

**TRANSACTIONS WITH
RELATED PARTIES 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 March 21, 2017

1. SCOPE

1.1 The Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A., (the “**Company**”), at its meeting of March 21, 2017 approved this regulation (the “**Regulation**”), which governs the composition, duties and functioning of the Transactions with Related Parties Committee (the “**Transactions with Related Parties Committee**”).

1.2 With regards to the role of the Transactions with Related Parties Committee within the “Transactions with Related Parties” Regulation adopted by Consob with motion No. 17221 of March 12, 2010 (subsequently amended with motion No. 17389 of June 23, 2010) (the “**Consob Regulation**”), reference should be made to the Transactions with Related Parties Procedure, approved by the Board of Directors of the company (the “**Procedure**”), in implementation of the above-stated Consob Regulation.

2. APPOINTMENT AND COMPOSITION

2.1 The appointment and revocation of office of Transactions with Related Parties Committee members and of the Chairman (the “**Chairman**”) is by Board of Directors’ motion.

2.2 The Committee comprises three non-executive Directors, the majority of whom independent. Independent Directors are those recognised as such by the company under the applicable regulation.

2.3 Where not undertaken by the Board of Directors, the Transactions with Related Parties Committee elects a Chairman from among its members. The Chairman has the duty to plan and co-ordinate the activities of the Transactions with Related Parties Committee, to oversee and lead the relative meetings, to represent the Transactions with Related Parties Committee at Board of Director meetings, while in addition signing reports and opinions to be submitted to the Board of Directors on behalf of the Transactions with Related Parties Committee. In the absence or impediment of the Chairman, he/she is replaced by the most senior Transactions with Related Parties Committee member in terms of age for all assigned duties.

2.4 The Transactions with Related Parties Committee, on the proposal of the Chairman, appoints a secretary, who may also be a non-member.

2.5 Directors should only accept an appointment to the Transactions with Related Parties Committee when they consider that they can dedicate the necessary time to ensure a diligent undertaking of their duties.

2.6 Except where otherwise decided by the Board of Directors on appointment, the mandate for the Transactions with Related Parties Committee is the same as that of the Board of Directors, on which its members also sit.

3. DUTIES

3.1 The Transactions with Related Parties Committee has the duty to carry out all activities required by the Procedure. In particular, the Transactions with Related Parties Committee is responsible for, among other issues, issuing, before approval and/or execution of transactions with related parties, a reasoned opinion on the interest of the company in the transaction, in addition to the benefit and the substantial correctness of the relative conditions.

3.2 The Transactions with Related Parties Committee may access all information and departments necessary for the undertaking of their duties, as well as utilising outside consultants, as per the Procedure. The Transactions with Related Parties Committee may avail of, for execution of its duties, means and structures of the company. The company may make available to the Transactions with Related Parties Committee the funding necessary for the execution of its duties and established by the Board of Directors.

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

4.1 The Transactions with Related Parties 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.

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 days before the date established for the meeting. In cases of urgency, this period may be shorter.

4.3 The meetings of the Transactions with Related Parties 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 Transactions with Related Parties 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 Transactions with Related Parties 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 Transactions with Related Parties Committee.

4.5 The meetings of the Transactions with Related Parties 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.

4.6 Minutes of the Transactions with Related Parties Committee meetings are kept. The Chairman and the secretary sign the minutes of the meetings which are archived by the secretary in chronological order.

4.7 Transactions with Related Parties Committee meetings shall be validly constituted when the majority of its members in office are present.

4.8 Motions of the Transactions with Related Parties Committee are taken by absolute majority of members in office, subject to that established by the Procedure.

4.9 The Chairman of the Transactions with Related Parties Committee informs the Board of Directors, at the earliest appropriate meeting, upon the meetings held by the Transactions with Related Parties Committee.

5. AMENDMENTS TO THE REGULATION

5.1 The Transactions with Related Parties 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.