



PROCEDURE FOR MANAGING TRANSACTIONS WITH RELATED PARTIES

(PURSUANT TO ARTICLE 2391-*BIS* OF THE ITALIAN CIVIL CODE AND THE CONSOB REGULATION ON RELATED PARTIES APPROVED BY RESOLUTION No. 17221 OF MARCH 12th 2010 AS AMENDED BY RESOLUTION No. 17389 OF JUNE 23rd 2010)

Updated document approved by the Isagro S.p.A. Board of Directors'
Meeting of March 14th, 2017

CONTENTS

DOCUMENT INFORMATION	3
1. INTRODUCTION – SCOPE OF APPLICATION	4
2. DEFINITIONS	5
3. PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES	11
4. REMUNERATION OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	14
6. EXCEPTIONS	15
7. TRANSACTIONS EXECUTED THROUGH SUBSIDIARIES.....	16
8. WEB SITE PUBLICATION	16
9. REVIEW AND AMENDMENT OF THE PROCEDURE.....	16
10. IMPLEMENTING RULES – PROCEDURE MANAGER.....	17
11. ENTRY INTO FORCE.....	17

DOCUMENT INFORMATION

VERSION	DATE OF BOARD APPROVAL	NOTES ON DOCUMENT AND BRIEF DESCRIPTION OF THE CHANGES
1	December 19 th , 2007	First Version
2	November 10 th , 2010	Consob Regulation no. 17221 / 2010 adoption
3	November 12 th , 2013	Overall review (Every three years, according to Consob recommendation) and updating as a result of changes in Isagro organizational structure (Gowan entrance in the control structure)
4	March 14 th , 2017	Overall review (Every three years, according to Consob recommendation)

1. INTRODUCTION – SCOPE OF APPLICATION

This “procedure”, implementing the provisions of article 2391-*bis* of the Italian Civil Code and the CONSOB Regulation on Related Parties approved by Resolution no. 17221 of March 12th, 2010 as amended by Resolution no. 17389 of June 23rd, 2010 (the “**CONSOB Regulation**”), as well as on the basis of CONSOB Communication no. DEM/10078683 of 09.24.2010 on “*Information and guidelines for the application of the Regulation on related party transactions*”, contains the rules governing the identification, approval and execution of related party transactions performed by Isagro S.p.A. (hereinafter also the “Company”), either directly or through its subsidiaries, to ensure the material and procedural transparency and fairness of related party transactions.

Specifically, article 2391-*bis* of the Italian Civil Code provides that all companies operating on the risk capital market must adopt rules to ensure the material and procedural transparency and fairness of related party transactions, following the general principles outlined by CONSOB on such matters. In this context, the Isagro S.p.A. Board of Directors, subject to opinion in favour of all members of the Independent Directors’ Committee (the “**Independent Directors’ Committee**”), has adopted these procedures on transactions with related parties.

As, according to the last consolidated financial statements approved by Isagro S.p.A., neither the balance sheet assets nor revenues exceed € 500 million, the Company qualifies as a “small company” under the terms of the CONSOB Regulation and, as such, can apply the option offered in the Regulation of adopting a simplified procedure for the more significant transactions with related parties, subjecting such transactions to the same rules as those envisaged for less significant transactions and analysed in the following article 3.

Following approval from the Independent Directors’ Committee, the Board of Directors decided to exercise this option, considering that risks relating to conflicts of interest can be suitably managed by Isagro S.p.A. through the aforementioned simplified procedure.

Where, in accordance with CONSOB Regulation, the Company would no longer qualify as “small company”, the more significant transactions will be governed by the rules contained in the Regulation itself.

2. DEFINITIONS

2.1. If indicated with initial capital letters, the meaning of the following expressions shall be:

“Independent Directors”: Non-Executive Directors meeting the independence requirements envisaged in article 3.C.1. of the Code of Conduct.

“Non-Executive Directors”: Directors without delegated managerial powers, as better described in article 2 of the Code of Conduct.

“Unrelated Directors”: Directors other than the counterparty to a given Related Party Transaction.

“Code of Conduct”: the Code of Conduct for listed companies, issued by Borsa Italiana S.p.A., approved in March 2006 and most recently amended in July 2015.

“Independent Directors’ Committee” or **“Committee”**: the committee established within the Board of Directors to perform duties as indicated in this procedure and composed of three Independent Directors.

“Remuneration Committee¹”: the committee established within the Board of Directors in accordance with article 6 of the Code of Conduct, composed of Non-Executive Directors only, most of whom Independent.

“Control”: the power to decide the financial and operating policies of an entity in order to achieve benefits from its business activities. It is assumed that control exists when an entity, either directly or indirectly through its subsidiaries, holds more than half of the voting rights of another entity unless, in exceptional cases, it can be clearly demonstrated that such a holding does not constitute control. Control exists when an entity holds half, or less, of the voting rights exercisable at the shareholders’ meeting if the entity:

- controls more than half of the voting rights as a result of an agreement with other investors;
- has the power to decide the financial and operating policies of an entity under the terms of articles of association or an agreement;
- has the power to appoint or dismiss the majority of members of the Board of Directors or equivalent corporate governance body, and control of the entity is held by that Board or body;
- has the power to exercise the majority of voting rights at meetings of the Board of Directors or equivalent corporate governance body, and control of the entity is held by that Board or body.

“Joint Control”: the sharing of control over a business activity in accordance with contractual terms.

¹ Pursuant to article 4.C.1 of the Code of Conduct, the Isagro S.p.A. Board resolved to establish a single “Nomination and Remuneration Committee” consisting of Independent Directors. This policy is due to the Company’s organisational need to group the duties assigned to the various committees envisaged by the Code, in compliance with the rules on the composition of each one, and the need to ensure flexibility, also taking into consideration the size of the Board of Directors.

“Executives with Strategic Responsibilities”: persons with the direct or indirect powers and responsibility for planning, management and control of Isagro S.p.A. activities, including directors (executives or otherwise) and statutory auditors of the Company.

“Independent Experts”: persons appointed to provide support to the Independent Directors’ Committee or Remuneration Committee in examining Related Party Transactions, possessing appropriate professional skills and:

- with no Significant Relations with (i) Isagro S.p.A., (ii) controlling entities or natural persons of Isagro S.p.A., Isagro S.p.A. Subsidiaries or entities jointly controlled by Isagro S.p.A., (iii) Directors, Independent or otherwise, of the companies referred to in points (i) and (ii);
- holding no investment in any of the companies indicated under points (i) and (ii) that would allow Control, Joint Control or Significant Influence over them to be exercised.

“IAS 24”: international accounting standard IAS 24 *“related party disclosures”* in force on the date of entry into force of the CONSOB Regulation on related party transactions.

“Significant Influence”: the power to influence decisions regarding financial and operating policies of an entity albeit without Control. Significant influence can be achieved through the possession of shares or clauses of the articles of association or agreements. If an entity holds directly or indirectly (e.g. through subsidiaries) 20% or more of the voting rights exercisable at shareholders' meetings of the affiliated company, it is assumed that the entity has significant influence, unless it can clearly demonstrate the opposite. Vice versa, if an entity holds directly or indirectly (e.g. through subsidiaries) less than 20% of voting rights exercisable at shareholders' meetings of the affiliated company, it is assumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. The existence of an entity holding the absolute or relative majority of voting rights does not necessarily preclude the fact that another entity has significant influence.

Significant influence is typically signalled by one of the following circumstances:

- (a) representation in the board of directors or equivalent body of the affiliated company;
- (b) participation in the decision-making process, including participation in decisions concerning dividends or other types of profit distribution;
- (c) the presence of significant transactions between the investing company and the affiliated company;
- (d) the exchange of executive personnel;
- (e) the provision of essential technical information.

“Joint Venture”: a contractual agreement whereby two or more entities become party to a business activity under Joint Control.

“Related Party Transactions” or **“Transactions”**: any transfer of resources, services or obligations between related parties, regardless of whether a compensation is agreed, including:

- mergers or spin-offs through acquisition or a non-proportionate spin-off, if implemented with related parties;
- any decision regarding the allocation of remuneration and economic benefits, in any form, to members of the administration and control bodies and to Executives with Strategic Responsibilities.

“Arm’s length transactions”: Transactions concluded under similar conditions to those normally practised with unrelated parties for transactions of an identical nature, entity or risk, i.e. with terms based on regulated tariffs or at prices imposed or practised with entities with which Isagro S.p.A. is obliged by law to agree upon a certain payment.

It is also assumed that market conditions are those applied to the outcome of a properly documented and tracked purchase and/or sale procedure made in accordance with company procedures established for this purpose.

“Insignificant Transactions”: Transactions in which the unit value is less than € 250,000.

“Significant Transactions”: are:

A) Transactions in which at least one of the following **significant ratios**, the application of which depends upon the specific transaction, exceeds the **5% threshold**:

1) *Countervalue significance ratio*: identifies the ratio between the countervalue of the Transaction and equity as recorded in the most recent consolidated financial statements, if any, published by Isagro S.p.A. or, if greater, the level of capitalisation of Isagro S.p.A. recorded at close of trading on the last market trading day in the reference period for the most recent periodic financial report published (annual, half-yearly or interim management report).

a) If the economic terms of the transaction are determined, the countervalue of the Transaction is:

- for the cash components, the amount paid to/by the contractual counterparty;
- for components comprising financial instruments, the fair value determined as at the date of the transaction, in compliance with international accounting standards endorsed by Regulation no. 1606/2002/EC;
- for transactions relating to loans or the granting of guarantees, the maximum amount that can be disbursed.

b) If the economic terms of the Transaction depend wholly or in part on amounts not yet known, the countervalue of the Transaction is the maximum amount receivable or payable under the terms of the agreement.

2) *Asset significance ratio*: identifies the ratio between the total assets of the entity involved in the Transaction and the total assets of Isagro S.p.A.. The figures used must be taken from the most

recent consolidated financial statements, if any, published by Isagro S.p.A. Where possible, similar figures must be used to determine the total assets of the entity that is counterparty to the Transaction.

- a) For Transactions involving the acquisition or disposal of equity investments in companies affecting the consolidation area, the numerator value is the total assets of the affiliated company, regardless of the percentage of capital concerned.
- b) For Transactions involving the acquisition or disposal of equity investments in companies with no effect on the consolidation area, the numerator value is:
 - if an acquisition, the countervalue of the transaction plus the liabilities of the company acquired as assumed by the buyer;
 - if a disposal, the agreed amount for the assets concerned.
- c) For Transactions involving the acquisition or disposal of other assets (other than the acquisition of an equity investment), the numerator value is:
 - if an acquisition, the higher of the agreed amount and the book value to be assigned to the asset;
 - if a disposal, the book value of the assets concerned.

3) *Liabilities significance ratio*: identifies the ratio between the total liabilities of the acquired entity and the total assets of Isagro S.p.A.. The figures used must be taken from the most recent consolidated financial statements, if any, published by Isagro S.p.A.. Where possible, similar figures must be used to determine the total liabilities of the entity or business segment acquired.

B) Related Party Transactions that can affect the operating independence of the Company (including those involving intangible assets), if one of the **significance ratios** considered under point A) exceeds **2.5% threshold**.

“Ordinary Transactions”: Transactions completed as part of ordinary business activities and related financial activity.

For this purpose, the term "ordinary business activities" stands to indicate the set of the main revenues generating activities of the Company and all other management activities that can not be classified as "investment" or "financial." activities. In order to assess whether a transaction falls within “ordinary business activities”, it has regard to the object, the recurrence, the size, the contractual terms and conditions and the nature of the counterparty.

For the purposes referred to in this article 2, it is considered "investment activity": (i) any transaction which determines the purchase or sale of fixed assets (such as acquisitions and disposals of property, plant and equipment or intangible assets), except for "non current" assets that are held for sale; (ii) financial investments that do not fall in the so-called "cash equivalents".

On the contrary, the term "financial activity" means any activity that results in changes of (i) the size and composition of the paid-up capital; (ii) the loans obtained by the Company.

The term "financial activity" related to ordinary business activities includes those operations classified as financial in the abstract, to the extent that they are incidental to carry out ordinary business activities. The loans received for carrying out operations that do not belong to operating activities are not part of ordinary business activities.

“Related Party”: pursuant to IAS 24 and the CONSOB Regulation on related party transactions, it is, with respect to a company, a party which:

(a) directly or indirectly, including through subsidiaries, trusts or third parties:

- controls the company, is controlled by the company or is subject to common Control;
- has a sufficient investment in the company to be considered to have Significant Influence over the company;
- exercises Control over the company jointly with other parties.

(b) is an Associate of the company;

(c) is a Joint Venture in which the company takes part;

(d) is an Executive with Strategic Responsibilities of the company or its parent company;

(e) is a Close Relative of one of the parties referred to under points (a) or (d);

(f) is an entity over which one of the parties referred to under points (a), (d) or (e) exercises Control, Joint Control or Significant Influence or directly or indirectly holds, in any event, not less than 20% of the voting rights;

(g) is a supplementary pension fund, collective or individual, Italian or foreign, set up in favour of employees of the company or of any other related entity.

Parties holding a direct or indirect investment in the share capital of Isagro S.p.A., its subsidiaries and joint ventures and its parent companies which are presumably able to exercise significant influence are also considered Related Parties of Isagro S.p.A.. In particular, it can be objectively presumed that significant influence is exercised when the party holds an investment exceeding 10% or when the party holds an investment exceeding 5% and at the same time is party to contracts which generate transactions during the year that account for at least 5% of turnover.

“Significant Relations”: are:

- (a) relations indicated in article 3.C.1., paragraphs c) and d) of the Code of Conduct. The following are in any event considered significant: (i) relations of a commercial or financial nature for which the countervalue exceeds 5% of the provider/lender turnover or buyer/borrower turnover; (ii) fees for professional services if the related expense, if necessary weighted for any investment in the professional studio, exceeds 5% of the income of the professional concerned or € 100,000.

(b) an investment, also through subsidiaries (other than the Isagro S.p.A.), trusts or third parties, in the Subsidiary or Associate, if the effective weight of the investment exceeds the effective weight of that entity's investment in Isagro S.p.A. share capital. To assess the effective weight, direct investments are 100% weighted whereas indirect investments are weighted according to the percentage of share capital held in the subsidiaries through which the investment in the Subsidiary or Associate is owned. If the investment in the Subsidiary or Associate is combined with other economic interests, these interests are considered together with any deriving from the investment, calculated according to its effective weight.

“Unrelated Shareholders”: parties with voting rights in the Company's shareholders' meeting other than the counterparty to a given Transaction on which the meeting is called to resolve, and other than the Related Parties of that counterparty or the Company.

“Company”: Isagro S.p.A..

“Subsidiary”: an entity, even without legal status (e.g. a partnership), subject to the Control or Joint Control of Isagro S.p.A..

“Associate”: an entity, even without legal status (e.g. a partnership), over which Isagro S.p.A. exercises Significant Influence but not Control or Joint Control.

“Close Relatives” of a person: family members that can be assumed to have influence over, or be influenced by, the interested party in their relations with Isagro S.p.A.. These include:

- a spouse, not legally separated, and life partner of one of the parties indicated under points a) and d) in the definition of Related Party;
children and dependents of parties indicated under points a) and d) in the definition of Related Party or of a spouse, not legally separated, or life partner.

2.2. For all other expressions not defined elsewhere in this procedure, reference should be made to the definitions found in the article 3 of CONSOB Regulation.

2.3 When examining each transaction with Related Parties, attention must be placed on the material nature of the transaction and not simply on the legal form.

3. PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES

3.1 Competence to approve

Decisions regarding Related Party Transactions are assumed by the Board of Directors (where they are reserved to this Body) subject to a non-binding, justified opinion from the Independent Directors' Committee in relation to whether the Transaction is in the interests of the Company, its convenience and the material fairness of the terms; the minutes of the related resolution must contain adequate justification.

3.2 Information flows and opinion by the Independent Directors' Committee

In order to release the opinion referred to in paragraph 3, the relevant department according to the current company organisation sends the file to the Independent Directors' Committee via the Investor Relations department (as provided in the implementing rules attached to this Procedure):

- (i) promptly, and in any event no less than seven business days prior to the date on which a decision on the Transaction is expected, by issuing a communication containing summary information on the type of transaction, the nature of existing relations with the counterparty, the estimated countervalue and the timing of the transaction;
- (ii) at least four business days prior to the date on which a decision on the Transaction is expected, by issuing a report containing full and adequate information regarding the Transaction and its characteristics. Specifically, if the terms of the Transaction are defined as equivalent to arm's length, the documentation related prepared must contain objective comparison elements.

The Independent Directors' Committee normally expresses the opinion indicated in paragraph 3.1 within two business days from the issue of the report referred to in the previous paragraph. If urgent, the Independent Directors' Committee ensures that this deadline is reduced as much as possible. If due to the nature and complexity of the Transaction, or to obtain Independent Expert opinions as referred to in article 5, more time is needed, the new deadline is agreed jointly by the Investor Relations department and the Chairman of the Independent Directors' Committee.

The Committee Meeting is called by the Chairman, also via phone or e-mail, giving at least two business days' notice, and is validly constituted and may vote with the majority of its members present. Summary minutes are prepared on each meeting, which may also be held by remote

communication means. Committee opinions are signed by the Chairman or acting Chairman and are forwarded without delay, also via e-mail, to the Investor Relations department.

The opinion carried in favour, even if there is some dissent, must indicate the reasons why it is considered that the elements concerned in executing the Transaction do not conflict with the overall interests of the Company, and comment on the material fairness of the related terms. Unless otherwise indicated in the opinion, it is considered negative if it contains a negative opinion expressed on even a single aspect of the Transaction. If the Transaction proves to be influenced by the entity exercising management and control over the Company, the opinion pursuant to article 14 of the CONSOB Regulation provides precise indications of the reasons and convenience of the transaction, if necessary also in the light of the overall result of management and coordination or of transactions that aim to fully eliminate damages deriving from the individual Related Party Transaction.

If the Independent Directors' Committee opinion is negative, the decision as to whether the Transaction should be executed is made by the Board of Directors. Within fifteen days of the close of each quarter and in accordance with methods indicated in Part III, Title II of the CONSOB Issuers' Regulation no. 11971/1999, a document containing details of the counterparty, subject and price of Transactions approved during that quarter but with a negative opinion expressed pursuant to paragraph 1 above, and stating reasons for not agreeing with that opinion, is made available to the public at the company's registered office. By the same deadline the opinion is made available to the public as an attachment to the aforementioned document, or is published on the Company's web site.

If in reference to a certain Transaction any one of the Directors on the Independent Directors' Committee does not meet the requirements to qualify as an Unrelated Director, he will report without delay to the Chairman of the Board of Directors and Chairman of the Committee or, if reported by the Chairman, to the Chairman of the Board of Statutory Auditors. In this case the Director issuing the communication, solely for the purpose of the opinion referred to in paragraph 1, is replaced by another Non-Executive Director chosen by mutual agreement between the Chairman of the Board of Directors and Chairman of the Committee or, if the Chairman has to be replaced, by the Chairman of the Board of Statutory Auditors. If in reference to a certain Transaction it is not possible to integrate the Independent Directors' Committee in order to ensure that it is composed of at least three Non-Executive Unrelated Directors, the majority of which Independent, the opinion referred to in paragraph 1 will be issued by any

Unrelated Independent Directors sitting on the Board of Directors. If no Unrelated Independent Director is available, the opinion is given by the Board of Statutory Auditors.

If a Transaction subjected to Board of Directors examination involves the interests, directly or indirectly, of one of the Directors of Isagro S.p.A., the Director concerned must fully and promptly inform the Board of Directors of that interest (pursuant to article 2391 of the Italian Civil Code) and abstain from voting on the resolution. If the Board of Directors considers in any event that participation of the Director in question could be useful in the preliminary and decision-making stages, after consulting the Board of Statutory Auditors it may allow the Director concerned to be involved in the preliminary and decision-making stages of the Transaction.

3.3 Framework resolutions

This article 3 shall apply, to the extent it is compatible, to framework resolutions adopted by the Board of Directors on series of similar transactions with certain categories of Related Parties. Framework resolutions: (i) are valid for no more than one year; (ii) refer to transactions that are sufficiently certain; (iii) include the expected maximum total of transactions to be executed in the reference period and (iv) provide justification for the expected terms. The provisions of this article 3 do not apply to individual Transactions executed in implementation of a framework resolution meeting the aforementioned characteristics and which has received an opinion in favour from the Independent Directors' Committee.

3.4 Disclosure requirements

On a quarterly basis the Chief Executive Officer provides the Board of Directors and Board of Statutory Auditors with a full report on Transactions executed and on the implementation of aforementioned framework resolutions. In reference to Transactions for which the Independent Directors' Committee has issued opinion in favour provided the transaction is completed or executed according to one or more instructions, proof of compliance with such instructions must also be provided.

Please refer to the Provisions implementing this Procedure for information on more Significant Transaction, price sensitive Related Party Transactions disclosure requirements and periodic disclosures to be provided in interim and annual reports.

3.5 Transactions to be decided by Shareholders' Meeting

If in accordance with legal or statutory provisions the Transactions are to be decided or approved by the Shareholders' Meeting, the Independent Directors' Committee expresses its opinion on the proposed resolution to be considered by the Shareholders' Meeting, applying the procedure pursuant to this article. If the Committee expresses a negative opinion and only in reference to more Significant Transactions, the Transaction will be deemed rejected if the majority of Unrelated Shareholders voting at the Shareholders' Meeting should vote against, and provided the unrelated shareholders attending the Meeting represent at least ten per cent of the share capital with voting rights.

3.6 If not established otherwise, the provisions of all paragraphs of this article apply to all Transactions, even if they do not qualify as Significant, without prejudice to the exceptions set forth in article 6.

4. REMUNERATION OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

4.1 Decisions regarding remuneration for Executives with Strategic Responsibilities, other than those covered by article 6, points b) and c), are made by the relevant corporate bodies or departments upon a proposal, or subject to a non-binding, justified opinion from the Remuneration Committee. The aforementioned proposals and opinions contain the elements necessary to assess the coherence of proposals with the interests of the Company and the objectives stated in article 6 of the Code of Conduct.

4.2 The provisions of article 3 of this procedure shall apply, *mutatis mutandis* and to the extent they are compatible.

5. INDEPENDENT EXPERTS

5.1 In fulfilling their duties indicated in articles 3 and 4 above and with costs borne by the Company, the Independent Directors' Committee and Remuneration Committee may call upon one or more Independent Experts that have no direct or indirect interest in the transaction, chosen by the committees and promptly notified to the Investor Relations department.

5.2 Within five business days of the aforementioned notification, the Company may ask the Independent Directors' Committee or Remuneration Committee to appoint an expert other than

that previously indicated. Such a request may only be formulated in the event of failure of the Independent Expert to meet qualification requirements or for serious incompatibility, such as a pending dispute between the Isagro Group and the expert named by the aforementioned committees or the fact that the party named by the aforementioned committees works or has recently worked as advisor for a competitor company.

- 5.3 Compliance with the provision of paragraph 1 of this article is deemed to exist even if, in implementing the Transaction, the Company agrees on the support of Independent Experts indicated by the relevant committee, provided the related assignments expressly envisage that the experts aid the committee in fulfilling its duties pursuant to this procedure.
- 5.4 Independent Experts can be called upon to express an opinion and/or issue a report, as required, on the economic terms and/or technical aspects and/or legality of the Transactions concerned. The maximum outlay to be borne by the Company in relation to the use of Independent Experts must be proportionate to the value of the Transaction, and in any event must not normally exceed € 50,000 for any Transaction referred to in article 3 above or € 50,000 per year for decisions required under article 4 above.

6. EXCEPTIONS

- 6.1 Decisions with the following purpose are exempt from application of this procedure and of the CONSOB Regulation:
- (a) Insignificant Transactions, unless in reference to intangible assets and of strategic significance to the Company;
 - (b) resolutions regarding the remuneration of Directors with special office, and in more general terms Executives with Strategic Responsibilities, if the conditions of article 13, paragraph 3, subparagraph b) of the CONSOB Regulation are met;
 - (c) remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to article 114-*bis* of the Consolidated Finance Law and related executive transactions, without prejudice to the provisions of article 5, paragraph 8 of the CONSOB Regulation, where applicable;
 - (d) Isagro S.p.A. Transactions with or between Subsidiaries, individually or jointly, or with Associates of Isagro S.p.A., provided there are no Significant Relations between the Subsidiaries or Associates party to the Transaction and other Related Parties of the Company;

- (e) Ordinary Transactions concluded at arm's length, without prejudice to the provisions of article 5, paragraph 8² and the second sentence of article 13, paragraph 3³, subparagraph c) of the CONSOB Regulation, where applicable.

7. TRANSACTIONS EXECUTED THROUGH SUBSIDIARIES

- 7.1 The provisions of this procedure also apply to Transactions executed by Isagro S.p.A. through Italian or foreign Subsidiaries.
- 7.2 A Transaction executed by a Subsidiary is deemed to be executed by Isagro S.p.A. through that Subsidiary if it is examined or approved by a corporate officer of Isagro S.p.A., regardless of whether the examination or approval is expressly envisaged by a group procedure or regulation. An examination is intended as an assessment of the Transaction that could lead to action being taken (e.g. in the form of an opinion, binding or otherwise) capable of affecting the Subsidiary's transaction approval procedure.
- 7.3 The delegated Bodies and/or the relevant corporate Department of each Subsidiary ensure – according to the internal defined methods - the adequate flow of information to the Parent Company to allow the respect of disclosure requirements on the implementation of related party Transactions under this Procedure.

8. WEB SITE PUBLICATION

This procedure is published on the Company's web site: <http://www.isagro.com>

9. REVIEW AND AMENDMENT OF THE PROCEDURE

- 9.1. This procedure can be amended by resolution of the Board of Directors, subject to opinion in favour from the Independent Directors' Committee.

³ “Procedures may exclude, in whole or in part, from the provisions of this Regulation, without prejudice to the application of Article 5, subsection 8, if applicable:

(...)c) regular transactions completed in market-equivalent or standard terms. In case of exception to the disclosure requirements, established for transactions of greater relevance, set forth in Article 5, subsections 1 to 7, and without prejudice to the application of Article 114, subsection 1 of the Consolidated Law:

i)(...)

ii) companies listed on regulated markets shall indicate in the interim management report and annual report, in accordance to provisions in Article 5, subsection 8, which of the transactions subject to disclosure requirements specified in that provision been concluded based on the exclusion provided in this paragraph”

9.2. Every three years the Board of Directors assesses whether a review of this procedure is required, amongst other things taking into consideration any changes in the ownership structure and the proven effectiveness of the procedure's application. Based on the result of assessment of the procedure, any decision not to make changes to the procedure is subject to opinion in favour from the Independent Directors' Committee.

10. IMPLEMENTING RULES – PROCEDURE MANAGER

10.1 The Chairman and Chief Executive Officer shall issue the implementing rules for this procedure, which will be promptly notified to members of the Board of Directors and Board of Statutory Auditors in addition to the company departments affected, the subsidiaries/associates and companies subject to the management and control of Isagro S.p.A. so they may incorporate and observe them. The aforementioned rules shall be submitted in advance to the Independent Directors' Committee which has the right to comment about these rules.

10.2 Each to the extent of their responsibility, the managers of this procedure are the Administration, Finance and Treasury, Corporate Affairs, Legal Affairs and Internal Audit Departments. The Investor Relations department: (i) provides support to the relevant corporate bodies and departments in managing preliminary stages relating to Transactions, ensuring that the related disclosures are issued promptly to the relevant committees for the expression of opinions referred to in articles 3 and 4 above; (ii) coordinates information flows between the corporate bodies and departments responsible for proposals or resolutions concerning the Transactions and the committees responsible for the expression of opinions referred to in articles 3 and 4 above, (iii) periodically checks that the conditions are met for exemptions referred to in article 6 above; (iv) coordinates the gathering of data and information needed to comply with disclosure obligations imposed by the CONSOB Regulation; (v) periodically coordinates with the Manager in charge of preparing the corporate accounting documents in order to ensure that this procedure is aligned with the administrative and accounting procedures set forth in article 154-*bis* of the Consolidated Finance Law.

11. ENTRY INTO FORCE

This procedure shall enter into force on May 2nd, 2017.