

PROCEDURE FOR INTERNAL MANAGEMENT
AND EXTERNAL DISCLOSURE OF CONFIDENTIAL INFORMATION,
WITH PARTICULAR REFERENCE TO INSIDE INFORMATION

Corporate Governance
Approved by the Board of Directors of Carraro S.p.A.
on 28.01.2019

This Procedure, approved by the Board of Directors of Carraro S.p.A. on 13 December 2016, brings the previous procedure adopted by Carraro S.p.A. into line with the provisions of EU Regulation 596/2014 of 16 April 2014, concerning market abuse (so-called Market Abuse Regulation or MAR) and subsequently updated on 28.01.2019

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INTRODUCTION - INSIDE INFORMATION

1. Foreword

On the subject of market abuse, the European legislator has provided for comprehensive regulation for all Member States through the adoption of European Parliament and Council Regulation No. 596/2014 of 16 April 2014, which became directly applicable in Italy as of 3 July 2016 (the "Market Abuse Regulation" or "**MAR**"). The provisions of the MAR replace and, in part, supplement the provisions on market abuse contained in Legislative Decree 58/1998 (Testo Unico della Finanza or "**TUF**") and in CONSOB Regulation no. 11971 of 14 May 1999 (the "Regolamento Emittenti", translated in "**Issuers' Regulation**"). In drafting this procedure, account was also been taken of European Commission Implementing Regulation 2016/1055 of 29 June 2016 (so-called "ITS 1055") and the "Market Abuse Regulation guidelines" published by ESMA (European Securities and Markets Authority), as well as Legislative Decree 107/2018 "Regulations for alignment of national legislation with the provisions of EU Regulation no. 596/2014, on market abuse".

This procedure governs the internal regulations of Carraro S.p.A. (the "**Company**") and of its subsidiaries (the "**Group**" or "**Group Companies**") on corporate information, with particular reference to the management and disclosure of Inside information and Inside information in progress (defined below) in compliance with legislation.

This procedure is an integral and substantial part of the internal control system of the Company and the Group, also in relation to their organisational, administrative and accounting structure, pursuant to Article 2381 of the Italian Civil Code, as well as the Organisational, Management and Control Model adopted by the Company pursuant to and for the purposes of Legislative Decree no. 231/2001, as supplemented and amended.

The above mentioned legislation imposes the obligation to disclose to the market any Inside information, specifying that the intermediate stages of a prolonged process aimed at materialising a particular event/circumstance may also fall within the category of Inside information, where such stages meet the following criteria with regard to Inside information.

The law also requires the re-establishment of equality of information in the event of early disclosure of Inside information to third parties not subject to legal, regulatory, statutory or contractual confidentiality obligations.

From this derives the particular sensitivity of the stage prior to the "finalisation" of Inside information (conventionally, **Inside information in progress or Market-Sensitive Information**, please refer to the Definitions paragraph). Inside information in progress must be subject to "confidentiality" in order not to incur the obligation of immediate disclosure which could also be detrimental to the current or potential business to which it refers.

2. Reference legislation

This Procedure is drawn up in accordance with the provisions of:

Articles 7 *et seq.* of the MAR, to the extent applicable, Article 114 of the TUF and the Issuers' Regulations, to the extent applicable;

- European Commission Implementing Regulation 2016/1055 of 29 June 2016;

- the Regulation of markets organised and managed by Borsa Italiana S.p.A. and the related Instructions;
- the Borsa Italiana S.p.A. Market Information Guide;
- the Corporate Governance Code for Listed Companies, to which the Company adheres, which recommends the adoption of procedures for the internal management and external disclosure of documents and information concerning the Company, with particular reference to inside information.

This Procedure is linked to that relating to the establishment and maintenance of the Register of persons with access to Inside information and to that relating to Internal Dealing and replaces the procedure of the same name approved by the Board of Directors of Carraro S.p.A. on 11 May 2006 and subsequently revised on 24 July 2008 and 3 May 2012.

3. Definitions

For the purposes of this procedure, the following definitions apply:

- **"Source of Inside information"**: those parties, identified within the organisation which, due to their responsibility and hierarchical position, have greater visibility on the significance of an event that can generate Inside information and on the identity of the persons involved in the related information flow. They are for:

- Carraro S.p.A.: the Chief Executive Officer, the Chairman and Deputy Chairman, the Board of Directors, the Management Committee, the CFO and the Investor Relations Manager.
- Group Companies: the Chairman, the Chief Executive Officer and the COO of each of Group company.

- **"Inside information"** is considered to be information of a precise nature, directly or indirectly concerning the Company or one or more financial instruments, not in the public domain, which, if made public, could have a significant effect on the prices of the Company's financial instruments (Art. 7(1)(a) of the MAR).

- Information is considered to be of a "precise" nature if:
 - (a) it refers to a set of circumstances which exist or may reasonably be expected to occur or an event which has occurred or may reasonably be expected to occur; and
 - (b) if such information is sufficiently specific to allow conclusions to be drawn as to the possible effect of the set of circumstances or event referred to in point (a) above on the prices of financial instruments.

In this regard, it should be noted that in the case of a prolonged process which is intended to materialise, or which determines a particular circumstance or a particular event, this future circumstance or future event, as well as the intermediate stages of said process which are linked to the materialisation or determination of the future circumstance or event, may be considered as information of a precise nature, and therefore inside information.

- Information which, if made public, could have a "significant effect on the prices of financial instruments" is information that a reasonable investor would presumably use as one of the elements on which to base his investment decisions.

- **"Inside information in progress"** or **"price sensitive information"**, is only potentially inside information: it lacks the "precision" requirement that distinguishes Inside information and therefore there is no obligation to disclose it.

- **"Confidential Information"**, any information concerning the Company and the Group which is confidential in nature, is not intended to be brought to the knowledge of an indistinct plurality of persons within and/or outside the Group and which, if disclosed in an unauthorised or involuntary manner, is likely to compromise the current or potential business of the Company and/or the Group.

By way of example and without limitation, the following may be considered Confidential Information:

- work projects, including commercial, industrial and strategic plans
- product and technological process know-how
- financial and corporate transactions
- investment and divestment strategies
- product marginality analysis
- accounting, financial and economic data before it is made public
- company manuals and procedures
- databases relating to customers and suppliers
- information on the organisational structure

- **"Register of persons who have access to Inside information"** or **"Register"**: Register in which those in possession of Inside information and/or Inside information in progress or Market-Sensitive Information are recorded.

- **"Person responsible for the management of Inside information and disclosure to the public"** or simply **"Person Responsible"**: is the Chief Executive Officer of Carraro S.p.A., or, in the event of impediment of the latter, the Chairman or Deputy Chairman of the Board of Directors of Carraro S.p.A.

- **"Person responsible for the coordination and circulation of Inside information"**: is the Investor Relations Manager or the Head of the Legal Department.

- **"Information context segregation"**: is the safeguarding of the confidentiality of Market-Sensitive and/or Inside information.

- **Financial Instruments** please refer to the definitions, Art.1(2) of the TUF, if and insofar as issued by Carraro S.p.A.

GENERAL PART - CONFIDENTIAL AND INSIDE INFORMATION

4. Purpose

The purpose of this document is to define roles, responsibilities and rules of conduct in the management of all Confidential Information and in particular Inside information, including the disclosure obligations to which the Company is bound vis-à-vis the market.

5. Recipients

The following are required to comply with the provisions of this Procedure:

i. with regard to Confidential Information:

(a) members of the administrative, management and control bodies and employees of the Company and Group companies;

(b) all those who, by reason of their work or professional activity, have access on a regular or occasional basis to Confidential and Inside information relating to the Company or Group Companies (those referred to in points (a) and (b), jointly hereinafter the "Recipients").

ii. with regard to Inside information: those, as per point i., who must also be entered in the Register of persons who have access to Inside information.

SPECIAL PART - CONFIDENTIAL INFORMATION

6. Rules of conduct in the management of Confidential Information

Each Recipient, with reference to all information acquired due to his/her job function, is obliged to ensure its confidentiality and is required to comply with the rules of conduct set out in this Procedure, the provisions of the law in force, the rules of conduct referred to in the Code of Ethics of the Carraro Group and in the Management Model pursuant to Italian Legislative Decree 231/2001, for Group Companies that have approved its adoption.

Recipients are required to comply with the following rules of conduct and prohibitions:

- keep confidential all information (including Confidential Information), data and documents acquired in the performance of their work, profession, function or office, or are required not to disclose to anyone or disseminate, in Italy or abroad, confidential information and data which has come to their knowledge;
- not to disclose such information to third parties except in the normal exercise of their employment, profession, function or office and provided that such third parties are bound by a legal, regulatory, statutory or contractual confidentiality commitment;
- pay particular attention when discussing with each other matters concerning Confidential Information. In this regard, particular attention is recommended when in public places (including lifts, corridors, restaurants, bars) and when using mobile phones;
- any disclosure of information must take place with all necessary precautions to ensure that its circulation within the company can take place without prejudice to the confidential nature of such information, possibly also in compliance with internal regulations and/or operating instructions received;

- generally ensure, in the exercise of their functions, that Confidential Information, when circulated internally, by paper or electronic means (e-mail), is not disclosed to persons who do not actually need to know it and/or process it in order to carry out their work;
- should it be necessary to transmit documents containing Confidential Information, clearly mark all documents with the words "strictly confidential" in the "subject" field for e-mails. This indication makes it compulsory for both recipients and senders to manage the document in an absolutely confidential manner with measures that can prevent it from being known by and disseminated to any person other than those who must inevitably process the information in carrying out their job;
- ensure that the envelope or parcel, in the case of transmission by courier, is delivered unopened to the recipient in person or to a specifically delegated person;
- in the case of transmission by fax, verify in advance that the fax number to be used is correct; announce sending of the documentation to the recipient in order to prevent an unauthorised person from viewing the document(s);
- in the case of transmission by e-mail, verify in advance that the e-mail address to be used is correct use that it is a personal e-mail address (which can only be accessed with the aid of a personal "username" and a "password").
- it is forbidden for persons other than those who originated the document to make copies and distribute the same, unless expressly authorised by the person who issued the document;
- documents must not be left unattended, in particular when taken outside the workplace;
- documents and electronic media containing Confidential Information must be stored in a place where only authorised persons can access them;
- Confidential Information when processed, transmitted or stored in electronic format must be handled in such a way as to guarantee its confidentiality;
- electronic files containing Confidential Information must be stored in network areas/folders that are not accessible to unauthorised parties.;
- in particular, the disclosure of Confidential Information to third parties, acting in the name or on behalf of the Company and/or Group Companies, or exclusively for work, office, profession or function, reasons may take place only if the latter are subject to legal, regulatory, statutory or contractual confidentiality obligations.

The Chief Executive Officer, or the person exercising a similar function, of each Group Company is responsible for:

- disseminating and enforcing this Procedure and any relevant operational instructions issued by Carraro S.p.A.;
- take or ensure disciplinary action is taken against those who have not complied with this Procedure;
- inform the Chief Executive Officer of Carraro S.p.A. of both cases of failure to comply with this Procedure as well as any cases of "uncontrolled information" (i.e. Confidential Information which they become aware of from a source not justified for business reasons).

SPECIAL PART - INSIDE INFORMATION

7. Events that may generate Inside information

Without prejudice to the assessments of the Persons Responsible referred to in paragraph 8 below, by way of example and without limitation, the following are considered events that may potentially generate Inside information:

- "Recurring Inside information":

- 1) consolidated balance sheet, income statement, financial position, budget and forecast and related information details;
- 2) statutory balance sheet, income statement, financial position, budget and forecast and related information details;
- 3) dividend policy to be proposed to the Shareholders' Meeting;
- 4) strategic plans of companies, business units and the group;
- 5) economic and financial business plans of companies, business units and group companies;
- 6) analysis of actual deviations from the budget and/or forecasts;

- "Non-Recurring Inside information":

- 7) changes in the corporate structure, following extraordinary transactions (mergers, demergers, acquisitions, disposals or deeds of disposal of companies, business units, holdings, or other assets or activities; industrial restructuring with effect on organisation, assets, financial position, income statement; opening and closing of corporate offices, subsidiaries, companies totalling more than 10 (ten) million euros;
- 8) corporate liability actions proposed against the directors or statutory auditors of Carraro S.p.A.;
- 9) application for admission to insolvency proceedings, submission of applications or the issue of orders to be subjected to insolvency proceedings;
- 10) transactions involving significant financial instruments (capital transactions, granting or raising of loans, cancellation of credit lines, issue of bonds, etc.) for amounts in excess of 50 (fifty) million euros;
- 11) entry into / withdrawal from a significant business sector;
- 12) significant legal disputes, valued at more than 10 (ten) million euros;

8. Person responsible for the management of Inside information

The Person Responsible for the management of Inside information and disclosure to the public is also called upon, case by case, to assess the reports received from within the organisation and in particular from Sources of Inside information.

When classifying information as Inside information, as far as the legal and regulatory assessment is concerned, the Person Responsible may resort to the support of the CFO (taking into account that the latter is also responsible for monitoring the Carraro share price), the Investor Relations Manager and the Head of the Legal Department of Carraro S.p.A..

In managing information classified as Inside information, the rules set out in paragraph 9 must be complied with.

9. Establishment and placement of recipients on the Register

For the purposes of this Procedure and in compliance with the provisions of Art. 18 of the MAR, a "Register of persons with access to Inside information" has been established (hereinafter the "**Register**").

Those in possession or who may, due to the activities carried out, become aware of Inside information and/or Inside information in progress or Market-Sensitive Information, as identified in the following paragraph, are entered in the Register.

The management of the Register is defined by a specific procedure.

10. Rules of conduct for the management of Inside information in progress or Market-Sensitive Information and Inside information, in addition to the rules of conduct for Confidential Information

Segregation of the information context (see the Definitions paragraph) is entrusted to the Person Responsible and to the Person Responsible for coordination and circulation of Inside information; who must:

- i. identify the persons involved in information management;
- ii. ensure that these persons are adequately informed and consequently comply with the obligations of this Procedure;
- iii. ensure the timely updating of the Register.

See Annex:

no 1: Inside information flow, summary diagram and related descriptive notes;

no. 2: Guidelines for the identification of the main persons who may be involved in the management of Recurring Inside information.

Recipients must comply with the following rules:

- not communicate Market-Sensitive or Inside information to anyone, except in the case of unavoidable needs for the management of such information, within their sphere of activity and responsibility, taking care to:

- i. share as little information as possible while keeping the purpose or the project as a whole confidential;
- ii. ensure the traceability of information within their sphere of activity and responsibility.

- The company will also put in place suitable communications to be signed by all third parties to which Market-Sensitive and/or Inside information is disclosed, by virtue of which such third parties undertake to maintain confidentiality and to communicate to the Company any disclosure, even accidental, on their part of information relating to the Company and/or Group Companies.

- The production of media (e.g. printing and photocopying of documents) containing Market-Sensitive and/or Inside information must be supervised by persons entered in the Register. Subsequent storage, distribution and general management of such media are the responsibility of those who keep them and to the extent that they are available to them, in accordance with entry in the Register.

- Paper and/or electronic documents containing Market-Sensitive and/or Inside information must be kept in archives situated in a locked cabinet or drawer (and the key must be kept by the

person in question); the permanence of documents outside the archive must be limited to the period necessary for their use; documents not in use must be put back in the archive.

- In the event of accidental loss of paper documents containing Market-Sensitive and/or Inside information, the Person Responsible must be immediately informed, specifying the conditions and circumstances of the loss, so that the adoption of any appropriate measures can be assessed, including the need to issue a press release (as provided for in the paragraph 12 below).
- The destruction of paper documents containing Market-Sensitive and/or Inside information must be carried out by the persons who keep them, in the most suitable manner to avoid any improper recovery of their information content.
- Promptly inform the Person Responsible, in relation to the information under their responsibility, of any act, fact or omission that may constitute a violation of this Procedure, in order for the appropriate measures to be adopted.

The legislation punishes the abuse of Inside information, i.e. carrying out transactions on Financial Instruments making use of information known as a result of work activity, as a so-called insider trading crime or administrative offence.

According to such legislation, it is forbidden for Recipients to:

- (i) purchase, sell or directly or indirectly carry out other transactions, on their own behalf or on behalf of third parties, on Financial Instruments using Inside information (so-called insider trading);
- (ii) disclose Inside information, outside normal work, profession, function or office activities or a market survey, carried out pursuant to Article 11 of EU Regulation No. 596/2014 (so-called tipping);
- (iii) recommend or induce others to carry out one of the transactions described in relation to Inside information (another type of tipping).

The Person Responsible, if deemed appropriate, may instruct the management of the Company and/or Group Companies to respect the confidentiality of the information which has come to their knowledge in the performance of their duties. In particular, the Person Responsible may:

- explain to the management the reasons that determine the need to keep certain information confidential (with particular reference to the problems connected with the crime of insider trading);
- define and disseminate operational instructions / conduct guidelines regarding processing the aforementioned information.

11. Market disclosure of Inside information

The legal obligation to disclose Inside information to the public arises when it is finalised; finalisation that differs according to the event/occurrence that originates such information.

By mere way of example, the following can be of significance:

- decision of the competent body (e.g. Board of Directors);
- material conclusion of agreements, in terms of their content and legal binding force for the Company and/or Group Companies;

- ascertainment of objective facts, events and circumstances having an impact on the business of the company and/or on the listing of the financial instruments¹.

Without prejudice to that indicated in paragraph 12 below:

- only Inside information directly concerning the Company must be disclosed (Art.17 of the MAR).
- The public must be informed without delay by means of a press release of the occurrence of a set of circumstances or an event which, although not yet formalised, may lead to the finalisation of Inside information (Art. 66 of the Issuers' Regulation).

Disclosure to the public is governed by the following provisions.

- Inside information is disclosed by means of a press release (hereinafter referred to as the "Release") in full and absolute compliance with the principles of completeness, correctness, clarity, transparency, timeliness, and widespread and homogeneous dissemination in order to guarantee equal access to information (information symmetry).
- The Release must contain the elements allowing a complete evaluation of the events, circumstances and economic and financial situations in question, as well as links and comparisons with the content of previous releases..
- The management of this information to the public is handled by the Person Responsible with the support of the company departments deemed appropriate in relation to the type of Release to be issued; with the support of the Investor Relations Manager, the Legal Department and the Communications Department, also with regard to assessment of the legal and regulatory aspects relating to obligations and methods of market disclosures.
- If the text of the Release is prepared by the Head of the Communications Department or a consultant, the Person Responsible must in any case personally review and approve it.
- The Release relating to periodic information (e.g. the draft financial statements, the consolidated financial statements, the interim report and the quarterly reports) is approved by the Board of Directors and is distributed in compliance with the law and the regulations issued by the supervisory bodies.
- The Release relating to forward-looking information, which therefore concerns data relating, for example, to the prospective evaluation of the economic and financial situation, assets and liabilities and the quantitative objectives concerning the performance of operations, is drafted by the Person Responsible.

In such cases, the Person Responsible, also with the assistance of the Investor Relations Manager:

- a) ensures regular and frequent financial information in order to reduce investor evaluation uncertainty;
- b) clearly specifies, at the time of publication of prospective data, whether these are actually forecasts or strategic objectives established as part of company planning;
- c) verifies consistency of the actual performance of the operations with the forecast data and the quantitative objectives disseminated and informs the public without delay, by means of a Release, of any significant (positive or negative) deviations, specifying the reasons.

¹ This may be an instantaneous fact (e.g. acquisition from the outside of certain information) not subject to discretionary interpretation; it may be a process which extends over time in successive stages and/or which involves the interpretation of a set of circumstances.

12. Market disclosure procedures

Disclosure to the market takes place with the Investor Relations Manager sending the Release.:

- to the market management company;
- to CONSOB;
- to at least two press agencies, through the Network Information System (NIS), organized and managed by Borsa Italiana.

The Person Responsible for the Register is informed of the Release being sent so as to update the Register itself, subject to updating defined by the specific procedure.

13. Disclosure of Insider or Market-Sensitive Information to third parties not subject to confidentiality obligations and failure to comply with the confidentiality obligations by those with access to Inside information

12.1 Should Recipients, in the normal exercise of their work, profession, function or office, Insider or Market-Sensitive Information to third parties not subject to (legal, regulatory, statutory or contractual) confidentiality obligations, the Person Responsible must ensure full disclosure to the public (a) simultaneously, in the case of intentional disclosure or (b) promptly, in the case of unintentional disclosure, in the manner provided for in paragraph 11 above.

In the event that Insider or Market-Sensitive information is disclosed to third parties subject to confidentiality obligations, it must be immediately disclosed to the Person Responsible for the Register for registration.

12.2 If there are unequivocal signs that, despite the provisions of this Procedure, the obligations of confidentiality on the part of those who have access to Inside information are not complied with, the Company is required to issue a Release in order to restore equal information to the market.

With reference, for example, to confidential information relating in particular to projects, negotiations or expressions of intent, the market disclosure is necessary in all cases in which inaccurate and partial information relating to the transaction is leaked, making express mention of any uncertainty on the final outcome of the matter.

14. Delay in the disclosure of Inside information

Pursuant to the combined provisions of Art. 114(3) of the TUF, as well as Art. 17(4) of the MAR and the EU Implementing Regulation no. 1055/2016, the Person Responsible may decide to delay, under his own responsibility, the disclosure of Inside information to the public, provided that all the following conditions are met:

- a) immediate disclosure would probably undermine the legitimate interests of the Company;
- b) the delay in disclosure would probably not have the effect of misleading the public;
- c) the Company is able to guarantee the confidentiality of such information.

In the event of a prolonged process, which occurs in stages and is intended to materialise or involves a particular circumstance or event, the Company may, under its own responsibility, delay the disclosure to the public of Inside information relating to such process, without prejudice to points a), b) and c) above.

When it has delayed the disclosure of Inside information, the Company must notify this delay to CONSOB immediately after the information has been disclosed to the public and must transmit, at the subsequent request of CONSOB, the documentation proving fulfilment of the obligation provided for in Article 17(4) of EU Regulation no. 596/2014 and the related implementing technical regulations.

Notification of the delay must be made by certified electronic mail to the following address consob@pec.consob.it, specifying as recipient "Markets Division" and indicating at the beginning of the subject "MAR Disclosure Delay".

CONSOB has the power to request those concerned, having been informed of a delay in the disclosure of inside information to the public and assessing its circumstances, to proceed with such disclosure without delay (as well as to take action itself at the expense of the those concerned in the event of failure to comply).

If the disclosure of Inside information is delayed in accordance with the provisions of the aforementioned article and the confidentiality of the Inside information can no longer be guaranteed, or if the Person Responsible assesses that the reasons justifying the delay have ceased to exist, the latter must ensure the immediate publication of a Release concerning the Inside information.

15. Rumours

If:

- there is a significant change in the price of the financial instruments from the last price on the previous day², in the presence of news disseminated among the public, not in accordance with this Procedure, and concerning the equity, economic and financial situation, or extraordinary finance transactions, significant acquisitions or disposals, or the business performance of the Company or Group Companies;

- with markets closed or in the pre-opening phase, there is news in the public domain which is not disseminated in accordance with this Procedure and which is likely to significantly influence the price of financial instruments;

the Person Responsible, also making recourse to the expertise of the Investor Relations Manager and the Head of the Legal Department, must verify whether it is necessary and/or appropriate to inform the market on the truthfulness of the news in the public domain³, supplementing or correcting its content, where necessary, according to the procedure described above, in order to restore conditions of fairness and equal information in the market.

² There is no significant deviation in the event that the changes in the price of the listed shares are in line with market or sector trends, even if they involve a significant deviation from the last price on the previous day (CONSOB Communication no. DEM/6027054 of 28.03.2006, par.30).

³ By news in the "public domain" is meant, for example, news published by national media (press, agencies, other mass media) or also specialist websites with credibility for market operators (Market Information Guide, Principle 8, Borsa Italiana)

16. Request for information or disclosures to the market by Borsa Italiana (market management company) or CONSOB

In the event of a request for information or disclosures to the market by the market management company or CONSOB, the Person Responsible, unless he deems it appropriate to involve the Board of Directors, must arrange the publication of a Release, following the procedure described above, in accordance with the manner from time to time required by the market management company or CONSOB.

17. Information at the Shareholders' Meeting

The disclosure of Inside information at the Shareholders' Meeting is permitted only if such information has been previously disclosed to the market.

In the event of unintentional disclosure of Inside information at the Shareholders' Meeting, the Person Responsible must arrange the immediate publication of a Release in accordance with the Procedure described above.

18. Meetings with Trade Union Organisations

During meetings with Trade Union Organisations, the Human Resources Department must ensure that:

- only data and information already disclosed to the market are illustrated;
- where confidential information must be disclosed, the representatives of such organisations must sign a confidentiality commitment.

If during meetings with representatives of Trade Union Organisations, who are not company employees and have not entered into any confidentiality obligations, Inside information is disclosed, the Human Resources Department must inform the Person Responsible, who must arrange for the immediate publication of a Release in accordance with the procedure described above.

19. Relations with the press

Relations with the press are managed by the Communications Department in order to guarantee the reliability, homogeneity and consistency of the documents and information disclosed.

It is absolutely forbidden for Directors, Statutory Auditors, managers or employees to give interviews to the press or make statements in general that contain Inside information that has not already been disclosed to the market.

The Person Responsible, with the support of the Investor Relations Manager, assesses whether it is appropriate to give interviews and organise meetings with the press, concerning economic and financial information, provided that it has already been disseminated to the public.

The Chairman, the Deputy Chairman, the Chief Executive Officer of Carraro S.p.A. and the persons authorised case by case, with the support of the Investor Relations Manager and the Head of the Communications Department, are authorised to give interviews to the press.

If, during an interview, there is the unintentional disclosure of Inside information, the Person Responsible must be informed in order to arrange the immediate publication of a Release in accordance with the procedure described above.

20. Meetings with analysts and institutional investors

Relations with the financial community are managed by the Person Responsible for relations with institutional investors (the Investor Relations Manager).

During meetings with the financial community, the Investor Relations Manager agrees the topics of the meeting, as well as any documentation to be presented and/or distributed to participants, in advance with the Person Responsible.

In the event that the Company organises or participates in select meetings with financial analysts or market operators, the Investor Relations Manager, with the support of the Communications Department, must ensure that:

- only data and information already disclosed to the market are illustrated;
- the date, place and main topics of the meeting, as well as any related documentation are communicated in advance to CONSOB and the market management company, through the Network Information System (NIS), at the latest at the time of the meeting;
- equality of information for financial operators is guaranteed, also through publication on the Company's website of a Release illustrating the main topics discussed.

In the event of unintentional disclosure of Inside information during such meetings, the Investor Relations Manager must immediately inform the Person Responsible in order to arrange the immediate publication of a Release in accordance with the procedure described above.

21. Market Surveys

If the Company intends to carry out a market survey, as defined in Article 11 of the MAR, the following measures must be adopted:

- the Company must identify the corporate function able to carry out any market surveys (the so-called "Person Responsible for the Survey");
- the Person Responsible for the Survey, before making the disclosure concerning the market survey, pursuant to Article 11(5) of Regulation no. 596/2014, must:
 - a) obtain the consent of the persons contacted for the survey to receive Inside information;
 - b) inform the recipients of the survey of the prohibition to directly or indirectly use such information for the acquisition or disposal, on their own behalf or on behalf of third parties, of the financial instruments to which the information refers;
 - c) inform the recipients of the prohibition to use such information, or attempt to use it, by cancelling or modifying an order already placed concerning a financial instrument to which the information refers;
 - d) inform the recipients of the survey that, by accepting to receive the information, they are under an obligation not to disclose it and to keep it strictly confidential.

The Person Responsible for the Survey must record and retain all information provided to the survey recipients in accordance with points a) to d) above, as well as the identity of the potential investors to whom the information was disclosed, including legal entities and natural persons acting on behalf of the potential investor, and the date and time of each disclosure. The Person Responsible must forward these records to the competent authority upon request.

Before each market survey, the Person Responsible must define the list of potential investors who will be contacted, as well as the standard set of information to be used with all survey recipients.

22. Participation of managers or employees in conferences, conventions, courses, etc

In the case of speeches at conferences, conventions, courses, etc., as speakers, authorised by the Department to which they belong or by the Person Responsible for first line managers, if the speech deals with economic, financial, organisational or managerial aspects, not already the subject of a public disclosure, the person making the speech must send a summary of its contents to the Investor Relations Manager, in order to allow him/her to assess whether or not the speech deals with Inside information.

If, during these meetings, there is the unintentional disclosure of Inside information, the Person Responsible must be informed in order to arrange the immediate publication of a Release in accordance with the procedure described above.

23. Marketing communications

Marketing communications concerning the promotion of the activities or products of the Company and Group Companies are not covered by this Procedure.

In order to avoid that marketing communications may contain Market-Sensitive and/or Inside information, prior to their disclosure, any marketing communication intended for the public must be submitted to the attention of the Head of Communications and/or the Investor Relations Manager, in order to assess the need to amend the text appropriately, also with the assistance of the Head of Communications and/or the Investor Relations Manager, depending on its content.

24. Publication of corporate documents on the Company's website

Without prejudice to compliance with the obligations to disclose Inside information to the public, the Company also uses its website, www.carraro.com, to inform the market and, in compliance with this Procedure, makes available, inter alia, corporate documents (Articles of Association, Report on Corporate Governance and Ownership Structure, etc.), financial statements and consolidated financial statements, interim reports, quarterly reports, Press Releases in their full text, as well as the documentation distributed at meetings with market operators, for at least five years from its publication, in the specific "Corporate Governance" section. The Company ensures that the Inside information published on the website indicates the date and time of disclosure.

Each Group Company may activate its own website and is responsible for the information contained thereon, to be published in compliance with the recommendations issued by CONSOB (see CONSOB Communication no. DEM/6027054 of 28.03.2006, pars. 87 et seq.), it being understood that all information of significance for the purposes of this Procedure, in particular Inside information, must be subject to the rules contained therein.

FINAL PART - CONFIDENTIAL AND INSIDE INFORMATION

25. Entry into force of the procedure

This Procedure shall apply from the date of approval by the Board of Directors of Carraro S.p.A.

26. Amendments and supplements to the procedure

Substantial amendments and supplements to this procedure are overseen by the Board of Directors of Carraro S.p.A.

On the other hand, the Chairman, Deputy Chairman and Chief Executive Officer of Carraro S.p.A. may also make formal amendments and supplements, provided that the substance of the content does not change.

27. Disciplinary system

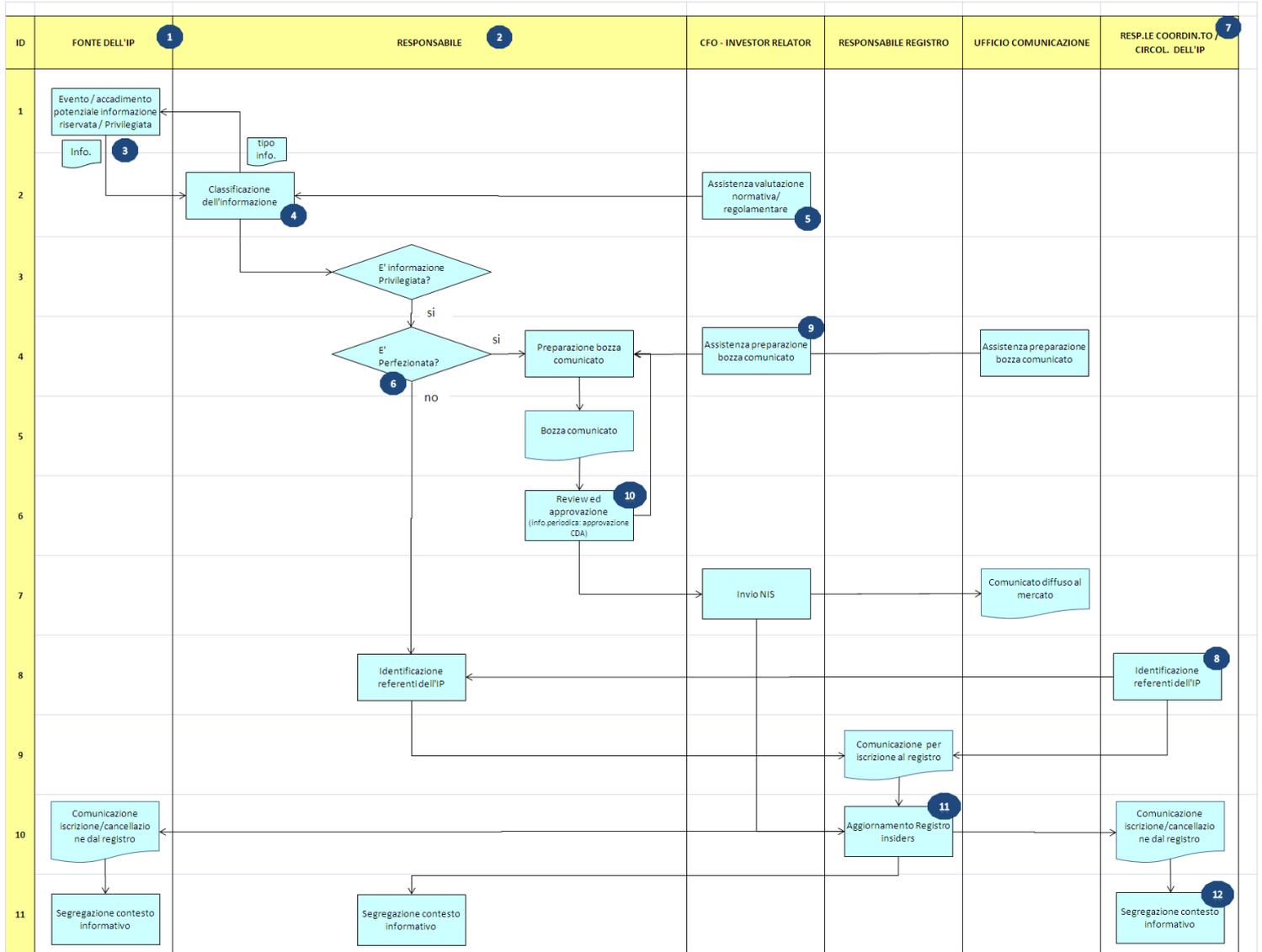
Failure to comply with the provisions of the law on the subject may constitute criminal and administrative offences identified as abuse of Inside information and market manipulation (Articles 184-187 *quater* of the TUF) and may give rise to situations involving the Company's administrative liability (Articles 187 *quinquies* and 25 *sexies* of Legislative Decree 231/01).

In addition, failure to comply with these provisions may be of significance:

- for employees, for the imposition of the disciplinary sanctions provided for by current legislation, collective bargaining agreements and the Organisational Model pursuant to Legislative Decree no. 231/2001 applicable by the Human Resources Department.
- for non-employee Recipients, for possible interruption in the professional/collaboration relationship.

ANNEXES: INSIDE INFORMATION

Annex 1: Inside information flow, summary diagram and related descriptive notes



Descriptive notes - Inside information flow, summary diagram

ID	Descriptive notes
1	SOURCE OF INSIDE INFORMATION (I.I.). Reference: Definitions; paragraph 7.
2	PERSON RESPONSIBLE FOR THE IDENTIFICATION / CLASSIFICATION OF INSIDE INFORMATION. Reference: paragraph 7.
3	POTENTIAL EVENT / OCCURRENCE CONFIDENTIAL / INSIDE INFORMATION. Reference: paragraph 6 and paragraph 7.
4	CLASSIFICATION OF INFORMATION. Reference: paragraph 6 and paragraph 7.
5	LEGISLATIVE/REGULATORY ASSESSMENT SUPPORT. Reference: paragraph 7.
6	INSIDE INFORMATION, IS IT FINALISED? Reference: paragraph 10.
7	PERSON RESPONSIBLE FOR THE COORDINATION AND CIRCULATION OF INSIDE INFORMATION Reference: Definitions; paragraph 9.
8	IDENTIFICATION OF INSIDE INFORMATION (II) CONTACT PERSONS. Reference: paragraph 9.
9	SUPPORT IN THE PREPARATION OF THE DRAFT RELEASE. Reference: paragraph 10.
10	REVIEW AND APPROVAL (PERIODIC CORPORATE REPORTING: APPROVAL (BOARD OF DIRECTORS)). Reference: paragraph 10.
11	UPDATE OF REGISTER OF PERSONS WITH ACCESS TO INSIDE INFORMATION (so-called Insiders Register). Reference: Definitions; paragraph 8.
12	INFORMATION CONTEXT SEGREGATION. Reference: Definitions; paragraph 9.

Annex 2: Guidelines for the identification of the main persons who may be involved in the management of Recurring Inside information

The main parties that may be involved in the management of any potential Inside information are identified as follows:

- **"Source of Inside information"**, see Definitions paragraph;
- **"Person responsible for the coordination / circulation of I.I."**, see Definitions paragraph; responsibilities are specified in paragraph 9;
- **"Inside information Contact Persons"**, i.e. the persons involved in management of the information (entered in the Register);
- **"Other contact persons / organisational units that can access Inside information"**, i.e. internal and external persons that may be involved in management of the information (entered in the Register).

Recurring Inside information

Recurring Inside information				
Macro-category: forecast data				
Inside information	SOURCE of I.I.	Person responsible for the coordination / circulation of I.I.	I.I. Contact Persons (entered in the Register)	Other contact persons / organisational units that can access I.I. (entered in the Register)
1) Consolidated balance sheet, income statement, financial position, budget and forecast and related information details;	- Carraro S.p.A.: the CEO, the Chairman, the Deputy Chairman, the Board of Directors, Key Managers, the CFO, the Investor Relations Manager. - Group Companies: the Chairman, the Chief Executive Officer, the COO.	Investor Relations Manager, Head of the Legal Department	- Management Control Director	- Administrative Director; - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination
2) Consolidated balance sheet, income statement, financial position, budget and forecast and related information details	As above.	Investor Relations Manager, Head of the Legal Department	- Management Control Director	- Administrative Director; - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination
4) Strategic plans of companies, business units and the group	As above.	Investor Relations Manager, Head of the Legal Department	- Management Control Director	- Administrative Director; - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination

Recurring Inside information				
Macro-category: forecast data				
Inside information	SOURCE of I.I.	Person responsible for the coordination / circulation of I.I.	I.I. Contact Persons (entered in the Register)	Other contact persons / organisational units that can access I.I. (entered in the Register)
5) Economic and financial business plans of companies, business units and group companies	As above.	Investor Relations Manager, Head of the Legal Department	- Management Control Director	- Administrative Director; - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination
6) Analysis of actual deviations from the budget and/or forecasts	As above.	Investor Relations Manager, Head of the Legal Department	- Management Control Director - Administrative Manager	- Administrative Director; - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination

Recurring Inside information				
Macro-category: accounting / financial data				
Inside information	SOURCE of I.I.	Person responsible for the coordination / circulation of I.I.	I.I. Contact Persons (entered in the Register)	Other contact persons / organisational units that can access I.I. (entered in the Register)
1) Consolidated balance sheet, income statement, financial position, budget and forecast and related information details;	- Carraro S.p.A.: the CEO, the Chairman, the Deputy Chairman, the Board of Directors, Key Managers, the CFO, the Investor Relations Manager. - Group Companies: the Chairman, the Chief Executive Officer, the COO.	Investor Relations Manager, Head of the Legal Department	- General Ledger Managers; - Administrative Director; - Administrative Manager	- Auditing Company; - Management Control Director - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination
2) Statutory balance sheet, income statement, financial position, budget and forecast and related information details	As above.	Investor Relations Manager, Head of the Legal Department	- General Ledger Managers; - Administrative Director; - Administrative Manager	- Auditing Company; - Management Control Director - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination

Recurring Inside information				
Macro-category: accounting / financial data				
Inside information	SOURCE of I.I.	Person responsible for the coordination / circulation of I.I.	I.I. Contact Persons (entered in the Register)	Other contact persons / organisational units that can access I.I. (entered in the Register)
3) Dividend policy to be proposed to the Shareholders' Meeting	As above	Investor Relations Manager, Head of the Legal Department	- Administrative Director; - Administrative Manager	- Treasury Department Manager; - Management Control Director - Legal Department - Internal Audit Manager; - Communications Department; - Any others to be included by the Person Responsible for II Coordination