

Piaggio & C. S.p.A.

**Procedure for the management of the Register
of Persons with access to
Inside Information**

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INTRODUCTION

Article 18 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of the European Union of 16 April 2014 on market abuse (*Market Abuse Regulation* or “**MAR**”) establishes the obligation for “*issuers or persons acting in their name or on their behalf*” to draw up, manage and update a register (the “**Register**”) of persons who have access to inside information as defined in Article 7 of the MAR (the “**Inside Information**”).

Pursuant to Article 7 of the MAR, “*Inside Information*” is “*information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments*”¹.

The obligation to establish and maintain the register are aimed at encouraging operators to pay more attention to the value of inside information and, therefore, to stimulate the establishment of adequate internal procedures for monitoring their circulation prior to dissemination to the public. The discipline referred to in Article 18 MAR and the related implementation discipline contained in the Implementing Regulation (EU) 2016/347 of the European Commission of 10 March 2016 (the “*ITS 347*”) is also aimed at facilitating the competent Authority in conducting insider trading surveys.

This procedure (the “**Procedure**”), in force since 3 July 2016, was subsequently updated with a resolution of the Board of Directors of Piaggio & C. S.p.A. of 26 February 2018. Any subsequent changes and/or amendments shall enter into force on the day of publication of the Procedure on the Company website, or on the day otherwise provided for by law or regulation or by resolution of the Board of Directors, or, in the event of urgency, by the Chairman of the Board of Directors or by the Chief Executive Officer.

This Procedure must be applied and interpreted in accordance with the guidelines provided by ESMA, the *European Securities and Markets Authority* (including the *Questions and Answers on the Market Abuse Regulation*, prepared and updated by ESMA, in the latest version made available on its own website) and CONSOB, as far as their respective jurisdiction is concerned.

1. OBLIGATIONS CONCERNING THE REGISTER

¹ Please note that, pursuant to Article: 7, subsection 2 of the MAR information is of a “precise nature” if it “*refers to a series of circumstances which exist or which can reasonably be expected to come into being or to an event which has occurred or which one could reasonably believe would occur and whether such information is sufficiently specific to allow conclusions to be drawn on the possible effect of that set of circumstances or of that event on the prices of the financial instruments or the related derivative financial instrument, the spot contracts on related goods or auctioned products on the basis of emission allowances. In this regard, in the case of a prolonged process that is intended to substantiate, or which determines, a particular circumstance or a particular event, this future circumstance or future event, as well as the intermediate stages of that process which are linked to the realisation or to determine the future circumstance or event, can be considered information which is precise in nature*”. Therefore, it is necessary to include in the Register persons who have access to inside information related to events or sets of circumstances that have already occurred, or to events or sets of circumstances that can reasonably be expected to occur or take place.

- 1.1 Pursuant to Article 18, paragraph 1, MAR, Piaggio & C. S.p.A. (the “**Company**” or the “**Issuer**”):
- (a) draw up the Register;
 - (b) promptly update the Register pursuant to Article 3 of this Procedure; and
 - (c) transmit the Register to the competent Authority as soon as possible upon request.
- 1.2 All those must be registered in the Register: (i) who have access to Inside Information; (ii) with whom the Company has a professional collaborative relationship (whether it is an employment or other contract) or which perform certain tasks through which they have access to Inside Information (such as consultants, accountants or agencies of credit rating).

2. ESTABLISHMENT OF THE REGISTER

- 2.1 The Company establishes the Register in compliance with the provisions of Article 18 of the MAR and ITSS 347, and also taking into account the Guidelines no. 1/2017 on “Management of inside information” adopted by CONSOB on 13 October 2017.
- 2.2 The Issuer ensures that the Register is divided into separate sections, one for each item of Inside Information² (the “**Individual Section**”). Each time a new item of Inside Information is identified, a new and specific Individual Section is added to the Register. Each Individual Section reports only the data of persons having access to the Inside Information contemplated in the section itself.
- Without prejudice to the provisions of the following Article 2.5, the parties to be registered in the Individual Section of the Register, or to be removed from the same, are identified by the Designated Party, who proceeds to the prompt registration, or removal, of the same in the Individual Section of the Register according to ordinary diligence, all as better specified in the following Article 3 of the Procedure.
- 2.3 The Company prepares and updates the Register in an electronic format so as to guarantee at all times the confidentiality of the information contained therein, the accuracy of the same, as well as access to and retrieval of previous versions of the Registry. This electronic format conforms to Model 1 of Attachment I to ITS 347, reproduced in paper form and *attached as* Attachment “A” to this Procedure.
- 2.4 The Company may decide to add to the Register an additional section (the “**Permanent Section**”), in which, where established, data of persons who have access to all Inside Information (the “ **Holders of Permanent Access**” and, together with the subjects registered in the Individual Section, the “**Registered Parties**”). This section is drafted in

² By way of example, a special section shall be constituted for each contract, project, corporate or financial event, publication of the balance sheet or announcement of lower-than-expected profits, etc.

an electronic format conforming to Model 2 of Annex I of IISW 347, reproduced in paper format and *attached as* Attachment “B” to this Procedure. The data of the Holders of Permanent Access indicated in the Permanent Section are not indicated in the Individual Sections of the Register.

For the purposes of this Procedure, the persons who hold the offices or functions indicated below as well as the related secretarial staff, are considered for inclusion in the Permanent Section, where established by the Company;

- (a) the Chairman of the Board of Directors;
- (b) Chief Executive Officer;
- (c) the General Manager;
- (d) the *Chief Financial Officer*.

Any other parties to be registered in the Permanent Section, or to be removed from it, are identified by the Board of Directors or, in urgent cases, by the Chief Executive Officer in agreement with the Chairman. The names of the Holders of Permanent Access to be registered, or, depending on the case, to be removed, are disclosed to the Designated Party, who proceeds to the prompt registration of the same in the Permanent Registry section according to ordinary diligence, all as better specified in the following Article 3 of the Procedure.

- 2.5 The Registered Parties must in turn identify, to their knowledge: (a) which additional persons, within their corporate structure and/or function within the Issuer or the Group under its control, may have access to Inside Information, and (b) third parties who have a collaborative relationship with the Company (for example, the auditing company and/or the legal or tax consultants or advisors etc.) that (i) may have access to Inside Information and which, therefore, are to be registered in an Individual Section of the Register, or (ii) who have ceased to have access to Inside Information and which, therefore, are to be removed from an Individual Section of the Register.

With regard to third parties having a working relationship with the Company, referred to in the foregoing letter (b) that are companies, associations or other entities, the natural persons of said company, association or other body that, according to the evidence of the Company has access to the relevant Inside Information in each instance. If the Company proves that one or more of the aforementioned natural persons have ceased to have access to Inside Information, these natural persons must be removed from the relevant Individual Section of the Register.

- 2.6 The Registered Parties disclose, pursuant to the following Article 3.4, the names of the parties identified pursuant to the provisions of the foregoing Article 2.5 to the Designated Party (as defined in the following Article 3.1), who, after agreeing with the Chief Executive Officer that such parties actually need to be registered in the Register, proceed with the prompt updating of the Register according to ordinary diligence, all as better specified in the following Article 3 of the Procedure.

3. STORAGE, CONSERVATION AND UPDATING OF THE REGISTER

3.1 The Company's Legal & Corporate Office (the "**Designated Party**") takes care of the keeping of the Register, proceeding, after consulting with the Chief Executive Officer where so provided in this Procedure or in any case where it is deemed appropriate, to perform the registrations and related updates on the basis of the information received from the subjects indicated in the foregoing Articles 2.4 and 2.5. Furthermore, it monitors the subjects registered in each of the Individual Sections of the Registry, verifying the correctness of the registration with the subjects indicated in Article 2.5, which, by virtue of the provisions of the Articles and according to the methods and criteria indicated therein, they are deputed to transmit the information relative to the persons to be registered in or removed from the Individual Section of the Registry to the Designated Party.

It is understood that the Registered Parties are responsible for the quality of the information disclosed to the Designated Party and are required to ensure its completeness and prompt updating.

3.2 The Register must be updated promptly upon occurrence of the following events:

- (a) a variation occurs regarding the reason for including a Registered Party in the Register;
- (b) there is a new person who has access to Inside Information and must therefore be registered in the Register;
- (c) the Registered Party no longer has access to Inside Information.

Each update indicates the date and time when the change occurred that made the update necessary.

3.3 The data relating to the Registered Parties including in the Register are retained for five years after the circumstances that led to the registration or update cease to be in place.

3.4 The disclosures by the Registered Parties to the Designated Party and related to the registrations in, or the removal from, the Individual Section of the Register as set out in the foregoing Article 2.5 of the Procedure are sent in writing via e-mail to the address legale.societario@piaggio.com and they must provide all the information necessary for a correct and complete registration and updating of the Registry pursuant to this Procedure. The Designated Party proceeds to report the information received in the Register. If the Designated Party should discern the lack of any data, he/she shall contact the Registered Parties, who will be responsible for prompt disclosure of the missing data.

3.5 Registration in the Register and any subsequent updates (including cancellation) are disclosed by the Designated Party to the data subject promptly and in any case no later than 3 working days from the occurrence of the event. To this end, the Designated Party submits to the Registered Parties or sends to them (by registered letter with acknowledgment of receipt, in advance by e-mail or by certified e-mail or by e-mail with

confirmation of delivery and reading) and appropriate disclosure (“Cover Letter”), by which information is provided to the Registered Parties regarding the registration in the Register (or the subsequent updating of the same), as well as the legal and regulatory obligations arising from MAR, the related implementation rules and by this Procedure, as well as the sanctions applicable in the event of their breach. Two copies of this Procedure shall be attached to the aforementioned Cover Letter (drawn up in accordance with Attachment “C” of this Procedure). The Registered Parties, within and not later than 3 working days from the delivery or receipt of the Cover Letter, are required to disclose in writing to the Designated Party that they have received the information and transmit to the same a copy of the Procedure signed on each page in sign of full acceptance.

4. CONTENT OF ENTRIES IN THE REGISTER AND RELATED UPDATES

4.1 Taking into account the sections of which the Register is composed according to the Article 2 (that is, Individual Sections and any Permanent Sections), the Designated Party registers the following information in the Register:

- (A) date and time of creation of the section, meaning the date and time when the Inside Information was identified;
- (B) for each Registered Party:
 - (i) date and time of registration of the person in the Register, meaning the date and time in which the Registered Party has had access to the Inside Information;
 - (ii) identity of the person who has access to the Inside Information and, in particular, the given name, surname, professional telephone number (direct land and mobile lines) and private telephone number (home and personal mobile phone), the date of birth, the social security number, the complete private address (street, house number, town, postcode, state), the e-mail address for communications relating to the Procedure;
 - (iii) company to which they belong and type of relationship with the Company;
 - (iv) reason why the person is registered in the Register;
 - (v) updating and reason for updating the information contained in the Register;
 - (vi) date and time of each update of the information already entered in the Register;
 - (vii) cancellation and reason for cancellation from the Register;
 - (viii) date and time of cancellation of the person from the Register, by this means the date and time in which the Registered Party ceased to have regular access to the Inside Information.

5. PROCESSING OF PERSONAL DATA

5.1 For the purposes of this Procedure, the Company may be required to process certain personal data of the Registered Parties included in the Register. These parties are therefore asked to give their consent to the processing of their personal data by the Company or by representatives and/or delegated parties of the Company, in compliance with and pursuant to Legislative Decree 196/2003 and subsequent amendments, in full knowledge of the following:

- (a) The purpose and the methods for processing the data;
- (b) The fact that the provision of the aforesaid data is of a compulsory nature;
- (c) The parties or types of parties to which the data can be disclosed and the distribution framework of such data;
- (d) the rights pursuant to Article 7 of Legislative Decree 196/2003;
- (e) the name and surname, the company name and the registered office, the residence or the address of the data controller and the manager:
 - data controller: Piaggio & C. S.p.A., with its registered office in Pontedera, Via Rinaldo Piaggio no. 25.
 - data processor: the Director of Legal and Corporate Affairs at Piaggio & C. S.p.A. - Pontedera, Viale Rinaldo Piaggio no. 25.

With the delivery to the Designated Party of the disclosure referred to in Article 3.5 duly signed by the Registered Party, the consent is validly expressed, pursuant to and for the purposes of Legislative Decree 196/2003.

6. AMENDMENTS AND SUPPLEMENTS

6.1 The provisions of this Procedure shall be updated and/or supplemented by the Company's Board of Directors, taking into account any applicable legal or regulatory provisions in force, experience acquired and relevant market practice.

6.2 Where amendments and/or additions are required to the individual provisions of this Procedure as a result of amendments to applicable laws or regulations or the specific requirements of supervisory authorities, or in the event of demonstrable urgency, amendments or additions to this Procedure may be made directly by the Chairman of the Board of Directors or the Chief Executive Officer, and then submitted for the approval of the Board of Directors at the first subsequent board meeting.

* * *

Attachments:

- Attachment “A”: Model 1 from Attachment I to ITS 347.
- Attachment “B”: Model 2 from Attachment I to ITS 347.
- Attachment “C”: Template Cover Letter.

ATTACHMENT A

MODEL 1 FROM ATTACHMENT I TO ITS 347.

* * *

List of persons with access to inside information - Section on [indicate specific inside information to a contract or relating to an event]

Date and time (of creation of this section of the list or when the inside information was identified): [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date and time (last update): [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date of transmission to the competent authority: [yyyy-mm-dd]

Name of the holder of the access	Surname of the holder of the access	Birth surname of the holder of the access (if different)	Professional telephone numbers (direct fixed and mobile professional telephone line)	Name and address of the company	Function and reason for access to inside information	Obtained (date and time when the holder has gained access to inside information)	Terminated (date and time when the holder ceased to have access to inside information)	Date of birth	National ID number (if applicable)	Private telephone number s (home and personal mobile phone):	Full home address (street, house number, town, postcode, state)
[text]	[text]	[text]	[numbers (without spaces)]	[address of the issuer/emission allowance market participant/au]	[description of role, function and reason for presence in the list]	[yyyy-mm-dd, hh:mm UTC]	[yyyy-mm-dd, hh:mm UTC]	[yyyy-mm-dd]	[number and/or text]	[numbers (without spaces)]	[full home address of the access holder]

				ction platform/aucti on commissioner/ auction monitor or third party of the access holder]								– Street and number – location – Postcod e – State]
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ATTACHMENT B

MODEL 2 FROM ATTACHMENT I OF ITS 347.

* * *

Permanent access section of the list of persons with access to inside information

Date and time (creation of the permanent access section) [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date and time (last update): [yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date of transmission to the competent authority: [yyyy-mm-dd]

Name of the holder of the access	Surname of the holder of the access	Birth surname of the holder of the access (if different)	Professional telephone numbers (direct fixed and mobile professional telephone line)	Name and address of the company	Function and reason for access to inside information	Included (date and time when the holder was included in the permanent access section)	Date of birth	National ID number (if applicable)	Private telephone number s (home and personal mobile phone):	Full home address (street, house number , town/city, postcode, state)
[text]	[text]	[text]	[numbers (without spaces)]	[address of the issuer/emission allowance market participant/auct	[description of role, function and reason	[yyyy-mm-dd, hh:mm UTC]	[yyyy-mm-dd]	[number and/or text]	[numbers (without spaces)]	[full home address of the access holder

				ion platform/auction n commissioner/a uction monitor or third party of the access holder]	for presence in the list]						<ul style="list-style-type: none"> – Street and number – location – Postcode – State]
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ATTACHMENT C

COVER LETTER MODEL

* * *

[on Company letterhead]

[Dear Mr./Ms. [●]]

[address]

[indicate one of the delivery/transmission methods referred to in Article 3.5 of the Procedure]

Subject: Registration in Register of persons with access to inside information

We hereby inform you that on [●] you were registered in the “Register of persons having access to inside information” (the “**Register**”) established by Piaggio & C. S.p.A. (the “**Company**”) - as required by Article 18 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of the European Union of 16 April 2014 concerning market abuse (*Market Abuse Regulation* or “**MAR**”) and the related implementation discipline contained in the Implementing Regulation (EU) 2016/347 of the European Commission of 10 March 2016 – with reference to [●].

The “*Procedure for managing the Register of Persons who have access to Inside Information*” (the “**Procedure**”), in force since 3 July 2016, was subsequently updated with a resolution of the Board of Directors of Piaggio & C. S.p.A. of 26 February 2018.

For the notion of inside information, reference is made to Article 7 of the MAR reproduced in the attachment to the present, as well as to the “*Procedure for the public disclosure of Inside Information*” published on the *Company’s* website at www.piaggiogroup.com.

As established by Article 3.1 of the Procedure the Designated Party responsible for the Register is the Legal & Corporate Department.

We invite you to provide the aforementioned Designated Party with the data reported in detail in Article 4.1 of the Procedure by sending the attached form duly completed and signed.

We also invite you to view, in particular, Article 2.5 of the Procedure and to provide the Designated Party, where appropriate, with the related information.

It will be the responsibility of the Company to inform you when it will be removed from the Register with reference to the registration referred to in this communication, as well as any updates thereof that may affect it.

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We invite you to read the legislation set out in the annex to this communication (*Regulatory Appendix*) regarding legal and regulatory obligations deriving from MAR, the related implementation discipline and the Procedure, as well as the sanctions applicable in the case of their breach and any subsequent changes and additions; this legislation is easily accessible on the CONSOB *website*.

We inform you that in virtue of the role you have held, you are bound by a duty of confidentiality with regard to the inside information that comes to your knowledge in the exercise of your activity and which is not to be disclosed in any way.

For the purpose of acceptance, please send us a copy of this communication duly signed, no later than 3 working days from its receipt, together with the attached form, duly completed and signed, and a copy of the attached Procedure signed on each page in sign of full acceptance, with one of the following methods:

- by recorded delivery to the following address: *Piaggio & C. S.p.A. – Viale Rinaldo Piaggio no. 25 – 56025, Pontedera*;
- by fax to the following fax number: *0587.219025*;
- by e-mail to the address: legale.societario@piaggio.com;
- by certified e-mail to the address: piaggiolegal@legalmail.it;

[*place, date*]

Piaggio & C. S.p.A.

Legal and Corporate Department

(*as a Designated Party*)

Attachments:

- regulatory appendix;
- copy of the Procedure to be retained by the Registered Party;
- copy of the Procedure to be returned signed on each page to the Designated Party.

* * *

Procedure for management of the Register of Persons who have access to Inside Information

For full acceptance:

[●]

(acting herein as the Registered Party)

Date: _____

Place: _____

REGISTERED PARTY DATA FORM

* * *

A. NATURAL PERSON

NAME: _____

SURNAME: _____

PROFESSIONAL TELEPHONE NUMBER
(DIRECT LAND AND MOBILE NO.): _____

PRIVATE TELEPHONE NUMBER
(PERSONAL HOME AND MOBILE PHONE): _____

DATE OF BIRTH: _____

TAX CODE: _____

FULL HOME ADDRESS (STREET, HOUSE
NUMBER, TOWN/CITY, POSTCODE,
STATE): _____

E-MAIL ADDRESS: _____

B. POSSIBLE LEGAL PERSON, BODY OR PROFESSIONAL ASSOCIATION TO WHICH THEY BELONG

COMPANY / TRADING NAME: _____

REGISTERED OFFICE: _____

TYPE OF RELATIONSHIP WITH THE
LEGAL PERSON / BODY / PROFESSIONAL
ASSOCIATION _____

REGULATORY APPENDIX

* * *

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

**Chapter 2 - inside information, insider trading, illicit communication of inside information
and market manipulation**

Article 7 of the MAR

Inside Information

"1. For the purposes of this regulation, inside information means:

- a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;*
- b) in relation to derivative instruments on commodities, information with a precise nature, which has not been disclosed to the public, concerning, directly or indirectly, one or more of these derivative instruments or directly relating to the spot commodity transaction related to goods, and if disclosed to the public, it could have a significant effect on the prices of such derivative instruments or on spot contracts on related goods and if this information is reasonably expected to be disclosed or it must be disclosed in accordance with EU or national legislative or regulatory provisions, market rules, contracts, or conventional practices or customs the relevant commodity derivatives or spot markets;*
- c) in relation to the emission allowances or related auction products, information with a precise nature, which has not been disclosed to the public, concerning, directly or indirectly, one or more of these instruments which, if communicated to the public, could have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;*
- d) in the case of persons entrusted with the execution of orders relating to financial instruments, it also means information transmitted by a customer and related to pending orders in financial instruments of the customer, having a precise nature and concerning, directly or indirectly, one or more issuers or one or more financial instruments which, if disclosed to the public, could have a significant effect on the prices of such financial instruments, on the price of spot contracts on related commodities or on the price of related financial derivative instruments.*

2. For the purposes of paragraph 1, it is considered that information is of a precise nature if it refers to a series of circumstances which exist or which can reasonably be expected to come into being or to an event which has occurred or which one could reasonably believe would occur and whether such information is sufficiently specific to allow conclusions to be drawn on the possible effect of that set of circumstances or of that event on the prices of the financial instruments or the related derivative financial instrument, the spot contracts on related goods or auctioned products on the basis of emission allowances. In this regard, in the

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case of a prolonged process that is intended to substantiate, or which determines, a particular circumstance or a particular event, this future circumstance or future event, as well as the intermediate stages of that process which are linked to the realisation or to determine the future circumstance or event, can be considered information which is precise in nature.

3. An intermediate stage in a prolonged process is considered Inside Information if, in itself, it meets the criteria set out in this Article regarding inside information.

4. For the purposes of paragraph 1, for information which, if communicated to the public, would likely have a significant effect on the prices of financial instruments, derivative financial instruments, spot contracts on related goods or the products auctioned on the basis of emission allowances means information that a reasonable investor would likely use as one of the elements on which to base their investment decisions.

In the case of participants in the market for emission allowances with aggregate emissions or rated thermal power equal to or less than the threshold set in accordance with the second subsection of Article 17, paragraph 2, subsection 2, information on their actual activity shall be considered not to have a significant effect on the price of the emission allowances, of the products auctioned on the basis of such quotas or of the derivative financial instruments.

5. ESMA shall issue guidelines to establish an indicative and non-exhaustive list of information that may reasonably be expected to be published or which is required to be published in accordance with the laws or regulations in EU or national law, market rules, contracts, practice or customs on the relevant commodity derivatives markets or spot markets referred to in paragraph 1, letter b). ESMA takes due account of the specificities of these markets”.

Article 8 of the MAR

Insider trading

“1. For the purposes of this regulation, insider trading is when a person in possession of inside information uses such information by acquiring or selling, on his/her own account or on behalf of third parties, directly or indirectly, the financial instruments to which such information refers. The use of such information through the cancellation or modification of an order concerning a financial instrument to which the information refers when said order was submitted before the person concerned came into possession of such inside information is also considered insider trading. In relation to the auctions of emission allowances or other related auction products held pursuant to Regulation (EU) no. 1031/2010, the use of inside information also occurs when a person presents, modifies or withdraws an offer on his/her own account or on behalf of third parties.

2. For the purposes of this regulation, it is recommended that another person applies insider trading or induces another person to apply insider trading when the person is in possession of inside information and:

*a) recommends, on the basis of this information, that another person acquires or transfers financial instruments to which such information refers or induces such person to make the acquisition or transfer;
or*

b) recommends, on the basis of this information, that another person cancel or change an order concerning a financial instrument to which the information relates or induces such person to cancel or change it.

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3. Use of the recommendations or inductions referred to in paragraph 2 constitutes insider trading under this Article when the person using the recommendation or induction knows or should know that they are based on inside information.

4. This Article applies to any person who has inside information due to the fact that he/she:

a) is a member of the administrative, management or control bodies of the issuer or emission allowance market participant;

b) has a stake in the capital of the issuer or of an emission allowance market participant;

c) has access to such information in the exercise of an occupation, profession or function; or

d) is involved in criminal activities.

This Article also applies to any person who has inside information due to circumstances other than those referred to in the first subsection, when that person is aware or should be aware that this is inside information.

5. Where a person is a legal person, this Article shall also apply, in accordance with national law, to the natural persons involved in the decision to make the purchase, transfer, cancellation or modification of an order on behalf of the legal person in question."

Article 9 of the MAR

Legitimate conduct

"1. For the purposes of Articles 8 and 14, the mere fact that a legal person is or has been in possession of inside information does not suggest that this person has used this information and therefore has carried out insider trading on the basis of an acquisition or a transfer if such a legal person:

(a) has established, implemented and maintained adequate and effective internal arrangements and procedures to effectively ensure that neither the natural person who made the decision on their behalf to acquire or dispose of financial instruments to which the information relates, nor any other natural person that could have influenced this decision was in possession of the inside information; and

b) has not encouraged, recommended, induced or otherwise influenced the natural person who acquired or transferred on behalf of the legal person the financial instruments to which the information refers.

2. For the purposes of Articles 8 and 14, the mere fact that a person has been in possession of inside information does not suggest that this person has used this information and therefore has carried out insider trading on the basis of an acquisition or a transfer if the person:

a) for the financial instrument to which this information refers, either a market maker or a person authorised to act as a counterparty and if the acquisition or disposal of financial instruments to which such information refers are legitimately performed in the normal exercise of its function as a counterparty; market maker or counterparty for the financial instrument in question; or

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b) is authorised to execute orders on behalf of third parties, and if the purchase or sale of financial instruments to which these orders refer are made in order to execute the orders legitimately in the normal exercise of employment, profession or function of that person.

3. For the purposes of Articles 8 and 14, it is not clear from the mere fact that a person has inside information that this person has used this information and has therefore carried out insider trading on the basis of an acquisition or sale if the person acquires or disposes of financial instruments to comply with an obligation to maturity, in good faith and not to circumvent the prohibition on insider trading, and if:

a) this obligation derives from an order issued or an agreement concluded before the person concerned obtains inside information; or

b) this transaction is carried out to comply with a legal or regulatory obligation that arose before the person concerned came into possession of inside information.

4. For the purposes of Articles 8 and 14, the mere fact that a person is in possession of inside information does not mean that he has used and has therefore carried out insider trading, if that person has obtained such inside information during a public tender offer or a merger with a company and used this information for the sole purpose of proceeding with the merger or the public tender offer, provided that at the time of approval of the merger or acceptance of the offer by the shareholders of the company in question, all the inside information has been made public or in any case ceased to constitute inside information.

This paragraph does not apply to stake-building.

5. For the purposes of Articles 8 and 14, the mere fact that a person uses his or her knowledge of having decided to acquire or dispose of financial instruments for the acquisition or disposal of such financial instruments does not in itself constitute use of inside information.

6. Notwithstanding paragraphs 1 to 5 of this Article, it may still be considered that there has been an infringement of the prohibition on insider trading referred to in Article 14 if the competent authority ascertains that there has been an illegitimate basis for the purchase and sale orders, transactions or conduct in question."

Article 10 of the MAR

Illicit disclosure of inside information

"1. For the purposes of this regulation, there is an illegal disclosure of inside information when a person is in possession of inside information and discloses this information to another person, except when the disclosure takes place during the normal exercise of an occupation, a profession or a function.

This paragraph shall apply to any natural or legal person in the situations or circumstances referred to in Article 8, paragraph 4,

2. For the purposes of this Regulation, the disclosure to third parties of the recommendations or inductions referred to in Article 8, paragraph 2 shall be understood as an unlawful disclosure of inside information within the meaning of this Article when the person disclosing the recommendation or the inducement is aware or should be aware that they are based on inside information."

Article 18 of the MAR

Lists of persons with access to inside information

“1. Issuers or persons acting in their own name and on their own behalf:

a) draw up a list of all those who have access to inside information and with whom a professional relationship exists, including on the basis of an independent employment contract, or who in any case perform certain tasks through which they have access to inside information, such as consultants, accountants or credit rating agencies (list of persons with access to inside information);

b) promptly update the list of persons having access to inside information in accordance with paragraph 4; and

c) transmit the list of persons having access to inside information to the competent authority as soon as possible upon request.

2. Issuers or persons acting in their name or on their own behalf shall take all reasonable steps to ensure that all persons on the list of persons with access to inside information acknowledge, in writing, the related legal and regulatory obligations and are aware of the sanctions applicable in the event of insider trading and illicit communication of inside information.

If another person, acting in the name or on behalf of the issuer, assumes the task of preparing and updating the list of those who have access to inside information, the issuer remains fully responsible for complying with the obligation envisaged by present Article. The issuer always retains the right of access to the list of persons with access to inside information.

3. The list of persons having access to inside information includes at least:

a) the identity of all persons having access to inside information;

b) the reason why such persons are included in the list of persons having access to inside information;

c) the date and time when such persons had access to inside information; and

d) the date on which the list was drawn up.

4. Issuers or any other person acting in their name or on their behalf shall update the list of persons having access to inside information promptly, adding the date of the update, in the following circumstances:

a) if there is a change in the reason for the inclusion of a person already on the list of persons having access to inside information;

b) if there is a new person who has access to inside information and must therefore be added to the list of persons having access to inside information; and

c) if a person no longer has access to inside information.

Each update indicates the date and time at which the change occurred that made the update necessary.

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5. Issuers or any other person acting in their name or on their behalf shall keep the list of persons who have access to inside information for a period of at least five years after its preparation or updating.

6. Issuers whose financial instruments are admitted to trading on a growth market for SMEs are exempted from drawing up a list of persons having access to inside information if the following conditions are met:

a) the issuer adopts every reasonable measure to ensure that all persons having access to inside information take note of the legal and regulatory obligations that this entails and are aware of the penalties applicable in the event of abuse of inside information and illicit communication of inside information; and

b) the issuer is able to provide, upon request, a list of persons with access to inside information to the competent authority.

7. This Article applies to issuers who have requested or authorised the admission of their financial instruments to trading on a regulated market in a Member State or, in the case of an instrument traded only on an MTF or an OTF, have authorised the trading of their financial instruments on an MTF or OTF or have requested the admission of their financial instruments to trading on an MTF in a Member State.

8. Paragraphs 1 to 5 of this Article also apply to:

a) emission allowance market participants, with regard to inside information regarding emission allowances deriving from the specific activities of the aforementioned participants in the emission allowance market;

b) to each auction platform, auction commissioner and auction monitor in relation to emission allowance auctions or other related auctioned products held pursuant to Regulation (EU) no. 1031/2010.

9. In order to ensure uniform conditions for the implementation of this Article, ESMA shall develop draft implementing technical standards to establish the precise format of the lists of persons having access to insider information and the format for updating the lists referred to in this Article.

ESMA shall present these draft implementing technical standards to the Commission by 3 July 2016.

The Commission shall be empowered to adopt the implementing technical standards referred to in the first subsection in accordance with Article 15 of Regulation (EU) No 1095/2010".

Chapter 5 - Measures and administrative sanctions

Article 30 of the MAR

Administrative sanctions and other administrative measures

"1. Without prejudice to the criminal penalties and supervisory powers of the competent authorities pursuant to Article 23, the Member States shall, in accordance with national law, ensure that the competent authorities have the power to adopt administrative sanctions and other appropriate administrative measures in relation to at least the following breaches:

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a) breaches under Articles 14 and 15, Article 16, paragraphs 1 and 2, Article 17, paragraphs 1, 2, 4, 5 and 8, Article 18, paragraphs 1 to 6, Article 19, paragraphs 1, 2, 3, 5, 6, 7 and 11, and Article 20, paragraph 1; as well as

b) any failure to cooperate or to follow up given in the context of an investigation, an inspection or a request referred to in Article 23, paragraph 2.

Member States may decide not to lay down rules concerning the administrative sanctions referred to in the first subsection if the infringements referred to in letters (a) or (b) of that subsection are already subject to criminal penalties in their national law as at 3 July 2016. In this case, Member States shall communicate in detail the relevant criminal law rules to the Commission and to ESMA.

By 3 July 2016, Member States shall communicate in detail the rules referred to in the first and second subsections to the Commission and to ESMA. They shall inform the Commission and ESMA without delay of any subsequent changes.

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

a) an injunction directed at the person responsible for the breach to end the conduct in question and not to repeat it;

b) the return of the gains made or losses avoided due to the breach, insofar as they can be determined;

c) a public warning indicating the person responsible for the breach and the nature of the breach;

d) the revocation or suspension of the authorisation of an investment company;

e) temporary disqualification, in relation to anyone who performs administrative, management or control functions in an investment company or any other natural person held responsible for the breach, from the exercise of managerial functions in investment companies;

f) in the case of repeated breaches of Article 14 or Article 15, a permanent ban on anyone who performs administrative, management or control functions in an investment company or any other natural person who is held responsible for the breach, from the exercise of management functions in investment companies;

g) temporary disqualification, in relation to anyone who performs administrative, management or control functions in an investment company or any other natural person held responsible for the breach, from own-account dealing activities;

h) maximum administrative monetary sanctions of at least three times the amount of gains or losses avoided due to the breach, when they can be determined;

i) in the case of a natural person, maximum administrative monetary sanctions of at least:

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- i) for breaches of Articles 14 and 15, €5,000,000 or, in the Member States whose official currency is not the euro, the corresponding amount in the national currency as at 2 July 2014;*
 - ii) for breaches of Articles 16 and 17, €1,000,000 or, in the Member States whose official currency is not the euro, the corresponding amount in the national currency as at 2 July 2014; and*
 - iii) for breaches of Articles 18, 19 and 20, €500,000 or, in the Member States whose official currency is not the euro, the corresponding amount in the national currency as at 2 July 2014; and*
- j) in the case of a legal person, maximum administrative monetary sanctions of at least the following amounts:*
- i) for breaches of Articles 14 and 15, €15,000,000 or 15% of the total annual turnover of the legal person based on the last financial statements approved by the management body, or in the Member States whose official currency is not the euro, the corresponding amount in the national currency as at 2 July 2014;*
 - ii) for breaches of Articles 16 and 17, €2,500,000 or 2% of the total annual turnover based on the last financial statements approved by the management body, or in the Member States whose official currency is not the euro, the corresponding amount in the national currency as at 2 July 2014; and*
 - iii) for breaches of Articles 18, 19 and 20, €1,000,000 or, in the Member States whose official currency is not the euro, the corresponding amount in the national currency as at 2 July 2014;*

References to the competent authority referred to in this paragraph shall not affect the ability of the competent authority to carry out its functions in one of the ways provided for in Article 23, paragraph 1.

For the purposes of points (j), (i) and (ii) of the first subsection, where the legal person is a parent undertaking or a subsidiary of an undertaking which has to prepare consolidated financial statements pursuant to Directive 2013/34/EU, the total annual turnover is the total annual turnover or the type of corresponding income in accordance with the relevant accounting directives - Council Directive 86/635/EEC for banks and Council Directive 91/674/EEC for insurance companies - which results in the latest available consolidated financial statements approved by the management body of the parent company heading the group.

3. Member States may provide that competent authorities have powers beyond those set out in paragraph 2 and may provide for penalties of a higher amount than that established in that paragraph”.

Article 31 of the MAR

Exercise of powers of control and imposition of sanctions

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

- a) the severity and duration of the breach;*
- b) the degree of responsibility of the person responsible for the breach;*

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- c) the financial capacity of the person responsible for the breach, as shown, for example, by the total turnover of the legal person or the annual income of the natural person;*
- d) the amount of profits made and losses avoided by the person responsible for the breach, to the extent that they can be determined;*
- e) the level of cooperation that the person responsible for the breach has demonstrated with the competent authority, without prejudice to the need to guarantee the return of the gains made or losses avoided;*
- f) previous breaches by the person responsible for the breach; and*
- g) measures taken by the person responsible for the breach to prevent it from happening again.*

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

Article 34 of the MAR

Publication of decisions

“1. Without prejudice to the third subsection, the competent authorities shall publish decisions on the imposition of an administrative sanction or other administrative measure in the event of a breach of this Regulation on their websites immediately after the person receiving the decision has been informed of such decision. This publication provides information concerning at least the type and nature of the breach and the identity of the person to whom it is addressed.

The first subsection shall not apply to decisions imposing investigative measures.

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

- a) postpones the publication of the decision until the reasons for such postponement cease to exist; or*
- b) publish the decision anonymously in accordance with national law, if the publication ensures the effective protection of the personal data in question;*
- c) does not publish the decision if the competent authority considers that publication pursuant to letters (a) and (b) will be insufficient to ensure:
 - i) that the stability of financial markets is not compromised; or**

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ii) that the proportionality of the publication of the decision in question is ensured, with reference to measures considered of little relevance.

Where a competent authority adopts the decision to publish the decision on an anonymous basis referred to in the third subsection, letter b), the publication of relevant data may be postponed for a reasonable period of time in which it is foreseeable that the reasons for anonymous publication will cease to exist at that time.

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

3. The competent authorities shall ensure that any decision published pursuant to this Article remains accessible on their website for at least five years after publication. The personal data contained in this publication are kept on the website of the competent authority only for the period necessary in accordance with the applicable data protection rules”.

** * **

Commission Implementing Regulation (EU) 2016/347 of 10 March 2016 (“ITS 347”)

Article 1

Definitions

“For the purposes of this Regulation, the following definitions shall apply:

“Electronic means”: electronic equipment for processing (including digital compression), storage and transmission of data by cable, radio waves, optical technologies or any other electromagnetic means.”

Article 2

Form for the drafting and updating of the list of persons having access to inside information

“1. The issuer, the emission allowance market participant, the auction platform, the auction commissioner and the auction monitor, or any other person acting in their name or on their behalf, shall ensure that the respective list of persons having access to inside information (the ‘list’) is divided into separate sections, one for each item of inside information. A new section is added to the list whenever a new item of inside information is identified according to the definition in Article 7 of Regulation (EU) no. 596/2014.

Each Individual Section reports only the data of persons having access to the inside information contemplated in the section itself.

2. The persons referred to in paragraph 1 may add to the list an additional section listing the data of persons who always have access to all inside information (“holders of permanent access”).

Data on the holders of permanent access listed in the supplementary section referred to in the first subsection shall not be included in the other sections of the list referred to in paragraph 1.

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3. *The persons referred to in paragraph 1 shall draw up and keep up-to-date the list in an electronic format in accordance with model 1 from Annex I.*

If the list contains the additional section provided for in paragraph 2, the persons referred to in paragraph 1 shall draw up and keep this section up to date in an electronic format in accordance with model 2 of Annex I.

4. *The electronic formats referred to in paragraph 3 shall at all times guarantee:*

a) the confidentiality of the information contained therein by ensuring that access to the list is limited to the clearly identified persons who, at the issuer, the emission allowance market participant, the auction platform, the auction commissioner and the auction monitor, or any other person acting in their name or on their behalf, must be accessed by the nature of the respective function or position;

b) the accuracy of the information on the list;

c) the access and retrieval of previous versions of the list.

5. *The list referred to in paragraph 3 shall be transmitted by the electronic means indicated by the competent authority. The competent authority shall publish the indication on the electronic means on its website. The electronic means shall ensure that the transmission does not affect the completeness, integrity and confidentiality of the information."*

Article 3

Issuers on growth markets for SMEs

"For the purposes of Article 18, paragraph 6, letter b) of Regulation (EU) no. 596/2014, the issuer whose financial instruments are admitted to trading on a growth market for SMEs shall transmit to the competent authority, upon request, a list complying with the model in attachment II in a format that ensures that transmission does not affect the completeness, integrity and confidentiality of the information."

Article 4

Entry into force

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

It will apply from 3 July 2016."