

TOD'S s.p.a.

PROCEDURE ON RELATED PARTIES
TRANSACTIONS OF TOD'S S.P.A.

(TRASLATION OF THE DOCUMENT ISSUED AND APPROVED IN ITALIAN BY THE BOARD OF DIRECTORS OF THE COMPANY IN THE MEETING HELD ON NOVEMBER 11TH, 2010, SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

s.p.a.

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1. SCOPE AND DEFINITIONS

1.1. This procedure identifies the transactions with related parties, concluded by the Issuer and/or its subsidiaries, and regulates the execution of the said transactions in order to guarantee their material and procedural accuracy, in compliance with the provisions of the law and regulations in force and with the principles established by the Code of Conduct of Listed Companies.

1.2 In this document, the terms and sentences listed below (whether used in the plural or singular form), if written with capital letters, have the meaning indicated below:

- **Independent Directors:** directors who satisfy the independence requirements pursuant to art. 3 of the Code of Conduct for Listed Companies.
- **Unrelated Independent Directors:** directors other than the counter-party of a particular transaction and its Related Parties;
- **Market equivalent terms** or **Standard terms:** terms similar to those usually charged to unrelated parties for transactions of a corresponding nature, extent and risk, or based on regulated rates or at fixed prices or those charged to persons with which the Issuer is obligated by law to contract at a certain price;
- **Board of Directors** or **Board:** the board of directors of the Issuer Tod's S.p.A.;
- **Issuer** or **Company:** Tod's S.p.A.;
- **Joint venture:** the contractual agreement as defined in Annex 1 of the Consob Regulation no. 17221 of March 12, 2010 as amended;
- **Procedure:** the present procedure which regulates the execution and approval of Related Parties Transactions carried out by the Issuer and/or its subsidiaries, in Italy or abroad;
- **Regular Transactions:** transactions carried out in the ordinary course of business and the related financial activities;
- **Transactions of greater importance:** transactions with Related Parties that exceed the thresholds identified by the relevant provisions of the law in force and that, as of now, correspond to the "Transaction of greater importance" identified by Annex 3 of the Consob Regulation no. 17221 of March 12, 2010 (attached at the end of this document); whether a transaction or several transactions that are cumulated pursuant to the following provisions are identified as "relevant" according to the indices established by the regulations, and this result is manifestly unreasonable considering specific circumstances, the Issuer may ask Consob to indicate alternative arrangements to be followed in determining these indices. To this end, the essential characteristics of the transaction and the special circumstances upon which the request is based should be communicated to Consob prior to the conclusion of the negotiations.

- **Transaction of lesser importance:** transactions with Related Parties not exceeding the thresholds identified by the relevant provisions of the law in force, which are, as of now, the thresholds indicated by Annex 3 of Consob Regulation no. 17221 of March 12, 2010;
- **Related Parties and Related Parties Transactions:** those parties and transactions defined as such by the relevant provisions of the law in force when each transaction is decided and that, as of now, correspond to the parties and transactions defined as such in Annex 1 of Consob Regulation no. 17221 of March 12, 2010.
- **Regulation:** Consob Regulation no. 17221 of March 12, 2010 as amended;
- **Subsidiaries:** subsidiaries of the Issuer under Annex 1 of the Regulation as amended;
- **Associate Companies:** associate companies of the Issuer under Annex 1 of the Regulation as amended;
- **Unrelated Shareholders:** those subjects defined as such pursuant to the relevant provisions of the law in force when each transaction is decided and that, as of now, correspond to the subjects which hold the right to vote in the Shareholders' meeting other than the counterparty of a particular transaction and subjects related to both the counterparty of a particular transaction or the Company itself;
- **TUF:** Legislative Decree February 24, 1998 no. 58, as amended and integrated.

2. IDENTIFICATION AND PROVISION OF INFORMATION FROM RELATED PARTIES

2.1 For the application of this Procedure, Related Parties are identified by the Company following the criteria indicated in Annex 1 of the Regulation; and therefore as of November 11, 2010, Related Parties are:

(a) all members of the Board of Directors – executive and non-executive – of the Issuer Tod's S.p.A.;

- the operative members of the Board of Statutory Auditors;
- the “officers responsible of the policies” that are: the Chief Officers and the Officer in charge of drafting the financial statements of the companies of the Group Tod's S.p.A.;
- (below also defined as – and together with other subjects – “**Direct Related Parties**”);
- their “close relatives”, such as the spouse not legally separated and the unmarried partner; the children and those dependants on the subject, on the spouse not legally separated or on the unmarried partner;
- those “entities” in which the above mentioned subjects exercise control, joint control or significant influence or hold, directly or indirectly, a significant share of the Company, i.e. at least 20% of the voting rights;

(below also defined as – and together with other subjects – “**Indirect Related Parties**”);

(b) those controlling Shareholders, solely or jointly, or those who hold a participation in the Company which enables them to exercise a significant influence on the Issuer, and in particular as of November 11, 2010:

- Mr. Diego Della Valle;
- DIVI Finanziaria S.a.p.a of Diego Della Valle & C.;
- Diego Della Valle & C. S.a.pa.;

(below also defined as – and together with other subjects – “**Direct Related Parties**”);

- all members of the Board of Directors – executive and non-executive – the operative members of the Board of Statutory Auditors, as well as the officers responsible of the controlling companies' policies; their “close relatives”, such as the spouse not legally separated and the unmarried partner; the children and those dependants on the subject, on the spouse not legally separated or on the unmarried partner; those “entities” in which the above mentioned subjects exercise control, joint control or significant influence or hold, directly or indirectly, a significant share of the Company, i.e. at least 20% of the voting rights;
- the “close relatives” of the controlling subject – being a human person – such as the spouse not legally separated and the unmarried partner; the children and those dependants on the subject, on the

spouse not legally separated or on the unmarried partner; those “entities” in which the close relatives exercise control, joint control or significant influence or hold, directly or indirectly, a significant share of the Company, i.e. at least 20% of the voting rights;

- companies under common control with the Issuer;

(below also defined as – and together with other subjects – “**Indirect Related Parties**”);

(c) Subsidiaries;

(d) Associate Companies;

(e) Joint ventures.

2.2 Each Direct Related Party (mentioned above in art. 2.1 letters *(a)* and *(b)*) has the obligation and undertakes, also in respect of related Indirect Related Parties – by undersigning this Procedure – to promptly inform the Issuer of the start of any negotiation, with the Issuer or any subsidiary, concerning the conclusion of a transaction, either with the same Direct Related Party or with any of the related Indirect Related Parties, as well as, anyway, of any act or fact which may trigger the application of the provisions in force concerning Related Parties.

2.3 Each Direct Related Party is under an obligation to provide the Company with any data and information appropriate to promptly identify all existing Related Parties – Direct or Indirect – updating time by time and within a suitable term the information provided before.

2.4 Information is given at the moment of first implementation of this Procedure and, afterwards, whenever there are relevant changes in the information given before, and anyway, every time the Issuer requests so.

2.5 If the Company is not aware of the qualification of a counterparty as Related Party and information duties have been omitted, such counterparty of the Issuer that has omitted the information – as well as the Direct Related Party relating to it and that has omitted the relevant information as well – will be responsible for any damage – monetary and non-monetary, also determined by the adoption of any resolution by the Authority in charge – suffered by the Issuer following the execution of a transaction in violation of the prescribed procedures.

3. APPROVAL, EFFECTIVENESS AND PUBLICITY OF THE PROCEDURE

3.1 This Procedure has been implemented by the Board of Directors of Tod's on November 11, 2010 following the positive opinion of a committee made up of independent directors, in compliance with the resolution adopted by the Board of Directors on May 13, 2010.

3.2 The Board of Directors of Tod's S.p.A. on November 11, 2010 has established a committee made up exclusively of Independent Directors ("**Committee of Independent Directors**"), entrusted with powers and functions which the Regulation gives to the committee made up exclusively of non executive and independent directors, such as those mentioned in art. 5 of this Procedure. The Committee is elected and functions pursuant to the rules provided under art. 6 below of this Procedure.

3.3 Any future amendment of this Procedure shall as well be approved by the Board of Directors following a positive opinion of the **Committee of Independent Directors**.

3.4 Considering that the Issuer complies with the Code of Conduct of Listed Companies, the definition of "independence" relevant for this Procedure – in compliance with the provisions of the regulations in force – is provided by art. 3 of the Code of Conduct or by the provisions applicable at any time pursuant to the recommendations included in the same.

3.5 Considering that the Committee for the Internal Audit and the Corporate Governance of the Issuer is, at the time this Procedure is approved, made up of non-executive directors in majority independent, provided its composition does not change, the function and powers vested by the Regulation in the committee made up of non-executive directors in majority independent – i.e. as described in art. 4 below of this Procedure – should be vested in the Committee for the Internal Audit and the Corporate Governance. Such a Committee is elected and functions pursuant to the rules provided under the Code of Conduct and pursuant to the rules provided under art. 6 below of this Procedure.

3.5. The Board of Statutory Auditors of the Issuer controls the compliance of the procedures to the applicable provisions of the law – and regulations – concerning Related Parties Transactions in force, as well as their application and refers to the Shareholders' meeting on the matter.

3.6 Without prejudice to compliance with the rules in force at the time, concerning the transparency and publicity of Related Parties Transactions, the provisions of this Procedure concerning the stages of the approval of Related Parties Transaction, become effective starting from January 1, 2011.

3.7 This Procedure, as amended, is immediately published on the web-site of the Issuer, notwithstanding the duty of disclosure, also by reference to the web-site itself, in the annual relation on the corporate governance of the Company.

4. GENERAL PROCEDURE FOR THE EXECUTION AND APPROVAL OF RELATED PARTIES TRANSACTIONS OF LESSER IMPORTANCE

4.1 The general procedure applies to all Related Parties Transactions of lesser importance, save for those transactions to which, being excluded under art. 9 below, the procedures provided by the Regulation do not apply.

4.2 When the Issuer starts a negotiation relating to a Related Parties Transaction of lesser importance, the following rules should be complied with.

(a) Information complete and adequate on the Transaction should be promptly provided to the Committee for the Internal Audit and the Corporate Governance and the body in charge of deciding on the transaction (Board of Directors, Executive Directors Committee, Managing Director), with the support of adequate evidence.

(b) Information provided should be such to enable the Committee for the Internal Audit and the Corporate Governance and the body in charge of deciding on the Transaction of lesser importance to carry out a detailed and documented exam, during the inquiry and approval stages, of the reasons of the transactions as well as of the convenience and substantial correctness of the conditions; the documents provided shall render objective evidence to prove the conditions of the Transaction of lesser importance, when these are defined as equivalent to market standard conditions.

(c) The Transaction of lesser importance is approved only following a reasoned and non-binding opinion by the Committee for the Internal Audit and the Corporate Governance, concerning the interest of the Company to complete the transaction, as well as the convenience and the substantial correctness of the transaction.

(d) The Committee for the Internal Audit and the Corporate Governance has the right to ask the assistance of one or more independent advisors of its own choice and to be paid by the Company, provided they do not have an interest in the matter, even if indirect or remote.

(e) The executive bodies shall provide full disclosure, at least on a quarterly basis, to the Board of Directors and the Board of Statutory Auditors of the conclusion of the Transaction with Related Parties;

(f) If the opinion of the Committee for the Internal Audit and the Corporate Governance referred to at letter *(c)* above is negative, the competent body can still approve the transaction. In such a case, without prejudice to compliance with any other obligation of law and, in particular, those under art. 114 TUF, within 15 days from the end of each quarter, the Company shall publish, in accordance with the provisions of the law – and regulations – a document including the following information, concerning the Related Parties Transactions of lesser importance approved notwithstanding the negative opinion of the Committee for the Internal Audit and the Corporate Governance: identity of the counterparty

and nature of the relationship, scope of the transaction, consideration, reasons why the negative opinion of the Committee for the Internal Audit and the Corporate Governance has not been followed.

(g) In Related Parties Transactions affected by the management and coordination activity of the Issuer, if any, the opinion under letter *(c)* above shall evidence the reasons and convenience of the transaction, where appropriate also in light of the overall result of the supervision and coordination activity or of the transactions designed to fully eliminate the damage resulting from the individual Related Parties Transaction.

(h) Where applicable, the minutes of the resolutions approving the transactions state adequate reasons of the interest of the Company in completing the transaction, as well as the substantial correctness of the relevant conditions.

5. SPECIAL PROCEDURE FOR THE EXECUTION AND APPROVAL OF RELATED PARTIES TRANSACTIONS OF GREATER IMPORTANCE

5.1 The special procedure applies to all Related Parties Transactions of greater importance, save for those transactions to which, being excluded under art. 9 below, the procedures provided by the Regulation do not apply.

5.2 When the Issuer starts a negotiation relating to a Related Parties Transaction of greater importance, the following rules should be complied with.

(a) The Related Parties Transaction of greater importance is approved by the Board of Directors following a positive opinion of the Committee of Independent Directors.

(b) Starting from the negotiation and inquiry stages, the Committee of Independent Directors – or an especially appointed member – should be provided with a complete, adequate and prompt information concerning the Related Party Transaction of greater importance.

(c) During the negotiation and inquiry stages the Committee of Independent Directors – and/or its especially appointed member – can ask information further to those provided and make its own considerations, both to the appointed bodies or to the subjects conducting the negotiations or the enquiries.

(d) Information provided should be such to enable the Committee of Independent Directors and the Board of Directors to carry out a detailed and documented exam, during the inquiry and approval stages, of the reasons of the Transaction of greater importance as well as of the convenience and substantial correctness of its conditions; the documents provided shall render objective evidence to prove the conditions of the Transaction of greater importance, when these are defined as equivalent to market standard conditions.

(e) The Transaction of greater importance is approved only following a reasoned and positive opinion of the Committee of Independent Directors, concerning the interest of the Company to complete the transaction, as well as the convenience and the substantial correctness of the conditions of the transaction, save as detailed in letter *(i)* below. In Related Parties Transactions affected by the management and coordination activity of the Issuer, if any, the opinion mentioned above shall evidence the reasons and convenience of the transaction, where appropriate also in light of the overall result of the supervision and coordination activity or of the transactions designed to fully eliminate the damage resulting from the individual Related Parties Transaction.

(f) The Committee of Independent Directors has the right to ask the assistance of one or more independent advisors of its own choice and to be paid by the Company, provided they do not have an interest in the matter, even if indirect or remote.

(g) The executive bodies should provide full disclosure to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, of the conclusion of the Related Parties Transaction.

(h) The minutes of the resolutions approving the transactions state adequate reasons of the interest of the Company in completing the transaction, as well as the substantial correctness of the relevant conditions.

(i) If the opinion of the Committee of Independent Directors mentioned under letter (e) above is negative, the Board of Directors can still approve the transaction, provided:

i) the transaction is authorized by the Shareholders' meeting under art. 2364, paragraph 1, no. 5), of the Italian civil code;

ii) the authorization is released in compliance with the rules established under art. 11 below aiming at avoiding the conclusion of the transaction if the majority of Unrelated Shareholders vote against the transaction.

In such a case, the Company should provide, in the document mentioned under art. 7 below, a detailed and adequate reasoning to explaining why the adverse opinion of the Committee of Independent Directors will not be followed.

6. COMMITTEE FOR THE INTERNAL AUDIT AND THE CORPORATE GOVERNANCE. COMMITTEE OF INDEPENDENT DIRECTORS

6.1 The Committee for the Internal Audit and the Corporate Governance, made up of non-executive directors in majority independent, as long as its composition does not change, has the function and powers vested by the Regulation in the committee made up of non-executive directors in majority independent – i.e. as described in art. 4 above of this Procedure.

6.2 The Committee is formed and functions in compliance, *inter alia*, with the principles of the Code of Conduct of Listed Companies, and in particular:

- minutes of the meetings of the Committee should be provided;
- the Committee has the power to access information and involve company functions which are necessary to carry out its duties, as well as to obtain the support of external counsels, as established by the Board of Directors and, as far as the Transactions with Related Parties are concerned, as established by this Procedure;
- subjects who are not members of the Committee, if invited by the same Committee and in relation to points to be discussed in the agenda, can participate in the meetings;
- resolutions of the Committee are valid if the majority of its members in charge are present; resolutions are adopted with absolute majority of the presents; meetings are validly held also by electronic means, i.e. videoconference or teleconference, provided all participants can be identified by the President and by the other members attending the meeting, they can follow the discussion, they can participate in the discussion in real time, they can receive and send documents; in such a case the Committee is deemed convened in the place where the President is physically present.

6.3 The Committee of Independent Directors has the functions and powers vested by the Regulation in the committee made up exclusively of independent directors – i.e. as described in art. 5 above of this Procedure. The Committee is elected and functions pursuant to the principles regulating the functioning of the Committee for the Internal Audit and the Corporate Governance.

6.4 All members of the Committee for the Internal Audit and the Corporate Governance and the Committee of Independent Directors shall be Unrelated in relation to the specific Transaction under examination pursuant to the relevant competences. Otherwise the following rules apply.

(a) If one or more of the members of the relevant Committee turn out to be Related, the others should substitute them with one or more independent Unrelated Directors.

(b) If within the Board of Directors there are Independent Unrelated Directors in number non sufficient to complete the Committee, the relevant functions should be performed by the other Independent Unrelated Directors or, whether appropriate, by the only one remaining Independent Unrelated Director.

(c) If within the Board of Directors there are no Independent Unrelated Directors, the relevant functions should be performed by the Board of Statutory Auditors – the provisions of art. 2391, paragraph 1, first sentence of the Italian civil code being applicable to its members – or, alternatively, by an independent advisor nominated by the Board of Statutory Auditors.

(d) If there are only two Independent Unrelated Directors and they have contrasting opinions on a matter, the opinion is given by the Board of Statutory Auditors – the provisions of art. 2391, paragraph 1, first sentence of the Italian civil code being applicable to its members – or, alternatively, by an independent advisor nominated by the Board of Statutory Auditors.

7. TRANSPARENCY OF INFORMATION ON RELATED PARTIES TRANSACTIONS OF GREATER IMPORTANCE

7.1 In the event of Related Parties Transactions of greater importance, including those carried out by Italian or foreign subsidiaries, the Issuer publishes an information document prepared pursuant to the relevant provisions of the law and regulations in force.

7.2 The Company shall prepare the information document mentioned above also when, during the financial year, it conducts, with the same Related Party, or with related subjects to the latter or to the Company itself, transactions that are homogeneous or made under a unified design which, while not qualifying individually as Related Parties Transactions of greater importance, exceed, when considered cumulatively, the thresholds of significance identified in accordance with the relevant laws and regulations in force, at the time of the execution of the last relevant transaction. To such extent, transactions carried out by Italian and foreign subsidiaries shall also be deemed relevant for the purposes of this article with the exception of those eventually excluded pursuant to art. 9 below, and those provided by framework-resolutions and subject to advance disclosure pursuant to art. 8.4 below.

7.3 Subsidiaries should promptly provide the Issuer with all the information necessary to the drafting of the information document. The managing bodies of the Issuer shall adopt all appropriate measures to instruct subsidiaries adequately and promptly and in particular they should send this Procedure to the subsidiaries in order to guarantee a punctual compliance of the same by the Group.

7.4 The information document, together with the relevant supporting documentation, is made available to the public within the terms and conditions applicable pursuant to the relevant laws and regulations in force.

7.5 The Company shall disclose to the public, in attachment to the information document or in the web-site, any opinions issued by Independent Directors and/or, where appropriate, by the Board of Statutory Auditors, or at least the essential elements of the opinions of independent advisors, if any, in compliance with the applicable laws or regulations in force.

7.6 Without prejudice to cases of exception, if, a Related Parties Transaction of greater importance constitutes also a significant extraordinary transaction, the Company is required to prepare an information document pursuant to the relevant provision of the law and regulations in force (merger, split up, capital increase by means of assignment of goods, acquisition or sale). In such a case, the Company is allowed to draft and publish a single information document containing all the information required pursuant to the relevant provisions of the law and regulations in force. In this case, the document shall be made available to the public at the registered office and in the manner described in the relevant provisions of the law and regulations in force, within the shortest period envisaged by all

applicable provisions. If the Company publishes the information mentioned in this article in a separate document, it may incorporate by reference the information previously published.

7.7 Pursuant to the relevant provisions of the law and regulations in force, the Issuer, in the interim management report and in the annual report, shall provide the following information:

- a) the individual Transactions of greater importance completed during the reporting period;
- b) any other individual transactions with Related Parties – as defined under art. 2427 of the Italian civil code and the international accounting principles (IAS 24) – completed in the reporting period, that have materially affected the financial position or the results of the Company;
- c) any change or development of Related Parties Transactions described in the last annual report that had a material effect on the financial position or the results of the Company during the reporting period.

Information on individual Related Parties Transactions of greater importance may be incorporated by reference to information documents already published, with any significant updates.

8. FRAMEWORK-RESOLUTIONS

8.1 In compliance with the rules and procedures pursuant to articles 4 and 5 above, each of which articles apply based on the foreseeable maximum amount of the transactions subject to resolution, considered all together, framework-resolutions for series of similar transactions with the same Related Parties or with certain categories of Related Parties are allowed.

8.2 Framework-resolutions shall not be effective for more than one year from their adoption, and shall indicate, apart from all the relevant information depending on the case, the foreseeable amount of transactions deemed to be performed.

8.3 The executive bodies should provide full disclosure to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, of the implementation of the framework-resolutions.

8.4 Whenever the foreseeable maximum amount of transactions subject to the framework-resolution exceeds the significant reporting thresholds identified for Related Parties Transactions of greater importance, the Company shall publish an information document pursuant to art. 7.1 above and, if that is the case, the transactions are counted for the purpose of cumulation set fourth in art. 7.2 above.

9. EXCLUSIONS AND WAIVERS

9.1 The provisions of the Regulation shall not apply:

- a) to transaction of smaller amount, as defined under art. 9.2 below;
- b) to Shareholders' meeting resolutions relating to fees payable to members of the Board of Directors and Executive Committee pursuant to art. 2389, paragraph 1, of the Italian civil code, to members of the Board of Statutory Auditors nor to the resolutions relating to remuneration of Directors holding particular offices included in the total amount determined in advance by the Shareholders' meeting pursuant to art. 2389, paragraph 1, of the Italian civil code;
- c) to Shareholders' meeting resolutions, other than those indicated in letter (b) above, in relation to remuneration for directors holding special offices and remuneration for other managers with strategic responsibility, provided the conditions listed in the Regulation are complied with and without prejudice to the duties of periodic disclosure under art. 7.7 above;
- d) to compensation plans based on financial instruments approved by the Shareholders' meeting pursuant to art. 114-*bis* of TUF and its enactment regulations, without prejudice to the duties of periodic disclosure under art. 7.7 above;
- e) to transactions with or between Subsidiaries, also jointly, as well as to transactions with Associated companies, if in the Subsidiaries or Associated counterparties no interests exist, which may qualify as significant, by other Related Parties of the Company, without prejudice to the duties of periodic disclosure under art. 7.7 above.

Interests shall not be considered as significant if derived from the mere sharing of one or more directors or other managers with strategic responsibilities between the Issuer and its Subsidiaries or Associated companies. Significant interests are deemed to exist when:

- the Related Party – other than a Subsidiary or Associated company of Tod's S.p.A. – holds a percentage exceeding the 20% of the share capital of the Subsidiary or Associated company;
- the Related Party – other than a Subsidiary or Associated company of Tod's S.p.A. – has the right to participate in the revenues of the Subsidiary or Associated company in a percentage exceeding 20%;
- the Related Party – other than a Subsidiary or Associated company of Tod's S.p.A. – possesses financial instruments the value and rights of which are determined by the financial results of the Subsidiary or Associated company, in a relevant way;

if, nevertheless, the Related Party holds a participation or financial instruments in the Issuer, the interest will be considered relevant as long as the participation or the interest in the Subsidiary or Associated company is proportionally greater than the participation in the Issuer;

- the Related Party receives a compensation linked for a relevant part to the financial results of

the individual Subsidiary or Associated company;

- f) to Regular Transactions completed at market-equivalent or Standard terms, without prejudice to the duties of periodic disclosure under art. 7.7 above. In the case of waiver to the disclosure requirements established for Transactions of greater importance, without prejudice to the disclosure requirements, pursuant to art. 114 TUF and art. 7.7 above, the Company notifies to Consob, within the terms and conditions provided by the applicable laws and regulations in force, the counterparty, the scope and the consideration for the transactions that benefited from the exclusion, and specifies in the reports under art. 7.7 above the transactions completed based on the exclusion.

9.2 To identify the transactions of lesser importance reference should be made to the quantitative criteria set out in Annex 3 of the Regulation, to which the following thresholds, considered in absolute value, should apply.

- a) equivalent-value relevance ratio: transactions with a value lower than Euros 250.000,00 are of lesser importance;
- b) asset relevance ratio: transactions in which the total assets of the entity in the transaction is lower than Euros 250.000,00 are of lesser importance;
- c) liabilities relevance ratio: transactions in which the value of the total liabilities of the entity or business operations purchased is lower than Euros 250.000,00 are of lesser importance.

Indications provided by Annex 3 to the Regulation should be followed, where appropriate, in order to identify the transactions of lesser importance.

If more than one of the ratios listed above is applicable to a transaction, the same transaction is of lesser importance provided all the applicable ratios are lower than the thresholds listed above.

10. URGENT TRANSACTIONS

10.1 In cases where Related Parties Transactions are neither attributed to nor shall be authorized by the Shareholders' meeting, subject to and as expressly permitted by statute, in case of urgency, Related Parties Transactions of lesser and greater importance can be completed notwithstanding the provisions of art. 4 and 5 above of this Procedure, provided all the following conditions are complied with:

- a) for transactions not falling under the responsibility of the Board of Directors, the Chairman of the Board of Directors is informed of the reasons of urgency prior to closing the transaction;
- b) these transactions are subsequently subject to non-binding resolution of the first valid ordinary Shareholders' meeting;
- c) the Board of Directors shall prepare for the Shareholders' meeting mentioned under letter *(b)* above a report containing an adequate justification of the reasons for urgency, and the Board of Statutory Auditors shall report to the Shareholders' meeting – if appropriate by means of a specific report – its assessment on the existence of the reasons of urgency; those reports are made available to the public as per the terms and formalities set out in the relevant provisions of the law and regulations in force;
- d) within the day immediately after the Shareholders' meeting, the Company makes available to the public the information on voting results, as set out in the relevant provisions of the law and regulations in force.

11. TRANSACTIONS ATTRIBUTED TO THE SHAREHOLDERS' MEETING

11.1 For Related Parties Transactions of lesser importance attributed by law or statute to or requiring the authorization of the Shareholders' meeting, in the preparatory, inquiry or approval stages of proposed resolution to be submitted to the Shareholders' meeting, the general procedures under art. 4 above, where appropriate, shall apply, and therefore the Committee for the Internal Audit and the Corporate Governance shall render its non-binding opinion on the proposal which the Board of Directors deems to present to the resolution of the Shareholders' meeting.

11.2 For Related Parties Transactions of greater importance attributed by law or statute to or requiring the authorization of the Shareholders' meeting, in the preparatory, inquiry or approval stages of proposed resolution to be submitted to the Shareholders' meeting, the special procedures under art. 5 above, where appropriate, shall apply, and therefore the Committee of Independent Directors shall render its binding opinion on the proposal which the Board of Directors deems to present to the resolution of the Shareholders' meeting.

11.3 Whether the Committee of Independent Directors renders a negative opinion on the proposed resolution to be submitted to the Shareholders' meeting concerning a Related Parties Transaction of greater importance, the Board of Directors can still present the proposal to the resolution of the Shareholders' meeting, but its effectiveness and/or execution shall be subject to the approval of the majority of the Shareholders' meeting as required by law and statute, but also of the majority of Unrelated Shareholders voting in the meeting. Such a condition applies if at least 10% of the share capital of the Company is made up of Unrelated Shareholders with voting power and assisting at the meeting.

11.4 Subject to and without prejudice to specific provisions of the statute, in case of urgency due to corporate crisis, Related Parties Transactions can be completed notwithstanding the provisions of articles 11.1, 11.2 e 11.3, provided in compliance with the provisions of art. 11, paragraph 5, of the Regulation or of the provisions of the law in force.

12. TRANSACTIONS EXECUTED BY SUBSIDIARIES

12.1 If a Related Party Transaction is completed by a Subsidiary pursuant to art. 2359 of the Italian civil code, the following rules shall be complied with.

12.2 Transactions completed by Subsidiaries are subject to disclosure requirements set out in art. 5 of the Regulation and art. 7 above of this Procedure.

12.3 If the Related Party Transaction, completed by the Subsidiary based in Italy or abroad, is a Transaction of greater importance pursuant to this Procedure, the directors of the Subsidiary should request the Board of Directors of the Issuer to preliminarily examine it, after obtaining a binding opinion of the Committee of Independent Directors of the Issuer. The rules set out in art. 5 above of this Procedure shall apply, where appropriate.

12.4 If the Related Party Transaction completed by the Subsidiary is a Transaction of lesser importance, the directors of the Subsidiary should request the Chairman of the Board of Directors and/or the competent bodies of the Issuer or the Board of Directors of Tod's S.p.A. to preliminarily examine it, according to the relevant competencies pursuant to the internal group procedures as well as to the Committee for the Internal Audit and the Corporate Governance of the Issuer, that will give a non-binding opinion. The rules set out in art. 4 above of this Procedure shall apply, where appropriate.

12.5 The rules set out in articles 8 and 9 above of this Procedure shall also apply, where appropriate, to the transactions completed by Subsidiaries.

12.6 In case of urgency, the provisions of this article can be derogated, provided: *(i)* the Chairman of the Board of Directors and/or the competent bodies of the Issuer, as well as the Chairman of the Committee of Independent Directors and/or the Committee for the Internal Audit and the Corporate Governance, depending on their respective competences, and the Chairman of the Board of Statutory Auditors are promptly informed of the reasons of urgency prior to closing the transaction; *(ii)* the reasons of urgency are referred to the Board of Directors of the Issuer in the first valid meeting following the transaction.

ANNEX A

Annex 3 to Consob Regulation no. 17221 of March 12, 2010.