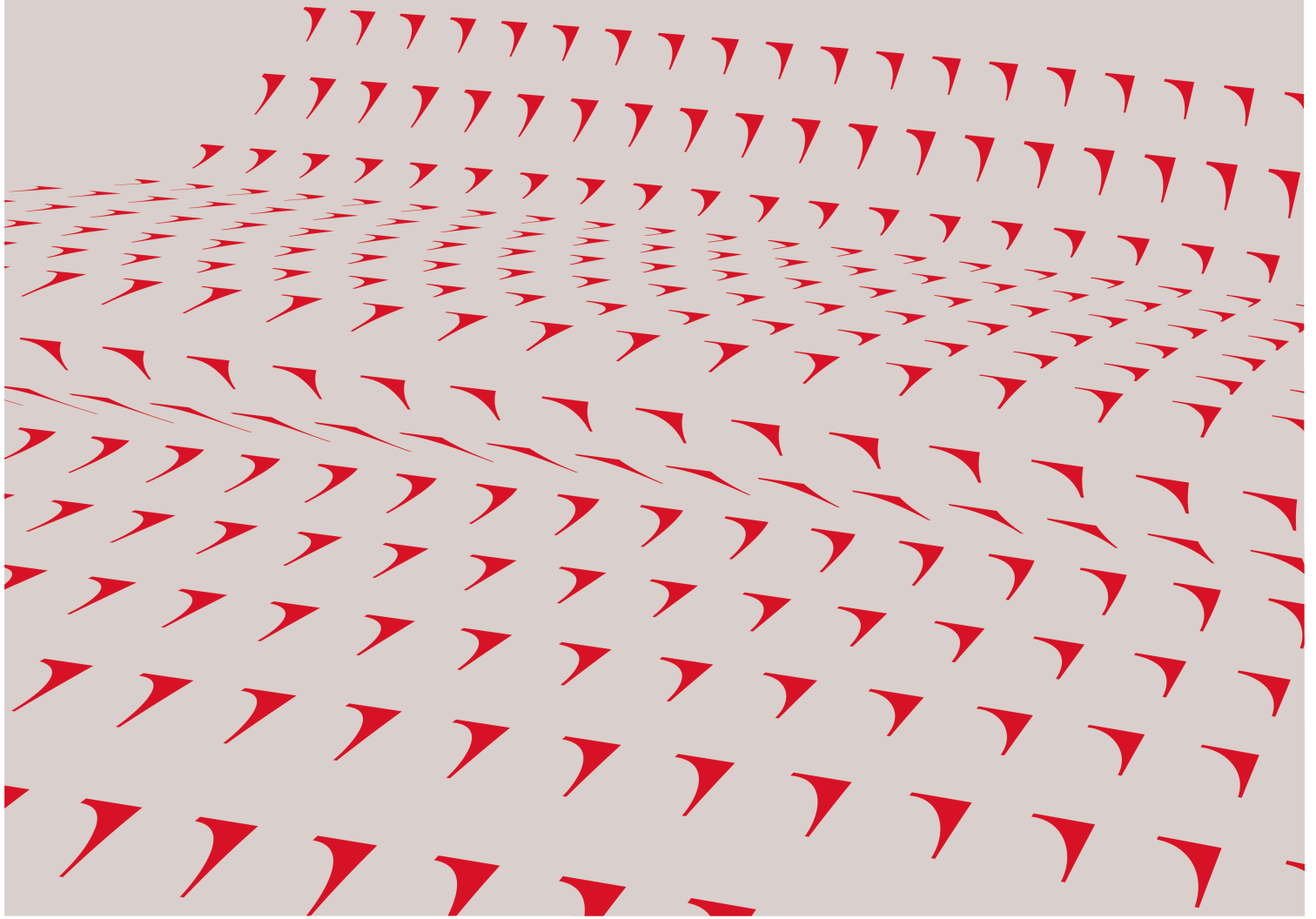




# Company Bylaws

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# **COMPANY BYLAWS**

## **CHAPTER I**

### **NAME – HEADQUARTERS \_ OBJECT**

#### **Article 1 - NAME**

A Public Limited Company (S.p.A.) named “CIR S.p.A. – COMPAGNIE INDUSTRIALI RIUNITE” has been established. This name can be abbreviated to CIR S.p.A.

#### **Article 2 – HEADQUARTERS**

1. The Company has its registered offices in Milan.
2. Branch offices, agencies, representative offices and local offices of any kind both in Italy and abroad can be established, modified or closed by a resolution adopted by the Board of Directors.

#### **Article 3 - OBJECT**

1. The object of the Company is to invest in shareholdings in other companies, to finance and coordinate the companies in which it holds a stake from both the technical and the financial viewpoint, to buy and sell shares and bonds both for its own account and for the account of third parties, and in general carry out financial leasing activity both for moveable assets and for real estate.
2. The Company can proceed to purchase, sell, exchange, in general, manage and run properties of any kind. It can also enter into or take on land or mortgage-backed loans. The Company can also conduct industrial and commercial activities of any kind, including any activities relating to the above from both the production and the financial viewpoint, as well as those relating to the marketing, renting out, advertising and selling of the products of the various business sectors, whether these be consumer goods, machinery, equipment or plant.
3. The Company can therefore carry out any industrial, commercial, financial, real-estate transaction or any transaction involving moveable assets where such transactions are linked to the achievement of the object of the Company.
4. Specifically:
  - a) It can take on shareholdings in other companies, finance them and provide technical, administrative and financial coordination for the companies or organizations in which it holds a stake;
  - b) It can buy and sell shares and bonds even of banks or fiduciary companies either for its own account or on behalf of third parties, and also, in general, buy and sell, hold, manage and place public or private securities and carry out any transaction involving moveable assets;
  - c) It can enter into financial leasing transactions for both moveable assets and real-estate;
  - d) It can buy, rent, sell, exchange, re-sell and, in general, manage and run properties, with the power to sign or enter into land or mortgage-backed loans;



- e) It can carry out any financial transaction, including the issue of collateral security or guarantees in the favour of and on behalf of third parties, and any commercial transaction involving moveable assets and real-estate necessary to achieve the purpose of the Company;
  - f) It can set up and manage, either directly or indirectly, industrial and commercial businesses of any kind, including those relating in some way to the above from either the production or financial viewpoint, as well as those relative to the marketing, renting out, advertising and sale of the products of the various business sectors affected, whether they be consumer goods, machinery, equipment or plant;
  - g) It can promote and participate in the establishment of companies.
5. Savings may be collected within the limits of and following the procedures permitted by Article 11 of the Consolidation Act on the subject of banking and credit and by related secondary regulations, or within the limits of and following the procedures provided for by legislation in force at any one time.
6. Banking activity, the professional exercise of investment services with the public and, in general, the exercise of those activities which the law limits to certain specific entities are prohibited as is the exercise of any activities that are prohibited by current legislation.

## **CHAPTER II**

### **SHARE CAPITAL - SHARES**

#### **Article 4 – AMOUNT OF THE CAPITAL**

1. The share capital amounts to Euro 420,000,000 (four hundred twenty million) made up of 916,059,948 (nine hundred and sixteen million fifty-nine thousand nine hundred and forty-eight) shares with no nominal value.
2. The Extraordinary Shareholders' Meeting of 28 April 2025 approved the cancellation of any CIR treasury shares that may be held in the Company's portfolio upon expiry of the authorisation of the Shareholders' Meeting issued on 28 April 2025 in ordinary session for the buy-back and disposal of treasury shares, except for the shares required to cover the commitments resulting from the stock grant plan (the "LTI Plan"); the cancellation will take place without reducing the share capital, giving the Board of Directors, and on its behalf the Chairman and the CEO, the power, jointly and severally, to: (i) determine the actual number of treasury shares to be cancelled in accordance with the above; (ii) proceed with their cancellation under the terms set forth above; (iii) amend accordingly the number of shares stated in paragraph 1 of this Article, reducing it by the number of shares actually cancelled and ensure, once the cancellation operations have been completed, the repeal of this paragraph.
3. The Extraordinary Shareholders' Meeting held on 28 April 2025 resolved to grant the Board of Directors a mandate, to be exercised on one or more occasions within five years from the date of this resolution (i) to increase the share capital against payment, also in tranches, with or without warrants and also to service the exercise of warrants, pursuant to Article 2443 of the Italian Civil Code, for a maximum nominal amount of Euro 300,000,000 plus share premium, through the issue of a maximum number of 600,000,000



ordinary shares, also with the exclusion or limitation of the option right pursuant to Article 2441(4), (5) and (8) of the Italian Civil Code, in compliance with the criteria set forth by law, in favour, in case of exclusion or limitation of the option, of qualified investors and/or to business, financial and/or strategic partners identified from time to time, and/or as part of incentive programmes based on the assignment of financial instruments, to the Company's directors, employees and collaborators, against specific lock-up commitments from them, and/or within the scope of transactions that provide for the contribution in kind (in whole or in part) of equity investments, businesses, business branches and/or industrial activities instrumental or complementary to the Company's business, as part of its development and growth strategy, and (ii) to issue bonds convertible into ordinary shares of the Company, pursuant to Article 2420-ter of the Italian Civil Code, for a maximum total amount of Euro 300,000,000, together with the power to approve the related capital increase to service the conversion for a maximum amount of Euro 300,000,000 inclusive of share premium and for a maximum number of 600,000,000 ordinary shares, also with the exclusion or limitation of the option right pursuant to Article 2441(5) of the Italian Civil Code, in favour of parties belonging to the categories of qualified investors and/or business, financial and/or strategic partners identified from time to time.

When required by law, upon exercising the mandate, the Directors will draw up the report referred to in Article 2441(6) of the Italian Civil Code, and an opinion will be issued on the fairness of the issue price as referred to in Article 158 of Legislative Decree No. 58 of 24 February 1998.

In connection with the possible exercise of the mandate pursuant to Article 2441(4), second sentence, of the Italian Civil Code, it is established that: (i) the directors shall draw up the report referred to in the provision; (ii) the potential recipients of the capital increase shall be the same as those identified in this proposal for the case of an increase pursuant to Article 2441(5) of the Italian Civil Code; (iii) the issue price of each share shall be determined and confirmed as provided for in the aforesaid provision; (iv) notwithstanding anything to the contrary set forth in this resolution, the amount of the increase approved by the directors in exercising the mandate may not exceed Euro 42,000,000, equal to one-tenth of the current share capital, and the shares issued may not exceed 91,605,994, equal to one-tenth of the number of shares currently outstanding.

#### **Article 5 - CAPITAL INCREASE**

1. The share capital can be increased by the issuance of shares which may even have different rights from those already issued.
2. Resolutions approving the issuance both of new shares having the same characteristics as those in circulation and of shares with different rights do not require the further approval of special meetings of the shareholders of the individual categories of shares.

#### **Article 6 - CAPITAL REDUCTION**

The Shareholders' Meeting can approve a reduction of the share capital in the events and following the procedures established by law.



## **Article 7 - WITHDRAWAL**

1. The right of withdrawal can be exercised by those entitled to do so in the cases and with the procedures provided for by law.
2. However, those who do not take part in the approval of resolutions regarding the renewal of the term of duration of the Company and/or the introduction or the removal of restrictions on the circulation of shares shall not be entitled to withdraw from the Company.
3. The right of withdrawal will take effect with the Company on the fifteenth day following the date on which the registered letter with advice of receipt sent by the party requesting withdrawal as per point three sentence of this article was actually received, while the provisions of Article 2437*bis*, third paragraph, of the Civil Code still in any case apply.

## **CHAPTER III**

### **GENERAL MEETINGS**

#### **Article 8 - GENERAL MEETINGS**

1. The right to attend the Shareholders' Meeting is governed by the applicable legislation.
2. Those entitled to vote may be represented at the meeting by issuing a written proxy, within the limits and in the manner provided by law. Proxies can be notified to the Company by Certified Electronic Mail before the start of the Meeting to the address indicated in the notice of meeting. Attendance at the shareholders' meeting, whether ordinary or extraordinary, and the exercise of voting rights may take place solely through the proxy agent designated by the company in accordance with article 135-undecies of the Consolidated Finance Act where provided for by, and in compliance with, the law, including regulations, in force at the time, according to the provisions of the notice of call. The proxy agency may also be granted proxies or sub-proxies pursuant to article 135-novies of the Consolidated Finance Act.
3. Attendance of the Meeting may take place by means of telecommunication and the use of electronic voting is allowed to the extent that the notice of meeting specifies that this is the case, giving an indication of the procedures and of the requisites required by regulations on the subject. It may be stipulated in the notice of meeting that the Meeting shall be held exclusively by means of telecommunications, in the manner and within the limits set forth in the pro tempore regulations in force, omitting the indication of the physical location of the meeting.
4. It is up to the Chairman of the Shareholders' Meeting to check that all the proxies are in order and that all those who intervene have the right to take part in the Meeting.
5. Each share gives the right to one vote.
6. In waiver of what is stated in the previous clause, each share gives the right to two votes if the following requisites are both fulfilled:



a) the voting right is the entitlement of the same person or entity on the strength of a real right giving such legitimacy (full ownership with voting rights, bare ownership with voting rights or usufruct with voting rights) for an uninterrupted period of no less than forty-eight months;

b) the presence of the condition in a) is attested by the uninterrupted registration for a period of no less than forty-eight months in the list in the Book of Stable Shareholders ("Book") specially set up, held and updated by the Company.

6-*bis*. Within the limits of the applicable provisions of law, each share belonging (by virtue of a legitimating right in rem) to the same person entered in the Book shall be attributed 1 (one) additional vote at the end of each period of 12 (twelve) months starting from the acquisition of the double vote referred to in paragraph 6. above, up to a total maximum of ten votes per share. In accordance with Article 127-quinquies, paragraph 2, last sentence, of the Consolidated Finance Act, those who, on the date of registration of the resolution of the Extraordinary Shareholders' Meeting approving this paragraph 6-*bis* taken on 6 September 2024 with the competent Register of Companies, are entered in the Book and have already accrued the benefit of double voting, the further accrual period shall commence from that date.

7. The Company registers in the Book each Shareholder who applies for registration by attaching a notification certifying title to relevant real right issued by the intermediary, in accordance with the applicable laws and regulations in force at the time and containing the information required by the applicable laws and regulations in force at the time.

8. The application can be for all or only a part of the shares belonging to the shareholder and, except for what is stated in paragraph 13, will involve the automatic registration in the appropriate section of the list in the Book of those who have attained the right to increased voting right after forty-eight months from the registration in the same Book. All of which according to and as an effect of the terms of Article 143-*quater* of the Rules for Issuers issued by Consob.

9. The Company ensures that registrations and updates to the Book are made every month, on the first working day of the month following that in which the application and the certification/notification is received.

10. For the purpose of exercising the increased vote the shareholder shall be required to provide the issuer with any certifications that may be required pursuant to the applicable laws and regulations in force at the time.

11. Those who are entitled to the increased voting right can at any time renounce such entitlement irrevocably for all or just some of their shares; renunciation automatically means cancellation from the Book of the shares for which the increased voting rights have been renounced. The same shareholder maintains the right to apply for a new registration in the Book in order to record a new uninterrupted period for the shares for which the right to an increased vote has been renounced.

12. The increased voting rights already accrued or, if not yet accrued, the period of ownership required to accrue the increased voting rights:

(a) shall be retained in the event of succession by reason of death in favour of the heirs;



(b) shall be retained in the event of transfer without consideration to the direct descendants of the settlor under a family agreement, or in the case of a gratuitous transfer following the establishment and/or endowment of a trust, a family fund, or a foundation whose beneficiaries are the settlor or their legitimate heirs;

(c) where the shareholding is held in a trust, shall be retained in the event of a change of trustee, provided that the beneficiaries of the trust do not change;

(d) where the shareholding is held under entrustment to a fiduciary company, shall be retained in the event of a change of trustee, provided that the settlor remains the same and this is duly certified by the new trustor;

(e) shall be retained in the event of merger or demerger of the holder of the shares, including mergers or demergers pursuant to Legislative Decree No. 19 of 2 March 2023, in favour of the incorporating company resulting from the merger or the beneficiary company of the demerger, provided that the incorporating company resulting from the merger or the beneficiary of the demerger is controlled, directly or indirectly, by the same entity that, directly or indirectly, controls the holder of the relevant real right;

(f) shall be retained in the event of establishment, by the person registered in the Book, of a pledge or usufruct on the shares, provided that the voting right remains with the person who established the pledge or granted the usufruct;

(g) shall be retained in the event of transfer from one portfolio to another of UCITS (as defined in article 1, paragraph 1, letter k) of Legislative Decree No. 58 of 24 February 1998) managed by the same entity.

13. The right to an increased vote is extended pro rata to newly issued shares in the event of a capital increase as per the terms of Art. 2442 of the Civil Code.

In the event of a capital increase through new capital contributions, new shares issued in exercise of rights assigned pro rata will be entitled to the increased votes up to the amount of the said rights.

14. The Board of Directors may approve a set of Regulations governing the finer points of keeping and preserving the Book.

15. Both the Ordinary and the Extraordinary Meetings of the Shareholders, even when convened in a single calling if the Board deems it appropriate, are considered to be duly constituted and may adopt resolutions according to the provisions of the law without prejudice to compliance with the rules for Related-Party Transactions.

## **Article 9 - CALLING GENERAL MEETINGS**

1. A Meeting of the Shareholders is convened in the Company's Headquarters or elsewhere in Italy by publishing a notice of meeting on the internet website of the Company and in accordance with the other methods provided by the law and regulations in force at the time.

2. The Ordinary Meeting of Shareholders (Annual General Meeting) must be convened at least once a year within one hundred and twenty days of the close of the Company's financial year.



3. Where the conditions provided for by law exist, this time limit can be extended to one hundred and eighty days from the close of the Company's financial year.
4. An Extraordinary Meeting of Shareholders is convened in the circumstances laid down by law and whenever the Board deems it to be appropriate.
5. The Ordinary Shareholders' Meeting may pass resolutions within its competence in relation to related party transactions in accordance with the applicable laws and regulations in force at the time, the provisions of the Bylaws and as required by the Rules for Related Party Transactions adopted by the Company.

#### **Article 10 - CHAIRING GENERAL MEETINGS**

1. Shareholders' Meetings will be chaired by the Chairman of the Board of Directors or, in his or her absence, by someone designated by the Meeting.
2. The Chairman will be assisted by a Secretary who will be the Secretary to the Board or, in his or her absence, by a person designated by the Meeting.
3. The assistance of the Secretary is not necessary when the minutes of the Meeting are drawn up by a Notary Public.
4. The procedure for voting on the individual items is established by the Chairman.

### **CHAPTER IV**

#### **ADMINISTRATION AND POWERS OF REPRESENTATION**

##### **Article 11 - BOARD OF DIRECTORS**

1. The Company is administered by a Board of Directors comprising from five to fifteen members, who need not necessarily be shareholders, the length of whose mandate shall be determined by the Meeting of the Shareholders but shall not in any case be more than three years, and the said members can be re-elected.
2. The Shareholders' Meeting shall decide on the number of Board Members and this number shall remain the same until a resolution changing the number has been adopted.
3. Minority Shareholders are entitled to elect one member of the Board of Directors.
4. The Board of Directors is elected by the Shareholders' Meeting on the basis of lists presented by the Shareholders which list the candidates in numerical order. The lists, signed by the Shareholders who have presented them, must be filed within the terms and following the procedures prescribed by applicable legislation.
5. Only Shareholders who alone or together with other shareholders represent at least a fortieth part of the share capital or any different percentage that may be decided upon in accordance with the law or with regulations, can present lists of candidates. They must be able to prove that they own the number of shares required within the terms and following the procedures laid down in legislation applicable.





6. Lists containing no more than 7 (seven) candidates must include and identify at least 1 (one) candidate who meets the independence requirements established by the applicable regulations in force at the time for independent directors. Each list containing more than 7 (seven) candidates must include and identify at least 2 (two) candidates who meet the independence requirements established by the applicable regulations in force at the time for independent directors. Failure to comply with the obligations set forth in this paragraph 6 shall result in the list being considered as not submitted.

7. Lists which include a number of candidates equal to or higher than three must include candidates belonging to both genders, in at least the proportion specified in current legislation on the subject of gender balancing.

8. Any lists presented that do not comply with these instructions shall be considered as not having been presented.

9. No Shareholder can present or contribute to the presentation of more than one list, even indirectly through a third party or a fiduciary company. Shareholders subject to the same control, in accordance with Art. 93 of the Financial Intermediation Consolidation Act, or those taking part in the same shareholder pact for voting purposes may present or contribute to the presentation of just one list.

10. Each Shareholder can vote for just one list.

11. Each candidate can stand only in one list, otherwise he or she cannot be elected.

12. Together with the presentation of the list, and with the same time frame as the latter, declarations shall be presented in which the candidates accept their candidature and certify under their own responsibility that there are no reasons why they should not be elected nor is there any incompatibility prescribed by law and by current regulations for Members of Boards of Directors. A curriculum vitae must also be submitted with the personal and professional details of the candidate and details of any other positions of director or auditor held in other companies and whether he or she has the necessary requisites to be an independent Director in accordance with the terms of the law and with regulations.

13. Any incompleteness or irregularity regarding individual candidates will lead to the elimination of their names from the list that will be put to the vote.

14. In order to be able to appoint the candidates indicated, the lists presented and put to the vote must obtain a percentage of the votes that is at least half of the percentage required by the terms of this article for presenting the same lists. If this is not the case, any such list will not be taken into consideration.

15. To elect the members of the Board of Directors the following procedure will be used:

- a) From the list which obtains most votes at the Shareholders' Meeting all of the board members shall be drawn except for one and this shall be on the basis of the order in which the names appear on the list;
- b) The other director will be the first name on the list that obtains the second most votes and must not be connected in any way, not even indirectly, to the Shareholders who presented and voted for the first list that received the most votes.

When application of the procedure described in a) and b) above does not give the gender balance required by current legislation, or the minimum number of independent directors required by law,



depending on the number of members of the Board of Directors in accordance with the regulations in force at the time, the last director elected from the list that obtained the most votes belonging to the most represented gender shall lapse and shall be replaced by the first candidate not elected from the same list belonging, as the case may be, to the least represented gender and/or who is independent, in compliance with legal requirements, or, failing that, with the candidate, as the case may be, of the least represented gender and/or who is independent not elected from the other lists in the progressive order in which they are presented, according to the number of votes obtained by each. This substitution procedure shall continue until the composition of the Board of Directors complies with the regulations in force at the time. If, ultimately, this procedure does not achieve the desired outcome, the shareholders' meeting, if permitted by the procedures governing the conduct of the meeting, shall supplement the administrative body with the majorities required by law, ensuring compliance with the terms of the law.

16. All the Directors elected must possess the requisites of integrity and professionalism required by current rules. If they do not have these qualities their appointment will lapse. The Board of Directors periodically assesses the independence of the directors based on the information provided by the directors themselves. The loss of the independence requirements prescribed by law by a director does not constitute grounds for removal, provided that the minimum number of members possessing the aforementioned independence requirements, as required by the applicable regulations, remains in office.

17. In the event that only one list is presented for the vote, all the Directors shall be drawn from that list.

18. In the event that no lists are presented or that fewer Directors are elected than the number determined by the Shareholders' meeting, the Shareholders' meeting shall provide, as the case may be, for the election of the Board of Directors or of the directors necessary to reach the number determined by the Shareholders' Meeting with the majorities required by law must be reconvened in order to appoint the full Board of Directors.

19. When one or more Directors needs to be replaced due to a resignation or some other reason, the procedure as per Art. 2386 of the Civil Code will be followed, ensuring that all the requisites applicable are complied with.

## **Article 12 - CORPORATE POSITIONS**

1. If the Shareholders' Meeting has not already done so, the Board of Directors shall appoint from its members a Chairman and, if it deems appropriate, one or more Deputy Chairmen.

2. In accordance with the terms of Article 2381 of the Civil Code, it can also delegate all or part of its powers to one or more Executive Directors, assigning to them, either severally or jointly, the right to sign on behalf of the Company.

3. The Board of Directors can appoint a Secretary who need not necessarily be a member of the Board.

## **Article 13 – MEETINGS OF THE BOARD OF DIRECTORS**



1. The Board shall meet when convened by the Chairman or whoever is taking his place, even not in the Company headquarters, as a rule every three months and any time that the interests of the Company make it necessary, including at the request of a majority of the Directors or of one of the Executive Directors.
2. The Board shall also meet at the request of at least one Statutory Auditor in office, subject to notification of the Chairman of the Board of Directors.
3. The Meeting will be called by registered letter, telegram, fax or e-mail, which must be received at least five days before the date fixed for the meeting or, in cases of urgency, at least the day before.
4. The Meetings are chaired by the Chairman or, should the Chairman be absent, by the Deputy Chairman who has more seniority or if both have the same seniority then by the one who is oldest in age.
5. Where the above is not possible, a Chairman will be designated by the Board of Directors from its members.
6. Meetings of the Board of Directors can be held by video- or telephone-conference call on the condition that all the participants can be identified, that they are able to follow the discussion and intervene in real time on the items being treated and that they are in a position to receive, transmit and view documents.
7. Once these conditions have been verified, the Board is considered as held in the place where the Chairman is actually located.
8. The meetings of the Board and its resolutions are valid, even when the meeting has not been formally convened, when the majority of the Directors in office and the Statutory Auditors are present even by telephone - or video - conference call, all those who have a right to attend have been notified in advance of the meeting and the participants are sufficiently informed on the topics to be dealt with.
9. When the minutes are not drawn up by a Notary, they are prepared by the Secretary and signed by the Chairman and the Secretary without delay.

#### **Article 14 - RESOLUTIONS OF THE BOARD OF DIRECTORS**

1. In order for the Board resolutions to be valid and binding, the majority of the Directors in office must be present.
2. Resolutions are adopted with a majority of the votes of those present without prejudice to the Rules for Related-Party Transactions. If the votes for and against are equal then the vote of the Chairman or the person chairing the meeting is decisive.

#### **Article 15 - DUTY TO GIVE INFORMATION**

The Managing Directors must report back to the Board of Directors and to the Board of Statutory Auditors on activities carried out and on anything else required by law at regular intervals of at least once every three months when Board Meetings are held or whenever particular timing needs make it desirable. This report shall be made directly, in writing, or verbally and/or by telephone.

#### **Article 16 - POWERS OF THE BOARD OF DIRECTORS**



1. The Board of Directors is invested with the broadest powers for the administration of the Company. It can carry out any action considered appropriate for achieving the object of the Company, whether such action pertain to ordinary or extraordinary administration, with no exclusions or exceptions, apart from that which the law and these Bylaws have established as mandatory for the Shareholders' Meeting.
2. The Board of Directors can therefore adopt resolutions approving a reduction of the share capital of the Company in the event of the withdrawal of Shareholders, amending the Bylaws to bring them into line with new regulations, moving the Company headquarters anywhere in the country and also approving the merger by incorporation of either a fully owned subsidiary or a subsidiary in which it holds a stake of at least 90%, all in compliance with the provisions of Articles 2505 and 2505-bis of the Civil Code.
3. When the Annual Report and Financial Statements are being prepared or at any other time deemed it opportune, the Board of Directors will establish an amount to be donated to scientific and cultural charity organizations in general and, specifically, to the Fondazione Ing. Rodolfo Debenedetti and will report back to the Shareholders on the same during the meeting held to approve the financial statements.

#### **Article 17 - EXECUTIVE COMMITTEE**

1. The Board of Directors can delegate its powers, with the exception of those expressly reserved by the law to itself, to an Executive Committee comprising some of its members, establishing the membership of the same and the limits of the powers delegated to it.
2. The same rules set forth for the Board of Directors shall also apply to the running of the Executive Committee.

#### **Article 18 - LEGAL REPRESENTATION**

1. The Chairman of the Board of Directors is the legal representative of the Company.
2. Legal representation is also entrusted to the Deputy Chairmen, to the Managing Directors/Chief Executive Officers and to the General Managers and to anyone else designated by the Board of Directors, severally within the limits of the powers assigned to them individually, or otherwise jointly with another individual also having joint powers.

## **CHAPTER V**

### **MANAGEMENT**

#### **Article 19 - MANAGEMENT**

1. The Board can appoint General Managers, subject to ascertaining that they possess the requisites of integrity required by law, and may even select them from the members of the Board. A lack of the requisite of integrity means that the appointment will lapse.
2. The Board can also appoint Officers with power of attorney with either individual or joint signatures, establishing their powers and functions, and can also appoint agents in general for certain acts or categories of acts.



3. The appointment of Directors, Deputy Directors and holders of power of attorney with the determination of their respective remuneration and functions can also be delegated by the Board to the Chairman or whoever is taking his or her place, to Chief Executive Officers and General Managers.
4. The Board can set up from within its number committees with the function of consulting and making proposals on specific issues, determining the scope of their activity and their powers.

## **Article 20 - OFFICER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS**

1. The Board of Directors, at the proposal of the Chief Executive Officer and in agreement with the Chairman and with the favourable opinion of the Board of Statutory Auditors, shall appoint the officer responsible for the preparation of the Company's financial statements, who must have adequate experience in accounting and finance.
2. The Board of Directors also monitors that the officer appointed to prepare the financial statements of the Company has sufficient powers and means to carry out the duties assigned to him or her and that the administrative and accounting procedures are being complied with effectively.

## **CHAPTER VI**

### **BOARD OF STATUTORY AUDITORS**

#### **Article 21 - STATUTORY AUDITORS**

1. The Shareholders' Meeting elects the Board of Statutory Auditors, composed of three statutory auditors, and determines their remuneration. The Shareholders' Meeting also elects three alternate statutory auditors. The Statutory Auditors hold office for three financial years and can be re-elected.
2. Minority shareholders have the right to elect one Statutory Auditor and one Alternate Auditor.
3. The Board of Statutory Auditors is appointed by the Shareholders' Meeting on the basis of lists of candidates presented by the Shareholders in two sections: one section for the candidates for the position of Statutory Auditor and the other containing the candidates for the position of Alternate Auditor, and in each section the candidates are listed in numerical order. Lists that include a number of candidates equal to or higher than three must include in each section candidates belonging to both genders.
4. The lists of candidates, signed by the Shareholders who are presenting them, must be filed within the time frames and following the procedures prescribed by legislation applicable.
5. Only Shareholders who, either alone or with others, represent at least 2.5% of the share capital or any other percentage that may be established by law or by regulations, have the right to present lists and they are required to provide proof of ownership of the required number of shares within the time limits and following the procedures laid down by law.
6. Lists presented that do not comply with the above rules will be considered as not having been presented.



7. No Shareholder can present or contribute to the presentation of more than one list of candidates even through an intermediary or through a fiduciary company. Shareholders who are subject to joint control, as per the terms of Art. 93 of the Financial Intermediation Consolidation Act, or those who take part in the same Shareholder agreement for voting purposes can present or jointly present just one list.

8. Each Shareholder can vote for just one list.

9. Candidates can be present in only one list otherwise they will be excluded from election.

10. Candidates who already hold the position of Statutory Auditor for five other companies or organizations whose shares are listed on a regulated market included in the list as per articles 63 and 67 of D.Lgs. no. 58/1998 cannot be included in the list of candidates and neither can individuals who do not possess the necessary requisites of integrity, professionalism and independence laid down in the legislation or regulations on the subject. For the purposes of Article 1, paragraph 2, letters b) and c), of the Decree No. 162 of the Minister of Justice dated 30 March 2000, as subsequently amended and supplemented, the subjects considered closely related to the Company's business activities include commercial law, corporate law, tax law, business administration, corporate finance, disciplines with a similar or analogous focus, as well as subjects and sectors related to the corporate purpose pursued by the Company.

11. Together with each list and within the above-mentioned time limit, a declaration signed by each candidate will be submitted. This declaration will attest that the candidate, under his or her own responsibility, accepts his or her nomination and will certify that there are no reasons why he or she should be ineligible for the position or be otherwise incompatible and that the candidate possesses the necessary requisites laid down by law and by current regulations for the members of Boards of Statutory Auditors.

12. The lists must also be accompanied by a curriculum vitae with the personal and professional details of the candidate and details of any other positions of director or auditor held in other companies.

13. Any incompleteness or irregularity regarding individual candidates will lead to the elimination of their names from the list to be put to the vote.

14. The election of the members of the Board of Statutory Auditors will take place as follows:

1. Two members and two alternate members will be drawn from the list which obtains most votes at the Shareholders' Meeting on the basis of the numerical order in which the names appear on the list;

2. The other member and the other alternate member will be drawn from the list which obtains the second most votes at the Shareholders' Meeting ("minority list") and which must not be connected even indirectly with the Shareholders who presented or voted for the list which obtained the most votes, again on the basis of the numerical order in which the names appear on the list;

3. If only one list is presented, all the Statutory Auditors and Alternate Auditors will be drawn from that list.

When application of the procedure described in 1), 2) and 3) above does not give the gender balance required by current legislation, the last person elected from the section of the list that obtained the most



votes belonging to the most represented gender shall lapse and shall be replaced by the first candidate not elected from the same list and the same section belonging to the least represented gender. Otherwise, the Shareholders' Meeting shall make up the number of the Board of Statutory Auditors with the majorities required by law, ensuring that the requirement is complied with.

15. The candidate on the minority list who obtained most votes has the right to the position of Chairman of the Board of Statutory Auditors. If only one list is presented, the candidate for the position of Statutory Auditor who is number one on that list has the right to the position of Chairman of the Board of Statutory Auditors.

16. Should an Auditor prove not to be possession of the qualifications required by law and by these Bylaws then his or her appointment will no longer be valid and will therefore lapse.

17. Should a Statutory Auditor need to be replaced, the individual taking his or her place will be selected from the same list of candidates as his or her predecessor, ensuring that the terms of the law and of the Bylaws are complied with, taking specifically into account the obligation to have gender balance.

18. The remuneration of the Statutory Auditors is established by the Shareholders' Meeting.

19. The meetings of the Board of Statutory Auditors can also take place using telecommunications facilities provided that the following conditions are met with:

- a) That participants are able to view, receive or transmit all the necessary documentation;
- b) That they can take part in real time in the discussion respecting the methodology of their function (the *collegio* method).

20. The meetings are held in the place where the Chairman is or, in his or her absence, where the oldest Statutory Auditor in terms of age is located.

21. The Board of Statutory Auditors can, provided that the Chairman is notified, call a Shareholders' Meeting, a Board of Directors Meeting or an Executive Committee Meeting. The power to call a Board of Directors Meeting or an Executive Committee Meeting can be exercised individually by any member of the Board of Statutory Auditors; the right to call a Shareholders' Meeting must be exercised by at least two members of the Board of Statutory Auditors.

## **Article 22 - LEGAL AUDIT OF THE ACCOUNTS**

The legal audit of the accounts is exercised in accordance with the law.

## **CHAPTER VII**

### **FINANCIAL STATEMENTS AND NET INCOME**

#### **Article 23 - THE FINANCIAL YEAR**

The financial year of the Company closes at December 31 of each year.

#### **Article 24 - ALLOCATION OF NET INCOME**

1. From the amount of net income resulting from the financial statements 5% must be allocated to the Legal Reserve, until this reaches an amount equal to one fifth of the share capital.



2. After making any further provisions required by law and except where the Shareholders resolve otherwise to make provisions to optional reserves, the remaining earnings are divided between the Shareholders taking into account the rights of the various categories of shares.

#### **Article 25 - DIVIDENDS**

1. Payments on account of dividends may be distributed in compliance with current legislation.
2. Dividends will be paid at the Headquarters of the Company or by the financial institutions mandated to make payment. Any dividends not claimed within five years will be subject to the Statute of Limitations and will be returned to the Company, for allocation to the extraordinary reserve.

### **CHAPTER VIII**

#### **FINAL RULES**

##### **Article 26 - DOMICILE OF THE SHAREHOLDERS**

The domicile of the shareholders for all their relations with the Company is that recorded in the Shareholders' Book.

### **CHAPTER IX**

#### **DURATION**

##### **Article 27 - DURATION**

The duration of the Company has been established as December Thirty-first Two thousand and fifty (31.12.2050).

##### **Article 28 - LEGAL REFERENCE**

Any issues not covered by these Bylaws will be interpreted according to the law.