheduled for the approval of the financial statements in accordance with the Company's financial calendar, or on any other date so determined. It should be noted that the day the press release regarding the approval of the aforementioned financial statements is issued constitutes the 30th day of *the blocking period*.

If the Company publishes preliminary data, the *blocking period* applies only with respect to the date of publication of such preliminary data (and not with respect to the final data

), provided that the preliminary data contain all the key information that should be included in the final results.

9.2 Notwithstanding the provisions of the preceding article 9.1, the Company may permit Relevant Persons (the “**Interested Party**”) to carry out Transactions (as defined below) involving Financial Instruments, on their own behalf or on behalf of third parties, directly or indirectly, during the *blocking period* in the following cases:

- (a) on a case-by-case basis, in the presence of exceptional circumstances, such as serious financial difficulties requiring the immediate sale of the shares;
- (b) based on the characteristics of the trading in the case of Transactions conducted concurrently with or in connection with an employee stock ownership plan or an employee savings plan, a security or a right relating to shares, or Transactions in which the beneficiary’s interest in the security in question is not subject to change, or in other cases provided for by the applicable regulations *in force at the time*, all as further specified in Annex “E” to this Procedure.

In the foregoing cases (a) and (b), the Interested Party is, in any event, required to demonstrate that the specific Transaction cannot be executed at any other time except during the *blocking period* as specified below.

9.3 In the cases referred to in the preceding Article 9.2(a), before carrying out the Transaction during the *blocking period*, the Interested Party must request authorization from the Issuer—by means of a specific written request stating the reasons, to be sent to the attention of the Chief Executive Officer, with a copy to the Designated Officer—to immediately sell the shares held. The request from the Interested Party must include at least: **(I)** a description of the proposed Transaction; **(II)** an explanation of why the sale of the shares is the only reasonable way to obtain the necessary financing; and **(III)** objective supporting evidence (including documentation) regarding the matters referred to in points **(I)** and **(II)** above.

Upon receipt of the notice referred to in this article 9.3, the Company, in accordance with the procedures set forth in paragraph 9.5, shall conduct a case-by-case assessment of the request submitted by the Interested Party and shall authorize the immediate sale of the shares only if the circumstances of the Transaction can be considered exceptional. “Exceptional circumstances” refer to situations that are extremely urgent, unforeseen, and compelling, which are not attributable to the Interested Party and are beyond the Interested Party’s control. The assessment of whether the circumstances described in the authorization request are exceptional is, in any case, conducted by taking into account, among other things, whether and to what extent the Interested Party:

- (i) at the time of submitting the request, must fulfill a legally enforceable financial obligation or satisfy a claim;
- (ii) is required to fulfill, or finds itself in a situation that arose prior to the start of the *blocking period*, which requires the payment of an amount to third parties, including tax obligations, and the Interested Party itself cannot reasonably fulfill a financial obligation or satisfy a claim except by immediately selling the shares.

- 9.4 In the cases referred to in the preceding Article 9.2(b), the Interested Party shall request authorization from the Company to carry out the Transaction in a timely manner—and, in any case, within the terms and in the manner specified in Annex “E” to this Procedure, where applicable to the circumstances set forth in said Annex – by means of a specific written request to be sent to the attention of the Chief Executive Officer, with a copy to the Designated Officer, containing objective evidence (including documentary evidence) regarding the fulfillment of the conditions set forth in the aforementioned Annex “E” with respect to each of the cases covered therein. Upon receipt of the communication, the Company conducts a case-by-case assessment of the request submitted by the Interested Party.
- 9.5 Pursuant to Article 19, paragraph 12-bis, of the MAR, without prejudice to the prohibitions on insider trading, unlawful disclosure of inside information, and market manipulation, the Issuer permits the Relevant Person to carry out Transactions during the *blocking period* even if the Transactions (i) do not relate to active investment decisions made by the Relevant Person, or (ii) result exclusively from external factors or the actions of third parties, or (iii) are carried out based on pre-established conditions. In such cases, prior to carrying out the Transaction, the Relevant Person must request authorization from the Company—by means of a specific written request stating the reasons, to be submitted to the attention of the Chief Executive Officer, with a copy to the Designated Officer—to carry out the Transaction. The Relevant Party’s request must include a description of the proposed Transaction, as well as the information and documentation necessary to verify that the conditions for carrying out the Transaction are met.
- 9.6 The assessments referred to in Articles 9.3, 9.4, and 9.5 above fall within the purview of the Chief Executive Officer, who, for this purpose, is assisted by the Designated Officer. The Chief Executive Officer reports to the Board of Directors on the outcome of the assessments conducted at the next available meeting. In any case, it is understood that:
- (i) the Chief Executive Officer, where deemed necessary or appropriate, has the authority to refer the assessment to the collective authority of the Company’s Board of Directors;
 - (ii) any assessment relating to and/or pertaining to Transactions to be carried out by the Relevant Party who is also the Company’s Chief Executive Officer remains the exclusive responsibility of the Board of Directors acting collectively.
- 9.7 The Company, through the Designated Officer, is required to provide feedback to the Interested Party regarding the results of the assessments conducted pursuant to Articles 9.3, 9.4, and 9.5 above within 5 trading days of receiving the Interested Party’s request, provided that the request is complete with the information and documentation required by this Procedure and, in any case, sufficient to allow for a thorough assessment of the relevant circumstances. This is without prejudice to the right of the Chief Executive Officer or the Board of Directors, as applicable, to request from the Interested Party, within the aforementioned period of 5 trading days from receipt of the request, additional information and/or documents to supplement the authorization request itself; in which case, the Company, through the Designated Officer, will provide an adequate response to the Interested Party within 3 trading days of receipt of the supplementary documentation.

10. COMMUNICATION OF THE PROCEDURE TO RELEVANT PARTIES

- 10.1** The Company, through the Designated Officer, is required to inform the Relevant Persons, in the manner provided for in this article, of the adoption of the Procedure and of any amendments made thereto, as well as of the resulting obligations incumbent upon them pursuant to the Procedure and the applicable regulations *in force at the time*.
- 10.2** The Designated Officer is required to provide the Relevant Persons with this information, either upon acceptance of the appointment for the Relevant Persons referred to in Article 2.1(i), or upon hiring or appointment as a senior executive for the Relevant Persons referred to in Article 2.1(ii) (collectively, the “Appointment”), or send to such persons, using one of the methods set forth in Article 10.4 below, no later than 5 Business Days from the Appointment, the Cover Letter, which will provide the Relevant Persons with information regarding the adoption of the Procedure (or any subsequent amendments and/or additions thereto, as specified in Article 12 below), as well as the legal and regulatory obligations arising from MAR, the relevant implementing regulations, and the Procedure, and the penalties applicable in the event of their violation. Two copies of this Procedure will be attached to the Cover Letter. Relevant Persons are required, no later than 3 Business Days from the delivery or receipt of the Cover Letter, to submit to the Designated Person the Letter of Acceptance (drafted according to the template set forth in Annex “C” of the Procedure, duly completed in all its parts), signed by the relevant party concerned, together with a copy of the Procedure initialed on every page as a sign of full acceptance. Said documentation shall be retained by the Designated Person in the archive referred to in Article 4.2(b).
- 10.3** The notification referred to in this Article 10 shall be made by the Designated Person in one of the following ways: (i) by registered mail delivered by hand or with acknowledgment of receipt; (ii) via email with confirmation of receipt and reading; (iii) via certified email; (iv) by any other means that provides for notification—including electronic notification—of receipt by the recipient.

11. PROCESSING OF PERSONAL DATA

- 11.1** For the purposes set forth in this Procedure, the Company may be required to process certain personal data of Relevant Persons. Relevant Persons are therefore required to review the privacy notice regarding the processing of personal data provided with the communication referred to in Articles 10.2 and 10.3 and to give their consent to such processing by the Company or by data processors and/or persons in charge of processing designated by the Company, in accordance with and under the terms of EU Regulation No. 679/2016 (“GDPR”) and subsequent amendments, having been informed of the contents of the aforementioned notice and, in particular, having been informed of the following:
- (a) the purposes and methods of the processing for which the data are intended;
 - (b) the entities or categories of entities to whom the data may be disclosed and the scope of such disclosure;

- (c) the rights set forth in Article 15 of the GDPR;
- (d) the first and last name, business name or corporate name, and domicile, residence, or registered office of the data controller and the data processor:
 - Data Controller: Eurotech S.p.A., with registered office in Amaro (UD), Via Fratelli Solari No. 3/A;
 - Data Processor: [Sergio Spinotti], at Eurotech S.p.A. – Via Fratelli Solari No. 3/A – Amaro (UD).

11.2 Upon delivery by the Relevant Party to the Designated Person of the Letter of Acceptance referred to in Articles 10.2 and 10.3, consent is deemed to have been validly given, in accordance with and for the purposes of the GDPR.

12. AMENDMENTS AND ADDITIONS

12.1 The provisions of this Procedure shall be updated and/or supplemented at the discretion and expense of the Issuer's Board of Directors, taking into account applicable laws or regulations, the guidelines of the supervisory authority, as well as practical experience and market practices that may arise in this regard.

12.2 Should it be necessary to update and/or supplement individual provisions of this Procedure as a result of changes to applicable laws or regulations, or specific requests from supervisory authorities, as well as in cases of proven urgency, this Procedure may be amended and/or supplemented by the Chairman of the Board of Directors or the Chief Executive Officer, with subsequent ratification of the amendments and/or supplements by the Board of Directors at its next meeting.

12.3 Amendments and/or additions to the provisions of this Procedure pursuant to Articles 12.1 and 12.2 above shall be communicated to the Relevant Parties in the manner specified in Articles 10.2 and 10.3. The communication shall also specify the effective date of the new or amended provisions.

* * *

Attachments:

- Attachment "A": An illustrative and non-exhaustive list of the types of Transactions subject to disclosure by Relevant Persons and Persons Closely Associated with Relevant Persons.
- Annex "B": Sample Cover Letter.
- Attachment "C": Acceptance Letter Template for Relevant Persons.
- Attachment "D": Notification Template for Relevant Persons.
- Appendix "E": Transactions Justifying Authorization to *Trade During Blocking Periods*.

**APPENDIX A - ILLUSTRATIVE AND NON-EXHAUSTIVE LIST OF THE TYPES OF TRANSACTIONS SUBJECT
TO DISCLOSURE BY RELEVANT PERSONS AND PERSONS CLOSELY ASSOCIATED WITH
RELEVANT PERSONS**

* * *

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

Article 19, paragraphs 1a and 7, MAR

**Transactions carried out by persons discharging administrative, supervisory, or management
functions**

"1a. The notification requirement referred to in paragraph 1 shall not apply to transactions involving financial instruments linked to shares or debt instruments of the issuer referred to in that paragraph if, at the time of the transaction, one of the following conditions is met:

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

(b) the financial instrument provides exposure to a portfolio of assets in which exposure to the issuer's shares or debt instruments does not exceed 20% of the portfolio's assets; or

(c) the financial instrument consists of a unit or share in a collective investment scheme or provides exposure to a portfolio of assets, and the person exercising managerial responsibility or a person closely associated with that person does not know, nor could have known, the composition of the investments or the exposure of that collective investment scheme or portfolio of assets with respect to the issuer's shares or debt instruments, and furthermore, there are no grounds for that person to believe that the issuer's shares or debt instruments exceed the thresholds set forth in subparagraph (a) or (b).

Where information is available regarding the composition of the collective investment scheme's investments or the exposure of the portfolio of assets, the person exercising managerial responsibility or a person closely associated with that person shall make every reasonable effort to make use of such information."

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

(a) the pledging or lending of financial instruments by or on behalf of a person exercising administrative, supervisory, or management functions, or a person closely associated with such a person, as referred to in paragraph 1;

(b) transactions carried out by those who arrange or execute transactions on a professional basis, or by any other person on behalf of a person who exercises administrative, supervisory, or management functions, or a person closely associated with such a person as referred to in paragraph 1, even when discretion is exercised;

c) transactions carried out in the context of life insurance, as defined under Directive 2009/138/EC of the European Parliament and of the Council, where:

(i) the policyholder is a person who exercises administrative, supervisory, or management functions, or a person closely associated with such a person as referred to in paragraph 1;

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

iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments covered by the life insurance policy in question, or to execute transactions involving the specific instruments of that life insurance policy.

For the purposes of subparagraph (a), it is not necessary to report a security interest in financial instruments, or other similar security, in connection with the deposit of financial instruments in a custody account, unless and until such security interest or other similar security is intended to secure a specific credit facility.

Pursuant to subparagraph (b), transactions executed in shares or debt instruments of an issuer, or in derivatives or other financial instruments linked to them, by the managers of a collective investment scheme in which the person exercising managerial responsibility or a person closely associated with that person has invested, are not subject to the notification requirement if the manager of the collective investment scheme acts with full discretion, which precludes the possibility that the manager may receive instructions or suggestions of any kind regarding the composition of the portfolio, directly or indirectly, from the investors of that collective investment scheme.

To the extent that a policyholder under an insurance contract is required to report transactions pursuant to this paragraph, the insurance company shall have no reporting obligation."

** * **

Commission Delegated Regulation (EU) 2016/522 of December 17, 2015 ("Delegated Act 522")

Article 10 of Delegated Act 522

Transactions Subject to Notification

"1. Pursuant to Article 19 of Regulation (EU) No. 596/2014 and in addition to the transactions referred to in Article 19(7) of that Regulation, persons who perform administrative, supervisory, or management functions at an issuer or an emissions allowance market participant, and persons closely associated with them, shall notify their transactions to the issuer or the emissions allowance market participant and to the competent authority.

Transactions subject to notification include all transactions conducted on their own account by persons exercising administrative, supervisory, or management functions and relating, in the case of issuers, to the allowances or debt securities of that issuer or derivatives or other financial instruments linked to them, and, in the case of participants in the emissions trading market, to emissions allowances, products auctioned on the basis of those allowances, or related derivatives.

2. Transactions subject to notification include:

- (a) the acquisition, disposal, short sale, subscription, or exchange;*
- (b) the acceptance or exercise of a stock option, including a stock option granted to persons who hold administrative, supervisory, or management positions or to employees as part of their compensation, and the transfer of shares resulting from the exercise of a stock option;*
- c) entering into or exercising swap contracts linked to stock indices;*
- d) transactions in derivatives or related instruments, including cash-settled transactions;*
- e) entering into a contract for difference relating to a financial instrument of the relevant issuer or to emission allowances or auctioned products based on them;*
- f) the acquisition, disposal, or exercise of rights, including put and call options, and warrants;*

- g) subscribing to a capital increase or an issuance of debt securities;*
- h) transactions in derivatives and financial instruments linked to a debt security of the relevant issuer, including credit default swaps;*
- i) conditional transactions subject to the fulfillment of conditions and the actual execution of the transactions;*
- j) the automatic or non-automatic conversion of one financial instrument into another financial instrument, including the exchange of bonds convertible into shares;*
- k) gifts and donations made or received, and inheritances received;*
- l) transactions in products, baskets, and index-linked derivatives, if provided for in Article 19 of Regulation (EU) No. 596/2014;*
- m) transactions in shares or units of investment funds, including alternative investment funds (AIFs) as defined in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council, if so provided for in Article 19 of Regulation (EU) No. 596/2014;*
- n) transactions involving an AIF in which the person performing administrative, supervisory, or management functions, or a person closely associated with that person, has invested, if so provided for in Article 19 of Regulation (EU) No. 596/2014;*
- o) transactions carried out by third parties under an asset management mandate or an individual portfolio on behalf of or for the benefit of a person who performs administrative, supervisory, or management functions, or a person closely associated with such a person;*
- p) the borrowing or lending of shares or debt securities of the issuer, or derivatives or other financial instruments linked thereto."*

**ANNEX A — LIST OF TYPES OF TRANSACTIONS (BY WAY OF EXAMPLE AND NOT LIMITED TO)
DISCLOSED BY RELEVANT PERSONS AND PERSONS CLOSELY ASSOCIATED WITH THEM**

* * *

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

Article 19, Paragraphs 1a and 7, MAR

Managers' Transactions

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

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

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

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

- (a) the pledging or lending of financial instruments by or on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1;*
- (b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1, including where discretion is exercised;*
- (c) transactions made under a life insurance policy, as defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council, where:*
 - (i) the policyholder is a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1,*
 - (ii) the investment risk is borne by the policyholder, and*
 - (iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments under that life insurance policy or to execute transactions involving specific instruments for that life insurance policy.*

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

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

To the extent that a policyholder of an insurance contract is required to report transactions in accordance with this paragraph, the insurance company is not subject to a reporting obligation."

* * *

Commission Delegated Regulation (EU) 2016/522 of December 17, 2015 ("Delegated Act 522")

Article 10 of Delegated Act 522

Notifiable Transactions

"1. Pursuant to Article 19 of Regulation (EU) No 596/2014 and in addition to the 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.

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

2. The transactions subject to notification shall include the following:

- (a) acquisition, disposal, short sale, subscription, or exchange;*
- (b) acceptance or exercise of a stock option, including a stock option granted to managers or employees as part of their compensation package, and the sale of shares resulting from the exercise of a stock option;*
- (c) entering into or exercising equity swaps;*
- (d) transactions in or related to derivatives, including cash-settled transactions;*
- (e) entering into a contract for difference on a financial instrument of the relevant issuer or on emission allowances or auction products based thereon;*
- (f) the acquisition, disposal, or exercise of rights, including put and call options and warrants;*
- (g) subscription to a capital increase or the issuance of debt instruments;*
- (h) transactions in derivatives and financial instruments linked to a debt instrument of the relevant issuer, including credit default swaps;*
- (i) transactions contingent upon the fulfillment of certain conditions and the 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 for shares;*
- (k) gifts and donations made or received, and inheritances received;*
- (l) transactions executed in index-related products, baskets, and derivatives, to the extent required by Article 19 of Regulation (EU) No. 596/2014;*
- (m) transactions 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, to the extent required by Article 19 of Regulation (EU) No 596/2014;*
- (n) transactions executed by the manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, to the extent 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 of or for the benefit of a person discharging managerial responsibilities or a person closely associated with such a person;*
- (p) the borrowing or lending of shares or debt instruments of the issuer, or derivatives or other financial instruments linked thereto."*

APPENDIX B - SAMPLE COVER LETTER

* * *

[on Eurotech S.p.A. letterhead]

Dear Mr. [●] / Dear [●] Company

[address]

[specify one of the methods of delivery/transmission referred to in Article 10.2 of the Procedure]

Subject: Submission of the procedure for compliance with obligations regarding internal dealing

We hereby provide you with the “*Procedure for Compliance with Internal Dealing Obligations*” (the “Procedure”) adopted by Eurotech S.p.A. (the “Company”) in implementation of the provisions set forth in Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of the European Union of April 16, 2014, on market abuse (*Market Abuse Regulation – MAR*), supplemented by Articles 7 et seq. of Delegated Regulation (EU) 2016/522 of the European Commission of December 17, 2015, and by Implementing Regulation (EU) 2016/523 of the European Commission of March 10, 2016, as well as in accordance with the applicable provisions of Legislative Decree No. 58/1998 and Consob Regulation No. 11971/1999.

The Procedure has been in effect since July 3, 2016, and was subsequently updated by a resolution of the Company’s Board of Directors dated [●]; these updates take effect as of the same date.

As established in Article 4.1 of the Procedure, the Designated Officer is the Head of the Company’s Legal and Corporate Affairs Department.

We invite you to review the privacy notice attached to this communication (*Privacy Notice*). In this regard, please note that the data controller is [●].

We also invite you to review the regulatory framework, also attached to this communication (*Regulatory Appendix*), concerning the legal and regulatory obligations arising from the MAR, its implementing regulations, and the Procedure, as well as the penalties applicable in the event of their violation and any subsequent amendments and additions; this regulatory framework is readily accessible on the Consob *website* at www.consob.it.

We hereby inform you that, by virtue of the position you hold, you are bound by a duty of confidentiality regarding inside information that comes to your knowledge in the course of your duties and that you are subject to the prohibition against insider trading.

For the purposes of acceptance, please send us, no later than 3 Business Days from the date of receipt of this notice, a copy of the attached Procedure, initialed on every page, together with Annex C (Letter of Acceptance for Relevant Persons) of the Procedure itself as a sign of full acceptance, using one of the following methods:

- by certified mail with return receipt requested to the following address: Eurotech S.p.A., with registered office in Amaro (UD) – Via Fratelli Solari No. 3/A;
- by fax to the number: [●];
- by email to the address: [●];
- by certified email to the address: [●].

[place, date]

Eurotech S.p.A.

[●]

(in my capacity as the Designated Person)

Attachments:

- Privacy Notice regarding the processing of personal data;
- regulatory appendix;
- A copy of the procedure.

* * *

By signing below, I acknowledge full acceptance:

[●]

(as the Reported Entity)

Date: _____

Place: _____

* * *

Privacy Notice Regarding the Processing of Personal Data

Pursuant to Article 13 of EU Regulation No. 679/2016 ("GDPR"), we hereby provide you with the required notice regarding the processing of your personal data (the "Processing").

The Processing of the personal data you provide pursuant to the Procedure will be carried out for the purposes set forth in the Procedure itself in order to comply with the obligations imposed by applicable laws and regulations on Eurotech S.p.A. ("ETH") as a company whose shares are listed on regulated markets.

The legal basis for the Processing will be the consent you have provided by signing and submitting the Letter of Acceptance to the Designated Officer, as well as the legal obligation to comply with the statutory and regulatory requirements imposed on ETH. Please note that you have the right to withdraw the consent you have provided, without prejudice to the lawfulness of the Processing up until the time of withdrawal.

Personal data will be processed, in compliance with applicable regulations, both manually and automatically through the collection, cataloging, and storage of documents containing such data, using methods strictly related to the stated purposes and, in any case, in a manner that ensures their security and confidentiality in accordance with the provisions of Article 32 of the GDPR. Your personal data will be subject to the following operations: collection, recording, organization, storage, consultation, processing, modification, selection, extraction, comparison, use, interconnection, blocking, disclosure, and erasure. The data will be stored at ETH's registered office, in ETH's [●] archives. In addition to the data controller at ETH, your personal data will also be accessible to the "data processors" appointed by ETH in accordance with the law to fulfill the purposes set forth above; these individuals have been properly trained to ensure confidentiality and prevent the loss, destruction, unauthorized access, or unauthorized processing of the data in question.

The recipients of your data, disclosed only to the extent strictly relevant to the obligations, tasks, or purposes set forth above, are Consob and any other competent authorities. We assure you that we will take the utmost care to ensure that the disclosure of your personal data to the aforementioned recipients is limited exclusively to the data necessary to achieve the specific purposes for which it is intended.

The provision of personal data is optional; however, failure to provide such data—even partially—will make it impossible for ETH to fulfill, in your best interest, the obligations incumbent upon you under applicable laws and regulations. Notwithstanding the foregoing, your express consent to the processing is not required; therefore, ETH may still process your personal data regardless of whether you sign the Letter of Acceptance, with respect to the data that is necessary for ETH to comply with the obligations directly incumbent upon it under applicable laws and regulations.

Personal data will be retained for a period not exceeding that necessary for the purposes for which it was collected or subsequently processed, in accordance with legal obligations.

The data controller is ETH. The data processor is [●], domiciled for this purpose at the Company's headquarters in V in Amaro (UD), Via Fratelli Solari No. 3/A, with whom the rights referred to in the following paragraph may be exercised.

As a data subject, you have the rights set forth in Article 15 of the GDPR, specifically the rights to: i. obtain confirmation as to whether or not personal data concerning you exist, even if not yet recorded, and to receive such data in an intelligible form; ii. obtain information regarding: a) the origin of the personal data; b) the purposes and methods of processing; c) the logic applied in the case of processing carried out with the aid of electronic tools; d) the identification details of the data controller, data processors, and the designated representative pursuant to Article 3, paragraph 1, of the GDPR; e) the recipients or categories of recipients to whom the personal data may be disclosed or who may become aware of it in their capacity as designated representative within the territory of the State, data processors, or persons in charge of processing; iii. to obtain: a) the updating, rectification, or, where the data subject has an interest, the completion of the data; b) the erasure, anonymization, or blocking of data processed in violation of the law, including data that no longer needs to be retained for the purposes for which it was collected or subsequently processed; c) confirmation that the operations referred to in subparagraphs (a) and (b) have been brought to the attention—including with regard to their content—of those to whom the data have been disclosed or disseminated, except where this proves impossible or involves an effort manifestly disproportionate to the right being protected; iv. to object, in whole or in part, on legitimate grounds, to the processing of personal data concerning you, even if such data is relevant to the purpose of collection; v. where applicable, you also have the rights set forth in Articles 16–21 of the GDPR (right to rectification, right to be forgotten, right to restriction of processing, right to data portability, right to object), as well as the right to lodge a complaint with the Data Protection Authority.

You may exercise these rights at any time by submitting a written request to the following address: [●].

[●]

(as Data Subject)

Date: _____

Place: _____

* * *

REGULATORY APPENDIX

* * *

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

Article 19 of MAR

Transactions by Persons Exercising Administrative, Supervisory, or Management Functions

“1. Persons who perform administrative, supervisory, or management functions, as well as persons closely associated with them, shall notify the issuer or the emissions allowance market participant and the competent authority referred to in the second subparagraph of paragraph 2 of the following:

- (a) with respect to issuers, all transactions conducted on their behalf involving the issuer’s allowances or debt instruments, or derivatives or other financial instruments linked to them;*
- (b) with respect to participants in the emissions trading market, all transactions conducted on their behalf concerning emissions allowances, auctioned products based on such allowances, or related derivatives.*

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

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

1a. The notification requirement referred to in paragraph 1 does not apply to transactions involving financial instruments linked to shares or debt instruments of the issuer referred to in that paragraph if, at the time of the transaction, one of the following conditions is met:

- (a) the financial instrument consists of a unit or share in a collective investment scheme in which the exposure to the issuer’s shares or debt instruments does not exceed 20 percent of the assets held by the collective investment scheme;*
- (b) the financial instrument provides exposure to a portfolio of assets in which exposure to the issuer’s shares or debt instruments does not exceed 20% of the portfolio’s assets; or*
- (c) the financial instrument consists of a unit or share in a collective investment scheme or provides exposure to a portfolio of assets, and the person exercising managerial responsibility or a person closely associated with that person does not know, nor could have known, the composition of the investments or the exposure of that collective investment scheme or portfolio of assets with respect to the issuer’s shares or debt instruments, and furthermore, there are no grounds for that person to believe that the issuer’s shares or debt instruments exceed the thresholds set forth in subparagraph (a) or (b).*

Where information is available regarding the composition of the collective investment scheme’s investments or the exposure of the portfolio of assets, the person exercising management responsibilities or a person closely associated with that person shall make every reasonable effort to make use of such information.

2. For the purposes of paragraph 1 and without prejudice to the right of Member States to impose notification requirements other than those set forth in this Article, all transactions carried out on their own account by the persons referred to in paragraph 1 shall be notified by such persons to the competent authorities.

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

3. Issuers or participants in the emissions trading market shall publish the information contained in the notification referred to in paragraph 1 within two business days of its receipt.

The issuer or participant in the emissions trading market shall use means of communication that can reasonably ensure the effective dissemination of the information to the public throughout the Union and, where appropriate, shall make use of the officially established mechanism referred to in Article 21 of Directive 2004/109/EC.

Alternatively, national law may provide that a competent authority may disclose the information to the public.

4. This Article applies to issuers that:

(a) have applied for or authorized the admission of their financial instruments to trading on a regulated market; or

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

5. Issuers or participants in the emissions allowance market shall notify in writing the persons exercising administrative, supervisory, or management functions of their obligations under this Article. Issuers or participants in the emissions allowance market shall draw up a list of all persons exercising administrative, supervisory, or management functions and of the persons closely associated with them.

Those who exercise administrative, supervisory, or management functions shall notify in writing the persons closely associated with them of the obligations incumbent upon them under this Article and shall retain a copy of the notification.

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

(a) the name of the person;

(b) the reason for the notification;

(c) the name of the issuer or the relevant emissions trading market participant;

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

(e) the nature of the transaction or transactions (e.g., purchase or sale), indicating whether they are related to the use of stock option plans or to the specific examples referred to in paragraph 7;

(f) the date and place of the transaction or transactions; and

(g) the price and volume of the transaction or transactions. In the case of a sale as collateral where the terms provide for a change in value, such change should be disclosed publicly along with the value as of the date of the pledge.

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

- a) the pledging or lending of financial instruments by or on behalf of a person who performs administrative, supervisory, or management functions, or a person closely associated with such a person, as referred to in paragraph 1;*
- (b) transactions carried out by those who arrange or execute transactions on a professional basis, or by any other person on behalf of a person who exercises administrative, supervisory, or management functions, or a person closely associated with such a person as referred to in paragraph 1, even when discretion is exercised;*
- c) transactions carried out in the context of life insurance, as defined under Directive 2009/138/EC of the European Parliament and of the Council, where:*
 - (i) the policyholder is a person who exercises administrative, supervisory, or management functions, or a person closely associated with such a person as referred to in paragraph 1;*
 - (ii) the investment risk is borne by the policyholder; and*
 - iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments covered by the life insurance policy in question, or to execute transactions involving the specific instruments of that life insurance policy.*

For the purposes of subparagraph (a), it is not necessary to report a pledge of financial instruments, or other similar security, in connection with the deposit of financial instruments in a custody account, unless and until such pledge or other similar security is intended to secure a specific credit facility.

Pursuant to subparagraph (b), transactions executed in shares or debt instruments of an issuer, or in derivatives or other financial instruments linked to them, by the managers of a collective investment scheme in which the person exercising managerial responsibility or a person closely associated with that person has invested, are not subject to the reporting requirement if the manager of the collective investment scheme acts with full discretion, which precludes the possibility that the manager may receive instructions or suggestions of any kind regarding the composition of the portfolio, directly or indirectly, from the investors of that collective investment scheme.

To the extent that a policyholder under an insurance contract is required to report transactions pursuant to this paragraph, the insurance company shall have no reporting obligation.

8. Paragraph 1 applies to all subsequent transactions once a total amount of 20,000 EUR has been reached within a calendar year. The 20,000 EUR threshold is calculated by adding together, without offsetting, all transactions referred to in paragraph 1.

9. A competent authority may decide to increase the threshold referred to in paragraph 8 to EUR 50,000 or to reduce it to EUR 10,000 and shall inform ESMA of its decision to adopt a higher or lower threshold, as well as the reasons for that decision with specific reference to market conditions, prior to its application. ESMA shall publish on its website the list of thresholds in force pursuant to this Article and the reasons provided by the competent authorities to justify those thresholds.

10. This Article applies to transactions carried out by persons discharging administrative, supervisory, or management functions at any auction platform, auctioneer, or auction monitor involved in auctions held

pursuant to Regulation (EU) No. 1031/2010, as well as to persons closely associated with them, to the extent that their transactions involve emission allowances and derivatives thereof, as well as related products put up for auction. Such persons shall notify their transactions to the auction platforms, auctioneers, and the auction monitor, as applicable, and to the competent authorities where the auction platform, auctioneer, or auction monitor, as applicable, is registered. The reported information shall be made public by the auction platforms, the auctioneers, the auction monitor, or the competent authority in accordance with paragraph 3.

11. Without prejudice to Articles 14 and 15, a person who holds a position of administration, supervision, or management at an issuer shall not carry out transactions on his or her own account or on behalf of third parties, directly or indirectly, relating to the shares or debt instruments of that issuer, or to derivatives or other financial instruments linked to them, during a blackout period of 30 calendar days prior to the announcement of an interim financial report or a year-end report that the relevant issuer is required to disclose in accordance with:

(a) the rules of the trading venue on which the issuer's shares are admitted to trading; or

b) national law.

12. Without prejudice to Articles 14 and 15, an issuer may permit a person exercising administrative, supervisory, or management functions to trade or carry out transactions on their own account or on behalf of third parties during a blackout period referred to in paragraph 11 of this Article:

(a) on a case-by-case basis where exceptional circumstances exist, such as serious financial difficulties, that necessitate the immediate sale of shares or financial instruments other than shares; or

(b) due to the nature of the transaction in the case of transactions conducted in connection with or in relation to an employee stock ownership plan or a savings plan, and employee plans relating to financial instruments other than shares, a warrant or rights to shares, and warrants or rights to financial instruments other than shares, or transactions in which the beneficial interest in the security in question is not subject to change.

12-bis. Without prejudice to Articles 14 and 15, an issuer shall permit a person exercising administrative, supervisory, or management functions to trade or carry out transactions on their own account or on behalf of third parties during a blackout period referred to in paragraph 11 of this Article in the case of transactions or trading activities that do not relate to active investment decisions made by the person exercising administrative, supervisory, or management functions, or that result exclusively from external factors or the actions of third parties, or that are transactions or trading activities—including the exercise of rights conferred by derivatives—based on predetermined conditions.

13. The Commission is empowered to adopt delegated acts in accordance with Article 35 regarding the definition of the circumstances under which an issuer may permit trading during a blackout period referred to in paragraph 12, including the circumstances to be considered exceptional and the types of transactions that would justify permitting trading.

14. The Commission is empowered to adopt delegated acts in accordance with Article 35 regarding the definition of the types of transactions that would give rise to the obligation referred to in paragraph 1.

15. In order to ensure the uniform application of paragraph 1, ESMA shall develop draft implementing technical standards regarding the format and template for the notification and public disclosure of the information referred to in paragraph 1.

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

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

Chapter 5 — Administrative Measures and Sanctions

Article 30 of MAR

Administrative Sanctions and Other Administrative Measures

“1. Without prejudice to criminal sanctions and the supervisory powers of competent authorities under Article 23, Member States shall, in accordance with national law, ensure that competent authorities have the power to impose administrative sanctions and take other appropriate administrative measures in relation to at least the following violations:

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

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

Member States may decide not to lay down rules on the administrative sanctions referred to in the first subparagraph if the infringements referred to in points (a) or (b) of that subparagraph are already subject to criminal sanctions under their national law by July 3, 2016. In that case, Member States shall provide the Commission and ESMA with detailed information on the relevant criminal law provisions.

By July 3, 2016, Member States shall provide the Commission and ESMA with detailed information on the rules referred to in the first and second subparagraphs. They shall inform the Commission and ESMA without delay of any subsequent amendments.

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

(a) an order directed at the person responsible for the violation to cease the conduct in question and to refrain from repeating it;

(b) the restitution of any profits made or losses avoided as a result of the violation, to the extent that they can be determined;

(c) a public warning identifying the party responsible for the violation and the nature of the violation;

d) revocation or suspension of an investment firm’s authorization;

- e) *the temporary disqualification of any person performing administrative, management, or supervisory functions at an investment firm, or of any other natural person held responsible for the violation, from exercising management functions at investment firms or at supervised benchmark administrators or contributors;*
- f) *in the case of repeated violations of Article 14 or Article 15, a ban of at least ten years on any person performing administrative, management, or supervisory functions at an investment firm or at supervised benchmark administrators or contributors, or on any other natural person held responsible for the violation, from exercising management functions at investment firms or at supervised benchmark administrators or contributors;*
- (g) *a temporary ban on trading on one's own account for any person who performs administrative, management, or supervisory functions at an investment firm or at supervised benchmark administrators or contributors, or any other natural person held responsible for the violation;*
- h) *administrative monetary penalties of an amount equal to at least three times the amount of the gains obtained or losses avoided as a result of the violation, where such amounts can be determined;*
- i) *in the case of a natural person, maximum administrative monetary penalties of at least:*
 - i) *for violations of Articles 14 and 15, EUR 5,000,000 or, in Member States whose official currency is not the euro, the equivalent amount in the national currency as of July 2, 2014;*
 - (ii) *for violations of Articles 16 and 17, EUR 1,000,000 or, in Member States whose official currency is not the euro, the corresponding value in the national currency as of July 2, 2014; and*
 - (iii) *for violations of Articles 18, 19, and 20, EUR 500,000 or, in Member States whose official currency is not the euro, the equivalent value in the national currency as of July 2, 2014; and*
- j) *in the case of a legal entity, maximum administrative fines of at least:*
 - (i) *for violations of Articles 14 and 15, 15% of the legal entity's total annual turnover based on the most recent available financial statements approved by the management body, or EUR 15,000,000, or, in Member States whose official currency is not the euro, the equivalent value in the national currency as of July 2, 2014;*
 - (ii) *for violations of Article 16, 2% of the total annual turnover based on the most recent available financial statements approved by the management body, or EUR 2,500,000, or, in Member States whose official currency is not the euro, the equivalent value in the national currency as of July 2, 2014; and*
 - iii) *For violations of Article 17, 2% of the total annual turnover based on the most recent available financial statements approved by the management body. Where the competent authorities consider that the amount of the administrative fine based on total annual turnover would be disproportionately low in light of the circumstances referred to in Article 31(1)(a), (b), and (d) through (h), Member States shall ensure that those authorities may impose administrative fines of at least EUR 2,500,000. Where the legal person is an SME, Member States may ensure that those authorities may, as an alternative, impose administrative fines of at least EUR 1,000,000 or, in*

Member States whose official currency is not the euro, the corresponding amounts in the national currency as of July 2, 2014;

(iv) for violations of Articles 18 and 19, 0.8% of the total annual turnover based on the most recent available financial statements approved by the management body. Where the competent authorities consider that the amount of the administrative penalty based on total annual turnover would be disproportionately low in light of the circumstances referred to in Article 31(1)(a), (b), and (d) through (h), Member States shall ensure that those authorities may impose administrative penalties of at least EUR 1,000,000. Where the legal entity is an SME, Member States may ensure that such authorities may alternatively impose administrative penalties of at least EUR 400,000 or, in Member States whose official currency is not the euro, the corresponding amounts in the national currency as of July 2, 2014;

(v) for violations of Article 20, 0.8% of the total annual turnover based on the most recent available financial statements approved by the management body, or EUR 1,000,000, or, in Member States whose official currency is not the euro, the corresponding amounts in the national currency as of July 2, 2014.

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

For the purposes of point (j) of the first subparagraph, if the legal entity is a parent company or a subsidiary required to prepare consolidated financial statements pursuant to Directive 2013/34/EU of the European Parliament and of the Council, its total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives—Council Directive 86/635/EEC for banks and Council Directive 91/674/EEC for insurance companies—as shown in the most recent available consolidated financial statements approved by the management body of the parent company at the head of the group.

3. Member States may provide that the competent authorities have powers in addition to those set forth in paragraph 2 and may impose penalties in an amount higher than that specified in that paragraph.

4. For the purposes of this Article, “small and medium-sized enterprise” or “SME” means a microenterprise, a small enterprise, or a medium-sized enterprise within the meaning of Article 2 of the Annex to Commission Recommendation 2003/361/EC.”

Article 31 of the MAR

Exercise of Supervisory Powers and Imposition of Sanctions

“1. Member States shall ensure that, when determining the type and level of administrative penalties, the competent authorities take into account all relevant circumstances in order to impose proportionate penalties, including, where appropriate:

(a) the severity and duration of the violation;

(b) the degree of responsibility of the person who committed the violation;

- (c) the financial capacity of the violator, as evidenced, for example, by the total revenue of the legal entity or the annual income of the individual;*
- d) the amount of profits made and losses avoided by the violator, to the extent that they can be determined;*
- e) the level of cooperation the violator has demonstrated with the competent authority, without prejudice to the need to ensure the restitution of profits made or losses avoided;*
- f) previous violations by the violator;*
- g) measures taken by the violator to prevent a recurrence; and*
- h) The burden on the violator resulting from the duplication of criminal and administrative proceedings and sanctions for the same conduct.*

2. In exercising their powers to impose administrative sanctions and other administrative measures pursuant to Article 30, the competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers, as well as the administrative sanctions they impose and the other administrative measures they adopt, are effective and appropriate in accordance with this Regulation. They shall coordinate their actions in accordance with Article 25 in order to avoid duplication and overlap in the exercise of supervisory and investigative powers, as well as in the imposition of administrative sanctions in cross-border cases."

Article 34 of MAR

Publication of Decisions

"1. Subject to the third paragraph, competent authorities shall publish decisions imposing an administrative sanction or other administrative measure for a violation of this Regulation on their websites immediately after the person subject to such a decision has been notified of it. Such publication shall provide information regarding at least the type and nature of the violation, as well as the identity of the person subject to the decision.

The first paragraph does not apply to decisions imposing investigative measures.

Where a competent authority considers that the publication of the identity of the legal entity subject to the decision, or of the personal data of a natural person, is disproportionate following a case-by-case assessment of the proportionality of the publication of such data, or where such publication would jeopardize an ongoing investigation or the stability of financial markets, it shall:

- (a) postpone the publication of the decision until the grounds for such postponement no longer exist; or*
- (b) publish the decision in anonymized form in accordance with national law, provided that such publication ensures the effective protection of the personal data in question;*
- c) shall not publish the decision if the competent authority considers that publication in accordance with subparagraphs (a) and (b) would be insufficient to ensure:*
 - i) that the stability of financial markets is not compromised; or*

(ii) that the publication of the decision in question is proportionate, with respect to measures deemed to be of minor significance.

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

2. If the decision is subject to appeal before a national judicial, administrative, or other authority, the competent authorities shall also immediately publish, on their website, that information and any subsequent information regarding the outcome of the appeal. Any decisions annulling a decision subject to appeal shall also be published.

3. The competent authorities shall ensure that any decision published pursuant to this Article remains accessible on their website for at least five years after publication. Personal data contained in such publication shall be retained on the competent authority's website only for the period necessary in accordance with applicable data protection rules."

* * *

Commission Delegated Regulation (EU) 2016/522 of December 17, 2015 ("Delegated Act 522")

Article 7 of Delegated Act 522

Trading During a Blackout Period

"1. A person who performs administrative, supervisory, or management functions at an issuer has the right to engage in trading during a blackout period as defined in Article 19(11) of Regulation (EU) No. 596/2014, provided that the following conditions are met:

(a) one of the circumstances referred to in Article 19(12) of Regulation (EU) No. 596/2014 is met;

(b) the person discharging administrative, supervisory, or management functions is able to demonstrate that the specific transaction cannot be carried out at any other time except during the blackout period.

2. In the circumstances referred to in Article 19(12), (a) of Regulation (EU) No 596/2014, prior to any trading during the blackout period, a person discharging administrative, supervisory, or management functions shall submit a written, reasoned request to the issuer seeking authorization to sell shares or financial instruments other than shares immediately during a blackout period.

Such written request shall contain a description of the proposed sale and an explanation of why the sale of shares or financial instruments other than shares is the only reasonable way to obtain the necessary financing."

Article 8 of Delegated Act 522

Exceptional Circumstances

"1. When deciding whether to authorize the immediate sale of its own shares or financial instruments other than shares during a blackout period, the issuer shall conduct a case-by-case assessment of the written

request referred to in Article 7(2). The issuer shall have the right to authorize the immediate sale of shares or financial instruments other than shares only if the circumstances of such transactions are deemed exceptional.

2. The circumstances referred to in paragraph 1 shall be considered exceptional if they involve extremely urgent, unforeseen, and compelling situations that are not attributable to the person exercising administrative, supervisory, or management functions and are beyond that person's control.

3. When assessing whether the circumstances described in the written request referred to in Article 7(2) are exceptional, the issuer shall evaluate, in addition to other indicators, whether and to what extent the person exercising administrative, supervisory, or management functions:

(a) at the time the request is submitted, is required to fulfill a legally enforceable financial obligation or satisfy a claim;

(b) is required to fulfill, or is in a situation that arose prior to the start of the blackout period, which requires the payment of an amount to third parties, including tax obligations, and that person cannot reasonably fulfill a financial obligation or satisfy a claim except by immediately selling shares or financial instruments other than shares."

Article 9 of Delegated Act 522

Characteristics of Trading During a Lock-Up Period

"The issuer has the right to authorize a person who performs administrative, supervisory, or management functions at the issuer to trade on their own account or on behalf of third parties during a blackout period under certain circumstances, including, among others, situations in which:

(a) the person performing administrative, supervisory, or management functions had been granted or awarded financial instruments under an employee plan, provided that the following conditions are met:

(i) the employee plan and its terms have been approved in advance by the issuer in accordance with national law, and the terms of the plan specify the timing of the grant or award and the amount of the financial instruments granted or awarded, or the basis for calculating that amount, provided that no discretionary powers may be exercised;

(ii) the person performing administrative, supervisory, or management functions has no discretion regarding the acceptance of the financial instruments allocated or granted;

(b) the person performing administrative, supervisory, or management functions had been granted financial instruments under an employee plan implemented during the lock-up period, provided that a pre-planned and organized method is applied with respect to the conditions, frequency, and timing of the grant, provided that the group of authorized persons to whom the financial instruments are granted and the amount of financial instruments to be granted are specified, and provided that the grant or award of the financial instruments takes place within a defined framework in which such grant or award cannot be influenced by any inside information;

c) a person performing administrative, supervisory, or management functions exercises options, warrants, or the conversion rights of convertible bonds that were granted to them under an employee plan, provided

that the expiration date of such options, warrants, or convertible bonds falls within a blackout period, and sells the shares acquired as a result of exercising such options, warrants, or conversion rights, provided that all of the following conditions are met:

- i) the person performing administrative, supervisory, or management functions notifies the issuer of their decision to exercise the options, warrants, or conversion rights at least four months prior to the expiration date;*
 - (ii) the decision of the person performing administrative, supervisory, or management functions is irrevocable;*
 - (iii) the person performing administrative, supervisory, or management functions has been authorized in advance by the issuer;*
- d) the person exercising administrative, supervisory, or management functions acquires financial instruments of the issuer as part of an employee savings plan, provided that all of the following conditions are met:*
- i) the person performing administrative, supervisory, or management functions joined the plan prior to the lock-up period, except in cases where they cannot join at another time due to the start date of their employment;*
 - (ii) the person exercising administrative, supervisory, or management functions does not modify the terms of their participation in the plan or withdraw from the plan during the lock-up period;*
 - (iii) the purchase transactions are clearly organized in accordance with the terms of the plan, and the person exercising administrative, supervisory, or management functions has neither the right nor the legal ability to modify them during the lock-up period; or such transactions are scheduled and within the framework of the plan in such a way that they take place on a predetermined date falling within the lock-up period;*
- e) the person exercising administrative, supervisory, or management functions transfers or receives, directly or indirectly, financial instruments, provided that they are transferred from one account of that person to another and that the transfer does not result in any change in their price;*
- f) a person exercising administrative, supervisory, or management functions acquires a warrant or rights relating to the issuer's shares, and the final date of such acquisition falls within the blackout period, in accordance with the issuer's articles of incorporation or as required by law, provided that such person demonstrates to the issuer the reasons why the acquisition did not take place at another time and the issuer accepts the explanation provided."*

Article 10 of Delegated Act 522

Transactions Subject to Notification

"1. Pursuant to Article 19 of Regulation (EU) No. 596/2014 and in addition to the transactions referred to in Article 19(7) of that Regulation, persons who perform administrative, supervisory, or management functions at an issuer or an emissions allowance market participant, and persons closely associated with

them, shall notify the issuer or the emissions allowance market participant and the competent authority of their transactions.

Transactions subject to notification include all transactions conducted on their own account by persons exercising administrative, supervisory, or management functions and relating, in the case of issuers, to the allowances or debt securities of that issuer or to derivatives or other financial instruments linked to them, and, in the case of participants in the emissions trading market, to emissions allowances, products auctioned on the basis of those allowances, or related derivatives.

2. Transactions subject to notification include:

- (a) the acquisition, disposal, short sale, subscription, or exchange;*
- (b) the acceptance or exercise of an option, including an option granted to persons performing administrative, supervisory, or management functions or to employees as part of their compensation, and the transfer of shares resulting from the exercise of an option;*
- c) entering into or exercising swap contracts linked to stock indices;*
- d) transactions in derivatives or related instruments, including cash-settled transactions;*
- e) entering into a contract for difference relating to a financial instrument of the relevant issuer or to emission allowances or auctioned products based on them;*
- f) the acquisition, disposal, or exercise of rights, including put and call options, and warrants;*
- g) subscribing to a capital increase or an issuance of debt securities;*
- h) transactions in derivatives and financial instruments linked to a debt security of the relevant issuer, including credit default swaps;*
- i) conditional transactions contingent upon the fulfillment of conditions and the actual execution of the transactions;*
- j) the automatic or non-automatic conversion of one financial instrument into another financial instrument, including the exchange of bonds convertible into shares;*
- k) gifts and donations made or received, and inheritances received;*
- l) transactions in products, baskets, and index-linked derivatives, if provided for in Article 19 of Regulation (EU) No. 596/2014;*
- m) transactions in shares or units of investment funds, including alternative investment funds (AIFs) as defined in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council (4), if so provided for in Article 19 of Regulation (EU) No. 596/2014;*
- n) transactions involving shares or units of investment funds in which the person exercising administrative, supervisory, or management functions, or a person closely associated with that person, has invested, if so provided for in Article 19 of Regulation (EU) No. 596/2014;*

- o) transactions carried out by third parties under an asset management mandate or an individual portfolio on behalf of or for the benefit of a person who performs administrative, supervisory, or management functions, or a person closely associated with that person;*
- p) the borrowing or lending of shares or debt securities of the issuer, or derivatives or other financial instruments linked thereto."*

* * *

Commission Implementing Regulation (EU) 2016/523 of March 10, 2016 ("ITS 523")

Article 1 of ITS 523

Definitions

"For the purposes of this Regulation, 'electronic means' means electronic equipment for the processing (including digital compression), storage, and transmission of data by wire, radio, optical technologies, or any other electromagnetic means."

Article 2 of ITS 523

Format and Template for the Notification

- "1. Persons exercising administrative, supervisory, or management functions, and persons closely associated with them, shall ensure that the notification template set forth in the Annex is used for the notification of transactions referred to in Article 19(1) of Regulation (EU) No. 596/2014.*
- 2. Persons exercising administrative, supervisory, or management functions, and persons closely associated with them, shall ensure that the notifications referred to in paragraph 1 are transmitted by electronic means . The electronic means shall ensure the completeness, integrity, and confidentiality of the information throughout the transmission and guarantee the certainty of the source of the transmitted information.*
- 3. The competent authorities shall establish and publish on their websites the electronic means referred to in paragraph 2 to be used for transmission."*

Article 3 ITS 523

Entry into Force

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

It shall apply from July 3, 2016."

REGULATORY APPENDIX

* * *

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

Article 19 of MAR

Transactions by Managers

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

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

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

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

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

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

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

(b) the financial instrument provides exposure to a portfolio of assets in which the exposure to the issuer's shares or debt instruments does not exceed 20% of the portfolio's assets;

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

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

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

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

3. The issuer or emission allowance market participant shall disclose the information contained in a notification referred to in paragraph 1 within two business days of receiving such a notification.

The issuer or emission allowance market participant shall use media that can reasonably be relied upon to effectively disseminate information to the public throughout the Union, and, where applicable, shall use the officially designated mechanism referred to in Article 21 of Directive 2004/109/EC.

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

4. This Article shall apply to issuers who:

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

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

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

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

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

(a) the name of the person;

(b) the reason for the notification;

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

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

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

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

(g) the price and volume of the transaction(s). In the case of a pledge whose terms provide for its value to change, this should be disclosed along with its value as of the date of the pledge.

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

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

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

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

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

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

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

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

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

To the extent that a policyholder of an insurance contract is required to report transactions under this paragraph, the insurance company is not subject to a reporting obligation.

8. Paragraph 1 shall apply to any subsequent transaction once a total amount of EUR 20,000 has been reached within a calendar year. The threshold of EUR 20,000 shall be calculated by adding, without netting, all transactions referred to in paragraph 1.

9. A competent authority may decide to increase the threshold set forth in paragraph 8 to EUR 50,000 or to decrease it to EUR 10,000 and shall inform ESMA of its decision and the justification for its decision—with specific reference to market conditions—to adopt the higher or lower threshold prior to its application.

ESMA shall publish on its website the list of thresholds that apply in accordance with this Article and the justifications provided by competent authorities for such thresholds.

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

11. Without prejudice to Articles 14 and 15, a person discharging managerial responsibilities within an issuer shall not conduct any transactions on his or her own account or on behalf of a third party, directly or indirectly, relating to the issuer's shares or debt instruments or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days prior to the announcement of an interim financial report or a year-end report that the issuer is required to make public in accordance with:

(a) the rules of the trading venue where the issuer's shares are admitted to trading; or

(b) national law.

12. Without prejudice to Articles 14 and 15, an issuer may permit a person discharging managerial responsibilities within the issuer to trade or to enter into transactions on his or her own account or on behalf of a third party during a closed period as referred to in paragraph 11 of this Article:

(a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares or financial instruments other than shares; or

(b) due to the nature of the trading involved in transactions conducted under, or related to, an employee stock or savings plan and employee plans concerning financial instruments other than shares, the qualification or entitlement to shares and the qualification or entitlement to financial instruments other than shares, or transactions where the beneficial interest in the relevant security does not change.

12a. Without prejudice to Articles 14 and 15, an issuer shall permit a person discharging managerial responsibilities within it to trade or to engage in transactions on his or her own account or on behalf of a third party during a closed period as referred to in paragraph 11 of this Article in the case of transactions or trading activities that do not relate to active investment decisions made by the person discharging managerial responsibilities, or that result exclusively from external factors or the actions of third parties, or that are transactions or trading activities—including the exercise of derivatives—based on predetermined terms.

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

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

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

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

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

Chapter 5 – Administrative Measures and Sanctions

Article 30 MAR

Administrative Sanctions and Other Administrative Measures

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

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

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

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

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

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

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

(b) the disgorgement of the profits gained or losses avoided as a result of the infringement, to the extent that they can be determined;

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

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

- (e) a temporary ban on a person discharging managerial responsibilities within an investment firm or any other natural person held responsible for the infringement from exercising management functions in investment firms, as well as in benchmark administrators or supervised contributors;*
- (f) in the event of repeated violations of Article 14 or 15, a ban of at least 10 years on any person discharging managerial responsibilities within an investment firm, a benchmark administrator, or a supervised contributor, or any other natural person held responsible for the violation, from exercising management functions in investment firms, as well as in benchmark administrators or supervised contributors;*
- (g) a temporary ban on a person discharging managerial responsibilities within an investment firm, a benchmark administrator, or a supervised contributor—or any other natural person held responsible for the violation—from dealing on their own account;*
- (h) maximum administrative monetary penalties of at least three times the amount of the profits gained or losses avoided as a result of the infringement, where such amounts can be determined;*
- (i) with respect to a natural person, maximum administrative pecuniary sanctions of at least:*
 - (i) for infringements of Articles 14 and 15, EUR 5,000,000 or, in Member States whose currency is not the euro, the corresponding value in the national currency as of July 2, 2014;*
 - (ii) for violations of Articles 16 and 17, EUR 1,000,000 or, in Member States whose currency is not the euro, the equivalent amount in the national currency as of July 2, 2014; and*
 - (iii) for violations of Articles 18, 19, and 20, EUR 500,000 or, in Member States whose currency is not the euro, the equivalent amount in the national currency as of July 2, 2014; and*
- (j) with respect to legal persons, maximum administrative monetary penalties of at least:*
 - (i) for violations of Articles 14 and 15, 15% of the legal person's total annual turnover as reported in the most recent available financial statements approved by the management body, or EUR 15,000,000, or, in Member States whose currency is not the euro, the equivalent amount in the national currency as of July 2, 2014;*
 - (ii) for violations of Article 16, 2% of its total annual turnover as reported in the most recent available financial statements approved by the management body, or EUR 2,500,000, or, in Member States whose currency is not the euro, the equivalent amount in the national currency as of July 2, 2014; and*
 - (iii) for violations of Article 17, 2% of its total annual turnover as reported in the most recent available financial statements approved by the management body. Where competent authorities determine that the amount of the administrative sanction based on total annual turnover would be disproportionately low in light of the circumstances referred to in Article 31(1), points (a), (b), and (d) through (h), Member States shall ensure that such authorities may impose administrative sanctions of at least EUR 2,500,000. Where the legal person is an SME, Member States may ensure that such authorities may alternatively impose administrative sanctions of at least EUR 1,000,000 or, in Member States whose currency is not the euro, the corresponding amounts in the national currency as of July 2, 2014;*

(iv) for violations of Articles 18 and 19, 0.8% of its total annual turnover as reported in the most recent available financial statements approved by the management body. Where competent authorities determine that the amount of the administrative sanction based on total annual turnover would be disproportionately low in light of the circumstances referred to in Article 31(1), points (a), (b), and (d) through (h), Member States shall ensure that such authorities may impose administrative sanctions of at least EUR 1,000,000. Where the legal person is an SME, Member States may provide that such authorities may, as an alternative, impose administrative sanctions of at least EUR 400,000 or, in Member States whose currency is not the euro, the corresponding value in the national currency as of July 2, 2014.

(v) for violations of Article 20, 0.8% of its total annual turnover as reported in the most recent available financial statements approved by the management body, or EUR 1,000,000, or, in Member States whose currency is not the euro, the corresponding amount in the national currency as of July 2, 2014.

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

For the purposes of the first subparagraph, point (j), where the legal person is a parent company or a subsidiary that is required to prepare consolidated financial statements pursuant to Directive 2013/34/EU of the European Parliament and of the Council, the relevant total annual revenue shall be the total annual revenue or the corresponding type of income in accordance with the relevant accounting directives – Council Directive 86/635/EEC for banks and Council Directive 91/674/EEC for insurance companies – based on the most recent available consolidated financial statements approved by the management body of the ultimate parent undertaking.

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

4. For the purposes of this Article, “small and medium-sized enterprise” or “SME” means a micro, small, or medium-sized enterprise within the meaning of Article 2 of the Annex to Commission Recommendation 2003/361/EC.”

Article 31 MAR

Exercise of Supervisory Powers and Imposition of Sanctions

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

(a) the severity and duration of the violation;

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

(c) the financial strength of the person responsible for the infringement, as indicated, for example, by the total revenue of a legal entity or the annual income of an individual;

- (d) the significance of the profits gained or losses avoided by the person responsible for the infringement, to the extent that they can be determined;
- (e) the extent to which the person responsible for the infringement cooperated with the competent authority, without prejudice to the need to ensure the disgorgement of profits gained or losses avoided by that person;
- (f) previous violations by the person responsible for the violation;
- (g) measures taken by the person responsible for the infringement to prevent its recurrence; and
- (h) The disadvantage to the person responsible for the infringement resulting from the duplication of criminal and administrative proceedings and penalties for the same conduct.

2. In exercising their powers to impose administrative sanctions and other administrative measures under Article 30, competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers, the administrative sanctions they impose, and the other administrative measures they take are effective and appropriate under this Regulation. They shall coordinate their actions in accordance with Article 25 in order to avoid duplication and overlap when exercising their supervisory and investigative powers and when imposing administrative sanctions in respect of cross-border cases."

Article 34 MAR

Publication of Decisions

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

The first subparagraph does not apply to decisions imposing measures of an investigative nature.

Where a competent authority determines that the publication of the identity of the legal person subject to the decision, or of the personal data of a natural person, would be disproportionate following a case-by-case assessment of the proportionality of such publication, or where such publication would jeopardize an ongoing investigation or the stability of the financial markets, it shall take any of the following actions:

- (a) postpone publication of the decision until the reasons for such postponement no longer exist;
- (b) publish the decision anonymously in accordance with national law where such publication ensures the effective protection of the personal data concerned;
- (c) not publish the decision if the competent authority determines that publication in accordance with point (a) or (b) would be insufficient to ensure:
 - (i) that the stability of financial markets is not jeopardized; or

(ii) the proportionality of the publication of such decisions with respect to measures deemed to be of a minor nature.

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

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

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

* * *

Commission Delegated Regulation (EU) 2016/522 of December 17, 2015 ("Delegated Act 522")

Article 7 of Delegated Act 522

Trading during a closed period

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

(a) one of the circumstances referred to in Article 19(12) of Regulation (EU) No. 596/2014 is met;

(b) the person discharging managerial responsibilities is able to demonstrate that the specific transaction cannot be executed at any time other than during the closed period.

2. In the circumstances set forth in Article 19(12)(a) of Regulation (EU) No 596/2014, prior to any trading during the closed period, a person discharging managerial responsibilities shall submit to the issuer a reasoned written request to obtain the issuer's permission to proceed with the immediate sale of shares or financial instruments other than shares during a closed period.

The written request shall describe the proposed sale and explain why the sale of shares or financial instruments other than shares is the only reasonable alternative to obtain the necessary financing."

Article 8 of Delegated Act 522

Exceptional Circumstances

"1. When deciding whether to grant permission to proceed with the immediate sale of its shares or financial instruments other than shares during a closed period, an issuer shall assess, on a case-by-case basis, the re written request referred to in Article 7(2). The issuer shall have the right to permit the immediate sale of

shares or financial instruments other than shares only where the circumstances for such transactions are deemed exceptional.

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

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

(a) is, at the time of submitting the request, facing a legally enforceable financial obligation or claim;

(b) is required to fulfill, or is in a situation arising prior to the start of the closed period that requires the payment of a sum to a third party—including tax liability—and cannot reasonably satisfy a financial commitment or claim by means other than the immediate sale of shares or financial instruments other than shares.”

Article 9 of Delegated Act 522

Characteristics of Trading During a Closed Period

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

(a) has been awarded or granted financial instruments under an employee plan, provided that the following conditions are met:

(i) the employee plan and its terms have been previously approved by the issuer in accordance with national law, and the terms of the employee plan specify the timing of the award or grant and the amount of financial instruments awarded or granted, or the basis on which such amount is calculated, provided that no discretion may be exercised;

(ii) the person discharging managerial responsibilities has no discretion regarding the acceptance of the financial instruments awarded or granted;

(b) had been awarded or granted financial instruments under an employee scheme that takes place during the closed period, provided that a pre-planned and organized approach is followed regarding the conditions, the frequency, the timing of the award, the group of eligible persons to whom the financial instruments are granted, and the amount of financial instruments to be awarded, and the award or grant of financial instruments takes place under a defined framework under which no inside information can influence the award or grant of financial instruments;

(c) exercises options or warrants or converts convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants, or convertible bonds falls within a closed period, as well as sells the shares acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:

- (i) *the person discharging managerial responsibilities notifies the issuer of his or her intention to exercise or convert at least four months before the expiration date;*
- (ii) *the decision of the person discharging managerial responsibilities is irrevocable;*
- (iii) *the person discharging managerial responsibilities has received authorization from the issuer prior to proceeding;*
- (d) *acquires the issuer's financial instruments under an employee savings plan, provided that all of the following conditions are met:*
 - (i) *the person discharging managerial responsibilities has enrolled in the scheme before the closed period, except when the person cannot enroll at another time due to the date of commencement of employment;*
 - (ii) *the person discharging managerial responsibilities does not alter the terms of his participation in the scheme or withdraw from the scheme during the closed period;*
 - (iii) *the purchase transactions are clearly set forth in the scheme's terms and conditions, and the person discharging managerial responsibilities has no right or legal means to alter them during the closed period, or are scheduled under the scheme to take place on a fixed date that falls within the closed period;*
- (e) *transfers or receives, directly or indirectly, financial instruments, provided that the financial instruments are transferred between two accounts held by the person discharging managerial responsibilities and that such a transfer does not result in a change in the price of the financial instruments;*
- (f) *acquires a qualification or entitlement to shares of the issuer, and the final date for such an acquisition, under the issuer's articles of incorporation or bylaws, falls during the closed period, provided that the person discharging managerial responsibilities submits evidence to the issuer explaining why the acquisition could not take place at another time, and the issuer is satisfied with the explanation provided."*

Article 10 of Delegated Act 522

Notifiable Transactions

"1. Pursuant to Article 19 of Regulation (EU) No. 596/2014 and in addition to the 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.

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

2. *The transactions subject to notification shall include the following:*

- (a) acquisition, disposal, short sale, subscription, or exchange;*
- (b) acceptance or exercise of a stock option, including a stock option granted to managers or employees as part of their compensation package, and the sale of shares resulting from the exercise of a stock option;*
- (c) entering into or exercising equity swaps;*
- (d) transactions in or related to derivatives, including cash-settled transactions;*
- (e) entering into a contract for difference on a financial instrument of the relevant issuer or on emission allowances or auction products based thereon;*
- (f) the acquisition, disposal, or exercise of rights, including put and call options and warrants;*
- (g) subscription to a capital increase or the issuance of debt instruments;*
- (h) transactions in derivatives and financial instruments linked to a debt instrument of the relevant issuer, including credit default swaps;*
- (i) transactions contingent upon the fulfillment of certain conditions and the 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 for shares;*
- (k) gifts and donations made or received, and inheritances received;*
- (l) transactions executed in index-related products, baskets, and derivatives, to the extent 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), to the extent required by Article 19 of Regulation (EU) No 596/2014;*
- (n) transactions executed by the manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, to the extent 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 of or for the benefit of a person discharging managerial responsibilities or a person closely associated with such a person;*
- (p) the borrowing or lending of shares or debt instruments of the issuer, or derivatives or other financial instruments linked thereto."*

Commission Implementing Regulation (EU) 2016/523 of March 10, 2016 ("ITS 523")

Article 1 of ITS 523

Definitions

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

Article 2 of ITS 523

Format and Template for the Notification

- “1. Persons discharging managerial responsibilities and persons closely associated with them shall ensure that the template for notifications set forth in the Annex is used for the submission of notifications of the transactions referred to in Article 19(1) of Regulation (EU) No. 596/2014.*
- 2. Persons discharging managerial responsibilities and persons closely associated with them shall ensure that electronic means are used for the transmission of the notifications referred to in paragraph 1. Those electronic means shall ensure that the completeness, integrity, and confidentiality of the information are maintained during transmission and provide certainty as to the source of the information transmitted.*
- 3. Competent authorities shall specify and publish on their website the electronic means referred to in paragraph 2 for the transmission of such notifications to them.”*

Article 3 ITS 523

Entry into Force

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

It shall apply as of July 3, 2016.”

ANNEX C - SAMPLE LETTER OF ACCEPTANCE FOR RELEVANT ENTITIES

* * *

To: Eurotech S.p.A.

Via Fratelli Solari 3/A

33020 Amaro (UD)

To the attention of the Designated Officer pursuant to the Internal Dealing Procedure

I, the undersigned, _____

- acknowledging that I have been included in the list of Relevant Persons referred to in *the "Procedure for Compliance with Internal Dealing Obligations"* (the "Procedure") adopted by Eurotech S.p.A. (the "Company") pursuant to Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of the European Union of April 16, 2014, on market abuse (*Market Abuse Regulation*) ("MAR"), supplemented by Articles 7 et seq. of Delegated Regulation (EU) 2016/522 of the European Commission of December 17, 2015, and by Implementing Regulation (EU) 2016/523 of the European Commission of March 10, 2016, as well as in accordance with the applicable provisions of Legislative Decree No. 58/1998 and Consob Regulation No. 11971/1999;
- certifying that I have received a copy of the Procedure and have read and understood its provisions;
- aware of the legal obligations imposed on him/her by the Procedure and by the aforementioned statutory and regulatory provisions, as well as of the penalties provided for in the event of non-compliance with such obligations;

IN LIGHT OF THE FOREGOING

- (i) hereby declares that it is aware of and accepts the provisions of the Procedure and undertakes, to the extent within its authority, to comply with them. A copy of the Procedure, initialed on every page as a sign of full acceptance, is attached to this Letter of Acceptance;
- (ii) provides the following personal contact information for the purposes of the Procedure: phone number [●], fax number [●], email address [●], and certified email address (optional) [●];
- (iii) provides the names of the Persons Closely Associated with the Relevant Entities, as identified pursuant to Article 3 of the Procedure, listed in Annex "A" to this Letter of Acceptance;
- (iv) undertakes to notify the Designated Officer referred to in Article 4 of the Transactions as defined in Article 5 in the manner and within the time limits set forth in Article 6, failing which the notification shall be deemed inadmissible, with the consequent release of the

Company from any and all liability and obligations to disclose information to the public and to Consob pursuant to Articles , 7, and 8;

- (v) on its own behalf and under its own responsibility, instructs the Company to make the mandatory disclosures to the public and to Consob in accordance with the terms and procedures set forth in the Procedure.

Attachments:

- a copy of the Procedure initialed on every page as a sign of full acceptance by the Relevant Party;
- Persons Closely Associated with the Relevant Person.

(place and date)

(signature)

Pursuant to and for the purposes of EU Regulation No. 679/2016 ("GDPR"), the undersigned also consents to the processing of the personal data contained in this form by the Company for the purposes set forth in the privacy notice provided for in Article 11 of the Procedure and will do everything in their power to ensure that the persons closely associated with the Relevant Persons referred to in point (iii) above also consent to the processing of their personal data. The Relevant Person is granted the rights provided for in Article 15 of the GDPR.

(place and date)

(signature)

Appendix “A” to the Letter of Acceptance for Data Subjects

* * *

To be completed by the Relevant Persons (as defined in Article 2 of the Procedure)

Names of Persons Closely Associated with Relevant Parties as identified pursuant to Article 3.1 of the Procedure:

First Name and Last Name		Relationship to the Relevant Person
spouse		/
<i>partner</i> treated as a spouse under Italian law		/
dependent children under Italian law		/
cohabiting relative		
legal entity, <i>trust</i> , or partnership		

APPENDIX D - TEMPLATE FOR NOTIFICATION AND PUBLIC DISCLOSURE BY RELEVANT ENTITIES

- ANNEX TO IMPLEMENTING REGULATION (EU) 2016/523 -

* * *

1	Information regarding the person performing administrative, supervisory, or management functions/the closely associated person	
a)	Name	<i>[For individuals: first and last name.]</i> <i>[For legal entities: full name, including the legal form as recorded in the registry in which it is registered, if applicable.]</i>
2	Reason for the notification	
a)	Position/title	<i>[For persons performing administrative, supervisory, or management functions: indicate the position (e.g., chief executive officer, chief financial officer) held within the issuer, the emissions allowance market participant, the auction platform, the auction commissioner, or the auction supervisor.]</i> <i>[For closely associated persons,</i> <i>—indicate that the notification concerns a person closely associated with a person who performs administrative, supervisory, or management functions;</i> <i>—first and last name and position of the relevant person exercising administrative, supervisory, or management functions.]</i>
b)	Initial Notification/Amendment	<i>[Indicate whether this is an initial notification or an amendment to a previous notification. In the case of an amendment, explain the error that is being corrected by this notification.]</i>
3	Information regarding the issuer, the emissions trading market participant, the auction platform, the auctioneer, or the auction supervisor	
a)	Name	<i>[Full name of the entity.]</i>
b)	LEI	<i>[Identification code of the legal entity, in accordance with the LEI code as defined in ISO 17442.]</i>
4	Transaction data: repeat this section for i) each type of instrument; ii) each type of transaction; iii) each date; and iv) each location where the transactions were executed	
a)	Description of the financial instrument, type of instrument Identification code	<i>[—Indicate the nature of the instrument:</i> <i>—a stock, a debt instrument, a derivative, or a financial instrument linked to a stock or a debt instrument;</i> <i>—an emission allowance, an auctioned product based on emission allowances, or a derivative on emission allowances.</i>

		—Instrument identification code as defined in the Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the reporting of transactions to competent authorities, adopted pursuant to Article 26 of Regulation (EU) No 600/2014.]	
b)	Nature of the transaction	[Description of the type of transaction using, where necessary, the transaction types established by Article 10 of Commission Delegated Regulation (EU) 2016/522, adopted pursuant to Article 19(14) of Regulation (EU) No 596/2014 or one of the specific examples set forth in Article 19(7) of Regulation (EU) No 596/2014. Pursuant to Article 19(6)(e) of Regulation (EU) No. 596/2014, indicate whether the transaction is related to the use of stock option plans]	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		[If multiple transactions of the same type (purchase, sale, borrowing, lending, etc.) involving the same financial instrument or the same issue are executed on the same day and at the same location, enter the prices and volumes of those transactions in this field, in two columns as shown above, adding as many rows as necessary. Use the data standards for price and quantity, including, if necessary, the price currency and the quantity currency, as defined in the Commission Delegated Regulation supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the reporting of transactions to competent authorities, adopted pursuant to Article 26 of Regulation (EU) No. 600/2014.]	
(d)	Aggregated information — Aggregate volume — Price	[Volumes from multiple transactions are aggregated when those transactions: — relate to the same financial instrument or the same issue; — are of the same nature; — are performed on the same day, and — are performed at the same location; Use the data standards for the quantity, including, if necessary, the currency of the quantity, as defined in the Commission Delegated Regulation supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the reporting of transactions to competent authorities, adopted pursuant to Article 26 of Regulation (EU) No. 600/2014.] [Price information: — in the case of a single transaction, the price of that transaction;	

		—where the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions. Use the data standards for the price, including, if necessary, the currency of the price, as defined in the Commission Delegated Regulation supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the reporting of transactions to competent authorities, adopted pursuant to Article 26 of Regulation (EU) No. 600/2014.]
(e)	Date of the transaction	[Date on which the reported transaction was executed. Use the ISO 8601 format: YYYY-MM-DD; UTC time.]
f)	Place of the transaction	[Name and identification code of the MiFID trading venue, systematic internalizer, or organized trading platform outside the Union where the transaction was executed, as defined by the Commission Delegated Regulation supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the reporting of transactions to competent authorities, adopted pursuant to Article 26 of Regulation (EU) No. 600/2014, or if the transaction was not executed on one of the venues listed above, indicate “outside a trading venue.”]

ANNEX D - TEMPLATE FOR NOTIFICATION AND PUBLIC DISCLOSURE FOR RELEVANT PERSONS

- ANNEX TO COMMISSION IMPLEMENTING REGULATION (EU) 2016/523 -

* * *

1	Details of the person discharging managerial responsibilities/person closely associated	
a)	Name	<i>[For natural persons: the first name and last name(s).]</i> <i>[For legal entities: full name, including the legal form as specified in the registry where the entity is incorporated, if applicable.]</i>
2	Reason for the notification	
a)	Position/status	<i>[For persons discharging managerial responsibilities: the position held within the issuer, emissions trading market participant, auction platform, auctioneer, or auction monitor should be indicated, e.g., CEO, CFO.]</i> <i>[For closely associated persons,</i> <i>— An indication that the notification concerns a person closely associated with a person discharging managerial responsibilities;</i> <i>— 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 the case of an amendment, explain the error that this notification is correcting.]</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): this section must be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each location where transactions were conducted	
a)	Description of the financial instrument, type of instrument Identification code	<i>[— Indication of the nature of the instrument:</i> <i>— a share, a debt instrument, a derivative, or a financial instrument linked to a share or a debt instrument;</i> <i>— an emission allowance, an auction product based on an emission allowance, or a derivative relating to an emission allowance.</i> <i>— Instrument identification code as defined in the 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</i>

		<i>transactions to competent authorities, adopted pursuant to Article 26 of Regulation (EU) No. 600/2014.]</i>	
b)	Nature of the transaction	<i>[Description of the transaction type using, where applicable, the transaction type identified in Article 10 of Commission Delegated Regulation (EU) 2016/522 adopted under Article 19(14) of Regulation (EU) No 596/2014 or a specific example set forth in Article 19(7) of Regulation (EU) No 596/2014.</i> <i>Pursuant to Article 19(6)(e) of Regulation (EU) No 596/2014, it shall be indicated whether the transaction is linked to the exercise of a stock option program.]</i>	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		<i>[Where more than one transaction of the same nature (purchases, sales, loans, borrowings, etc.) involving the same financial instrument or emission allowance is executed on the same day and at the same trading venue, the prices and volumes of these transactions shall be reported in this field in a two-column format as shown above, adding as many rows as necessary.</i> <i>Using the data standards for price and quantity—including, where applicable, the price currency and the quantity currency—as defined in the 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 pursuant to Article 26 of Regulation (EU) No. 600/2014.]</i>	
d)	Aggregated information — Aggregated volume — Price	<i>[The volumes of multiple transactions are aggregated when these transactions:</i> <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 at the same trading venue.</i> <i>Using the data standard for quantity, including, where applicable, the quantity currency, as defined in the 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 pursuant to Article 26 of Regulation (EU) No. 600/2014.]</i> <i>[Price information:</i> <i>— In the case of a single transaction, the price of that single transaction;</i> <i>— If the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions.</i>	

		<i>Using the data standard for price, including, where applicable, the price currency, as defined in the 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 pursuant to Article 26 of Regulation (EU) No. 600/2014.]</i>
e)	Date of the transaction	<i>[The specific date on which the reported transaction was executed. Using the ISO 8601 date format: YYYY-MM-DD; UTC time.]</i>
f)	Place of the transaction	<i>[Name and code to identify the MiFID trading venue, the systematic internalizer, or the organized trading platform outside the Union where the transaction was executed, as defined under the Commission Delegated Regulation supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities, adopted under Article 26 of Regulation (EU) No 600/2014, or if the transaction was not executed on any of the above-mentioned venues, please indicate "outside a trading venue."]</i>

TRANSACTIONS JUSTIFYING AUTHORIZATION TO TRADE DURING BLOCKING PERIODS

* * *

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

Article 9, Delegated Act 522

Characteristics of Trading During a Lock-Up Period

“The issuer has the right to authorize a person who performs administrative, supervisory, or management functions at the issuer to trade on their own account or on behalf of third parties during a blackout period under certain circumstances, including, among others, situations in which:

- (a) the person performing administrative, supervisory, or management functions had been granted or awarded financial instruments under an employee plan, provided that the following conditions are met:*
 - (i) the employee plan and its terms have been approved in advance by the issuer in accordance with national law, and the terms of the plan specify the timing of the grant or award and the amount of the financial instruments granted or awarded, or the basis for calculating that amount, provided that no discretionary powers may be exercised;*
 - (ii) the person performing administrative, supervisory, or management functions has no discretion regarding the acceptance of the financial instruments allocated or granted;*
- (b) the person performing administrative, supervisory, or management functions had been granted financial instruments under an employee plan implemented during the lock-up period, provided that a pre-planned and organized method is applied with respect to the conditions, frequency, and timing of the grant, provided that the group of authorized persons to whom the financial instruments are granted and the amount of financial instruments to be granted are specified, and provided that the grant or award of the financial instruments takes place within a defined framework in which such grant or award cannot be influenced by any inside information;*
- c) a person performing administrative, supervisory, or management functions exercises options, warrants, or the conversion rights of convertible bonds that were granted to them under an employee plan, provided that the expiration date of such options, warrants, or convertible bonds falls within a blackout period, and sells the shares acquired as a result of exercising such options, warrants, or conversion rights, provided that all of the following conditions are met:*
 - i) the person performing administrative, supervisory, or management functions notifies the issuer of their decision to exercise the options, warrants, or conversion rights at least four months prior to the expiration date;*
 - (ii) the decision of the person performing administrative, supervisory, or management functions is irrevocable;*
 - (iii) the person performing administrative, supervisory, or management functions has been authorized in advance by the issuer;*
- d) the person exercising administrative, supervisory, or management functions acquires financial instruments of the issuer as part of an employee savings plan, provided that all of the following conditions are met:*

- i) *the person performing administrative, supervisory, or management functions joined the plan prior to the lock-up period, except in cases where they cannot join at another time due to the start date of their employment;*
- (ii) *the person exercising administrative, supervisory, or management functions does not modify the terms of their participation in the plan or withdraw from the plan during the lock-up period;*
- (iii) *the purchase transactions are clearly organized in accordance with the terms of the plan, and the person exercising administrative, supervisory, or management functions has neither the right nor the legal ability to modify them during the lock-up period; or such transactions are scheduled under the plan in such a way that they take place on a predetermined date falling within the lock-up period;*
- e) *the person exercising administrative, supervisory, or management functions transfers or receives, directly or indirectly, financial instruments, provided that they are transferred from one account of that person to another and that the transfer does not result in any change in their price;*
- f) *a person exercising administrative, supervisory, or management functions acquires a warrant or rights relating to the issuer's shares, and the final date of such acquisition falls within the blackout period, in accordance with the issuer's articles of incorporation or as required by law, provided that such person demonstrates to the issuer the reasons why the acquisition did not take place at another time and the issuer accepts the explanation provided."*

ANNEX E

LIST OF TRANSACTIONS JUSTIFYING PERMISSION TO TRADE DURING THE CLOSED PERIOD

* * *

Commission Delegated Regulation (EU) 2016/522 of December 17, 2015 ("Delegated Act 522")

Article 9, Delegated Act 522

Characteristics of Trading During a Closed Period

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

- (a) has been awarded or granted financial instruments under an employee plan, provided that the following conditions are met:*
 - (i) the employee plan and its terms have been previously approved by the issuer in accordance with national law, and the terms of the employee plan specify the timing of the award or grant and the amount of financial instruments awarded or granted—or the basis on which such an amount is calculated—and provided that no discretion may be exercised;*
 - (ii) the person discharging managerial responsibilities has no discretion regarding the acceptance of the financial instruments awarded or granted;*
- (b) had been awarded or granted financial instruments under an employee scheme that takes place during the closed period, provided that a pre-planned and organized approach is followed regarding the conditions, the frequency, the timing of the award, the group of eligible persons to whom the financial instruments are granted, and the amount of financial instruments to be awarded, and the award or grant of financial instruments takes place under a defined framework under which no inside information can influence the award or grant of financial instruments;*
- (c) exercises options or warrants or converts convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants, or convertible bonds falls within a closed period, as well as sells the shares acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:*
 - (i) the person discharging managerial responsibilities notifies the issuer of their decision to exercise or convert at least four months before the expiration date;*
 - (ii) the decision of the person discharging managerial responsibilities is irrevocable;*
 - (iii) the person discharging managerial responsibilities has received authorization from the issuer prior to proceeding;*
- (d) acquires the issuer's financial instruments under an employee savings plan, provided that all of the following conditions are met:*
 - (i) the person discharging managerial responsibilities has enrolled in the scheme before the closed period, except when the person cannot enroll at another time due to the date of commencement of employment;*

- (ii) the person discharging managerial responsibilities does not alter the terms of his participation in the scheme or withdraw from the scheme during the closed period;*
- (iii) the purchase transactions are clearly defined under the terms of the plan, and the person discharging managerial responsibilities has no right or legal means to alter them during the closed period, or are scheduled under the plan to take place on a fixed date that falls within the closed period;*
- (e) transfers or receives, directly or indirectly, financial instruments, provided that the financial instruments are transferred between two accounts held by the person discharging managerial responsibilities and that such a transfer does not result in a change in the price of the financial instruments;*
- (f) acquires a qualification or entitlement to shares of the issuer, and the final date for such an acquisition, under the issuer's articles of incorporation or bylaws, falls during the closed period, provided that the person discharging managerial responsibilities submits evidence to the issuer explaining why the acquisition could not take place at another time, and the issuer is satisfied with the explanation provided."*