

ARTICLES OF ASSOCIATION

**TITLE I**

**CORPORATE NAME, PURPOSE, DURATION AND REGISTERED OFFICE**

**Article 1 – Corporate name**

A public limited company has been incorporated under the name of:

"LU-VE S.P.A."

**Article 2 - Purpose**

The Company's purpose is the production, purchase, sale, import, export, storage, assembly and general trading, on its own account and as representative, agent or commission agent of other Italian or foreign companies, of condensers, evaporators, dry coolers, heat exchangers and thermodynamic appliances in general for all applications. The Company may carry on its business in Italy and abroad and may implement all the commercial, financial and real estate transactions associated with its corporate purpose. The Company may acquire, either directly or indirectly, interests and equity investments in other companies or enterprises with a purpose that is the same, similar or associated with its own, provided that this is conducted on a subordinate basis to the corporate purpose. The corporate purpose does not include the collection of savings from the public, financial intermediation and in general the performance of transactions that are reserved or prohibited under current or future legislation.

**Article 3 – Registered office and domicile**

1. The Company's registered office is in Varese.
2. The Administrative Body has the power to set up and close down branches, agencies or representative offices in Italy and abroad.
3. For the purposes of their relations with the Company, the domicile, understood as the address, fax number and email address, of the shareholders, directors, statutory auditors, external auditor and/or auditing firm, is the one stated in the company books.

**Article 4 – Duration**

The Company's duration is established as up to 31 (thirty-first) December 2100 (twenty-one hundred).

**TITLE II**

**SHARE CAPITAL, SHAREHOLDERS' LOANS AND BONDS**

**Article 5 – Share capital**

1. The share capital is €62,704,488.80 represented by 22,234,368 shares without specification of the nominal value (the **Shares**).
2. Pursuant to legislation in force at the time, the share capital may also be increased *(i)* through the issue of new Shares with different rights to those of outstanding shares also with regard to the impact of losses, determining their content in the issue resolution, and/or *(ii)* through the issue of new Shares to be released with non-cash contributions, to the extent permitted by law. In resolutions to increase the share capital against payment, the option right may be excluded to the maximum extent of 10% of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed by a special report drawn up by an external auditor or by an auditing firm.
3. The extraordinary Shareholders' Meeting may delegate the Board of Directors to increase the capital, even excluding the option right, in compliance with the limits and procedures established by applicable legislation and regulations in force at the time.
4. The Shareholders' Meeting may pass a resolution to reduce the capital, also by assigning certain corporate assets, including shares or units of other enterprises in which the Company holds an interest, to individual shareholders or groups of shareholders.
5. It is permitted to assign, in accordance with legal procedures and in due legal forms, profits and/or profit reserves to employees of the Company or of subsidiary companies, through the issue of shares in accordance with the first paragraph of Article 2349 of the Italian Civil Code.

**Article 6 – Shares**

1. Shares are issued in book-entry form and entered into the system for centralised management of financial instruments pursuant to applicable legislation and regulations in force at the time.
2. Shares are registered and freely transferable. Each Share entitles the holder to one vote, without prejudice to the provisions of Article 6-*bis* below of these Articles of Association and to the power to issue special categories of shares pursuant to applicable legislation and regulations in force at the time. The Share issue and circulation system is governed by applicable legislation and regulations in force at the time.
3. Without prejudice to the specific rights and limitations expressly mentioned in these Articles

of Association, all Shares assign equal rights.

**Article 6-bis – Increased voting right**

1. By way of derogation from the provisions of Article 6 (2) of these Articles of Association, each Share shall entitle the owner to a double vote (and therefore to two votes per Share) when both of the following conditions are met:

(i) the voting right has been held by the same person by virtue of a qualifying property right (such as for example, full ownership, bare ownership with voting right, usufruct with voting right) for a continuous period of at least twenty-four months (the “**Period**”) commencing from the date of entry in the special list set up by the Company in accordance with the provisions of this article (the “**List**”);

(ii) satisfaction of the condition set forth in point (i) above has been certified by a special communication issued by the intermediary at the holder’s request, in accordance with applicable legislation.

2. The increased voting right shall take effect from the last day of the calendar month in which the Period elapsed, provided that the Company received the intermediary’s communication by three trading days before the end of said month, without prejudice to the provisions of the following paragraph. It is understood that if the Company did not receive the intermediary’s communication by the aforesaid deadline, the increased voting right shall take effect from the last day of the calendar month after the month in which the Company received the communication.

3. By way of derogation from the above, if the Company’s shareholders’ meeting is convened, the increased voting right shall take effect at the ‘record date’ established by applicable legislation concerning the right to attend and vote in the shareholders’ meeting, with regard to both the meeting quorums and voting quorums, provided that by said date the Period has elapsed and the Company has received the intermediary’s communication referred to in point 2 (ii) above. The Company shall verify entitlement to the increased voting right and the inexistence of disqualifying factors with reference to the ‘record date’.

4. The Company sets up and keeps the List, with the form and content required by applicable legislation and, insofar as compatible, in compliance with the provisions on the shareholders register. The List is updated at the end of each calendar month for requests received by three trading days before the end of each month.

5. The Company enters in the List the holder of Shares who submit a written application to the Company and for whom, in accordance with applicable legislation, the intermediary has issued an

appropriate communication certifying their eligibility for entry. The request for entry may concern all or only part of the Shares held. The applicant may request entry in the List for additional shares, at any time, by submitting an appropriate application. If the applicants are not natural persons, their applications must specify whether they are subject to direct or indirect control by third parties and the identification data of any parent entity. The right to entry in the List and – after the Period has elapsed – the right to benefit from the increased vote are achieved through ownership of a qualifying property right (such as for example, full ownership with voting right, bare ownership with voting right, usufruct with voting right).

6. Persons entered in the List are required to inform, and allow the intermediary to inform, the Company of any circumstance or event that means they are no longer eligible for the increased voting right or that affects the ownership of the Shares and/or the related voting right by the end of the month in which the circumstance occurred and in any case by the trading day before the ‘record date’.

7. The increased voting right shall be lost:

- a) in the event of transfer of the Share, whether in return for payment or free of charge, with the understanding that “transfer” also means pledge, usufruct or other encumbrance on the Share when this entails loss of the voting right by the shareholder. The pledge, usufruct or other encumbrance and the transfer of bare ownership with maintenance of usufruct do not lead to loss of entitlement to the benefit of the increased voting right when the voting right is retained by the previous holder;
- b) in the event of direct or indirect transfer of controlling shareholdings in companies or entities that hold a number of Shares with increased voting rights that exceeds the threshold established by Article 120(2) of Italian Legislative Decree n. 58 of 24 February 1998 (“TUF” (Consolidated Law on Finance)).

8. The Company shall arrange for cancellation from the List in the following cases:

- a) waiver by the person concerned. Anyone who is eligible for the increased voting right is entitled to irrevocably waive at any time all or part of the increased voting right, by sending written notice to the Company, with the understanding that the increased voting right may be re-acquired with regard to the Shares for which it was waived through renewed entry in the List, after a new Period has fully elapsed in compliance with the provisions of these Articles of Association;
- b) communication from the person concerned or from the intermediary proving that the person is no longer eligible for the increased voting right or has lost ownership of the Shares and/or

of the related voting right;

- c)* if the Company is informed of the occurrence of events that cause the person to be no longer eligible for the increased voting right or to lose ownership of the Shares and/or of the related voting right.

**9.** Increased voting rights that have already accrued or, if not fully accrued, the period of ownership required for their full accrual, shall be retained:

- a)* in the event of succession on death in favour of the heir and/or legatee;
- b)* in the event of merger or reverse merger of the holder of the shares, in favour of the company resulting from the merger or benefitting from the reverse merger;
- c)* if the shareholding is registered in the name of a fiduciary, in the event of change in the fiduciary provided that the grantor is still the same and that this has been appropriately certified by the fiduciary;
- d)* if the shareholding is registered in the name of a trust, in the event of change in the trustee;
- e)* in the event of transfer from one portfolio to another of the UCITS managed by the same manager.

**10.** Without prejudice to the communications from the intermediary required by applicable legislation and by these Articles of Association for the purposes of increased voting rights, increased voting rights shall extend:

- a)* to Shares assigned in the event of free capital increase pursuant to Article 2442 of the Italian Civil Code and due to the holder in relation to Shares for which the increased voting right has already accrued;
- b)* to Shares assigned in exchange for those to which increased voting rights have been attributed in the event of merger or reverse merger of the Company, provided that – and to the extent that – this has been envisaged in the draft terms of merger or reverse merger;
- c)* to Shares subscribed when exercising the option right in the event of capital increase through new contributions.

In the cases referred to in points *a)*, *b)* and *c)* above, the new Shares shall acquire the increased voting right (i) for new issue Shares due to the holder in relation to Shares for which the increased voting right has already accrued, from the time of entry in the List, without another Period having to elapse; (ii) for

new issue Shares due to the holder in relation to Shares for which the increased voting right has not yet accrued (but is accruing), from the time the Period elapses calculated from the original entry in the List.

**11.** Increased voting rights are counted for each shareholders' meeting resolution and also to determine the meeting and voting quorums that refer to quotas of share capital. The increased right does not affect rights, other than the voting right, acquired by virtue of ownership of certain quotas of share capital.

**12.** For the purposes of these Articles of Association the concept of control, which extends to both legal entities and natural persons, is the one set forth in Article 93 of the TUF.

**13.** The provisions on increased voting rights set forth in this article shall apply for as long as the Company's Shares are listed on an Italian regulated market or on a regulated market of other European Union Member States.

#### **Article 7 - Loans**

**1.** The Company is expressly entitled to receive loans and financing from its shareholders, as well as from their parent, subsidiary or associated companies or from subsidiaries of one of their parent companies, according to the terms and conditions permitted by legislative provisions applicable to enterprises established in the form of joint-stock companies.

**2.** In accordance with legislation in force at the time, the Company may issue participating equity instruments.

#### **Article 8 – Bonds**

**1.** The Company may issue convertible and non-convertible bonds on the basis of the competences established by applicable provisions of the law.

**2.** The extraordinary Shareholders' Meeting may delegate the Board of Directors to pass a resolution to issue bonds convertible into shares, in accordance with the provisions of law.

#### **Article 9 – Right of Withdrawal**

**1.** Shareholders are entitled to withdraw only in the cases and with the effects established by law.

**2.** The right of withdrawal is explicitly excluded for shareholders who did not contribute to the approval of resolutions concerning: (a) the extension of the Company's term of duration; and (b) the introduction or removal of restrictions to the circulation of shares.

**TITLE III**

**SHAREHOLDERS' MEETINGS**

**Article 10 – Powers and resolutions of Shareholders' Meetings**

1. A duly constituted Shareholders' Meeting represents all shareholders and resolutions passed in accordance with the law and these Articles of Association are binding on all shareholders, including those absent or dissenting.
2. Ordinary and extraordinary Shareholders' Meetings resolve on the matters reserved to them by law and these Articles of Association.
3. Ordinary and extraordinary Shareholders' Meetings are validly constituted and pass resolutions with the majorities established by law. An ordinary Shareholders' Meeting approves the regulations governing shareholders' meeting, if applicable.

**Article 11 – Convocation**

1. Shareholders' Meetings are convened within the time limits required by laws and regulations in force at the time through notice published on the Company's website or using any other procedures established by applicable legislation and regulations in force at the time.
2. Shareholders' Meetings, whether ordinary or extraordinary, are held in a single call. However, if considered appropriate, the Board of Directors may establish that ordinary Shareholders' Meetings are held in two calls and extraordinary Shareholders' Meetings are held in two or three calls, with application of the majorities respectively established by legislation and regulations in force at the time with regard to each of said cases.
3. Shareholders' Meetings may also be convened outside the municipality where the registered office is situated, provided the venue is in Italy.
4. Ordinary Shareholders' Meetings for approving the financial statements must be convened within 120 (one hundred and twenty) days of the end of the financial year or, if the legal requirements are met, within 180 (one hundred and eighty) days of the end of the financial year.

**Article 12 – Attendance and representation**

1. Entitlement to attend Shareholders' Meetings and to exercise voting rights is governed by legislation and regulations in force at the time and by these Articles of Association.
2. Those who are entitled to vote may arrange to be represented in Shareholders' Meetings pursuant to law, by means of a proxy issued according to the procedures established by legislation and

regulations in force at the time. The proxy may also be notified to the Company electronically, through transmission by certified email in accordance with the procedures stated in the notice of call.

3. The Board of Directors may designate, on a time by time basis for each Shareholders' Meeting, one or more persons to whom those entitled to vote may give a proxy pursuant to applicable legislation and regulations in force at the time, providing notice in compliance with said provisions.

#### **Article 13 – Order of Shareholders' Meetings**

1. Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, unavailability or incapacity, by the Vice President or by the CEO, if appointed and present; otherwise the Shareholders' Meeting elects its own chairman.

2. The Chairman of the Shareholders' Meeting, personally or with the assistance of specially appointed persons, ascertains the identity of those present and their right to attend, governs the course of business, establishing the procedures for discussion and voting and ascertains the results of voting, in compliance with legislation and regulations in force at the time, these Articles of Association and any Shareholders' Meeting Regulations adopted by the Company.

3. The Chairman of the Shareholders' Meeting is assisted by a Secretary appointed by the Shareholders' Meeting on the Chairman's proposal.

#### **Article 14 - Minutes**

1. Shareholders' Meeting resolutions must be recorded in minutes, drawn up in compliance with legislation in force at the time and with these Articles of Association and signed by the Chairman and the secretary.

2. In the cases established by law and when the Chairman of the Shareholders' Meeting considers it appropriate, the minutes are drawn up by a notary public chosen by the Chairman.

### **TITLE IV**

#### **ADMINISTRATION AND REPRESENTATION**

#### **Article 15 – Board of Directors**

1. The Company is administered by a Board of Directors made up of a minimum of 7 (seven) and a maximum of 15 (fifteen) members, as decided by the Shareholders' Meeting from time to time, with the understanding that, as long as the Shares are listed on an Italian regulated market or regulated market of other European Union member states, the Board of Directors must:



(a) be elected on the basis of lists submitted by shareholders or by the incumbent Board of Directors in accordance with the provisions set forth below, also in order to ensure that the minority is represented;

(b) include at least 1 (one) member of the Board of Directors, or 2 (two) members if it is made up of more than 7 (seven) members, meeting the requirements for classification as independent director pursuant to applicable legislation and regulations in force at the time;

(c) be composed in compliance with applicable legislation and regulations in force at the time on the matter of gender balance, insofar as applicable, as well as with the provisions of these Articles of Association on the matter.

2. Directors are appointed for a period of no longer than 3 (three) financial years, they expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office and may be re-elected.

3. Unless otherwise decided by the Shareholders' Meeting, directors are bound by the non-compete obligation set forth in Article 2390 of the Italian Civil Code.

4. Members of the Board of Directors are entitled to the reimbursement of expenses incurred in performance of their office and, without prejudice to the provisions of Article 2389(3) of the Italian Civil Code, to the remuneration established by the Shareholders' Meeting.

5. The ordinary Shareholders' Meeting may also award Directors a fee and an end-of-service allowance, which may even take the form of an insurance policy.

6. The Shareholders' Meeting may set a total amount for remuneration of all the directors, including those assigned special duties, to be distributed by the Board of Directors in accordance with the law.

#### **Article 16 – Powers and representation**

1. The Board of Directors is exclusively responsible for the ordinary and extraordinary management of the Company. It may therefore carry out all the acts, including acts of disposition, that it considers appropriate for pursuit of the corporate purpose, with the sole exclusion of those that the law expressly reserves to the Shareholders' Meeting.

2. The Board of Directors is also responsible for resolutions on the following matters: (a) setting up or closing down secondary establishments; (b) specifying which directors have the power to represent the Company; (c) reducing the share capital in the event of shareholder withdrawal; (d) relocation of the registered office within national territory; (e) merger of the Company in the cases

established by Articles 2505 and 2505-*bis* of the Italian Civil Code also insofar as cited, for reverse merger, by Article 2506-*ter*, last paragraph, of the Italian Civil Code; and (f) adapting these Articles of Association to comply with legislative provisions. The fact that these responsibilities have been assigned to the Board of Directors does not exclude the concurrent responsibility of the Shareholders' Meeting for the same matters.

3. The power to sign on behalf of and to represent the Company before third parties and in court (with the authority to appoint lawyers and attorneys *ad litem*) is assigned, jointly and severally, to the Chairman of the Board of Directors, the Vice Chairman (if appointed and to the extent to which the power to sign and represent have been expressly assigned by the Board of Directors) and, within the limits of the powers granted, to executive directors.

#### **Article 17 – Chairman and executive bodies**

1. If the Shareholders' Meeting has not already done so, the Board of Directors elects its own Chairman and, if deemed necessary, a Vice Chairman with deputyship powers. The Chairman carries out the functions established by legislation and regulations in force at the time and by these Articles of Association.

2. On proposal of the Chairman, the Board of Directors may appoint a secretary, who may be external to the Company.

3. Within the limits of Article 2381 of the Italian Civil Code, the Board of Directors may delegate its powers to an executive committee and/or to one or more of its members, determining the content, limits and procedures for carrying out the mandate. On proposal of the Chairman and in agreement with the executive bodies, the Board of Directors may also assign mandates for individual acts or categories of acts to other members of the Board of Directors.

4. The executive bodies have the power to grant, within the scope of the powers assigned, mandates for individual acts or categories of acts to the Company's employees and to third parties, with the power to sub-delegate.

5. The executive directors report to the Board of Directors and to the Board of Statutory Auditors and each director reports (direct or through the executive bodies, usually during meetings of the Board of Directors, using the procedures deemed most appropriate from time to time) to the Board of Statutory Auditors at least once every 3 months, or more frequently if established by the Board of Directors, on the activity carried out, the general management performance and its foreseeable outlook and on the transactions of greater significance in terms of their size or characteristics, carried out by the Company and its subsidiaries and those influenced by the entity that manages and coordinates the

Company.

6. The Board of Directors may also appoint one or more general managers, vice general managers, directors and executive officers, determining their powers and, if necessary, their remuneration.

7. The Board of Directors may also set up one or more committees to provide advice, submit proposals or carry out control activities in compliance with applicable legislative or regulatory provisions.

#### **Article 18 – Convocation of the Board of Directors**

1. The Board of Directors meets at venue that need not be the registered office provided it is in Italy, another European Union Member State or the Swiss Confederation, whenever the Chairman deems it necessary, or when a written request is made by at least one of its members or by a Statutory Auditor.

2. The notice of call contains the order of the business to be discussed and must be sent by registered letter, fax or email with read receipt to be delivered or sent at least 3 (three) days before the date set for the meeting or, in particularly urgent circumstances, at least 24 (twenty-four) hours before the meeting.

3. It is also possible for meetings of the Board of Directors to be held in a number of audio or video linked adjacent or distant venues, provided that: (a) the Chairman and the secretary of the meeting, if appointed, who shall draw up and sign the minutes, attend the same venue, as the meeting must be considered held at said venue; (b) the Chairman of the meeting is able to ascertain the identity of those present, govern the course of the meeting, establish and announce the results of voting; (c) the person drawing up the minutes is able to appropriately follow the events of the meeting to be recorded; (d) those attending are able to participate in the discussion and simultaneous voting on the items on the agenda, and to examine, receive or transmit documents. If these conditions are met, the meeting of the Board of Directors shall be considered held at the venue attended by the Chairman.

4. In any case, meetings of the Board of Directors are validly constituted even without convocation when all incumbent directors and statutory auditors are in attendance and no-one objects to the discussion of the individual matters.

#### **Article 19 – Meetings and Resolutions of the Board of Directors**

1. Resolutions of the Board of Directors are valid with the effective presence of the majority of its incumbent members and the absolute majority vote of those present. In the event of a tied vote, the Chairman of the Board of Directors shall have the casting vote, if present.

2. Minutes of the meetings and resolutions of the Board of Directors are signed by the relevant Chairman and the secretary and collected in a register kept according to law.

3. Meetings of the Board of Directors are chaired by the Chairman or, in his absence or incapacity, by the Vice Chairman, if appointed. If the Vice Chairman is also absent, they are chaired by the board member appointed by those present.

## **Article 20 – Submission of lists – Appointment and replacement of directors**

### Submission of lists

1. Lists may be submitted by the incumbent Board of Directors and by shareholders who, at the time the list is submitted, hold alone or together with others, a share totalling at least 2.5% of the capital or the different shareholding equal to at least the one established by CONSOB with regulation pursuant to Article 147-ter (1) of Italian Legislative Decree No 58/98 (“**TUF**” (Consolidated Law on Finance)).

2. Individual shareholders, shareholders subscribing to a shareholders’ agreement relating to the Company and of relevance pursuant to Article 122 of the TUF, the parent company, subsidiary companies and those subject to common control and other entities between which a direct or indirect association exists pursuant to applicable legislation and regulations in force at the time, cannot submit or contribute to the submission, not even through a third party or trust company, of more than one list or vote for different lists.

3. Each candidate may appear on one list only, otherwise they shall be considered ineligible.

4. Each list contains the names, indicated by a sequential number, of a number of candidates not exceeding the number of members to be elected.

5. Each list that contains a number of candidates no higher than 7 (seven) must include and identify at least 1 (one) candidate who meets the independence requirements established by applicable legislation and regulations in force at the time on the matter. Each list that contains a number of candidates higher than 7 (seven) must include and identify at least 2 (two) candidates who meet the independence requirements established by applicable legislation and regulations in force at the time on the matter. In the event of failure to comply with the obligations set forth in this paragraph, the list shall be deemed not to have been submitted.

6. For the period of application of the applicable legislation and regulations in force at the time on the matter of gender balance, each list that submits a number of candidates equal to or higher than 3 (three) must also include candidates belonging to both genders, so that at least the minimum quota of candidates required by the applicable laws and regulations belongs to the under-represented gender.

In the event of failure to comply with the obligations set forth in this paragraph, the list shall be deemed not to have been submitted.

7. Lists submitted must be filed at the Company's registered office, even using distance communication means as indicated in the notice of call, and made available to the public in accordance with the timeframes and procedures established by legislation and regulations in force at the time.

8. Lists must be accompanied by the following:

(a) information on the identity of the shareholders who submitted the lists, with specification of the total percentage shareholding held, with certification showing the ownership of this shareholding issued by a legally qualified intermediary, with the understanding that this certification may even be produced after the lists have been filed, provided this occurs before the time limit established for the Company's publication of the lists;

(b) a statement from the shareholders who do not hold, individually or jointly, a controlling interest or relative majority, stating the absence of any direct or indirect association, pursuant to applicable legislation and regulations in force at the time, with such shareholders;

(c) detailed information on the candidates' personal and professional characteristics, with specification, if applicable, of their suitability to qualify as independent directors pursuant to applicable legislation and regulations in force at the time (and/or pursuant to the codes of conduct on corporate governance promoted by management companies of regulated markets adopted by the Company) and a statement from the candidates certifying that they meet the requirements established by legislation and regulations in force at the time and by these Articles of Association, including those of good repute and, where applicable, independence, and their acceptance of the candidature and of the office, if elected;

(d) any further or different statement, information and/or document required by applicable legislation and regulations in force at the time.

In the event of failure to comply with the obligations set forth in this paragraph, the list shall be deemed not to have been submitted.

The duly filed lists and accompanying information shall be published pursuant to applicable legislation and regulations in force at the time.

9. Each shareholder's vote shall refer to the list, and therefore automatically to all the candidates stated in said list, without the possibility of changes, additions or exclusions.

Appointment

**10.** The Board of Directors is elected as follows:

(a) no account is taken of lists that have not obtained a percentage at least equal to half of the percentage required for submission of lists, established pursuant to paragraph 20.1 above;

(b) from the list that obtained the highest number of votes, all the directors to be elected, except 1 (one), are taken, in the sequential order in which they are stated in the list, without prejudice to the provisions set forth below to ensure the presence of a suitable number of directors meeting the independence requirements and the gender balance in compliance with applicable legislation and regulations in force at the time on the matter;

(c) the remaining director to be elected is taken from the list that obtained the second highest number of votes after the list referred to in letter (b) above, votes cast by shareholders who are not in any way associated, either directly or indirectly, pursuant to applicable legislation and regulations in force at the time, with the shareholders who submitted or voted for the list referred to in letter (b) above.

**11.** In the event of a tie between lists, the list submitted by shareholders holding the greater shareholding or, in the alternative, by the highest number of shareholders, shall prevail.

**12.** If, after voting has been completed a sufficient number of directors meeting the independence requirements established by applicable legislation and regulations in force at the time have not been elected, the last candidate who does not meet these requirement selected in the sequential order of the list that obtained the highest number of votes shall be excluded and shall be replaced by the first non-elected candidate from the same list who meets the aforesaid independence requirements following the sequential order. If necessary, this procedure shall be repeated until the number of independent directors to be elected has been reached. If at the end of this replacement procedure, the composition of the Board of Directors does not allow compliance with the minimum number of members meeting the independence requirements established by applicable legislation in force at the time, the replacement shall be made by resolution passed by the Shareholders' Meeting by majority vote of those represented, subject to submission of candidatures of persons meeting said independence requirements.

**13.** Further more if, after voting has been completed and the previous paragraph has been applied, the candidates elected do not ensure that the composition of the Board of Directors complies with applicable legislation and regulations in force at the time on gender balance, the last candidate of the over-represented gender elected in the sequential order of the list that obtained the highest number of votes shall be excluded and shall be replaced by the first non-elected candidate from the same list of

the under-represented gender following the sequential order. This replacement procedure shall take place until it has been ensured that the composition of the Board of Directors complies with applicable legislation and regulations in force at the time on gender balance. If at the end of this replacement procedure, the composition of the Board of Directors does not comply with applicable legislation and regulations in force at the time on gender balance, the replacement shall be made by resolution passed by the Shareholders' Meeting by majority vote of those represented, subject to submission of candidatures of persons belonging to the under-represented gender.

**14.** If the number of candidates elected on the basis of the lists submitted is lower than the number of directors to be elected, the remaining directors shall be elected by the Shareholders' Meeting, deliberating by majority vote of those represented and, in any case, so as to ensure (i) the presence of the minimum number of independent directors established by applicable legislation and regulations in force at the time, and (ii) compliance with applicable legislation and regulations in force at the time on gender balance. In the event of a tied vote between a number of candidates, a second ballot shall be held between them through a further shareholders' meeting vote, and the candidate who obtains the highest number of votes shall prevail.

**15.** If only one list is submitted, the Shareholders' Meeting casts its vote on said list and, if it obtains the majority of votes represented at the Shareholders' Meeting, all the members of the Board of Directors shall be taken from said list in compliance with applicable legislation and regulations in force at the time, also on the matter of (i) independent directors and (ii) gender balance.

**16.** If no lists are submitted or only one list is submitted and it does not obtain the majority of votes represented at the Shareholders' Meeting or if the entire Board of Directors does not need to be renewed or if it is not possible for any reason to appoint the Board of Directors in accordance with the procedures established by this article, the members of the Board of Directors shall be appointed by the Shareholders' Meeting with ordinary procedures and majority vote of those represented, without applying the list voting mechanism, and in any case so as to ensure (i) the presence of the minimum number of independent directors established by applicable legislation and regulations in force at the time on the matter, and (ii) compliance with applicable legislation and regulations in force at the time on gender balance, without prejudice to the provisions of paragraphs 20.17 to 20.19 below.

#### Replacement

**17.** If during the year one or more directors are no longer able to fulfil office, the Board of Directors arranges for their replacement by means of a resolution approved by the Board of Statutory Auditors, in compliance with applicable legislation and regulations in force at the time on gender balance, in accordance with the following:

a) the Board of Directors arranges, where possible, for the outgoing director to be replaced by someone belonging to the same list and the Shareholders' Meeting deliberates, with the legal majorities, observing the same criterion;

b) if there are no remaining candidates in the aforesaid list who were not previously elected or candidates with the necessary requirements or if for any reason it is not possible to comply with the provisions of letter a), the Board of Directors arranges for the replacement, and the Shareholders' Meeting arranges for the appointment, with the legal majorities and without list voting.

In any case the Board of Directors and the Shareholders' Meeting shall arrange respectively for the aforesaid replacement and appointment, in compliance (i) with applicable legislation and regulations in force at the time on gender balance and (ii) with the minimum number of board members meeting the independence requirements established by applicable legislation and regulations in force at the time.

Directors co-opted in this way by the Board of Directors remain in office until the next Shareholders' Meeting and those appointed by the Shareholders' Meeting remain in office for the time that the directors they replaced would have remained.

18. Instead of replacing the outgoing director, the Shareholders' Meeting is also entitled to decide to reduce the number of members of the Board of Directors.

19. If for any reason the majority of directors appointed by Shareholders' Meeting resolution are no longer able to fulfil office, the entire Board of Directors shall be deemed to have resigned with effect from the subsequent reconstruction of said board. In this case the Shareholders' Meeting to appoint the entire Board of Directors must be urgently convened by the directors remaining in office.

20. The Board of Directors regularly assesses the existence of the requirements of its members, including those of independence and good repute, required by applicable legislation and regulations in force at the time and by these Articles of Association, as well as the inexistence of causes of ineligibility and forfeiture. Any directors who, following their appointment, lose the requirements required or previously declared must immediately inform the Board of Directors. Loss of the independence requirements established by legislation and regulations in force at the time applicable to independent directors leads to forfeiture of office, unless said requirements are still met by the minimum number of directors who, according to legislation and regulations in force at the time, must meet said requirements. Without prejudice to the above, if a director does not meet or no longer meets the requirements of independence (when this leads to forfeiture in accordance with the above) or of good repute declared and required by legislation, or causes of ineligibility or forfeiture exist, the Board of Directors declares the director to have forfeited office and arranges for his replacement in compliance



with applicable legislation and regulations in force at the time and with the provisions of these Articles of Association.

**Article 21 – Financial reporting manager**

1. After seeking the mandatory opinion of the Board of Statutory Auditors, the Board of Directors appoints the financial reporting manager, pursuant to Article 154-*bis* of the TUF, determines his remuneration and deliberates on his revocation.

2. The financial reporting manager must meet, in addition to the requirements of good repute established by applicable legislation and regulations in force at the time for those who carry out administration and management functions in companies whose financial instruments are listed on an Italian regulated market or regulated market of other European Union member states, professional requirements consisting in specific competence in matters of administration, finance or control and must specifically have attained a degree in subjects pertaining to economy and finance or business management and organization and have gained at least three years' experience in: (i) administration, financial or control activities or management duties in joint-stock companies; or (ii) administration or management functions or appointments as external auditor or consultant such as chartered accountant at entities operating in the credit, financial or insurance sectors or in sectors associated with or pertaining to the activity carried out by the Company referred to in Article 2 of these Articles of Association, involving the management of economic and financial resources.

3. Satisfaction of the requirements of good repute and professionalism referred to in paragraph 21.2 above is ascertained by the Board of Directors. The Board of Directors ensures that the financial reporting manager has adequate powers and means to carry out the duties assigned to him pursuant to applicable legislation and regulations in force at the time.

**TITLE V**

**BOARD OF STATUTORY AUDITORS AND EXTERNAL AUDIT**

**RELATED PARTY TRANSACTIONS**

**Article 22 – Board of Statutory Auditors**

1. The Board of Statutory Auditors monitors observance of the law and of these Articles of Association, compliance with the principles of fair administration and in particular the adequacy of the organisational, administrative and accounting structure adopted by the Company and its proper functioning.

2. The Board of Statutory Auditors is made up of 3 (three) standing members and 2 (two) alternate members. The Shareholders' Meeting appoints the members, identify in gone as Chairman of the Board of Statutory Auditors, and determines their remuneration, with the understanding that as long as the Shares are listed on an Italian regulated market or regulated market of other European Union member states:

(a) the Board of Statutory Auditors must be elected on the basis of lists submitted by shareholders in accordance with the provisions set forth below, also in order to ensure that the minority is protected;

(b) applicable legislation and regulations in force at the time on the matter of gender balance and the provisions of these Articles of Association on the matter shall apply for the period of application of said legislation.

3. Statutory Auditors are appointed for three financial years, they expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office and may be re-elected.

4. Members of the Board of Statutory Auditors must meet the requirements of good repute, professionalism and independence and those relating to the limit placed on the number of offices that may be held, as established by applicable legislation and regulations in force at the time. For the purposes of Article 1(2) (b) and (c) of Italian Decree of the Ministry of Justice n. 162 of 30 March 2000, as subsequently amended and integrated, the subjects that are considered to be strictly pertinent to the Company's activity are those relating to commercial law, corporate law, tax law, business economics, corporate finance, subjects covering the same or similar matters and lastly subjects and sectors pertaining to the activity carried out by the Company referred to in Article 2 of these Articles of Association.

5. Meetings of the Board of Statutory Auditors are validly constituted even when held by audio conference or teleconference, provided that: (a) the Chairman and the person drawing up the minutes attend the same meeting venue; (b) all participants may be identified and are able to follow the discussion, receive and examine documents and express their opinion verbally and in real time on all matters. When these conditions are met, the meeting of the Board of Statutory Auditors shall be considered held at the venue attended by the Chairman.

### **Article 23 – Submission of lists – Appointment and replacement of statutory auditors**

#### *Submission of lists*

1. Lists may be submitted by shareholders who, at the time the list is submitted, hold alone or

together with others, a share totalling at least 2.5% of the capital or the different shareholding equal to at least the one established by CONSOB with regulation pursuant to Article 147-*ter* (1) of the TUF.

2. Individual shareholders, shareholders subscribing to a shareholders' agreement relating to the Company and of relevance pursuant to Article 122 of the TUF, the parent company, subsidiary companies and those subject to common control and other entities between which a direct or indirect association exists pursuant to applicable legislation and regulations in force at the time, cannot submit or contribute to the submission, not even through a third party or trust company, of more than one list or vote for different lists.

3. Each candidate may appear on one list only, otherwise they shall be considered ineligible.

4. Each list contains the names, indicated by a sequential number, of a number of candidates not exceeding the number of members to be elected.

5. The lists are divided into two sections: one for candidates to the office of standing auditor, the other for candidates to the office of alternate auditor. The first of the candidates of each section must be entered in the register of independent auditors and have carried out auditing activity for no less than 3 (three) years. If the other candidates do not meet the requirement established above, they must meet the other requirements of professionalism established by applicable legislation and regulations in force at the time. In the event of failure to comply with the obligations set forth in this paragraph, the list shall be deemed not to have been submitted.

6. For the period of application of the applicable legislation and regulations in force at the time on the matter of gender balance, each list that contains –considering both sections present –a number of candidates equal to or higher than 3 (three) must also include candidates belonging to both genders, so that, in the section of standing auditors, at least the minimum quota of candidates required by the applicable laws and regulations belongs to the under-represented gender and, in the section of the alternate auditors (in case the list includes also candidates to the office of alternate auditors), at least one candidate belongs to the under-represented gender. In the event of failure to comply with the obligations set forth in this paragraph, the list shall be deemed not to have been submitted.

7. Lists submitted must be filed at the Company's registered office, even using distance communication means as indicated in the notice of call and made available to the public in accordance with the timeframes and procedures established by legislation and regulations in force at the time. If at the expiry date of the time limit for filing lists only one list has been filed, or only lists submitted by shareholders who are associated with one another pursuant to applicable legislation and regulations in force at the time, lists may be submitted up until the subsequent time limit established by legislation

and regulations in force at the time. In this case the shareholding percentage required for submission of lists pursuant to paragraph 1 above shall be halved.

**8.** Lists must be accompanied by the following:

(a) information on the identity of the shareholders who submitted the lists, with specification of the total percentage shareholding held, with certification showing the ownership of this shareholding issued by a legally qualified intermediary, with the understanding that this certification may even be produced after the lists have been filed, provided this occurs before the time limit established for the Company's publication of the lists;

(b) a statement from the shareholders who do not hold, individually or jointly, a controlling interest or relative majority, stating the absence of any direct or indirect association, pursuant to applicable legislation and regulations in force at the time, with such shareholders;

(c) detailed information on the candidates' personal and professional characteristics, with specification of the offices of administration and control held in other companies, as well as a statement from the candidates certifying that they meet the requirements, including those of good repute, professionalism and independence and those relating to the limit placed on the number of offices that may be held, established by applicable legislation and regulations in force at the time and by these Articles of Association and their acceptance of the candidature and of the office, if elected; any further or different statement, information and/or document required by applicable legislation and regulations in force at the time. In the event of failure to comply with the obligations set forth in this paragraph, the list shall be deemed not to have been submitted.

The duly filed lists and accompanying information shall be published pursuant to applicable legislation and regulations in force at the time.

**9.** Each shareholder's vote shall refer to the list, and therefore automatically to all the candidates stated in said list, without the possibility of changes, additions or exclusions.

#### *Election*

**10.** The Board of Statutory Auditors is elected as follows:

(a) from the list that obtained the highest number of votes, 2 (two) standing auditors and 1 (one) alternate auditor are taken, in the sequential order in which they are stated in the appropriate sections of the list;

(b) the remaining standing auditor and the remaining alternate auditor are taken, on the basis of the sequential order in which they are stated in the appropriate sections of the list, from the

list that obtained the second highest number of votes after the list referred to in letter (a) above, votes cast by shareholders who are not in any way associated, either directly or indirectly, pursuant to applicable legislation and regulations in force at the time, with the shareholders who submitted or voted for the list that obtained the highest number of votes.

**11.** In the event of a tie between lists, the list submitted by shareholders holding the greater shareholding or, in the alternative, by the highest number of shareholders, shall prevail.

**12.** If, after voting has been completed the candidates elected do not ensure that the composition of the Board of Statutory Auditors complies with applicable legislation and regulations in force at the time on gender balance, the last candidate to the office of standing auditor of the over-represented gender elected in the sequential order in the appropriate section of the list that obtained the highest number of votes shall be excluded and shall be replaced by the first non-elected candidate of the under-represented gender from the same section following the sequential order. If at the end of this replacement procedure, the composition of the Board of Statutory Auditors does not comply with applicable legislation and regulations in force at the time on gender balance, the replacement shall be made by resolution passed by the Shareholders' Meeting by majority vote of those represented, subject to submission of candidatures of persons belonging to the under-represented gender.

**13.** If the number of candidates elected on the basis of the lists submitted is lower than the number of statutory auditors to be elected, the remaining statutory auditors shall be elected by the Shareholders' Meeting, deliberating by majority vote of those represented and, in any case, so as to ensure compliance with applicable legislation and regulations in force at the time on gender balance. In the event of a tied vote between a number of candidates, a second ballot shall be held between them through a further shareholders' meeting vote, and the candidate who obtains the highest number of votes shall prevail.

**14.** If only one list is submitted, the Shareholders' Meeting casts its vote on said list and, if it obtains the majority of votes represented at the Shareholders' Meeting, all the members of the Board of Statutory Auditors shall be taken from said list in compliance with applicable legislation and regulations in force at the time, also on the matter of gender balance.

**15.** If no lists are submitted or only one list is submitted and it does not obtain the majority of votes represented at the Shareholders' Meeting or if the entire Board of Statutory Auditors does not need to be renewed or if it is not possible for any reason to appoint the Board of Statutory Auditors in accordance with the procedures established by this article, the members of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting with ordinary procedures and majority vote of those represented, without applying the list voting mechanism, and in any case so as to ensure compliance with applicable legislation and regulations in force at the time on gender balance, without

prejudice to the provisions of paragraphs 23.17 to 23.20 below.

**16.** The Chairman of the Board of Statutory Auditors is identified as the standing auditor elected by the minority, unless only one list has been voted or no lists have been submitted, in which case the Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting deliberating by majority vote of those represented.

*Replacement*

**17.** If during the year a member of the Board of Statutory Auditors taken from the list that obtained the highest number of votes is no longer able to fulfil office, he shall be succeeded, until the next Shareholders' Meeting, by the first alternate auditor taken from the same list. If during the year a member of the Board of Statutory Auditors taken from a list other than the list that obtained the highest number of votes is no longer able to fulfil office, he shall be succeeded, also with functions of Chairman of the Board of Statutory Auditors, until the next Shareholders' Meeting, by the first alternate auditor taken from the same list.

**18.** If the aforesaid mechanism of succession of alternate auditors does not allow compliance with applicable legislation and regulations in force at the time on gender balance, the Shareholders' Meeting must be called as soon as possible to ensure compliance with said legislation.

**19.** If, pursuant to law the Shareholders' Meeting must appoint the statutory auditors required to restore the Board of Statutory Auditors to full membership following termination, the procedure shall take place as follows.

(a) If it is necessary to replace one or more members of the Board of Statutory Auditors taken from the list that obtained the highest number of votes, the replacement shall be made by decision of the ordinary Shareholders' Meeting deliberating by majority vote of those represented, without the choice being restricted to components of the lists submitted at the relevant time.

(b) If instead it is necessary to replace the member of the Board of Statutory Auditors taken from a list other than the one that obtained the highest number of votes, the Shareholders' Meeting, by majority vote of those represented, shall select the replacement, if possible, from the candidates stated in the list to which the statutory auditor to be replaced belonged, who provided written confirmation, at least 10 (ten) days before the date set for the Meeting, of their candidature, together with statements relating to the inexistence of causes of ineligibility or forfeiture, as well as the existence of the requirements established by applicable legislation and regulations in force at the time or by the Articles of Association for the office.

If this replacement procedure is not possible, the member of the Board of Statutory Auditors shall be replaced by resolution to be passed by the majority vote of those represented in the Shareholders' Meeting, where possible in compliance with minority representation, all of which in compliance with applicable legislation and regulations in force at the time on gender balance.

20. If the requirements established by legislation and by the Articles of Association are no longer met, the member of the Board of Statutory Auditors shall fall from office.

**Article 24 – External audit**

1. The external audit is conducted by a legally qualified auditing firm.
2. The provisions of laws and regulations in force at the time are observed with regard to the appointment, revocation, requirements, duties, competences, responsibilities, powers, obligations and fees of the persons appointed to conduct the external audit.

**Article 25 – Related party transactions**

1. Related party transactions are concluded in compliance with procedures approved by the Board of Directors in accordance with applicable legislation and regulations in force at the time.
2. In urgent circumstances—possibly associated with a corporate crisis situation—the procedures may envisage specific arrangements for the conclusion of related party transactions in derogation from the ordinary rules and in compliance with the conditions established by applicable legislation and regulations in force at the time.

**TITLE VI**

**FINANCIAL YEARS AND FINANCIAL STATEMENTS**

**Article 26 – Financial statements**

1. The financial years end on 31 (thirty-first) December of each year.
2. At the end of each financial year the administration body draws up the financial statements in accordance with the law.

**Article 27 - Profits**

1. The net profits reported in the duly approved financial statements, after allocation of at least 5% to legal reserve until the reserve reaches the legal minimum, shall be assigned to the Shares pursuant to resolution of the Shareholders' Meeting, which may also decide to allocate all or part of net profits to reserves.

2. Dividends are paid in accordance with the procedures and timeframes established by the Shareholders' Meeting resolution that orders the distribution of profits.
3. During the financial year and when ever it is deemed appropriate, the Board of Directors may pass a resolution to pay an interim dividend for the year, in compliance with applicable legislation and regulations in force at the time.

## **TITLE VII**

### **WINDING-UP AND WINDING-UP AND LIQUIDATION**

#### **Article 28 – Winding-up and Liquidation**

1. The Company shall wind up for the reasons established by law.
2. If at any time and for any reason it is necessary to wind up the Company, the Shareholders' Meeting determines, with the legal majorities, the liquidation procedures and appoints one or more liquidators, specifying their powers, with the understanding that the liquidation proceeds shall be distributed to shareholders.
3. After the corporate debts have been paid, the liquidating body shall distribute the remaining assets among shareholders.
4. The Company may revoke the state of liquidation at any time, if necessary subject to elimination of the reason for winding-up, by resolution of the Shareholders' Meeting adopted by the majorities established by law.
5. The provisions on shareholders' meetings and on the administration and control bodies shall apply, insofar as compatible, even during liquidation.

## **TITLE VIII**

### **FINAL PROVISIONS**

#### **Article 29 – Referral**

1. The rules of law shall apply to any matters that are not governed by these Articles of Association.