

# **RISK COMMITTEE**

Terms of Reference

MAGGIO 2021

**Document Summary**

|                       |                                    |                |               |
|-----------------------|------------------------------------|----------------|---------------|
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**Version Control**

| Version           | Summary of Changes | Version  |
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| 19 July 2017      | 1.0                | Board of Directors' Risk Committee Terms of Reference approval   |
| 26 September 2017 | 2.0                | Composition of the Risk Committee  |
| 25 March 2020     | 2.1                | Fine tuning for alignment between Article 1 letter b and Article 3 paragraph 8 e), Adds to Article 10  |
| 10 March 2021     | 2.2                | Article 5: added points 4 and 5  |
| 30 April 2021     | 2.2                | The Terms of Reference has been updated to take into account the sale of the Borsa Italiana Group by LSEG to the EURONEXT Group. The layout has been changed |

12 May 2021

2.3

The Terms of Reference has been updated to reflect the new composition of the Committee appointed by the Board of Directors on 12 May 2021

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## Article 1: Membership

| Members             | Members' Position at the Risk Committee | Members' Position at the Board of Directors |
|---------------------|---|---|
| Alfredo Maria Magri | Chairperson                             | NA  |
| Francesca Fiore     | Deputy Chairperson                      | Independent non-executive Director          |
| Paolo Cittadini     | Member                                  | Non-executive Director                      |

## Article 2: Scope of the Terms of Reference

These terms of reference shall govern the functioning of the Risk Committee ("Committee") established by Monte Titoli S.p.A ("MT" or the "Company") pursuant to article 48 of the Regulation (EU) no 392/2017 and article 17 of the MT' s by-laws ("By-laws").

## Article 3: Composition of the Committee

1. The Committee is composed by 3 (three) members , of whom two are non-executive Directors, members of the Board of MT. All Risk Committee members are appointed by the Board of Directors.
2. The quorum shall be 2 (two) members, one of whom is the Committee Chairperson.
3. The Chairperson coordinates the work of the Committee. The Committee Chairperson is appointed by the Board. The Committee Chairperson shall be independent in compliance with the regulations and shall possess an appropriate experience on risk management. The Board of Directors shall evaluate the independence and the experience of the candidate to the role of Committee Chairperson, based on the documents (substitutive declaration and CV) provided by the candidate himself. In case of absence or impediment of the Chairperson, chairpersonship shall be taken by the independent Director.
4. The Risk Committee members shall remain in office until the expiry of the term of the Board of Directors of MT. The ceasing of the members of the Committee by expiration of their term is effective as of the time the new members are appointed.

5. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as (but not limited to) the Chairperson of the Board of Directors, the Chief Executive Officer, other directors, external experts, etc. may be invited to attend all or part of any meeting as and when appropriate.
6. The Chairperson of the Statutory Auditors, or a delegated person, will be invited to attend the meetings of the committee on a regular basis.
7. The Chief Risk Officer will be invited to attend the meetings of the Committee on a regular basis.
8. The Committee shall also appoint a Secretary of the Committee, who may be chosen from among non-members. The Secretary of the Committee will draft the minutes of every meeting, which shall be maintained by MT according to article 29 of Regulation (EU) no 909/2014.

## Article 4: Scope of the Committee

The Committee is responsible for advising the Board of Directors on the company's overall current and future risk tolerance and strategy. In particular the Committee will give its advice on Monte Titoli's Risk Appetite Framework and other relevant documentation.

## Article 5: Activity of the Committee

1. The Committee is set up in order to ensure that the management body of Monte Titoli is advised at the highest technical level on its overall current and future risk tolerance and strategy.
2. For the purpose of issuing advise to the board on its overall current and future risk tolerance and strategy, the Committee receives adequate documentation prepared by the Chief Risk Officer of the Company.
3. The Committee may also make recommendations to the Board of Directors with respect to any matters that may impact the risk management of MT.
4. The Committee provides its non-binding opinion to the Chief Financial Officer on any changes to the investment limits proposed.
5. The Committee regularly provides the Audit Committee with information flows in order to update on Monte Titoli risk management topics
6. Once a year, the Committee shall produce a report on the activities carried out. Such report shall be submitted to the Board of Directors.

## Article 6: Meeting call of the Committee

1. The Committee meets at least on an annual basis and may meet at any time as determined by the Chairperson, who calls the Committee meetings, fixes the agenda and co-ordinates its activity. Finalized minutes are sent to all Committee attendees and members. The Committee is convened at the MT's registered office or at another location in Italy or in the European Union, by e-mail, registered letter, telegram, telex, facsimile or other means that make it possible to document receipt of the communication. The notice of call has to specify the items on the agenda of the meeting and it shall be sent at least 5 (five) calendar days prior to the date set for the meeting, except in cases of urgency.
2. The Chairperson shall act in order to have the documentation relating to the matters indicated on the agenda at the disposal of all the members of the Committee prior to the date of the meeting in a timely manner.

## Article 7: Meetings' Resolutions

The Committee shall adopt resolutions with the favorable vote of the majority of the participants and, in the event of a tied vote, the vote of the Chairperson shall prevail.

## Article 8: Disclosure

These Terms of Reference are made publicly available on MT website.

## Article 9: Confidentiality and Conflicts of Interests

1. All confidential matters considered by the Committee and any confidential information disclosed by the members of the Committee in connection with their position as a member of the Committee must remain confidential. Any other persons involved in the Committee's work shall either be bound by undertakings of professional secrecy or by specific confidentiality agreements with the Committee.
2. If a member of the Risk Committee is also a member of another Committee he/she shall disclose to the Risk Committee Chairperson the possible conflict of interests situation. The Chairperson will decide after carefully evaluation if the conflict of interests is actual and consequently the member will abstain from the vote on that specific matters.

## **Article 10: Review of the Terms of Reference**

1. The Terms of Reference for the Committee will be reviewed and where necessary updated on annual basis.
2. The Committee can make and approve formal changes relating to the functioning of the Committee, by communicating it to the Board of Directors in the context of the Annual Report.

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