

# ITALMOBILIARE

**By laws**  
June 2007



# ITALMOBILIARE

**By laws**  
June 2007

**ITALMOBILIARE**  
Società per Azioni

Head Office: Via Borgonuovo, 20  
20121 Milan - Italy

Share capital € 100,166,937  
Milan Companies Register

---

## SECTION I

### NAME, HEAD OFFICE, OBJECT AND DURATION

#### Article 1

##### Name

The company, established in 1946, is named "ITALMOBILIARE Società per Azioni".  
The company name can be used, for all purposes, in the short form "ITALMOBILIARE S.p.A."

#### Article 2

##### Head Office

The company's head office is located in Milan.

#### Article 3

##### Object

The object of the company is to acquire and grant, under any form, stakes in companies and institutions, located in any place, as well as to carry out financial transactions of whatsoever nature. It can also carry out operations in securities, real estate and credit and conduct, in general, all commercial, industrial and financial operations which are necessary and appropriate to achieve the company's object. The collection of savings deposits is expressly excluded from the company's object.

The company can grant guarantees, personal or collateral, or bank suretyships or endorsements for obligations entered into by third parties, whatever their object, since the release of all guarantees, sureties or endorsements as per above is in the powers of the Board.

#### Article 4

##### Duration

The duration of the company is until 31<sup>st</sup> December 2050.

The extension of the duration is not a cause for the right of withdrawal of shareholders who did not participate in the approval of the decision.

## SECTION II

### SHARE CAPITAL AND STOCKS

#### Article 5

##### Share capital

The share capital is EUR 100,166,937 (one-hundred million one hundred sixty-six thousand nine hundred and thirty-seven), broken down into 22,182,583 (twenty-two million one hundred eighty-two thousand five hundred eighty-three) ordinary shares and 16,343,162 (sixteen million three hundred forty-three thousand one hundred sixty-two) non-convertible savings shares, with a face value of EUR 2.60 each.

Implementing the decision taken by the Extraordinary Meeting dated 18<sup>th</sup> June 2007, Directors have the power so that they can, once or in various times, within the period of five years from the decision:

a) under art. 2443 of the Italian Civil Code, increase share capital once or in various times by a

---

*Art. 5 (continued from previous page)*

maximum amount of EUR 260 million, free-of-charge or under a payment, by issuing ordinary and/or savings shares, also to serve debenture loans issued by other institutions with the power to be converted into ordinary and/or savings shares of the company or that are combined with warrants for the subscription of ordinary and/or savings shares of the company;

- b) under art. 2420-ter of the Italian Civil Code, issue once or in various times bonds to be converted into ordinary and/or savings shares or with warrants to purchase ordinary and/or savings shares, up to a maximum overall amount of EUR 260 million, within the limits from time to time allowed by law with a subsequent share capital increase to serve the conversion or the exercise of the warrants.

All with the widest powers connected to it, including those of offering the shares and convertible bonds or with a warrant under the form as per the penultimate clause of art. 2441 of the Italian Civil Code; reserve up to a quarter of them under art. 2441 of the Italian Civil Code, last clause; define the provisions and reserves to enter as capital in the event of free-of-charge increase; define issue price, conversion rates, terms and modes for the execution of the operations.

By means of a decision dated 28<sup>th</sup> April 2006, the Extraordinary Meeting assigned to the Board of Directors:

- the right, under art. 2443 of the Italian Civil Code, to increase the share capital under a payment, once or in various times within the period of five years from the above decision, for a maximum amount of EUR 910,000 by issuing a maximum of 350,000 Italmobiliare ordinary and/or savings shares, with a face value of EUR 2.60 each, to be reserved, under art. 2441 of the Italian Civil Code, 8<sup>th</sup> clause, to the employees of Italmobiliare S.p.A. and its subsidiaries, both in Italy and abroad, and in line with the rules in force in the countries of origin of the beneficiaries;
- the right, as a consequence, to establish the due date of the shares, to determine times, modes, features and terms of the offer to the employees and to establish the issue price of the shares, everything in line with that envisaged in the "Stock option plan for executives", including the relevant premium, if any.

By means of a deliberation dated 18<sup>th</sup> June 2007, the Extraordinary Meeting assigned to the Board of Directors:

- the right, under art. 2443 of the Italian Civil Code, to increase the share capital under a payment, once or in various times within the period of five years from the above deliberation, for a maximum amount of EUR 910,000 (nine hundred and ten thousand) by issuing a maximum of 350,000 (three hundred and fifty thousand) Italmobiliare ordinary and/or savings shares, with a face value of EUR 2.60 (two point sixty) each, with the exclusion of the right of option under art. 2441 of the Italian Civil Code, 5<sup>th</sup> clause, for the service of the bonus plan reserved to the directors of the company and of subsidiaries that hold specific positions in line with the by laws or that have specific operative tasks;
- the right, as a consequence, to establish the due date of the shares, to determine times, modes, features and terms of the offer and to establish the issue price of the shares, all in line with that envisaged in the "Stock option plan for directors", including the relevant premium, if any.

---

## **Article 6 Shares**

Shares are registered in the shareholder's name or are to the bearer, to the decision and charge of the Shareholder, unless otherwise provided by law.

Shares categories can be established having different rights.

Savings shares are regulated by law and by articles 8 and 31, letter b, of these By laws.

The Extraordinary Meeting can also deliberate that savings shares are converted into ordinary shares.

This without prejudice to the provisions regarding representation, legitimisation, circulation of the shareholding, envisaged for the stocks negotiated in regulated markets.

The introduction or cancellation of constraints on the circulation of stocks is not a cause for the right of withdrawal by the shareholders who did not participate in approving the deliberation.

## **Article 7 Share capital increase**

Share capital can be increased also by means of conferrals in kind or receivables, provided this is in line with the law.

In the event of share capital increase, the right of option can be ruled out to a limit of ten per cent of the existing share capital, in compliance with law provisions.

In the event the share capital is increased by issuing shares belonging to different categories, the owners of shares in each category have a proportional right to subscribe options to newly issued shares in their own categories and, should they not be available or for the difference, of shares belonging to another category (or other categories).

Deliberations to issue new shares with the same characteristics of existing ones, both by means of a share capital increase, and by means of conversion of shares belonging to another category, do not require any approval by the special Meetings of the various categories.

## **Article 8 Characteristics of savings shares**

Savings shares do not have a voting right.

In the event of exclusion from the negotiations of ordinary and/or savings shares, savings shares retain the rights attributed to them by law and by the By laws, unless otherwise provided by the Meeting.

When during one year, a dividend has been paid on savings shares which is lower than the amount defined in article 31, letter b, the difference is calculated to increase the privileged dividend in the two following years.

In the event of distribution of reserves, savings shares have the same rights as the other shares.

A share capital decrease because of losses does not imply a decrease in the face value of savings shares except for the amount of the loss that exceeds the overall face value of the other shares.

At the winding up of the company, savings shares have a pre-emption right in the reimbursement of capital for the whole face value.

---

## SECTION III

### MEETING

#### Article 9

##### Call

The Ordinary Meeting is called by the Board of Directors, at least once every year and within 120 days after the end of the corporate year, to analyse the issues as per art. 2364 of the Italian Civil Code. In the event of the specific terms envisaged by the law, this period is extended to a maximum of 180 days.

The Meeting is also called, both ordinarily and extraordinarily, every time the Board of Directors deems it to be appropriate and for the events envisaged by law.

The notice of call to the Meeting is published in at least one of the following newspapers: "Il Sole - 24 Ore" and "Milano Finanza" within the terms envisaged by current laws and regulations.

The notice must state the venue, which shall not necessarily be the company's head office but as long as it is in Italy, the day and time of the meeting and the agenda of the subjects to analyse.

It must also state the day for the second call, which cannot be the same day of the first call, in the event that the meeting first called is not legally constituted.

Any further meetings are allowed as long as these are called within 30 days from the date envisaged for the second call of the meeting.

If the day of any further meeting is not stated in the notice of call, the provisions as per clauses 3 and 4 of this article shall apply.

#### Article 10

##### Addition to the agenda

Shareholders who, also jointly, own at least one fortieth of share capital represented by shares with voting rights, can request, by the terms envisaged by current laws, that additions are made to the agenda of the Meeting, stating in the application the other issues that they suggest.

The notice of addition to the agenda is published in at least one of the newspapers mentioned in art. 9, within the terms envisaged by the law.

Requests for addition to the agenda must be accompanied by an explanatory report that must be filed at the company head office no later than ten days before the date for the first call of the meeting.

The addition to the agenda is not allowed for the issues on which the Meeting deliberates, under the law, upon a proposal by the directors or on the basis of a project or a report prepared by them.

#### Article 11

##### Participation and representation

Shareholders who own ordinary shares have the right to participate in the meeting, for whom the Company has received the notice envisaged by art. 2370 of the Italian Civil Code, clause 2, by the deadline of the two workdays before the date established for the meeting.

As to representation at the meeting, legal provisions shall apply.

---

## Article 12

### Establishment of the Meeting and validity of its deliberations

The regular establishment of the Meeting and the validity of its deliberations are regulated by law, without prejudice to that envisaged by articles 16 and 26 of these By Laws for the appointment of the Board of directors and of the Board of statutory auditors.

## Article 13

### Chairman

The Meeting is chaired by the Chairman of the Board of directors or, should he be absent or unable to participate, by his nominee. If this is impossible, the Meeting is chaired by another Director appointed by the Meeting upon indication from the Board of directors.

The Meeting, upon Chairman's designation, appoints a Secretary who can also be not a shareholder.

The Secretary's assistance is not necessary if a Notary Public is appointed to draft the minutes.

The Meetings' deliberations must result from minutes signed by the Chairman and the Secretary or by a Notary Public.

## Article 14

### Powers of the Chairman

The Chairman of the Meeting chairs the debate and defines orders and modes of the votes, as long as they are open. He has the powers envisaged by art. 2371 of the Italian Civil Code.

## SECTION IV MANAGEMENT

## Article 15

### Composition and duration of the Board of Directors

The company is managed by a Board of Directors of five to fifteen directors, whose term in office is established at the moment of their appointment but for no more than three years, and which expires at the date of the Meeting called to approve the financial statements for the last year of their term. They can be re-elected.

A number of directors not lower than the minimum envisaged by law must have the requirements of independence established by current laws. They must also possess other requirements required by law.

Before appointing the directors, the Meeting determines the number of members on the Board and the duration of their position.

If the number of Directors is lower than the maximum number envisaged, the Meeting, during the term of the Board of directors, can increase this number. The term of office of New Directors, appointed as per art. 16 below, expires together with those who already hold the same position at the moment of their appointment.

If one or more Directors leave their position during the year, they shall be replaced according to art. 17 below.

However, according to the provisions of clause 1 of this article, the Meeting can decide that the number of the members on the Board be reduced to the number of Directors holding such a position for the remaining duration of their term.

---

Art. 15 (continued from previous page)

If, for whatever reason, the majority of the Directors appointed by the Meeting are no longer on the Board, the whole Board of directors is considered as lapsed.

Directors still holding their positions must urgently call the Meeting for the appointment of the new Board of directors and, in the meantime, only perform ordinary administration deeds.

### Article 16 Appointment of the Board of Directors

The Board of directors is appointed based on lists whose objective is to ensure that the minority has the minimum number of directors envisaged by law.

Only those Shareholders have the right to submit lists who, alone or together with other shareholders, prove that they own a total holding in share capital with voting rights which is no lower than that determined under current laws and regulations.

The notice of call to the Meeting to deliberate on the appointment of the Board of directors includes modes, deadline and the amount of shares necessary to submit the lists of candidates for the position.

No shareholder may present, or participate in presenting, not even by means of another person or a trust company, more than one list or vote in more than one list.

Shareholders who belong to the same group and the shareholders who are members of a shareholders' pact whose object are company shares, cannot present or vote for more than one list, not even by means of another person or trust companies.

Lists submitted that breach these conditions will not be accepted.

In each list, the names of candidates must be listed by means of a progressive number.

Each candidate can only be present in one list or he shall be ineligible.

Lists must be submitted to the company head office at least fifteen days before the day of the Meeting's first call; this must be mentioned in the notice of call.

Together with each list, by the deadline above, the following must be filed at the company head office:

- a) statements by means of which the candidates accept their candidature and state, under their own responsibility, that there are no causes for ineligibility and that they are in possession of the good reputation requirements established by law;
- b) a short *curriculum vitae* with personal and professional features of each candidate, stating the management and control positions held in other companies;
- c) statements by each candidate about their possible independence as required by law, if any;
- d) information regarding the identity of shareholders who have submitted the lists with the indication of the total shareholding percentage owned and a certification which states the ownership of such a shareholding;
- e) a statement by the shareholders, other than those who own, even jointly, a controlling or relative majority stake, which states that there are no connections, as is defined by current laws and regulations.

Any list submitted without complying with the provisions above is considered as not being submitted.

In the event more than one list is presented:

- all Directors to be elected are elected from the list that has obtained during the Meeting the

---

*Art. 16 (continued from previous page)*

- highest number of votes, on the basis of the progressive order with which they are listed in the list, with the exception of the minimum number reserved by law to the minority list;
- the minimum number of directors reserved by law to the minority are elected from the minority list that has obtained the highest number of votes and is not connected in any way, not even directly, with the reference shareholders;
  - if various lists have obtained the same number of votes, a ballot shall be performed between these lists with the participation of all shareholders who are present at the Meeting, and the candidates from the list that obtains the relative majority of share capital represented at the Meeting will be elected.

For the purpose of the subdivision of directors to elect, the lists shall not be considered that have not obtained a percentage of votes that is at least equal to half that required for their presentation.

If a subject connected to a reference shareholder has voted for a minority list, the connection only becomes relevant for the purposes of the exclusion of the elected minority director if the vote has been decisive for the election of that director.

In the event only one list is presented, all the candidates included in that list are elected, with a relative majority vote of the share capital represented at the Meeting.

If there are no lists, and in the event by means of the mechanism of the list vote, the number of elected candidates is lower than the minimum number envisaged by the By laws for its establishment, the Board of directors is appointed or supplemented by the Meeting with the legal majority, as long as the presence of the minimum number of directors required by current laws and regulations who have the requirements of independence is guaranteed.

Any elected director who, during the term, no longer has the requirements of good reputation required by law or by the By laws, shall forfeit his office.

If the requirements of independence required by law are no longer present, the director concerned must immediately inform the Board of directors.

This event implies the director's forfeiture of office, with the exception of the case when such requirements are still held by the minimum number of directors envisaged by current laws and regulations.

## **Article 17 Replacement of directors**

If during the year, because of resignations or other causes, one or various directors no longer hold their office, the others, as long as the majority always consists of directors appointed by the Meeting, replace them by means of a deliberation approved by the Board of statutory auditors.

Directors are replaced, without prejudice to the compliance with the requirements of good reputation and independence as per art. 16, means of the appointment of the candidates that were not elected and who belong to the same list of the former directors according to the original order of submission. If this is not possible, the Board of directors shall take care of the case under the law.

Directors appointed this way hold their office until the following Meeting.

The meeting shall decide with respect to the replacement of directors, under the principles as per art. 16, based on the relative majority of share capital represented at the Meeting.

The term of Directors so appointed will expire with those already in office at the moment of their appointment.

---

## **Article 18**

### **Company positions**

The Board of directors appoints the Chairman, if not already appointed by the Meeting, and possibly one or various Deputy Chairmen and defines the relevant powers, as well as the Secretary of the Board, who can also be chosen from outside its members.

When the Chairman and, if appointed, the Deputy Chairman/Chairmen is/are absent or unable to attend, the Chairman's functions are temporarily carried out by the oldest Director.

## **Article 19**

### **Powers**

The Board of Directors has the widest powers for the ordinary and extraordinary management of the company, since it is competent on everything that is not expressly reserved by law and by these By laws to the Meeting.

The Board of Directors, in accordance with law provisions and these By laws, can delegate its attributed powers to an Executive Committee, made up of some of its members, and determine their number and attributions.

The Board of directors can also delegate its powers to one of its members, with the qualification of Managing Director, and determine the limitations of such empowerment.

The Board of Directors or the Executive committee, if it has been appointed, can appoint, also from outside the Board of directors, a General Manager, and determine the duration of the office and the relevant attributions, powers and remunerations. The offices of CEO and Managing Director can be combined.

The Board of Directors can also issue special mandates, as well as delegate signing on the company's behalf, but always for specific deeds or categories of deeds, by defining powers and establishing attributions and remunerations.

Besides the powers assigned to it by law and by these By laws with respect to the issue of shares and bonds, also the deliberations regarding the following subjects are attributed to the province of the Board of directors, under art. 2436 of the Italian Civil Code - as well as of the Extraordinary Meeting, which is competent by law:

- incorporation of fully owned companies or companies ninety per cent owned;
- moving the company head office, as long as it remains in Italy;
- establishment or cancellation of branch offices, both in Italy and abroad;
- reduction in share capital in the event of shareholder's withdrawal;
- adjustment of the By laws to mandatory regulatory provisions.

## **Article 20**

### **Call of the Board of directors and the Executive Committee**

The Board of directors meets, both at the company head office or elsewhere, in Italy or in other European countries, any time the Chairman, or his nominee, deems it as necessary, as well as in the case envisaged by art. 27 of these By laws.

The calls shall be usually made by the Chairman, or his nominee, in a letter to be sent, by means of registered post or express courier, at least five days before that of the meeting.

In case of urgency, the call can be made via telegram, fax or notice sent electronically at least 24 hours before the meeting.

The same procedure shall be followed to call the meetings of the Executive Committee.

## Article 21

### Meetings of the Board of directors and the Executive Committee

The meetings of the Board of directors and the Executive committee are chaired by the Chairman or, if he is absent or unable to chair, by his nominee. Should both be absent, they are chaired by another director appointed by the Board of Directors or the Executive Committee.

In order for the deliberations of the Board of directors and the Executive committee to be valid, the majority of Directors holding office must be present.

Deliberations are taken by the absolute majority of votes of those present; in the event of equal vote, the chairman's vote shall prevail.

The meetings of the Board of Directors and the Executive Committee can also be held by videoconference and/or telephone conference. Therefore those who have a right to participate in the meetings can speak from a distance, also from different venues, with the use of appropriate connection systems.

In this case the following must be absolutely ensured:

- all participants must be recognised in each connected venue;
- chairman and secretary of the meeting must be in the same venue;
- all participants in the meeting must have the opportunity to take the floor, speak and verbally express their opinion, see, receive and send deeds and documents in general, and to simultaneously examine them and pass resolutions.

In the event the meeting is held by means of videoconference and/or telephone conference, the meeting is deemed as held in the place where Chairman and Secretary are present.

The deliberations shall result from the minutes signed by the Chairman and the Secretary of the meeting.

## Article 22

### Representation

Chairman, Deputy Chairman (or Deputy Chairmen) and the CEO when appointed, can legally represent the company individually with respect to third parties and in court and can appoint proxies and lawyers.

## Article 23

### Information duties

Directors shall promptly provide to the Board of statutory auditors, and at least once every quarter, a summary of the activities performed and the most significant operations in terms of economic, financial and assets situation, made by the company or by its subsidiaries; in particular, they report on operations in which they have a personal interest or on behalf of third parties.

Such communications, as a rule, are made on the occasion of the meetings of the Board of directors or Executive committee.

When particular requirements make it appropriate or, if specific needs of immediacy make is preferable, the information can be verbal, also by telephone.

In order to ensure appropriate information to the representative of savings Shareholders, the company shall provide such representative with the following:

- the financial statements approved by the Board of directors at the same time when they are made available to Shareholders;

---

*Art. 23 (continued from previous page)*

- the interim report and the quarterly report at the same time when they are made available to the public;
- press releases and other notices in the press published by the company and regarding company operations that can affect the trend of stock prices of the category, at the same time when they are made available to the public.

## **SECTION V BOARD OF STATUTORY AUDITORS**

### **Article 24 Composition of the Board of Statutory Auditors**

The Board of statutory auditors consists of three Acting Auditors and three Substitute Auditors. They hold office for three years and their terms expire on the date of the Meeting called to approve the financial statements regarding their third year in office. They can be re-elected.

Those with a situation of incompatibility as envisaged by law, or those who have gone beyond the limit of cumulated offices established by current laws and regulations cannot be elected as Auditors and, if they are elected, they forfeit their office.

At least one of the Acting auditors and at least one of the Substitute auditors are chosen from those who are listed in the register of accounting auditors who have practiced the activity of legal account auditing for no less than three years.

Auditors without this requirement are chosen from those who have accrued an overall experience of at least three years in the practice of:

- a) management and control activities, or managerial tasks in joint-stock companies with a share capital of no less than two million euros; or
- b) professional activities or university teaching as professor on juridical, economical, financial and technical and scientific subjects, in the sectors of industry, trade, banking, technological services and IT; or
- c) managerial functions at government bodies or public administrations in the fields of banking, finance and insurance or however in the sectors of industry, trade, banking, technological services and IT.

When they are appointed, the Meeting determines the annual remuneration of the Auditors. The costs incurred when exercising their functions are reimbursed to them.

### **Article 25 Appointment of the Board of statutory auditors**

The Board of statutory auditors is appointed based on lists with the objective to ensure that the minority appoints one Acting Auditor and one Substitute Auditor.

Only those Shareholders have the right to present the lists who, alone or together with other shareholders, prove that they hold a total percentage of share capital with voting right that is no lower than that determined under the current regulation for the appointment of the Board of directors.

Modes, terms and participation fee required for the presentation of the lists of candidates for the office are indicated in the notice of call of the Meeting called to deliberate on the appointment of the Board of statutory auditors.

---

*Art. 25 (continued from previous page)*

No Shareholder may present, or participate in presenting, not even by means of another person or a trustee company, more than one list, or vote in more than one list.

Shareholders belonging to the same group and shareholders who are members of a shareholders' pact whose object is Company shares cannot present or vote for more than one list, not even by means of another person or by means of trustee companies.

Lists presented that breach these conditions shall not be accepted.

Each list comprises two sections: one for the candidates for the office of Acting Auditor and the other for the candidates for the office of Substitute Auditor.

The names of no more than three candidates for the office of Acting Auditor and no more than three candidates for the office of Substitute Auditor must be listed in each section, by means of a progressive number.

Each candidate can only participate in one list, or he shall be ineligible.

The lists must be filed at the company head office at least 15 days before the first call of the Meeting; this must be mentioned in the notice of call.

Together with each list, by the deadline above, the following is filed:

- a) statements by means of which the individual candidates accept the candidacy and state, under their own responsibility, that there are no causes for ineligibility or incompatibility, and that they have the requirements stated in law or in these By laws for the office;
- b) a short *curriculum vitae* about personal and professional features of each candidate, stating the management and control offices held at other companies;
- c) information regarding the identity of the shareholders who have presented the lists, with the indication of the total stake percentage held and a certification which states the ownership of the stake;
- d) the statement of shareholders, other than those who hold, even jointly, a controlling or a relative majority stake, which states that there are no relationships of connection, as defined by current regulations.

A list presented without complying with the provisions above is considered as not being presented.

In the event, by the deadline of 15 days before the date of the Meeting, only one list has been filed, or only lists presented by shareholders who are connected to each other under current regulations, further lists can be presented until the fifth day after this term, and the threshold mentioned in the notice of call will be halved.

In the event various lists are presented:

- two Acting Auditors and two Substitute Auditors are elected from the list that has obtained the highest number of votes at the Meeting, based on the progressive order with which they are listed in the sections of the list;
- the third Acting Auditor and the third Substitute Auditor are elected from the minority list that has obtained the highest number of votes in the lists presented and voted on by the shareholders that are not connected in any way, not even indirectly, with the reference shareholders, based on the progressive order with which they are listed in the sections of the list;
- if various lists have obtained the same number of votes, a ballot vote will be carried out between these lists by all shareholders at the Meeting, and the contestants will be elected from the list that obtains the relative majority of share capital represented at the Meeting.

If a subject connected to a reference shareholder has voted for a minority list, the connection only becomes relevant, for the purpose of excluding the elected minority Auditor, if the vote was

---

*Art. 25 (continued from previous page)*

decisive for the election of the Auditor.

In the event one single list has been presented, all the contestants included in that list are elected by a relative majority vote of share capital represented at the Meeting.

In the event no list has been presented, the Board of statutory auditors shall be appointed by the Meeting by means of a relative majority vote of share capital represented at the Meeting.

The Chairman of the Board of statutory auditors will be the person listed at the top of the list presented and voted by the minority, or the first name on the single list presented or the person appointed by the Meeting in the event no list has been presented.

Any elected Auditor who, during office, no longer has the necessary requirements according to regulations and by laws, forfeits office .

#### **Article 26 Replacement of Auditors**

In the event of replacement of an Acting Auditor, he shall be replaced by the Substitute Auditor belonging to his same list.

If this is not possible, he shall be replaced, according to the original order of presentation, by the candidate placed in the same list as the one that left, without considering the initial section of belonging.

If the Chairman of the Board of statutory auditors has to be replaced, this office will be taken by the minority Auditor.

Auditors appointed under the clauses above shall hold their office until the next meeting.

If auditors need to be added to the Board:

- to replace the Auditor elected in the majority list, the new Auditor is appointed by means of a relative majority vote of share capital represented at the Meeting, choosing from the candidates listed in the original majority list;
- to replace the Auditor elected in the minority list, the new Auditor is appointed by means of a relative majority vote of share capital represented at the Meeting, choosing from the candidates listed in the original minority list;
- to simultaneously replace Auditors elected in the majority list and in the minority list, the new Auditors are appointed by means of a relative majority vote of share capital represented at the Meeting, choosing, from the candidates indicated in the list in which each Auditor being replaced appeared, a number of Auditors equal to the number of Auditors leaving belonging to the same list.

If it is not possible to proceed under the previous clause, the Meeting called for completing the Board of statutory auditors shall deliberate by the relative majority of the share capital represented at the Meeting, without prejudice to the principle as per clause 1 of the previous article. However, the Chairman of the Board of statutory auditors shall be the minority auditor.

#### **Article 27 Meetings of the Board of statutory auditors**

The Board of statutory auditors meets as often as this is prescribed by law.

It is regularly established with the presence of the majority of Auditors and decides by the absolute majority of those present and, in the event of an equal vote, the vote of the Chairman of the Board

---

prevails. The disagreeing Auditor has the right to put down in the minutes the reasons for his disagreement.

The meetings of the Board of statutory auditors can be held by videoconference and/or telephone conference. Therefore, those who have a right to participate in the meetings, can speak from a distance, also from different venues, with the use of appropriate connection systems.

In this case the following must be absolutely ensured:

- all participants must be recognised in each connected venue;
- all participants in the meeting must have the opportunity to take the floor, speak and verbally express their opinion, see, receive and send deeds and documents in general, and to simultaneously examine them and pass resolutions.

In the event the meeting is held by means of videoconference and/or telephone conference, the meeting is deemed as held in the place where the Chairman of the Board of statutory auditors is present.

## Article 28

### Powers of the Board of statutory auditors

Auditors, besides the powers envisaged by law, can, even individually, carry out in any moment inspection and control acts, as well as request information from the directors, also with reference to subsidiaries, regarding company operations or specific businesses, or make the same requests for information directly to the management and control bodies of the subsidiaries.

The Board of statutory auditors can, after giving notice to the Chairman of the Board of directors at least thirty days before the date of the meeting, call the Board of directors', the Executive committee or the Shareholders' Meeting.

This last power of call can be also exercised individually by each member of the Board of statutory auditors with the exception of the power to call the Shareholders' meeting, which can be exercised by at least two members.

## SECTION VI

### MANAGER IN CHARGE OF DRAFTING THE COMPANY'S ACCOUNTING DOCUMENTS

## Article 29

### Appointment and requirements

The Board of directors appoints - possibly defining a specific duration of the office - and revokes, after mandatory and non binding opinion by the Board of statutory auditors, the Manager in charge of drafting the company's accounting documents.

The Manager in charge of drafting the company's accounting documents must:

- 1) be qualified as manager and have the requirements of good reputation envisaged by the law for the members of the Board of directors;
- 2) have accrued at least three years' experience in the exercise of administrative/accounting and/or financial and/or control activities at the Company and/or its subsidiaries and/or at other joint-stock companies.

The Board of directors, at the moment of the appointment, grants to the Manager in charge of drafting accounting documents appropriate powers and means in order to fulfil the tasks assigned to him by the law and defines his remuneration.

---

**SECTION VII**  
**FINANCIAL STATEMENTS AND PROFITS**

**Article 30**  
**Company's accounting period**

The company's accounting period ends on 31<sup>st</sup> December of each year.

**Article 31**  
**Profit allocation**

Net profits resulting from the annual financial statements are to be allocated as follows:

- a) 5% to the legal reserve up to the limit established by law;
- b) a privileged dividend to holders of savings shares up to reaching 5% of the face value of the shares, and it is pointed out that, if in one year a dividend under 5% of face value is assigned to savings shares, the difference is calculated as an increase in the privileged dividend in the next two years;
- c) 1% to the Board of directors;
- d) the remaining amount to all Shareholders, under a deliberation of the Meeting, so that savings shares are given an overall dividend increased, with respect to that of ordinary shares, by 3% of the face value of the shares, unless the Meeting decides special allocations to the extraordinary reserves or to the Board of directors for other purposes.

**Article 32**  
**Advance payments on dividends**

The Board of directors has the power to decide that advance payments on dividends are distributed within the limits and under the terms envisaged by law.

**SECTION VIII**  
**WINDING UP AND LIQUIDATION**

**Article 33**  
**Liquidation**

In the event of winding up of the company, the Meeting defines the modes for the winding up and appoints one or various liquidators and determines their powers and remuneration.

**SECTION IX**  
**GENERAL PROVISIONS**

**Article 34**  
**Reference to law provisions**

Law provisions apply to that which is not envisaged by these By laws.

Each reference to current "laws / regulations / provisions" must be construed as referred to the "law / regulation / provision" in force from time to time.

June 2007  
Project of Edita by Gilcar  
Milan

Printed on ecological paper

