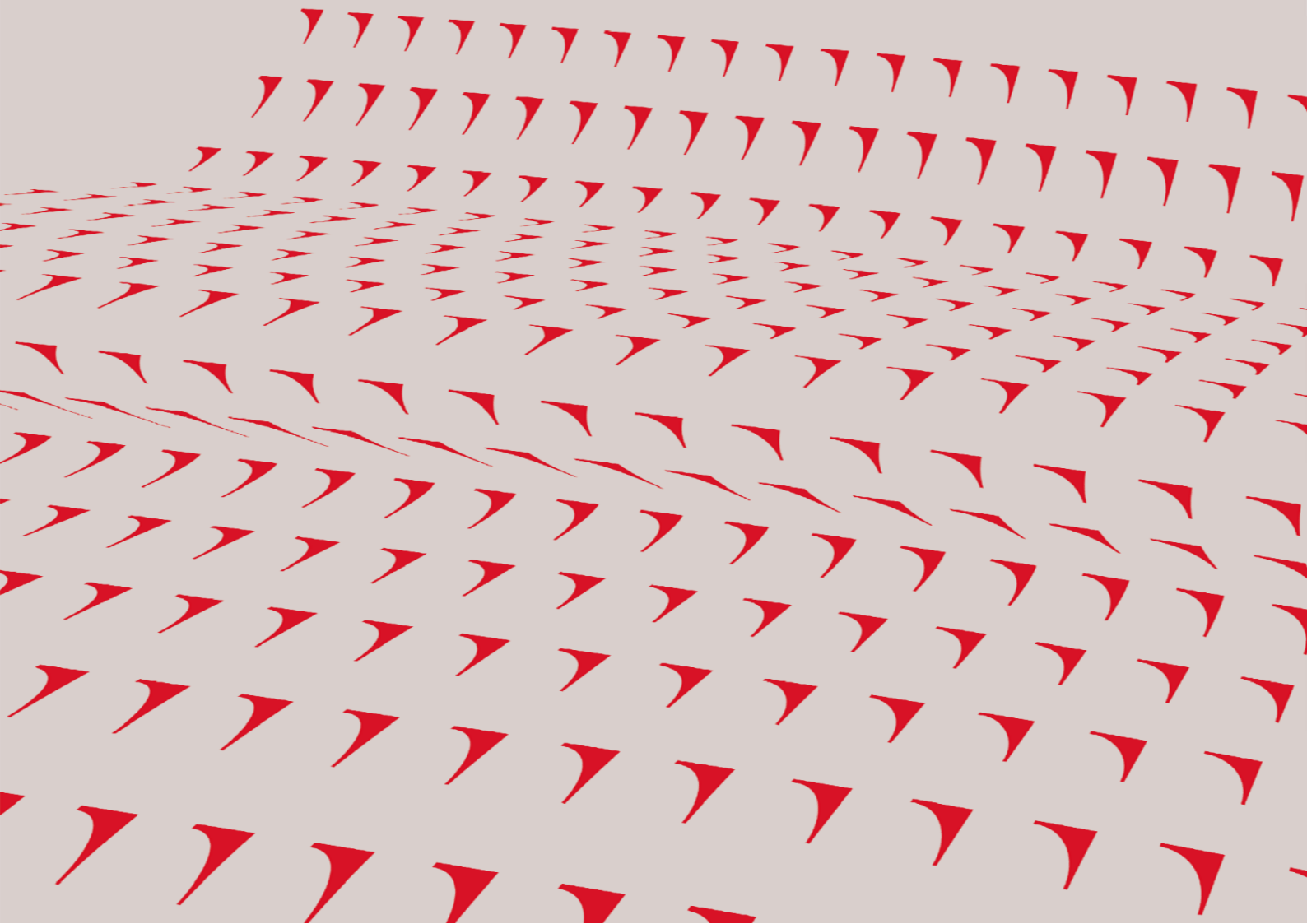




# Rules of the Committee for Related-Party Transactions

---

Updated on 29/10/2021





## **1. FOREWORD**

- 1.1. These rules define the composition, the functions and the operating procedures of the Committee for Related-Party Transactions (the “**Committee**”) set up within the Board of Directors of CIR – Compagnie Industriali Riunite S.p.A. (the “**Company**”) in implementation of what is set out in the Corporate Governance Code of the same Company and in the procedure “*Discipline for related-party transactions*” adopted by the Board of Directors of CIR on 28 June 2019 (the “**Procedure**”).
- 1.2. Except where indicated otherwise in these Rules, the terms that commence with a capital letter will have the meaning defined in the Procedure.

## **2. COMPOSITION AND APPOINTMENT**

- 2.1. The Board of Directors sets up the Committee from within its number by means of a special resolution.
- 2.2. As per the terms of Art. 3 of the Company’s Corporate Governance Code and of Art. 5.1 of the Procedure, the Committee comprises a minimum of three non-executive directors, all of whom are independent. Without prejudice to the above, according to what is stated in Art. 5.3 of the Procedure, when in relation to a specific Transaction one or more of the Committee members are the counterparties or Related Parties of the counterparty, these members will be replaced by non-Related independent directors selected from those with the most seniority on the Board of Directors of the Company or in the event of equal seniority the oldest member in terms of age will be selected.
- 2.3. When making the appointment, the Board of Directors may also identify the Chairman of the Committee (the “**Chairman**”), who would otherwise be elected by the members of the Committee itself. Without prejudice to the above, pursuant to the provisions of Art. 5.4 of the Procedure, if the Chairman is the counterparty or a Related Party of the counterparty of a specific Transaction and is therefore replaced as per Art. 2.2 above, the coordination of the Committee’s work is entrusted to the director with the most seniority on the Company’s Board of Directors or, if members have the same seniority, the oldest member in terms of age is selected.
- 2.4. The length of the Committee’s mandate coincides with that of the Board of Directors so that if for any reason the Board’s mandate should terminate early the Committee’s mandate shall also end immediately.
- 2.5. At the proposal of the Chairman, the Committee can appoint a secretary who, after receiving the favourable opinion of the Chief Executive Officer, does not necessarily



have to be on the Committee but can be from one of the Company's departments, in order to assist the Chairman in carrying out his or her functions and to prepare the minutes of the meetings.

### **3. FUNCTIONS OF THE COMMITTEE**

3.1. The Committee carries out a consulting role, makes proposals and monitors and assists the Board of Directors on the subject of related-party transactions, as per the terms of the Procedure.

3.2. More specifically, the Committee has the following tasks:

- a) Assessing and expressing an opinion on all the Transactions with Related Parties other than the so-called Exempt Transactions as per the terms of Art. 41 of the Procedure;
- b) Assessing and expressing an opinion on Exempt Transactions if requested to do so by the Chairman of the Board of Directors, the Chief Executive Officer or the Board of Directors of the Company as a whole, according to what is established in Art. 4.4 of the Procedure;
- c) Verifying that the conditions for exemption are being applied correctly to Ordinary Transactions effected at Market Equivalent or Standard conditions that are Transactions of Greater Importance as per Art. 4.3 of the Procedure;
- d) Verifying at least once a year the adequacy of the Procedure;
- e) Carrying out any further tasks that may be assigned to it by the Company's Board of Directors and/or required by the Procedure (as amended from time to time).

### **4. CALLING MEETINGS, THE PROCEEDINGS OF THE SAME AND THE MINUTES**

4.1. The Committee meets when its Chairman calls a meeting, deeming it opportune, or at the request of the Chairman of the Board of Directors and in any case whenever it is called upon to carry out the functions assigned to it by current legislation and by the Procedure.

4.2. The notice of meeting, containing the date, time and place of the meeting and the agenda to be dealt with, is sent out by e-mail to the members of the Committee by the secretary, at the request of the Chairman, generally at least three days before the date fixed for the meeting or, in cases of urgency, with at least twenty-four hours' notice. The notice of meeting is sent out by the secretary of the Committee to the secretary to the Board of Directors, unless the same person holds both positions.



- 4.3. The Committee meeting can also be held in audio/video conferencing, provided all the participants can be identified and that such identification is acknowledged in the minutes and that they are able to follow the discussion and intervene in real time during the treatment of the items on the agenda.
- 4.4. The supporting documentation for the meetings is made available in the section dedicated to the Committee of the platform for the members of the Board of Directors or is sent by e-mail with sufficient notice but in any case before the start of the Committee meeting.
- 4.5. Without prejudice to the provisions of Art. 2.2, second paragraph, above, the meetings of the Committee are chaired by the Chairman or, if he or she is absent or has an impediment, by the oldest member in terms of age.
- 4.6. The Committee meetings are attended by the Chairman of the Board of Statutory Auditors or by another Statutory Auditor designated by the Chairman; the other Statutory Auditors may however also attend.
- 4.7. Depending on the subjects on the agenda, at the invitation of the Chairman, the following persons will also attend the meetings: executive and non-executive directors, the Chief Executive Officer, the Executive responsible for the financial statements and corporate documents, the Chief Financial Officer, the General Counsel and, after informing the Chief Executive Officer, other managers of the Company with competence in the subjects to be dealt with at the meeting.
- 4.8. For the Committee meetings to be valid a majority of the members in office must be present and the decisions of the Committee are taken with an absolute majority of those present. In the event of parity, the vote of the Chairman (or that of whoever is in the chair if the latter is absent or has an impediment) shall prevail.
- 4.9. The Committee meetings and its resolutions are valid, even if there has been no formal notice of the meeting, when the majority of the members of the Committee in office are present even in audio/video conferencing, when all those entitled to attend have been informed of the meeting in advance and the participants are sufficiently informed on the subjects to be dealt with.
- 4.10. Minutes are taken of the Committee meetings. The secretary draws up the minutes of the meetings. The draft of the minutes is submitted to the Chairman and the other members for any observations and the minutes are approved at the next Committee meeting, when possible. The minutes are signed by the person chairing the meeting and by the secretary and are filed for safe-keeping by the latter.



## **5. RIGHT OF ACCESS, MEANS OF COMMUNICATION AND INFORMATION FLOWS**

- 5.1. The Committee has the right to access all the information and Company departments necessary for it to carry out its duties and the Company shall provide the Committee with all the funding that it needs in order to fulfil its obligations.
- 5.2. To carry out its duties the Committee may even use external consultants provided they are not in a position that could compromise the independence of their judgment. On this point, in compliance with the terms of Art. 5.7 of the Procedure, the Committee is responsible for evaluating the independence of the experts, bearing in mind, as per the terms of Article 2.4 of Annex 4 of the Rules for Related-Party Transactions, any economic, patrimonial or financial interests between the independent experts and: (i) the counterparty who is the Related Party (including the companies controlled by the same, the persons who control it, the companies subject to joint control with the same and the directors of the aforesaid companies); (ii) the Company (including the companies controlled by the same, the persons who control it, the companies subject to joint control with the same and the directors of the aforesaid companies). Where there are relations of this kind and the Committee sees fit to consider them as irrelevant, the same Committee is required to give the reasons for this decision. Information regarding any such relations can be provided by attaching a declaration signed by the same independent experts.
- 5.3. The Committee is the receiver of at least the following information flows as per Art. 5.2 of the Procedure:
  - a) Information at least once a year when the annual financial report is approved regarding the Transactions of Greater Importance effected in the financial year in which the exemption was applied in accordance with Art. 4.1 of the Procedure;
  - b) Information – following the procedure set out in Art. 4.3 of the Procedure – on any Ordinary Transactions entered into at Market Equivalent or Standard conditions that are Transactions of Greater Importance.

Furthermore, the Chairman of the Committee is sent quarterly information, as per the terms of Art. 9.1 of the Procedure, by the Executive Responsible regarding any Related-Party Transactions previously approved by the Board of Directors of the Company and/or entered into by the chief executive officer (or by another persons authorized by the Company to execute specific transactions), including the individual transactions entered into in implementation of framework-resolutions previously approved by the board of directors of the Company as per Art. 8 of the Procedure.



- 5.4. The Chairman, or in his or her absence, the oldest member of the Committee informs the Board of Directors of the activities that it has carried out at the first subsequent meeting.

## **6. AMENDMENT OF THE RULES**

- 6.1. These Rules were adopted with a resolution passed by the Board of Directors.
- 6.2. The Committee regularly checks the adequacy of these Rules and submits any proposed amendments or additions to the Board of Directors.