

**REMUNERATION COMMITTEE REGULATION OF
F.I.L.A. – FABBRICA ITALIANA LAPIS ED AFFINI S.P.A.**

Text approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. on October 7, 2015, amended on March 21, 2017 and latterly on December 13, 2018

1. **ARTICLE 1**
SCOPE

1.1 The present regulation (the “**Regulation**”), approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (the “**Company**”) at the meeting of October 7, 2015, governs the composition, duties and functioning of the Remuneration Committee of the Company (hereafter the “**Remuneration Committee**”), set up in implementation of the recommendations of the Self-Governance Code of the Corporate Governance Committee for Listed Companies established by Borsa Italiana S.p.A. (the “**Self- Governance Code**”).

2. **ARTICLE 2**
APPOINTMENT AND COMPOSITION

- 2.1 The appointment and revocation of office of Remuneration Committee members and of the Chairman (the “**Chairman**”) is by Board of Directors’ motion.
- 2.2 The Remuneration Committee is comprised of between 3 (three) and 5 (five) directors, as decided by the Board of Directors on appointment, considered independent as per Article 147-ter, paragraph 4 of the CFA and the Self-Governance Code or, alternatively, the Remuneration Committee may be composed of non-executive directors, the majority of whom independent; in this case, the Chairman is chosen from among the independent directors. At least one member of the Remuneration Committee should possess adequate knowledge and experience with regards to finance and remuneration policies, as per Article 6.P.4. of the Self- Governance Code and as assessed by the Board of Directors on appointment.
- 2.3 The Remuneration Committee, on the proposal of the Chairman, appoints a secretary, who may also be a non-member.
- 2.4 Directors should only accept an appointment to the Remuneration Committee when they consider that they can dedicate the necessary time to ensure a diligent undertaking of their duties.
- 2.5 Except where otherwise decided by the Board of Directors on appointment, the mandate for the Remuneration Committee is the same as that of the Board of Directors, on which its members also sit.

3. **ARTICLE 3**
DUTIES

- 3.1 The Remuneration Committee shall assist the Board of Directors through investigative, proposal and consultation duties, for the evaluations and decisions concerning the remuneration policy of directors and key management personnel.
- 3.2 The Remuneration Committee:
- (i) periodically evaluates the adequacy, the overall compliance and the application of the remuneration policy of directors and senior managers with strategic responsibilities, utilising for this latter issue the information provided by the Chief Executive Officers; draws up for the Board of Directors related proposals;
 - (ii) presents proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other senior directors as well as establishing

the performance objectives related to the variable component of this remuneration; monitors the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance objectives;

(iii) reviews in advance the annual remuneration report to be made available to the public at the Shareholders' Meeting for presentation of the Annual Financial Statements.

(iv) carries out duties given to it by the Board of Directors;

3.3 The Chairman of the Remuneration Committee reports to the Board of Directors, at the first appropriate Board meeting, with regard to the activities of the Committee.

3.4 The Remuneration Committee may access all information and departments necessary for the undertaking of their duties, as well as utilising external consultants, within the budget approved by the Board of Directors. In this latter regard, where wishing to utilise the services of a consultant for information on remuneration policy market practice, the Committee in advance verifies that such consultants are not in a position whereby their independence of judgement may be affected.

4. ARTICLE 4 CALLING, EXECUTION AND MINUTE-TAKING OF THE MEETINGS

4.1 The Remuneration Committee meets when considered appropriate by its Chairman, although at least on a half-yearly basis, or upon request from the Chairman of the Board of Statutory Auditors or the Chairman of the Board of Directors or the Chief Executive Officer.

4.2 The call notice, with the date, time and place of the meeting, in addition to the Agenda, accompanied by the necessary information to facilitate discussion, is sent by the secretary, on the indication of the Chairman, at least three (3) days before the date established for the meeting. In cases of urgency, this period may be shorter, while however requiring minimum notice of twenty-four (24) hours.

4.3 The meetings of the Remuneration Committee are chaired by the Chairman or, in the case of his/her absence or impediment, by a member chosen by attendees.

4.4 The Chairman of the Board of Statutory Auditors attends the Remuneration Committee meetings (or another statutory auditor nominated by him/her), while the other statutory auditors may also attend. The Chairman on a case by case basis may invite to meetings of the Remuneration Committee other members of the Board of Directors and the Board of Statutory Auditors, the independent auditors, the heads of the various departments within the Company and the subsidiaries, or other parties whose presence may assist the functions of the Remuneration Committee.

4.5 Directors do not take part in meetings of the Remuneration Committee in which proposals upon their remuneration to the Board of Directors are drawn up, except where concerning proposals concerning the generality of Committee members.

4.6 The meetings of the Remuneration Committee may be held also through telecommunications, provided that all the participants can be identified and such identification is acknowledged in the minutes of the meeting and that they are allowed to follow and participate in real time in the discussion of the matters considered and exchange document where required. In this case, the meeting is considered to be held where the Chairman and the secretary who prepares the minutes are present.

4.7 Minutes of the Remuneration Committee meetings are kept. The Chairman and the secretary

sign the minutes of the meetings which are archived by the secretary in chronological order and sent to the members of the Remuneration Committee and the Statutory Auditors.

4.8 Remuneration Committee meetings shall be validly constituted when the majority of its members in office are present.

4.9 Motions of the Remuneration Committee are passed by absolute majority: in cases of parity, the vote of the chair decides.

5. **ARTICLE 5**
AMENDMENTS OF THE REGULATION

5.1 The Remuneration Committee periodically verifies, although at least on an annual basis, the adequacy of the present Regulation and submits any amendments or supplements to the Board of Directors for approval.