

## **ARTICLES OF ASSOCIATION 16/12/2024**

### **DENOMINATION - REGISTERED OFFICE - PURPOSE - DURATION**

#### **Article 1 - Denomination**

A joint-stock company is established under the name:

**'CEMBRE S.p.A.'**

#### **Article 2 - Registered Office**

1. The Company is based in Brescia.
2. The registered office may be transferred to any address in the same municipality by resolution of the Board of Directors.
3. The Company may, by resolution of the Board of Directors, establish secondary offices, branches, subsidiaries, agencies and representative offices elsewhere, both in Italy and abroad, as well as close them down.
4. The legal domicile of the shareholders, for all relations with the Company, is that resulting from the shareholders' register.

#### **Article 3 - Purpose**

1. The Company's purpose is the design, production and trade of electromechanical, hydraulic and mechanical products in general, connectors and accessories for electrical conductors, as well as industrial marking products and products complementary or accessory to the above, also on behalf of third parties.
2. The Company may carry out all movable, immovable, financial, commercial and industrial transactions deemed necessary, useful, or even merely appropriate to achieve the corporate purpose.
3. It may acquire interests, shares, and participations, including stock, in other companies and firms having similar, identical or connected purposes to its own. Such participations may represent shares or stocks of companies having similar, similar or connected purposes to their own, without precluding any other participation deemed by the Board of Directors to be necessary or useful for the achievement of the corporate purpose.
4. It may also provide sureties, endorsements and collateral in favour of third parties in respect of banking and financial institutions in general, as well as carry out financial transactions in favour of and/or with natural or legal persons.
5. The activities referred to in paragraphs 2, 3 and 4 may be carried out on a non-prevalent basis and not for the purpose of placement with the public.
6. In accordance with the law, the Company may also collect savings from its employees, provided that the amount of the collection is within the overall limit of the paid-up capital and the reserves resulting from the latest approved balance sheet.
7. Professional activities that are explicitly reserved by law are in any case excluded.

#### **Article 4 - Duration**

The duration of the Company is established until December thirty-first, two thousand one hundred and may be extended by resolution of the Extraordinary Shareholders' Meeting.

### **SHARE CAPITAL - SHARES - FINANCIAL INSTRUMENTS - BONDS - EARMARKED ASSETS - FINANCING - WITHDRAWAL**

#### **Article 5 - Share Capital**

1. The share capital is set at EUR 8,840,000= (eight million eight hundred and forty thousand) and is represented by 17,000,000= ordinary shares with a nominal value of EUR 0.52 (zero

point fifty-two) each.

2. Shares are registered and indivisible.

3. Shares are transferable, either by an act between living persons or by succession in consequence of death.

4. For operations to increase and reduce the share capital, the law applies.

5. The resolution to increase the share capital may exclude pre-emptive rights up to a limit of ten per cent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and this is confirmed in a report by a statutory auditor or auditing firm. The resolution referred to in this paragraph shall be passed with the quorums referred to in Articles 2368 and 2369 of the Civil Code.

6. Pursuant to Article 2443 of the Italian Civil Code, the Extraordinary Shareholders' Meeting may grant the Directors the power to increase the share capital in one or more instalments up to a specific amount and for a maximum period of five years from the date of the resolution.

7. The Extraordinary Shareholders' Meeting may resolve, pursuant to Section 2349(1) of the Civil Code, to allocate profits to the employees of the Company or its subsidiaries by issuing special categories of shares for an amount corresponding to the profits to be allocated individually to the employees.

#### **Article 6 - Financial instruments in favour of employees**

The Extraordinary Shareholders' Meeting may resolve, pursuant to Article 2349, second paragraph, and Article 2351, last paragraph, of the Civil Code, to grant employees of the Company or its subsidiaries financial instruments, other than shares, which are provided with equity rights or even administrative rights, excluding the right to vote in the General Shareholders' Meeting.

#### **Article 7 - Bonds**

1. The Company may issue bonds by resolution passed by the Board of Directors, pursuant to Article 2410 of the Italian Civil Code, and bonds convertible into shares by resolution passed by the Extraordinary Shareholders' Meeting, pursuant to Article 2420-bis of the Civil Code.

2. Pursuant to Article 2420-ter of the Italian Civil Code, the Extraordinary Shareholders' Meeting may grant the Directors the power to issue convertible bonds in one or more instalments, up to a determined amount and for a maximum period of five years from the date of the resolution.

3. Bondholders must choose a common representative.

#### **Article 8 - Earmarked Assets**

The Company may establish assets designated for a specific business in accordance with Article 2447-bis et seq. of the Civil Code.

#### **Article 9 - Financing**

Financing, with the right to repayment of the sums paid, may be carried out in favour of the Company, under the conditions provided for by the rules in force at the time such operations are carried out.

#### **Article 10 - Withdrawal**

The right of withdrawal may be exercised only within the limits and according to binding law provisions and is in any case excluded in the following instances:

a) extension of the duration of the Company;

b) introduction, change or elimination of restrictions to the circulation of shares.

### **MEETING**

### **Article 11 - Responsibilities**

1. A regularly convened Shareholders' Meeting represents all shareholders and its decisions, taken in compliance with legislation and these Articles of Association, are binding on all shareholders.
2. The Shareholders' Meeting is either ordinary or extraordinary, in accordance with the law.
3. The Ordinary Shareholders' Meeting has the tasks and powers granted to it by law and by these Articles of Association. In particular, the Ordinary Shareholders' Meeting:
  - a) approves the financial statements;
  - b) appoints and revokes Directors, and appoints Statutory Auditors and the Chair of the Board of Statutory Auditors;
  - c) determines the remuneration of Directors and Statutory Auditors, if it is not established in the Articles of Association;
  - d) resolves on responsibilities of Directors and Statutory Auditors;
  - e) approves Shareholders' Meetings rules;
4. The Extraordinary Shareholders' Meeting is responsible for:
  - a) amendments to the By-laws, except in the case provided for by article 18, 3rd paragraph of the By-laws;
  - b) appointment, replacement and setting of powers of liquidators, pursuant to article 26 of these Articles of Association;
  - c) the issue of financial instruments as per article 6 of the By-laws;
  - d) the issue of bonds, within the limits set by article 7 of the By-laws;
  - e) other matters attributed to it by Law and pursuant to these Articles of Association.

### **Article 12 - Meetings convening**

1. Shareholders' Meetings are convened by the Board of Directors at the registered office of the Company or elsewhere, provided that it is in Italy or in the territory of another member state of the European Union, as indicated in the notice of meeting below, except as provided for in Article 13, paragraph seven, of these Articles of Association.
2. The Ordinary Meeting is called at least once a year to approve the financial statements within 120 days of the closing of the financial year, or within 180 days in case the Company is required to prepare consolidated financial statements and whenever particular needs relating to the peculiar structure and corporate objective of the Company so require. In these cases, the Directors report the reasons for the delay in the management report accompanying the financial statements.
3. Extraordinary Shareholders' Meetings are called, in addition of those cases and for the purposes provided for by law, whenever the Board of Directors deems it necessary.
4. The Meeting shall be called without delay when a request has been made pursuant to the Law.
5. The Shareholders' Meeting is convened by the Board of Directors by means of a notice to be published, within the terms of the law, on the Company's *website* and, if required by the applicable *pro tempore* regulations, also in extracts in a national daily newspaper, as well as in any other manner provided for by the applicable *pro tempore* regulations. The convening notice must contain the information required by the applicable *pro tempore* regulations.
6. The same notice may provide for a second and third call date in the event that the Shareholders' Meeting is not legally constituted in the previous meeting.
7. The legitimacy to intervene in the Shareholder's Meeting and to exercise the right to vote is

attested by a communication to the Company made by the intermediary that is a certified public accountant, based on evidence contained in the accounting records as of the end of the seventh market opening day before the date of the Shareholders' Meeting, received by the Company within the term prescribed by Law. For this purpose, the date of the first call shall be taken into consideration provided that the dates of any subsequent calls are indicated in the single notice of call; otherwise, the date of each call shall be taken into consideration.

8. Those entitled to vote may be represented by proxy in accordance with the law. The electronic notification of the proxy may be made, according to the methods indicated in the notice of call from time to time, by means of a message addressed to the certified e-mail box indicated in the notice itself or by using the appropriate section of the Company's website.

9. The Company is entitled to designate a person to whom shareholders may grant proxy for representation at the Shareholders' Meeting pursuant to Article 135-*undecies* of Legislative Decree No. 58/1998, giving notice thereof in the notice of call of the Shareholders' Meeting.

10. Where provided for and/or permitted by the law and/or the *pro-tempore* regulatory provisions in force, the Company may provide that the participation and exercise of voting rights at the Shareholders' Meeting by those entitled to do so may also take place exclusively through the granting of proxy (or sub-delegation) to the representative designated by the Company pursuant to Article 135-*undecies* of Legislative Decree No 58/1998, in the manner provided for by the same laws and/or regulations.

#### **Article 13 - Conduct of meetings**

1. The Shareholders' Meeting is chaired by the Chair of the Board of Directors or, in their absence, by a person designated by the Meeting. The Chair of the Meeting is responsible for verifying, with the aid of appointed persons, where appropriate, that the Meeting is regularly convened, ascertaining the identity and legitimacy of persons present, and conducts the Meeting, verifying the results of voting procedures.

2. The Meeting appoints a Secretary, who may or may not be a member, and chooses, if it deems it appropriate, two tellers from among the shareholders.

3. The resolutions of the Shareholders' Meeting shall be recorded in minutes signed by the Chairman, the Secretary and, if necessary, the Scrutineers.

4. In the cases provided for by law, and also when the Chair of the Shareholders' Meeting deems it appropriate, the minutes shall be drawn up by a Notary Public, who in that case shall act as Secretary, chosen by the Chair.

5. The Shareholders' Meeting must be conducted so that all the rightful participants can follow events with no delay and form independent opinions and express freely their vote in a timely manner.

6. The conduct of the Shareholders' Meeting is governed by the Shareholders' Meeting proceedings regulations referred to in Article 11, third paragraph, letter e) of these Articles of Association.

7. In the convening notice, it may be established that the Shareholders' Meeting may be held (i) also or (ii) exclusively by means of telecommunications, in the manner and within the limits set forth in the *pro tempore* regulatory provisions in force, omitting, in case (ii), the indication of the physical location of the meeting. All provided that the collegial method and the principles of good faith and equal treatment of Shareholders are respected. In particular, it is necessary that:

- the Chairman of the Meeting, also through his bureau, is allowed to ascertain the identity and

legitimacy of those present, to regulate the proceedings of the meeting, and to ascertain and proclaim the results of the vote;

- it is possible for the person taking the minutes to adequately perceive the meeting events being recorded;

- those present are allowed to participate in the discussion and simultaneous voting on the items on the agenda.

#### **Article 14 - Constitution and resolutions**

1. The Shareholders' Meeting can convene on first, second and, limited to the Extraordinary Shareholders' Meeting, on third call.

2. The Ordinary Shareholders' Meeting is duly constituted: on first call, when at least half of the share capital is represented; on second call, whatever proportion of the share capital is represented.

3. The Ordinary Shareholders' Meeting resolves with the favourable vote of the absolute majority of those present, except for the appointment of the Board of Directors and the Board of Statutory Auditors pursuant to Articles 15 and 23 of these Articles of Association. However, a resolution waiving or settling a corporate liability action against the Directors shall be deemed to have been passed if it is passed with the affirmative vote of at least one-twentieth of the share capital.

4. The Extraordinary Shareholders' Meeting is duly constituted: on first call, when at least half of the share capital is represented; on second call, when more than one third of the share capital is represented; and on third call, when at least one fifth of the share capital is represented.

5. The Extraordinary Shareholders' Meeting resolves with the favourable vote of at least two thirds of the capital represented at the meeting.

### **MANAGEMENT AND REPRESENTATION**

#### **Article 15 - Composition**

1. The Company is managed by a Board of Directors composed of three to eleven members.

2. The number of members of the Board of Directors, within the aforementioned limits, is set by the Shareholders' Meeting.

3. The Board of Directors may also be composed of non-shareholders, remain in office for the period established at the time of their appointment, not exceeding three financial years, expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office, and may be re-elected.

4. The Directors must meet the requirements provided for by the legislation in force at *the time*; of these, a minimum number corresponding to the minimum provided for by the same legislation must meet the independence requirements set forth in Article 148, paragraph three, of Legislative Decree No. 58/1998. Failure to meet the requirements results in the disqualification of the Director. If a Director ceases to meet the independence requirement as defined above, he/she shall not be disqualified if the requirements continue to be met by the minimum number of Directors who, according to current legislation, must meet that requirement.

5. The Board of Directors will be appointed in observance of the currently applicable regulations governing gender balance, based on the lists presented by shareholders according to the methods specified hereunder, in which the candidates must be listed by sequential number.

Each Shareholder, as well as Shareholders who are parties to a Shareholders' Agreement

relevant pursuant to Article 122 of Legislative Decree 58/1998, as well as the parent company, subsidiaries and companies subject to joint control pursuant to Article 93 of Legislative Decree No. 58/1998, may not submit or participate in submitting, even through a third party or trust company, more than one list, nor may they vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list.

Only Shareholders who, alone or together with others, hold the minimum shareholding in the share capital established by Consob regulation are entitled to submit lists. Ownership of the shareholding required, pursuant to the foregoing, for the purpose of submitting the list is attested within the terms and in the manner provided for by the law, including regulations, in force from time to time.

The lists submitted by Shareholders, signed by those submitting them, must be filed at the Company's registered office, available to anyone who so requests, at least twenty-five days prior to the date set for the Shareholders' Meeting on first call, without prejudice to any further forms of publicity and filing procedures provided for by the laws and regulations in force at the time.

The lists must be accompanied, without prejudice to any further *pro tempore* provisions in force: (i) information on the identity of the Shareholders who have submitted them, with an indication of the overall percentage of shareholding held; (ii) exhaustive information on the personal and professional characteristics of each candidate included in the lists; as well as (iii) declarations by which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, the existence of the requirements prescribed by the laws in force and by the Articles of Association for their respective offices, with an indication of whether they qualify as independent. Lists that present a total number of candidates equal to or higher than three must be composed of candidates from both genders, so that the gender balance set forth in the currently applicable legislation is respected.

Lists for which the above stipulations are not observed are considered as not submitted.

Each candidate may run on a single list only, under penalty of ineligibility. Candidates who (without prejudice to any other cause of ineligibility or disqualification) do not meet the requirements established by law, the Articles of Association or other applicable provisions for the respective offices may not be included in the lists.

Each person entitled to vote may only vote for one list.

The election of the Board of Directors will be conducted as follows:

- a) all Directors except one are drawn from the most voted list in the order in which they are listed;
- b) one member of the Board of Directors shall be drawn from the list obtaining the second-highest number of votes and which is not connected in any way, not even indirectly, with those who submitted or voted for the list referred to in point a) above, in the person of the first candidate, based on the sequential order in which the candidates are indicated on said list, it being understood that, should the minority list referred to in point b) fail to obtain a percentage of votes equal to at least half of that required, pursuant to the foregoing, for the purpose of submitting the said list, all the Directors to be elected shall be taken from the list that obtained the highest number of votes referred to in point a).

If the candidates elected in the manner set forth above do not ensure the appointment of a number of directors meeting the independence requirements established for statutory auditors

in Article 148, paragraph 3 of Legislative Decree No. 58/1998, equal to the minimum number required by law as a proportion of the total number of Directors is not achieved, the non-independent candidate elected last in the most voted list, as described in point a), will be replaced by the first subsequent independent candidate that has not been elected from the list or, lacking this, by the first independent candidate that has not been elected from the other lists, giving priority to the list according to the number of votes it received. This replacement procedure shall be carried out until the Board of Directors is composed of a number of members meeting the requirements set forth in Article 148, paragraph 3 of Legislative Decree No. 58/1998 equal to at least the minimum prescribed by law.

In case, moreover, the candidates elected in the manner indicated above are such that the composition of the Board of Directors does not comply with applicable regulations on the equal representation of genders, the candidate of the most represented gender elected last in the order of names in the most voted list will be replaced by the first candidate of the least represented gender that was not elected in the same list. The replacement procedure will be repeated until the composition of the Board of Directors complies with applicable regulations on the equal representation of genders. In case the above procedure still does not ensure the above stated result, the replacement will take place by resolution of the Shareholder's Meeting passed with a relative majority of votes, after the presentation of a list of candidates of the least represented gender.

In the event that Directors can only be drawn from one list, or in the event that no list is submitted, the Shareholders' Meeting shall pass resolutions by legal majority, without complying with the procedure set forth in this Article, subject to compliance with the *pro tempore* regulations on gender balance. However, this is subject to different and additional provisions laid down by mandatory laws or regulations.

6. In case in the year one or more Directors leave their position, and provided the majority of the Board is still made up by Directors appointed by the Shareholders' Meeting, the following procedure is applied pursuant to art. 2386 of the Civil Code:

- i) the Board of Directors, after a resolution of the Board of Statutory Auditors, replaces the Director with a candidate on the same list as the one who has left office, while the Shareholders' Meeting resolves according to the quorum set by Law, following the same criteria;
- ii) in case in the aforementioned list there do not remain candidates that have not already been elected, or candidates possessing the requirements for appointment, or in any case when, for whatever reason, it is not possible to comply with the procedure described in point i) above, the Board of Directors, after a resolution of the Board of Statutory Auditors and subsequently the Shareholders' Meeting according to the quorum set by Law, proceeds with the replacement of the Director without making use of voted lists.

In any case, the Board and the Shareholders' Meeting shall proceed with the appointment in such a way as to ensure (i) the presence of the minimum total number of independent Directors required by the laws in force at the time, and (ii) compliance with the regulations in force at the time concerning gender balance.

7. 7. If, during the course of the financial year, one or more Directors leave office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, the Shareholders' Meeting may nevertheless resolve to reduce the number of members of the Board to that of the Directors in office for the remainder of their term, provided that the minimum total number of independent Directors required by the laws and regulations in force at the

time and provided that the Director taken from the minority list referred to in the fifth paragraph, point b) of this article has not ceased to hold office (if previously elected), provided in any case that the *pro tempore* regulations on gender balance are complied with.

8. In case the majority of Directors appointed by the Shareholders' Meeting leaves office, the whole Board is considered as terminated, effective at the time of the appointment of a new Board, and a Shareholders' Meeting must be called without delay by the Directors still in office to appoint a new Board.

9. If the number of Directors has been determined to be less than the maximum provided for in the first paragraph of this Article, the Shareholders' Meeting, during the term of office of the Board of Directors, may increase this number within the maximum limit set forth in the aforementioned first paragraph, subject to compliance with the provisions of the law and regulations in force at the time governing the composition of the Board of Directors. The appointment of further Directors will take place as follows:

i) additional Directors are appointed from the most voted list by Shareholders at the time of the appointment of Directors currently in office, drawn from candidates that are still eligible, while the Shareholders' Meeting resolves in accordance with the quorum set by Law, following the same criterion;

ii) in case no candidates remain in the most voted list, or the case provided for in paragraph 5, last section of this article occurs, the Shareholders' Meeting proceeds to the appointment without observing the procedure described in point i), with the quorum set by law and without making use of voting lists.

10. The Shareholders' Meeting may however resolve to reduce the number of Directors to that of Directors in office for the residual term of their mandate, subject to limits set by applicable laws and regulations regarding the composition of Board of Directors.

#### **Article 16 - Chair, Vice-Chair, Delegated Bodies and Appointed Manager**

1. Where it has not already been appointed by the Shareholders' Meeting, the Board of Directors appoints one of its members as Chair and, where deemed appropriate, one or more Vice Chair having substitute powers to that of the Chair.

2. The Board of Directors also appoints a Secretary, who may be chosen from outside its members.

3. The Board of Directors may also appoint from among its members one or more Managing Directors and/or an Executive Committee, establishing, with the limitations set forth in Article 2381 of the Italian Civil Code, their powers, and, as far as the Executive Committee is concerned, also the number of members, the duration and the rules governing its functioning.

4. In the event of the appointment of an Executive Committee, the Chairman of the Board of Directors, the Vice-Chairman(s) and at least one of the Managing Directors, if appointed, shall be members by right. The Board of Directors may also set up Committees with advisory and/or proposing functions, determining their competences, powers and operating procedures.

5. The Board of Directors may, in connection with the contents of this Article, fix the special remuneration pursuant to Article 2389 of the Civil Code, unless the Shareholders' Meeting has already done so pursuant to Article 21, second paragraph of these Articles of Association.

6. Committees ensure that the organizational, administrative and accounting management of the Company is adequate in relation to the nature and size of the same, and report to the Board of Directors and the Board of Statutory Auditors at least quarterly on the general performance of the Company and its outlook, in addition to major transactions concluded, either by size or



importance, by the Company or its subsidiaries.

7. The Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, appoints and revokes the manager responsible for preparing the Company's accounting documents, pursuant to Article 154-*bis* of Legislative Decree No. 58/1998, also determining their remuneration. The manager in charge of drafting the accounting and corporate records must possess, in addition to the requisites of integrity prescribed by current regulations for those who cover administrative and directive positions, requisites of professionalism characterised by specific competence in administration and accounting. Such competence, to be ascertained by the Board of Directors, must be acquired through work experience in an adequate position of responsibility for an appropriate period of time. The aforesaid manager is vested with the powers and functions established by law and other applicable *pro tempore* provisions, including the powers and functions established by law in the field of sustainability reporting, as well as the powers and functions established by the Board upon appointment or by subsequent resolution.

This is without prejudice to the right of the Board of Directors to assign powers and responsibilities in the field of sustainability reporting to a manager other than the manager in charge of drafting corporate accounting documents; this manager in charge of sustainability reporting must possess, in addition to the requisites of honourability prescribed by current legislation for those who perform administrative and management functions, professional requisites characterised by specific competence in the field of sustainability reporting. Such competence, to be ascertained by the Board of Directors, must be acquired through work experience in an adequate position of responsibility for an appropriate period of time. For the appointment, dismissal and remuneration of the manager in charge of sustainability reporting, the provisions laid down for the manager in charge of financial reporting in this seventh paragraph apply *mutatis mutandis*.

#### **Article 17 - Board Meetings**

1. The Board of Directors, the Board meets at the Company's Registered Office or elsewhere on the national territory, any time the Chairman deems it necessary or whenever at least two of its Directors request it. Board of Directors' meetings may also be convened upon request of two Statutory Auditors, upon prior notice to the Chair of the Board of Directors.

2. Board meetings may also or only be held by means of communication devices in teleconferencing or video-conferencing, provided each of the participants can be identified by all other participants and that each of them is able to participate in the discussion and to intervene in real time during the discussion of issues, in addition to being able to receive, transmit or review documents and the contemporaneity of the examination of issues and the resulting resolution is ensured.

3. The Board of Directors is called by its Chairman or, in case of his or her proven impediment, by at least two Directors, by letter or fax to be delivered at least three days before the meeting to each member of the Board and, in case of urgent issues, by telegram, fax or e-mail to be delivered at least one day prior to the meeting.

The Chairman or one Managing Director coordinates Board meetings and provides for adequate information on issues to be discussed to be provided to all Directors.

4. In case of absence of both the Chair and the Managing Director, other members of the Board present at the meeting shall appoint, with a majority vote of Directors present, one of them as Chair for the purposes of the specific Board meeting.

5. Board's Resolutions must be taken by majority vote of Directors in office to be valid.
6. Resolutions are passed by majority vote of members present at the meeting; in case of even vote, the vote of the Chair of the meeting shall prevail.

#### **Article 18 - Powers of the Board of Directors**

1. The management of the Company is the exclusive responsibility of the Directors that carry out all operations necessary to attain the corporate objectives.
2. The Board of Directors may therefore carry out, by way of example only, any movable and real estate, financial and banking transactions, purchase and sell shares, bonds, quotas, securities, acquire shareholdings and interests for the effects set forth in Art. 3 of these Articles of Association, without prejudice to the competence of the Shareholders' Meeting pursuant to art. 2361, second paragraph of the Italian Civil Code, represent the Company, in Italy and abroad, with the State Administration, public and private offices and with any other authority, jurisdictional, administrative, tax, currency, political, customs or other.
3. The following powers are also attributed to the Board of Directors:
  - a) merger resolutions, in the cases described in articles 2505 and 2505-*bis*, of the Civil Code;
  - b) business split resolutions pursuant to the joint provisions of articles 2506-*ter* and 2505-*bis*, of the Civil Code;
  - c) a capital stock reduction in the case of the withdrawal of a Shareholder;
  - d) changes to the Articles of Association in compliance with new regulations;
  - e) the transfer of the Registered Office to another location on the national territory;
  - f) the creation and suppression of secondary offices, branches, agencies and representative offices;
  - g) other matters attributed to it by Law and pursuant to these Articles of Association.
4. The Board of Directors, in compliance with the laws and regulations applicable from time to time, approves the procedures for transactions with related parties.

The procedures - availing themselves of the exceptions provided for respectively in Article 11, paragraph 5 and Article 13, paragraph 6, of the Regulation on Related Party Transactions adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended - may provide for the exclusion from their scope of application of urgent transactions, including those falling within the purview of the Shareholders' Meeting, carried out by the Company directly or through subsidiaries, within the limits and in compliance with the conditions established by the applicable laws and regulations.

5. On the basis of the information received from the Delegated Bodies pursuant to Article 16 of these Articles of Association, the Board of Directors assesses the adequacy of the Company's organisational, administrative and accounting structure; when prepared, it examines the Company's strategic, industrial and financial plans; it assesses, on the basis of the report of the Delegated Bodies, the general performance of operations.
6. The Directors shall promptly report to the Board of Statutory Auditors on their activities and on the most important economic, financial and asset operations carried out by the Company or its subsidiaries, reporting in particular on operations in which they have an interest, on their own behalf or on behalf of third parties, or which are influenced by the subject exercising management and coordination activities, at Board of Directors' meetings, also convened on purpose, and in any case at least on a quarterly basis. If particular circumstances make it appropriate, the notice may also be given in writing to each Statutory Auditor.

#### **Article 19 - Powers of Representation**

1. The Chairman of the Board of Directors is the legal representative of the Company and signatory of the Company both before third parties and in court, with the power to initiate judicial and administrative actions and appeals at all levels of jurisdiction, including appeals for cassation or revocation.
2. The Board of Directors may, however, also confer the power to represent the Company and sign on it, both before third parties and in legal proceedings, with the same powers as mentioned above, on a Vice-Chairman and/or Managing Director(s).

#### **Article 20 - General Managers and Attorneys**

The Board of Directors, within the limits of its powers, may appoint general managers of the Company, as well as attorneys for the Company for certain acts or categories of acts, fixing their powers and possible remuneration.

#### **Article 21 - Directors' Remuneration**

1. The Board of Directors is entitled to reimbursement of expenses incurred in connection with its office.
2. The Shareholders' Meeting may also award remuneration pursuant to Article 2389 of the Italian Civil Code, including in the form, in whole or in part, of profit sharing or the allocation of the right to subscribe shares to be issued in the future at a specific price, as well as determine an overall amount for the remuneration of all Directors, including those holding special offices.
3. The Board of Directors may also be granted an end-of-office indemnity upon termination of office, for any reason and cause, if determined by the Shareholders' Meeting; the individual amounts set aside each year shall be shown in special items in the balance sheet.

### **BOARD OF STATUTORY AUDITORS**

#### **Article 22 - Composition, meetings and deliberations of the Board**

1. The Ordinary Shareholders' Meeting elects the Board of Statutory Auditors, composed of three Standing Auditors and two Alternate Auditors, who remain in office for three financial years, more precisely until the date of the Shareholders' Meeting convened to approve the financial statements for the third financial year of their term of office, and are eligible for re-election.
2. The Board of Statutory Auditors must meet at least every ninety days or at such other intervals as may be provided for by the legislation in force at the time. The meeting can be held also or only with participation from several locations through an audio/video connection, provided the following conditions apply, and this fact is recorded in the minutes of the meeting:
  - that the Chair is able to ascertain the identity of persons participating in the meeting and to regulate the meeting;
  - that the secretary keeping the minutes is able to adequately perceive the events of the meeting for which the minutes are kept;
  - that the persons convened are allowed to participate in the discussion and the subsequent voting on the issues in agenda, in addition to being able to view, receive and transmit documents.
3. For the constitution and deliberations of the meetings of the Board of Statutory Auditors, the provisions of the law apply.
4. The Shareholders' Meeting determines the remuneration of the Statutory Auditors, in addition to the reimbursement of expenses incurred in the performance of their duties.
5. The powers and duties of Auditors are those established by law.

#### **Article 23 - Appointment and Termination**

1. The Statutory Auditors are appointed, in compliance with the *pro tempore* regulations in force concerning gender balance, on the basis of lists submitted by Shareholders, which bear the names, marked by a progressive number, of one or more candidates, indicating whether each candidate is submitted for the office of Standing Auditor, or for the office of Alternate Auditor. Each candidate may run on a single list only.

Lists that present a total number of candidates equal to or higher than three must be composed of candidates from both genders, so that the gender balance set forth in the currently applicable legislation is respected.

2. Only Shareholders who, alone or together with others, hold the minimum shareholding in the share capital established by Consob regulation are entitled to submit lists. Each Shareholder, as well as Shareholders who are parties to a Shareholders' Agreement relevant pursuant to Article 122 of Legislative Decree 58/1998, as well as the parent company, subsidiaries and companies subject to joint control pursuant to Article 93 of Legislative Decree No. 58/1998, may not submit or participate in submitting, even through a third party or trust company, more than one list, nor may they vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list.

3. The lists will be signed by the Shareholders who presented them and must be deposited at the registered office at least 25 (twenty-five) days before the date set for the first call of the Shareholders' Meeting, without prejudice to any different terms established by the regulatory provisions in force at the time, without prejudice to any additional forms of publicity and methods of deposit prescribed by the legislation, including regulatory provisions, in force at the time.

4. The lists must be accompanied, without prejudice to any further provisions, including regulatory provisions in force at the time: (i) information on the identity of the Shareholders who have submitted them, with an indication of the percentage of the overall shareholding held; the ownership of the overall shareholding shall be certified, even after the filing of the lists, within the terms and according to the procedures provided for by the laws and regulations in force at the time; (ii) a declaration of the Shareholders other than those who hold, even jointly, a controlling or relative majority shareholding, certifying the absence of any significant relations pursuant to Article 148, second paragraph of Legislative Decree 58/1998 and the laws and regulations in force at the time; (iii) exhaustive information on the personal and professional characteristics of each candidate included in the lists; (iv) declarations in which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by the laws in force and the Articles of Association for their respective offices; and (v) the list of any administration and control offices they hold in other companies. The filings, made in accordance with the above, shall also be valid for the second and third convocations, if any. Any list that does not satisfy the above-mentioned requirements will be considered not presented.

In the event that only one list has been filed by the expiry of the deadline pursuant to subsection 3 (three) above, or only lists filed by shareholders between whom there are significant connections pursuant to the laws and regulations in force at the time, lists may be filed within the deadline pursuant to the law; in this case, the threshold determined pursuant to subsection 2 (two) above shall be reduced by half.

5. At least two Permanent Statutory Auditors and at least one Substitute Statutory Auditor

appointed must be registered accountants who must have exercised the accounting audit profession for at least three years. Statutory Auditors who do not possess the above requisite are chosen among professionals who have had at least three years of experience in:

- (a) management or control, with management appointments in joint stock companies with a capital stock of at least €2 million, or;
- (b) the exercise of professions or university teaching in the field of law, economics, finance or technical and scientific subjects, relating to the production and sale of electromechanical products, electric connectors and mechanical products in general, or;
- (c) management positions in public offices or the public administration in the banking, financial and insurance field, or in any case in the electromechanical sector.

6. Each shareholder with voting rights may vote for one list only.

7. Statutory Auditors are elected as follows:

- a) two Permanent Statutory Auditors and one Substitute Statutory Auditor are drawn from the most voted list based on the order in which they are listed;
- b) from the second list that obtained the highest number of votes at the Shareholders' Meeting and that is not connected (pursuant to Article 148(2) of Legislative Decree no. 58/1998 and the laws and regulations in force at the time ) in any way, not even indirectly, with those who submitted or voted for the list referred to in point a) above, one standing member and the other alternate member shall be drawn, based on the progressive order in which they are listed on the list.

In case of a tied vote between two or more lists, Statutory Auditors will be appointed by seniority.

In case through the above procedures it is not possible to obtain a composition of the Board of Statutory Auditors in compliance with current regulations on the equal representation of genders, elected auditors will be replaced by the first candidate of the least represented gender in the order of the most voted list of candidates for Permanent Statutory Auditor until such requirement is met.

8. The Chairman of the Board of Statutory Auditors shall be appointed pursuant to applicable rules and regulations.

9. Statutory Auditors are removed from their office in cases where they no longer meet the requirements set forth by the By-laws for their appointment.

Statutory Auditors may not hold administration and control positions beyond the limits established by applicable laws and regulations. Where it does not result in separation, exceeding these limits constitutes just cause for revocation of the Statutory Auditor.

With no prejudice to other applicable rules and regulations, in the event of replacement of a Statutory Auditor, their place will be taken by the Substitute Auditor appointed from the same list as the one it replaces, while in the event of the replacement of the Chair of the Board of Statutory Auditors, the successor will be chosen from auditors appointed from the list of the replaced Chair, and the composition of the Board of Statutory Auditors shall comply with the *pro-tempore* regulations in force concerning gender balance.

10. The above provision regarding the appointment of Statutory Auditors do not apply to Shareholders' Meetings for which a single list is submitted or a single list is voted upon. In such cases the Shareholders' Meeting resolves on simple majority, with no prejudice to applying regulations on the equal representation of genders.

11. However, this is subject to different and additional provisions laid down by mandatory laws

or regulations.

### **BALANCE SHEET AND PROFITS**

#### **Article 24 - Financial Year and Balance Sheet**

1. The financial year ends on 31 December of each year.
2. At the end of each financial year, the Board of Directors compiles the balance sheet, consisting of the balance sheet, profit and loss account and notes to the financial statements, and the accompanying report on the Company's performance.

#### **Article 25 - Distribution of Profits to Shareholders and Interim Dividends**

1. Net profits reported in the financial statements, less possible remuneration of Directors pursuant to article 21 of the Articles of Association, and of 5% of net profits to be accrued to the ordinary reserve until this has reached 20% of the share capital, are available to the Shareholders' Meeting for assignment to Shareholders as dividends, with no prejudice to any other resolution of the Meeting.
2. Interim dividends may be distributed in accordance with Article 2433 bis of the Civil Code.
3. Dividends not collected within five years from the day on which they become payable shall be forfeited in favour of the Company.

### **DISSOLUTION AND LIQUIDATION**

#### **Article 26 - Appointment and Removal of Liquidators**

If at any time and for any of the causes provided for by law the Company is dissolved, the Extraordinary Shareholders' Meeting shall determine:

- a) the number of Liquidators and the operating rules of the panel in the event of multiple Liquidators;
- b) the appointment of the Liquidators, indicating those who are to represent the Company;
- c) the criteria according to which the liquidation is to be carried out;
- d) the powers of the Liquidators, with particular regard to the transfer of the Company's business, branches thereof, or even individual assets and rights, or blocks thereof.

### **GENERAL PROVISIONS**

#### **Article 27**

For all matters not provided for in these Articles of Association, the relevant legal provisions apply.