

# CAREL

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Articles of Association

Annex "B" to the document dated 27-2-2018, record no. 23877/14163.

Amended by the Shareholders' meeting of CAREL Industries S.p.A. held on the 14 september 2023

## NAME, REGISTERED OFFICE, PURPOSE AND DURATION

### Article 1.) *Name*

A joint stock company is established under the name "CAREL INDUSTRIES S.p.A. (the "**Company**)".

### Article 2.) *Registered office*

The Company is based in Brugine (Padua, Italy).

The Board of Directors may set up and close secondary offices, executive and operational offices, agencies, corresponding and representative offices, both in Italy and abroad, as well as transfer the Company's registered office within Italy.

### Article 3.) *Purpose*

The Company has as its purpose the:

- design, development, construction and production of prototypes and of electronic, electrical and mechanical equipment in general;
- marketing and sale of electronic, electrical and mechanical equipment in general, manufactured either by the Company or by third parties;
- technical assistance and maintenance of electronic, electrical and mechanical equipment in general;
- development, production and marketing of technologies and software;
- purchase, sale, exchange, operation, parcelling, construction, lease and sublease, administration and management of land and civil, industrial, commercial, executive, as well as urban buildings in addition to sports and leisure facilities and any other type of property and construction, on its own account in addition to participating in the relevant tenders or entering into contracts and agreements for their management, without any exceptions, with public and private entities, none excluded;
- provision, marketing and representation of services of any type, including the promotion, organisation and hosting of conferences and alike, as well as the marketing and rental of electronic equipment and vehicle, of all types;
- the exercise, within the limits and according to the procedures established by law, of acquiring and managing investments in other companies and entities, as well as the granting of loans in any form to companies and entities belonging to the group - and therefore not to the public in addition to the technical, administrative and financial coordination of investee companies, as well as any other financial and related ancillary activities that can be exercised pursuant to the law, including the issue of collateral and personal guarantees in favour of third parties, provided they are residual and merely instrumental to the fulfilment of the corporate purpose.

The Company may also provide its subsidiaries and associates with technical and commercial advisory services and problem solving support in financial areas, such as issuing guarantees, sureties and collateral, making payments in any form, both on account of future share capital increases, with no right to repayment of sums paid and/or to cover losses, and loans in compliance with the bank transparency rules

on this subject and in any case with explicit exclusion of those activities for which registration with any Roll of certified professionals is required.

The Company may in any case carry out all commercial, real estate and financial transactions that will be deemed useful by Directors for achieving the corporate purpose, with the exclusion of matters reserved under the law.

#### Article 4.) *Duration*

The duration of the Company is set until 31 December, 2100.

## CAPITAL AND SHARES

#### Article 5.) *Share capital and shares.*

The share capital amounts to € 10,000,000.00 (ten million) and is divided into 100,000,000 (one hundred million) shares with no indication of par value ("**Shares**"). Shares are subject to centralised dematerialisation procedures pursuant to Articles 83-bis and following of Italian Legislative Decree no. 58/1998 (the "**Consolidated Law on Finance**").

Shares grant the same administrative and equity rights established by the law and by these Articles of Association, except as provided for by Article 13 below (*Shares with increased voting rights*).

On 14 September 2023, the Extraordinary Shareholders' Meeting resolved to increase the Company's share capital, against payment and in divisible form, up to a maximum overall amount of Euro 200,000,000.00 (two hundred million) (including any share premium) to be executed through the issuance of ordinary shares with no par value, regular dividend rights and with the same characteristics as those in circulation, to be offered in option to the Company's shareholders, in proportion to the number of shares held, pursuant to Article 2441, paragraph 1, of the Italian Civil Code, to be paid in cash, providing that if the capital increase is not fully subscribed by the deadline of 31 July 2024, granted for its subscription, the share capital shall be deemed to be increased by an amount equal to the subscriptions received as at such date.

Furthermore, the same Extraordinary Shareholders' Meeting also resolved to grant the Board of Directors the broadest powers to: (i) determine, in compliance with the above terms, the timing of the rights offering, proceeding to its filing with the Register of Companies as well as the timing of the offer on the stock market of any unopted rights; (ii) determine, close to the start of the period of the rights offering relating to the capital increase, the number of shares to be issued, the option ratio and the issue price (accounting parity and share premium), taking into account, among other things, and for the purpose of determining the issue price, the market conditions in general and the share price trend, as well as the Company's economic, equity and financial performance and its development prospects and considering the market practice for similar transactions, including the possibility of applying a discount on

the Theoretical Ex Right Price ("TERP") of the ordinary shares, calculated according to the current methodologies, based on the stock exchange prices on the day of said determination or, if not available, of the previous trading day; (iii) to determine the final amount of the capital increase within the maximum amount resolved upon herein; (iv) to determine any other element necessary to execute the capital increase and to carry out any formalities and/or fulfilments required by applicable laws and regulations for the execution of the capital increase and so that the newly issued shares deriving from said capital increase are offered to those entitled thereto and are admitted to listing on Euronext Milan, Euronext STAR Milan Segment, organised and managed by Borsa Italiana S.p.A.

### *Article 6.) Contributions. Capital increases*

Shareholders' contributions may include sums of money, assets in kind or receivables, according to the resolutions of the Shareholders' Meeting. Shareholders may also make interest-bearing or non-interest bearing loans to the Company, in compliance with current statutory and regulatory provisions.

The Shareholders' Meeting may grant the Board of Directors the power to increase the share capital and issue convertible bonds, up to a determined amount and for a maximum period of five years from the date of the Shareholders' Meeting resolution. Pursuant to Article 2441, paragraph 4, second indent, of the Italian Civil Code, the Company may approve increases in share capital with the exclusion of option rights, up to ten percent of the preexisting share capital, provided that the issue price corresponds to the market value of shares and that this is confirmed in a special report by a statutory auditor or auditing firm.

### *Article 7.) Transferability of Shares*

Shares are freely transferable.

### *Article 8.) Withdrawal*

Shareholders are entitled to withdraw only in the cases envisaged by mandatory legal provisions.

## THE SHAREHOLDERS' MEETING

### *Article 9.) Shareholders' Meeting call*

The Shareholders' Meeting shall meet in Italy, including outside the municipality where the registered office is located.

The Shareholders' Meeting is convened, in accordance with the law, by means of a notice published on the Company's website and according to the other procedures provided for by current statutory and regulatory provisions.

The ordinary or extraordinary Shareholders' Meeting is held in one call, pursuant to Article 2369, paragraph 1, of the Italian Civil Code.

The Board of Directors may, if it deems it opportune and provided it is expressly stated in the notice of call, provide that the (ordinary and/or extraordinary) Shareholder's meeting will be/is held in more than one call, applying in this case the majorities required by law to the shareholders' meetings held in multiple calls for companies with shares traded on regulated markets.

The Board of Directors is entitled to convene the meeting, without prejudice to the power of the Board of Statutory Auditors or at least two members of the latter Board to convene a meeting, pursuant to Article 151 of the Consolidated Law on Finance and other applicable laws and regulations.

### *Article 10.) Participation*

The entitlement to participate in the Shareholders' Meeting is attested by a notice to the Company, made by the intermediary authorised to keep the accounts in accordance with the law, based on evidence of accounting entries relating to the end of accounting on the seventh market trading day prior to the date set for the Shareholders' Meeting in one call, and received by the Company by the deadlines established by law. Those who are entitled to participate in the Shareholders' Meeting may be represented by means of a proxy pursuant to the law. The electronic notice of the proxy can be served, using the methods stated in the notice of call, by means of an email addressed to the certified email address provided in the notice itself or through the use of a specific section of the Company's website.

For each meeting, the Company may designate a person - specified in the notice of call - to whom the shareholders may grant a proxy with voting instructions on all or some of the proposals on the agenda, by the deadlines and according to the procedures envisaged by law. The Shareholders' Meeting may be held with attendees being in multiple adjacent or remote locations that are linked by a video/audio conferencing system, provided that the plenary method and the principles of good faith and equal treatment of all Shareholders are applied, and in particular provided that: (a) the Chairperson of the Shareholders' Meeting is able to ascertain the identity of the attendees and their right to attend the Meeting, guide the course of the meeting, verify and communicate the result of any votes; (b) the person taking the minutes has an adequate perception of the events of the meeting being recorded; (c) that those in attendance are able, all at the same time, to take part in the discussion and the voting on the matters on the Agenda; (d) this procedure is provided for in the notice convening the Shareholders' meeting which should also state the places where shareholders must attend. The meeting shall be held at the place where both the Chairperson and the person taking the minutes are present.

### *Article 11.) Identification of shareholders*

Pursuant to Art. 83-duodecies of the TUF the Company may request, at any time and at its own expense, that intermediaries provide, through a central depository, identification data of shareholders and the number of shares registered on the accounts held by them, within the limits and in the manner permitted by current statutory and regulatory provisions.

## Article 12.) *Voting.*

Each Share gives the right to one vote in the ordinary and extraordinary sessions of the Company's shareholders' meetings, except as provided for by the following Article 13 (*Shares with increased voting rights*).

The right to exercise the right to vote is recognised on the basis of the provisions entitling to take part in the meeting. In the remainder of the Articles of Association, reference to the vote exercised by "shareholders" must therefore be understood as referring to parties entitled by virtue of said provisions.

## Article 13.) *Shares with increased voting rights*

Pursuant to Article 127-*quinquies* of the TUF, each Share belonging to the same person for a continuous period of at least twenty-four months starting from the date of registration in the list provided for by the following paragraph, is entitled to 2 (two) votes. Whoever has the right to vote can irrevocably waive, in whole or in part, increased voting rights deriving from Shares held by him/her.

Without prejudice to the provisions of the previous section, the assessment of the conditions for the purpose of granting increased voting rights is carried out by the administrative body - and for it by the Chairperson or by directors delegated for this purpose, also using specially appointed auxiliary staff - on the basis of the results of a special list ("**List**") kept by the Company, in compliance with current statutory and regulatory provisions. Shareholders who intend to benefit from the increase in voting rights must register by attaching or sending the certification required by Article 83-*quinquies*, paragraph 3 of the TUF.

The Company may define detailed rules on how to register, keep and update the List, appoint the person in charge of managing the List and define the criteria for keeping the List (if necessary, in digital format only).

The Company registers and updates the List quarterly - 31 March, 30 June, 30 September and 31 December - or with different frequency provided for by sector regulations and, in any case, by the record date.

Although previously received, requests for registration shall only take effect once the List is updated by the Company, which the latter must do within the first useful date in accordance with the frequency defined in the manner indicated above.

The sale of shares for consideration or free of charge, including the acquisition or sale of partial rights on shares under which the Shareholder registered in the List is deprived of the right to vote, or direct or indirect sale of controlling interests in companies or entities that hold shares with increased voting rights above the threshold set by Article 120.2 of the TUF, results in the loss of increased voting rights.

Increased voting rights:

- are kept in the event of succession due to death and in the event of merger and demerger of the shareholder;
- extend to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code;
- may also be assigned to shares assigned in exchange for those with increased voting rights, in the event of a merger or demerger, if this is envisaged by the

relevant plan for merger/demerger;

- extend proportionally to shares issued in execution of a capital increase through new contributions.

The increase in voting rights also determines the constitutive and decision-making quorums that refer to amounts of the share capital, but does not affect the rights, other than those of voting, owed for possessing a certain stake.

Pursuant to Article 127-*quinquies*, paragraph 7 of the TUF, for the purposes of accrual of the period of continuous ownership required for increased voting rights, with regard to shares existing prior to the notice of admission to trading on the Electronic Stock Market (Mercato Telematico Azionario, MTA) organised and managed by Borsa Italiana S.p.A. ("**MTA**"), even ownership acquired prior to that date - and hence prior to the date of entry in the List - is counted.

Also by way of derogation from the quarterly frequency or other frequency provided for by sector legislation and applicable pursuant to the fourth paragraph of this Article, should a shareholder request registration in the List on the basis of calculation of ownership acquired prior to such registration in accordance with the preceding paragraph of this Article 13, the Company's registration in the List must take place on the same date as the shareholder's request for registration and shall produce effects immediately. The increase in voting rights in respect of shares existing prior to the notice of admission to trading on the MTA will be considered as accrued starting from the notice of admission to trading of the shares on the MTA.

### Article 14.) *Chairperson*

The Shareholders' Meeting is chaired by the Chairperson of the Board of Directors. In case of absence or impediment, the meeting is chaired by a Deputy Chairperson if appointed or, in case of absence or impediment, by another person appointed by the Shareholders' Meeting.

The function, powers and duties of the Chairperson are governed by law.

### Article 15.) *Duties and majority*

The Shareholders' Meeting resolves, in ordinary and extraordinary sessions, on the matters reserved to it by law and by these Articles of Association.

The Shareholders' meeting resolves, in ordinary and extraordinary sessions, with the majorities established by law.

### Article 16.) *Minute taking*

The Chairperson is assisted by a secretary appointed by the meeting, on his/her proposal, to whom the function of drafting the minutes of the meeting is assigned. In extraordinary meetings, and when the Chairperson deems it appropriate, the role of secretary is entrusted to a notary, pursuant to the law, as designated by the Chairperson.

The minutes of the meeting are drawn up in compliance with Article 2375 of the Italian Civil Code and other applicable laws and regulations.



## BOARD OF DIRECTORS

### *Article 17.) Composition, term, requirements and appointment*

The Company is managed by a Board of Directors consisting of a minimum of 5 (five) and a maximum of 13 (thirteen) members, decided on by resolution of the ordinary shareholders' meeting at the time the Board of Directors is appointed or amended with a subsequent resolution.

Directors remain in office for a period, established by the shareholders' meeting, not exceeding three financial years and cease to hold office on the date of the shareholders' meeting called to approve the financial statements relating to the last financial year of their office.

Directors must meet the following requirements:

- all Directors must meet the requirements of eligibility, professionalism and integrity required by current laws and regulations;
- at least one director (or two directors if the Board is composed of more than seven members) must meet the independence requirements set forth by Article 147-ter, paragraph 4, of the TUF ("**Independence Requirements**").

The appointment of the Board of Directors is made by the ordinary shareholders' meeting on the basis of lists submitted by the shareholders, according to the procedure set out in the following provisions, unless otherwise or further provided for by mandatory statutory or regulatory provisions.

A list for the appointment of Directors may be submitted by shareholders who, at the time of submitting the list, are holders, individually or jointly, of a number of Shares at least equal to the stake determined by Consob pursuant to applicable laws and regulations. The ownership of the minimum stake is determined by considering the Shares that are registered in favour of the shareholder on the day on which the list is filed with the Company, it being understood that the relative certification may also be produced subsequent to filing, yet by no later than the deadline set for publication of the list.

Lists are filed at the registered office, according to the methods prescribed by the regulations in force, at least 25 (twenty-five) days before the date set for the meeting called to resolve on the appointment of Directors. Lists must be made available to the public by the Company at least 21 (twenty-one) days before the date set for the aforementioned Shareholders' Meeting, in accordance with the procedures prescribed by the regulations in force.

Each list:

- shall include no more than 13 (thirteen) candidates, listed in consecutive order;
- shall include and specifically state that at least one director meets the independence requirements; if the list has more than 7 (seven) candidates, it shall include and specify at least two candidates with these requirements;
- may not be comprised solely of candidates of the same gender (male or female), if it has 3 (three) or more candidates, but shall have a number of the less represented gender to ensure the presence of directors of the less represented gender in accordance with the laws and regulations in force from time to time about gender

balance, without prejudice to the fact that if this is not a whole number, it shall be rounded as provided for by the laws and regulations applicable from time to time;

- shall include in an annex:
  - i. the *curriculum vitae* of candidates;
  - ii. the statements with which each of the candidates accepts their candidacy and certifies, under their own responsibility, the absence of causes of ineligibility and incompatibility, as well as the existence of the requisites prescribed by current legislation to hold the office of Director of the Company as well as the statement on meeting any of the independence requirements;
  - iii. information on the identity of shareholders who submitted the lists and the percentage of the total shareholding held;
  - iv. any additional or other statements, information and/or documents provided for by the law and by applicable regulatory provisions.

All shareholders, as well as shareholders belonging to the same group of companies and shareholders who are parties to a significant shareholders' agreement pursuant to Article 122 of the TUF, may not submit or contribute to the submission, even through a third party or trust company, of more than one list nor may they vote for other lists.

Each candidate may be represented on only one list, under penalty of ineligibility.

- A.** If two or more lists have been submitted, the lists submitted are voted on and the Board of Directors is composed according to the following provisions:
- candidates of the two lists obtaining the highest number of votes are elected, with the following criteria:
    - i. from the list that obtained the highest number of votes ("**Majority List**"), a number of directors equal to the total number of members to be elected minus one are drawn, according to the sequential order of presentation;
    - ii. the remaining director is drawn from the list obtaining the second highest number of votes, which must not be associated in any way, even indirectly, with the shareholders who submitted or voted for the winning or Majority List (the "**Minority List**").
  - however, lists which have not obtained a number of votes at least equal to half the number of shares corresponding to the stake required to submit lists are not taken into account;
  - in the event of a tie vote between lists, a new vote is taken by the Shareholders' Meeting, exclusively in respect of the lists at a tie, with the list obtaining the highest number of votes prevailing;
  - if, in the manner indicated above, the provisions concerning the Independence Requirements are not complied with, the procedure is as follows: the candidate who does not meet the independence requirements established by law for Directors of listed companies, elected last in sequential order from the list that reported the highest number of votes will be replaced by the first candidate in possession of the independence requirements established by law for Directors of listed companies not elected on the same list in accordance with the sequential order. Finally, if the above procedure does not ensure the presence of the necessary number of Directors who meet the independence requirements established by the law for Directors of listed companies, the replacement shall take place by means of a resolution passed by the

Shareholders' Meeting subject to the prior presentation of candidates who meet the independence requirements established by the law for Directors of listed companies.

- if, in the manner stated above, the foregoing provisions on gender balance are not complied with, candidates of the most represented gender who are elected last in sequential order from the Majority List shall be replaced by the first candidates of the opposite gender who were not elected from the same list; in the event that it is not possible to implement the aforesaid replacement procedure, in order to ensure compliance with the provisions set out above regarding gender balance, missing directors will be elected by the Shareholders' Meeting with ordinary procedures and majorities, without applying the list voting mechanism.
- B.** If only one list is submitted, the Shareholders' Meeting expresses its vote on it and, if such a list obtains the relative majority of votes, all the members of the Board of Directors are taken from that list, in compliance with the provisions of current pro tempore law and regulations, from time to time in force, as well as the provisions on gender balance established above.
- C.** If no list has been submitted or if only one list is submitted and it does not obtain a relative majority of votes or if the number of Directors elected on the basis of lists submitted is less than the number of members to be elected or if the entire Board of Directors need not be renewed or if it is not possible for any reason to proceed with the appointment of the Board of Directors in the manner provided for in this Article, members of the Board of Directors shall be appointed by the shareholders' meeting with ordinary procedures and majorities, without applying the list voting mechanism, without prejudice to the minimum number of Directors meeting the Independence Requirements and in compliance with the provisions on gender balance, established above.

Should Directors leave office, the provisions of the law are applied, without applying the list voting procedure, and without prejudice to the minimum number of Directors meeting the Independence Requirements, and in compliance with the provisions on gender balance as established above.

The loss of the Independence Requirements by a Director entails his/her termination of office, pursuant to Article 147-ter, paragraph 4, of the TUF, only if by virtue of this the minimum number of directors meeting the Independence Requirements established by the law of should cease to exist.

### *Article 18.) Chairperson, Deputy-Chairperson, delegated bodies and committees.*

If the Shareholders' Meeting has not already done so, the Board of Directors shall appoint among its members its own Chairperson for its term of office and may also appoint a Vice-Chairperson. If appointed, the Deputy-Chairperson acts as Chairperson and has the same powers in the event of the latter's absence or impediment.

The Board of Directors appoints one or more Chief Executive Officers within it, determining the relevant management and representation powers, within the limits established by law and by these Articles of Association. The powers of management

and representation, limited to certain acts or categories of acts or functions, may also be delegated to other members of the Board of directors.

The Board may delegate part of its duties to an Executive Committee, made up of a minimum of 3 (three) to a maximum of 5 (five) Directors, determining the extent of the powers delegated, the number of members and how the committee operates.

The Board of Directors may not delegate to any Chief Executive Officer, or to individual directors, or to the Executive Committee the decisions referred to in Article 2381 of the Italian Civil Code, as well as other decisions that by law or regulations must be taken by voting of all members of the Board.

The Board of Directors may set up one or more committees with advisory, proposing or control functions in compliance with applicable laws and regulations, as well as with the Corporate Governance codes and best practices.

### Article 19.) *Call and meetings.*

The Board of Directors meets, both at the Company's registered office and elsewhere, provided the location is in European Union countries, Switzerland or in the United Kingdom.

The Board of Directors is convened by the Chairperson whenever he/she deems it appropriate or when it is requested by at least two of its members. In the event of the Chairperson's absence or impediment, the Board is convened by the ViceChairperson, if appointed, or, in the absence of the latter, by the most senior Chief Executive Officer.

The Board of Statutory Auditors or also, individually, each statutory auditor, has the power to convene the Board of Directors pursuant to Article 151 of the TUF.

The call of the Board of Directors is carried out by means of a notice to be sent - by letter, telegram, fax or e-mail with acknowledgement of receipt - to the domicile of each Director and statutory auditor at least three days before the date set for the meeting. In urgent cases, the call of the Board of Directors may be made the day before the date set for the meeting. The meetings of the board and its resolutions shall be valid, even without a formal convocation, when all directors and auditors in office have taken part.

In the event of the Chairperson's absence or impediment, the Board meeting is chaired by the Vice-Chairperson, if appointed, or, in the event of his absence or impediment, by the most senior Chief Executive Officer attending the Board meeting, or in the event of absence or impediment, by the most senior director.

Board meetings may also be held through audio conferencing or video conferencing, provided that:

- i. the Chairperson and the secretary of the meeting must be present in the same place, and shall draft and sign the minutes of the meeting, with the meeting being deemed to have taken place at that location
- ii. the Chairperson of the meeting is allowed to ascertain the identity of attendees, adjust the course of the meeting, establish and declare the results of the vote;
- iii. the person taking the minutes may adequately perceive the events of the meeting being recorded and

- iv. participants who take part in the discussion are allowed to vote simultaneously on the agenda, as well as to see, receive or transmit documents. Resolutions of the Board of Directors are passed with the presence of the majority of the directors in office and with the favourable vote of the majority of directors present. In the event of a tie, the vote of the person chairing the meeting prevails.

### Article 20.) Powers.

The company management is exclusively reserved to the Board of Directors, which is vested with the broadest powers for accomplishing all acts deemed necessary or opportune for implementing the corporate purpose.

Directors shall promptly report, at the Board of Directors meetings or with a specific report, at least quarterly, to the board of statutory auditors on activities carried out and on the most significant economic, financial and equity transactions carried out by the Company or its subsidiaries; in particular, Directors shall report on transactions in which they have an interest, on their own account or on behalf of third parties, or which are influenced by any party who might exercise direction and coordination.

In accordance with Article 2365, paragraph 2 of the Italian Civil Code, the Board of Directors is also competent to approve the following resolutions, without prejudice to the competence of the Shareholders' Meeting:

- i. merger and demerger in the cases envisaged by Articles 2505 and 2505-bis of the Italian Civil Code;
- ii. establishment or closure of secondary offices;
- iii. reduction of capital in the event of withdrawal of one or more shareholders;
- iv. adjustment of the Articles of Association to regulatory provisions;
- v. transfer of the registered office within Italy.

### Article 21.) Representation.

The Company is represented by the Chairperson of the Board of Directors and, in the event of his/her absence or impediment, by the Vice-Chairperson, if appointed. The representation of the Company is also reserved, within the limits of the management power delegated at any given time, to each Chief Executive Officer, the Chairperson of the Executive Committee and Directors who have been delegated certain acts or categories of acts or functions.

The power of representation is also reserved to the General Manager, where appointed, and to any other sales representatives, pursuant to the law, as well as to third parties to whom powers of attorney are conferred for certain acts or categories of acts.

### Article 22.) Remuneration.

All members of the Board of Directors are entitled to a fixed annual remuneration as compensation for the performance of their duties, determined overall by the Shareholders' Meeting and distributed by the Board among its members, also as a result of participation in any committees established by the Board of Directors.

In addition to the annual remuneration for the performance of duties, the Board of Directors may award - pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and subject to the prior opinion of the Board of Statutory Auditors - compensation to Directors vested with special duties, within the maximum limit possibly determined in advance by the Shareholders' meeting.

Directors are also entitled to reimbursement of expenses incurred as a result of their office, according to methods and criteria established by the Board of Directors.

## BOARD OF STATUTORY AUDITORS

### *Article 23.) Composition, duration, requirements and appointment.*

The Board of Statutory Auditors is composed of 3 (three) standing Statutory Auditors and 2 (two) alternate Statutory Auditors.

Members of the Board of Statutory Auditors must meet the requirements of integrity, professionalism, independence and the requirements relating to the limit on the cumulative number of positions held as provided by applicable laws and regulations in force at the time. For the purposes of Article 1.2, b) and c) of the Italian Minister of Justice Decree no. 162 of 30 March, 2000, matters pertaining to commercial law, company law, tax law, business administration, corporate finance, other disciplines with a comparable or similar purpose in addition to matters and sectors related to the scope of the Company's activity are considered strictly pertinent to the sphere of the Company's business.

Statutory auditors remain in office for three financial years and can be reelected; their term of office ends on the date of the shareholders' meeting called for the approval of the financial statements for the third year of their term of office.

Statutory auditors are appointed by the Shareholders' Meeting on the basis of lists submitted by Shareholders, according to the procedures set out in the following articles, without prejudice to different and further provisions envisaged by mandatory statutory or regulatory provisions in force at the time.

A list for the appointment of Directors may be submitted by shareholders who, at the time of submitting the list, are holders, individually or jointly, of a number of Shares at least equal to the stake determined by Consob pursuant to applicable laws and regulations, for purposes of submitting lists to appoint the Board of Directors of companies with shares traded on regulated markets (Articles 144-*quater* and 144-*sexies* of Consob resolution No. 11971 of 14 May, 1999). The ownership of the minimum stake is determined by considering the Shares that are registered in favour of the shareholder on the day on which the list is filed with the Company, it being understood that the relative certification may also be produced subsequent to filing, yet by no later than the deadline set for publication of the list.

Lists are filed at the registered office, according to the methods prescribed by the regulations in force, at least 25 (twenty-five) days before the date set for the meeting called to resolve on the appointment of Directors. Lists must be made available to the public by the Company at least 21 (twenty-one) days before the date set for

the aforementioned Shareholders' Meeting, in accordance with the procedures prescribed by the regulations in force. In the event that only one list has been submitted on the date of expiry of the deadline for submitting lists, further lists may be submitted, up to the third day following that date, by Shareholders who, at the time of submitting the list, are holders, alone or jointly, of a number of shares at least equal to half of the minimum stake required by this Article.

Each list:

- shall set out the names of one or more candidates for the position of standing statutory auditor and one or more candidates for the position of alternate statutory auditor in the relevant section (“standing statutory auditors” section, “alternate statutory auditors” section) in consecutive numbered order for a number of candidates that do not exceed the number of positions to be held;
- shall indicate, if it includes a number of candidates equal to or more than 3 (three), a list of candidates in both sections sufficient to ensure the composition of the board of statutory auditors, both for the standing and alternate statutory auditors, that complies with the laws and regulations in force from time to time about the gender balance requirement (should allocation of this requirement not give rise to a whole number, it shall be rounded as provided for by the laws and regulations applicable from time to time);
- shall include the following documents: (i) information on the identity of the Shareholders who submitted the lists, with an indication of the percentage of the total interest held; (ii) the statement of shareholders other than those who, individually or jointly, hold a controlling or relative majority interest, certifying the absence of relations with the latter in accordance with current regulatory provisions; (iii) exhaustive information on the personal and professional characteristics of candidates, as well as a statement by the candidates themselves certifying that they meet statutory requirements, and acceptance of their candidacy, accompanied by the list of administrative and control positions held by the latter in other companies; (iv) any additional or other statements, information and/or documents provided for by the law and by applicable regulatory provisions.

All shareholders, as well as shareholders belonging to the same group of companies and shareholders who are parties to a significant shareholders' agreement pursuant to Article 122 of the TUF, may not submit or contribute to the submission, even though a third party or trust company, of more than one list nor may they vote for other lists, .

Each candidate may be represented on only one list, under penalty of ineligibility.

- A.** When two or more lists are presented, the candidates are voted for and the statutory auditors appointed using the following methods:
- candidates from the two lists with the most votes are elected by applying the following criteria:
    - i. 2 (two) standing statutory auditors and 1 (one) alternate statutory auditor are taken from the list that obtained the most votes (the “**Majority List**”) in consecutive order of presentation;
    - i. the third standing statutory auditor (the “**Minority Statutory Auditor**”), who will act as the chairperson, and the second alternate auditor (the “**Minority Alternate Statutory Auditor**”) are taken from the list that

received the second most votes and is not linked (including indirectly) to the shareholders that presented or voted for the majority list in accordance with the applicable instructions.

- should lists receive the same number of votes, the shareholders re-vote solely for these lists and the winning list is that which receives the most votes;
  - if the requirements about gender balance established by the laws and regulations in force from time to time, including the rounding as provided for by the laws and regulations applicable from time to time if application of the gender balance criteria does not result in a whole number, are not complied with using the above methods, the candidate for the position of standing statutory auditor or alternate statutory auditor of the most represented gender elected last in consecutive order from the majority list is excluded and is replaced with the first unelected candidate on the same list of the other gender.
- B.** When just one list is presented, the shareholders vote for this list and if it obtains a majority, three standing statutory auditors and two alternate statutory auditors indicated as such in that list are elected in line with the laws and regulations in force from time to time, including with respect to gender balance and the rounding as provided for by the laws and regulations applicable from time to time if application of the gender balance criteria does not result in a whole number.
- C.** If no lists are presented, or it is not possible to elect the board of statutory auditors using the methods set out in this article for any reason whatsoever, the shareholders elect the three standing statutory auditors and the two alternate statutory auditors by ordinary majority vote as established by law, in accordance with the laws and regulations in force from time to time, including with respect to gender balance and the rounding as provided for by the laws and regulations applicable from time to time if application of the gender balance criteria does not result in a whole number.

Should Directors leave office, the provisions of the law are applied, without applying the list voting procedure and without prejudice to the minimum number of Directors meeting the Independence Requirements, and in compliance with the provisions on gender balance as established above.

In the event of termination of the position of a standing auditor for any reason, without prejudice to compliance with the statutory and regulatory provisions on gender balance from time to time in force, the procedure is as follows:

- i. if a standing auditor taken from the Majority List for the Board of Statutory Auditors ceases to hold office, he/she is replaced by the alternate auditor taken from the Majority List for the Board of Statutory Auditors,
- ii. if the Minority Auditor (namely the Chairperson of the Board of Statutory Auditors), ceases to hold office, he/she is replaced by the Minority Alternate Auditor, who assumes the Chairmanship. If for any reason it is not possible to proceed in the manner indicated above, the shareholders' meeting must be convened, so that it can integrate the Board of Statutory Auditors with the ordinary procedures and majorities, without applying the list voting mechanism



and without prejudice to compliance with statutory and regulatory provisions on (male and female) gender balance from time to time in force.

### *Article 24.) Call, meetings and resolutions*

The Board of Statutory Auditors meets on the initiative of any of the auditors. It is validly constituted with the presence of the majority of the statutory auditors and resolves with the favourable vote of the absolute majority of those present. Meetings of the Board of Statutory Auditors may be held with attendees being in multiple adjacent or remote locations linked by a video/audio conferencing system, under the same conditions established for the Board of Directors.

### *Article 25.) Related Parties*

The Company approves transactions with related parties in compliance with the laws and regulations in force, the provisions of the Articles of Association and procedures adopted on the matter.

Procedures adopted by the Company in relation to transactions with related parties may provide for the exclusion from their sphere of application of urgent transactions, including those falling within the competence of the Shareholders' Meeting, within the limits of the provisions of applicable laws and regulations.

If there are reasons of urgency in relation to transactions with related parties that do not fall within the competence of the Shareholders' Meeting or that do not have to be authorised by it, the Board of Directors may approve said transactions with related parties, to be carried out also through subsidiaries, as an exception to the usual procedural provisions laid down in the internal procedure for transactions with related parties adopted by the Company, provided that they comply with the conditions set out in the procedure itself.

If there are urgent reasons connected to situations of corporate crisis in relation to transactions with related parties within the competence of the Shareholders' meeting or that must be authorised by it, the Shareholders' meeting may approve such transactions as an exception to the usual procedural provisions laid down in the internal procedure for transactions with related parties adopted by the Company, provided that they comply with the conditions set out in the procedure itself. If assessments of the Board of Statutory Auditors on the reasons for the urgency are negative, the Shareholders' Meeting shall resolve not only with the majorities required by law, but also with the favourable vote of the majority of Shareholders who are not related parties and take part in the Shareholders' meeting, provided that they represent at the time of voting, at least 10 (ten) percent of the company's share capital with voting rights. If Shareholders who are not related parties present at the meeting do not represent the percentage of voting capital required, it will be sufficient, for the purpose of approval of the transaction, to reach the majorities required by law

## FINANCIAL STATEMENTS, RESERVES AND PROFITS

### Article 26.) *Financial years and financial statements*

The financial year ends as at 31 December of each year.

The ordinary Shareholders' Meeting for the approval of the financial statements may be convened, if the conditions set out in Article 2364, para.1 of the Italian Civil Code are met, within one hundred and eighty days from the end of the financial year, without prejudice to Article 154-ter of the TUF.

### Article 27.) *Financial reporting manager*

The manager charged with preparing the company's financial reports, provided for by article 154-bis of the TUF ("**Financial Reporting Manager**"), carries out checks and draws up reports, statements and certifications, concerning financial statements, accounting documents and financial reports, in compliance with the provisions of laws and regulations in force.

The Financial Reporting Manager must meet the requirements of professionalism characterised by a qualified experience of at least three years in the exercise of administration and control, performance of management or advisory functions, within listed companies and/or related groups of companies, firms, entities and companies of a significant size and relevance, also in relation to drafting and checking accounting and corporate documents. The Financial Reporting Manager must also meet the requirements of integrity envisaged for Statutory Auditors by the provisions of laws and regulations in force.

The Financial Reporting Manager is appointed, subject to the prior opinion of the Board of Statutory Auditors, by the Board of Directors, who must grant the latter adequate resources and powers to perform the duties assigned to him/her.

### Article 28.) *Statutory auditing of the accounts*

The accounts are audited, in accordance with applicable regulatory provisions, by a statutory auditor or by an external auditor, meeting the requirements provided for by regulations in force.

### Article 29.) *Dividends*

Profits resulting from financial statements approved by the Shareholders' meeting, after deducting the portion allocated to the legal reserve, may be distributed to shareholders or allocated to reserves, according to the resolution of the shareholders' meeting, within the limits of the provisions of this article.

In the presence of the terms and conditions required by law, the Company may distribute interim dividends, subject to compliance with the following provisions.

## DISSOLUTION

### Article 30.) Dissolution and liquidation

The Company shall be dissolved in the cases provided for by law.

The Board of Directors is responsible, in accordance with Article 2484, paragraph 4 of the Italian Civil Code, for ascertaining the occurrence of the cause of dissolution and for carrying out the disclosure obligations required by law.

Having verified a cause for dissolution, the Shareholders' Meeting determines the manner of liquidation and appoints a liquidator, establishing its powers and remuneration.

### Article 31.) *Transitional clause*

These Articles of Association come into force, in accordance with the resolution of the Company's extraordinary session of the Shareholders' Meeting on 27 February, 2018, with effect from the notice of admission to trading of shares on the MTA ("**Entry into force of the Articles of Association**").

Pursuant to Art. 106, paragraph 3-*quater*, of the TUF, the obligation of global takeover bid envisaged by Art. 106, paragraph 3, b) of the TUF does not apply to the period starting from the entry into force of these Articles of Association until the start date of trading on the MTA.

Signed by Luigi Rossi Luciani

Signed by Mario Notari

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