

**Explanatory report of the Board of Directors on the first item on the agenda of the extraordinary part of the Shareholders' Meeting of Piaggio & C. S.p.A. convened for 17 April 2024, on first call, and for 18 April 2024, on second call**

*(compiled pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the Consolidated Law on Finance or "TUF"), as amended, Article 72 of the Regulation adopted by Consob by Resolution No. 11971 of 14 May 1999 (the "Regulation on Issuers"), as amended, and Annex 3, Schedule 3, of the Regulation on Issuers.*

Item No. 1 on the agenda for the extraordinary part:

*"1) Adoption of a new text of the Articles of Association; related and consequent resolutions."*

Dear Shareholders,

You have been convened to this Shareholders' Meeting, in extraordinary session, by Piaggio & C. S.p.A. (the "**Company**") in order to examine and approve a number of amendments to the Company's Articles of Association for the purposes, on the one hand, of the adoption of a so-called "one-tier" administration and control model, and on the other, in order to bring certain clauses concerning the conduct of meetings of corporate bodies into line with most recent practice and guidelines.

### **1. Reasons for the proposed changes to the Articles of Association**

The reasons for the proposal to adopt a "one-tier" administration and control system pursuant to Article 2409-*sexiesdecies* of the Italian Civil Code lie in the desire to bring the Company's governance system into line with international best practice.

As the relevant data and statistical evidence show, this system represents the most widely established model in companies listed on European and world stock markets, and is instrumental to the achievement of efficiency in the operation and effectiveness of internal controls, as it enables the development of a profitable and timely synergy between the control and management functions.

While the so-called "traditional" system provides for two distinct bodies (the Board of Directors and the Board of Statutory Auditors) that respectively perform the functions of administration and control, the "one-tier" system is characterised by the convergence of the said functions in the administrative body, through a Management Control Committee that is established within it.

In summary, the adoption of the "one-tier" model has many important advantages for the Company, including:

- (i) simplification of the organisational structure, speed and concentration of corporate governance functions;
- (ii) greater transparency and complete and constant information flows;
- (iii) effectiveness of controls by overcoming inefficiencies and information asymmetries caused by the existence of a control body that is separate from the management body;
- (iv) greater recognition in the international arena, resulting in greater attractiveness for potential international investors.

For the reasons enumerated above, the Board of Directors has decided to propose to the shareholders to amend the Articles of Association in order to adopt the “one-tier” model of administration and control, by introducing a new Article [12] and amending the current Article [12] of the Articles of Association, and consequently Articles ([2], [14], [17], [18], [20], [24] and [25]) in which it is necessary to replace references to the Statutory Auditors and the Board of Statutory Auditors, which will cease to exist as a result of the new administration and control model.

On this occasion, the Board of Directors deemed it appropriate to propose that the clauses on the conduct of meetings of the corporate bodies (current Articles [6], [8], [14], [20] and [25]) be brought into line with the latest practice and guidelines.

## **2. Explanation of the proposed amendments to the Articles of Association**

This paragraph sets out the amendments to the Articles of Association that will take effect if the proposal set out in this Report is approved. These amendments specifically concern: *(i)* the adoption of a so-called “one-tier system”; *(ii)* the composition of the Board of Directors; *(iii)* the composition and functioning of the Management Control Committee; *(iv)* the option for Shareholders’ Meetings, together with meetings of the Board of Directors and the Management Control Committee to be held exclusively by means of telecommunications; *(v)* coordination amendments.

### **2.1. Introduction of the so-called “on-tier system”**

As indicated above, the “one-tier” system of administration and control pursuant to Article 2409-*sexiesdecies* of the Italian Civil Code, consists of a Board of Directors that includes a number of members who make up the Management Control Committee. As a result, the Board of Statutory Auditors will cease to exist.

#### *2.1.1. Board of Directors*

The Articles of Association provide for the appointment, by the Ordinary Shareholders' Meeting, of a Board of Directors that is composed of a number of members ranging from a minimum of seven to a maximum of fifteen, as determined from time to time by the Shareholders' Meeting.

##### *2.1.1.1 Requirements for the members of the Board of Directors*

Directors must meet the requirements established by legislation in force from time to time. At least one third (with a minimum of three in all cases, without prejudice to any greater number provided for by the legislation applicable from time to time), must meet the independence requirements established in Article 148, paragraph 3, of the Consolidated Law on Finance (TUF), and at least three (i.e. the number of members of the Management Control Committee) must meet the requirements established in Article 148, paragraph 4, of the Consolidated Law on Finance (TUF). In addition, at least one of the latter must be enrolled in the register of statutory auditors.

It is understood that the composition of the Board of Directors must ensure gender balance, in accordance with the provisions of current legislation.

Failure to maintain the relevant requirements will result in forfeiture of the Director's term of office, with the clarification that failure to comply with the independence requirements set out above results in forfeiture of the office of Director only if it is not possible to comply with the minimum number of independent Directors required by the Articles of Association and by current legislation.

#### *2.1.1.2 Election of the members of the Board of Directors*

The election of the members of the Board of Directors takes place on the basis of lists submitted by shareholders, in a manner that is consistent with the regulations for listed companies. Lists may be submitted by shareholders who, alone or together with other shareholders, represent at least 2.5% of the share capital with voting rights at the Ordinary Shareholders' Meeting, or any lesser percentage as may be established by the relevant legislation.

All the members of the Board of Directors are drawn from the list that obtained the highest number of votes, with the exception of one member who, being eligible to serve on the Management Control Committee, is drawn from the list that came second in number of votes. The latter, in accordance with the provisions of applicable legislation on the matter, must not have any connection with those who submitted or voted for the list that obtained the highest number of votes.

Specific provisions are included in the Articles of Association to govern cases in which only one list is submitted or in which no list is submitted. In addition, there are also certain provisions designed to ensure that the composition of the Board of Directors is in all cases ensures: *(i)* the presence of the minimum number of independent Directors required by current legislation and the Articles of Association, three of whom meet the additional requirements established by applicable legislation and the Articles of Association for the members of the Management Control Committee; and *(ii)* compliance with applicable legislation concerning gender balance.

#### *2.1.1.3 Termination of office and replacement of members of the Board of Directors*

The Articles of Association regulate cases in which one or more members of the Board of Directors are absent during the financial year. In such cases, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, the Board of Directors may, pursuant to Article 2386 of the Italian Civil Code, co-opt a member from the same list as that which the outgoing director belonged, and the Shareholders' Meeting adopts the relevant resolution with the majorities required by law, respecting the same criterion. If it is not possible to comply with this mechanism, the Board of Directors may replace the outgoing Director, as ratified by Shareholders' Meeting by the majorities required by law, without list voting. Subsequently, the Shareholders' Meeting, on the proposal of persons in

attendance with voting rights, confirms the co-opted Director or appoints another Director to replace him or her by a resolution adopted by the majorities required by law, without list restrictions.

In all cases, the Board of Directors and the Shareholders' Meeting proceed with the appointment in order to ensure: *(i)* the presence of the minimum number of independent Directors required by current legislation and the Articles of Association, three of whom must meet the additional requirements established in current legislation and the Articles of Association for members of the Management Control Committee; and *(ii)* compliance with legislation applicable *pro tempore* concerning gender balance.

In the event that, by resignation or other cause, the majority of the Directors appointed by the Shareholders' Meeting cease to hold office, the entire Board of Directors shall be deemed to have resigned with effect from the date of its subsequent reconstitution.

#### 2.1.2. *Management Control Committee*

The Articles of Association provide that the Management Control Committee, established within the Board of Directors, is composed of three directors identified by the Board of Directors itself.

The Management Control Committee exercises the powers and functions assigned to it by current legislation.

By way of non-exhaustive example, pursuant to current legislation, the Management Control Committee has the duty of overseeing: *(i)* the adequacy of the company's organisational structure, the internal control system and the administrative and accounting system, together with its ability to properly represent the management events (pursuant to Article 2409-*octiesdecies*, paragraph 5, letter b, of the Italian Civil Code); *(ii)* the procedures for actual implementation of the corporate governance rules established in codes of conduct drawn up by management companies of regulated markets or by trade associations, which the company, by means of public disclosures, declares to comply with (pursuant to Article 149, paragraph 1, letter *c-bis*, of the TUF) as well as *(iii)* the adequacy of the instructions given by the company to subsidiaries to ensure that they properly fulfil their obligations to provide price-sensitive information to the public (pursuant to Article 149, paragraph 1, letter d of the TUF); *(iv)* the financial reporting process, the effectiveness of the internal control, internal audit (if applicable) and risk management systems, as well as on the statutory audit of the annual and consolidated accounts, and furthermore, the independence of the statutory auditor or audit firm (pursuant to Article 19 of Legislative Decree No. 39/2010).

Members of the Management Control Committee are entitled to specific additional remuneration, to be established by the Ordinary Shareholders' Meeting at the time of the appointment of the Board of Directors. This is determined in all cases as a fixed and equal amount, but with greater remuneration specifically for the Chairman.

##### 2.1.2.1 *Requirements for members of the Management Control Committee*

The Articles of Association establish the requirements that must be met by the members of the Management Control Committee. In particular, the said members must meet the requirements of professionalism and integrity established by current legislation, the requirements of independence established in Article 148, paragraph 3, of the Consolidated Law on Finance (TUF), and comply with the limits on the accumulation of offices. At least one member of the Management Control Committee must be enrolled in the register of statutory auditors.

#### *2.1.2.2 Termination of office and replacement of members of the Management Control Committee*

If members of the Management Control Committee fail to maintain any of the requirements listed in the preceding paragraph, including that of enrolment in the register of statutory auditors, they are disqualified from office.

In the event of forfeiture of one of these requirements, the member of the Control Management Committee shall also cease to be a Director, except in the case of a member drawn from the majority list and where, among the other Directors in office, there is at least one who meets the necessary requirements to replace him or her as a member of the Management Control Committee. In the latter case, the terminated member of the Management Control Committee shall retain the office of Director.

It is also provided that if a member of the Management Control Committee ceases to hold the office of Director for any reason, the rules established for the replacement of Directors, as outlined above, will apply to his or her replacement, in accordance with current legislation.

Finally, in the event that during the year, it is necessary to replace one or more members of the Management Control Committee who have not simultaneously ceased to hold the position of director, the Board of Directors, in accordance with current legislation, appoints a replacement in order to ensure that the members of the Management Control Committee meet the established requirements for their office.

#### *2.1.2.3 Chair of the Management Control Committee*

The position of Chairman of the Management Control Committee is held by a Director drawn from the minority list or to the person appointed in his or her place. If only one list is submitted, or if no list is submitted, the Chairman is elected by the Management Control Committee from among its members.

### **2.2. Procedure for the conduct of meetings of corporate bodies held by electronic means**

On this occasion, the Board of Directors also deems it appropriate to propose to shareholders that the clauses on the conduct of meetings of the corporate bodies (current Articles [6], [8], [14], [20] and [25]) be brought in line with the latest practice and guidelines, in order to facilitate this form of meeting. With this in mind, in order to ensure greater

flexibility and streamlined operations, it is proposed that these Articles be amended to provide that, where permitted by regulations in force *pro tempore*, meetings of the corporate bodies may also be held also exclusively in remote form, with participation from several audio/video connected venues.

With particular reference to the Shareholders' Meeting, it is also proposed: (i) to introduce the right for the Company, where permitted by legislation applicable *pro tempore*, to designate for each meeting a person to whom the shareholders may grant a proxy for representation at the meeting, as provided in Article 135-*undecies* of the Consolidated Law on Finance (TUF), and (ii) that, where permitted by legislation applicable *pro tempore*, participation and exercise of voting rights at the meeting by those entitled may also take place exclusively through the said proxy, in accordance with the provisions of legislation applicable *pro tempore*.

### 2.3. Consequent amendments to the Articles of Association

As a result of the proposal, in the event of its approval, the following amendments to the Articles of Association will be adopted, the relevant details are set out in the comparative table below: (i) introduction of a new Article [12] (and consequent renumbering of all subsequent Articles); as well as (ii) amendments to existing Articles [2], [6], [8], [12], [14], [17], [18], [20], [24] and [25]. The new text of the Articles of Association, in its entirety, is attached to this Explanatory Report as Annex A.

#### Amendments to the Articles of Association – comparison table

<i>The English text is a translation of the Italian official "Articles</i>	<i>The English text is a translation of the Italian official "Articles</i>
<i>of Association of Piaggio &amp; C. S.p.a.". For any conflict or discrepancies between the two texts the Italian text shall prevail.</i>	<i>of Association of Piaggio &amp; C. S.p.a.". For any conflict or discrepancies between the two texts the Italian text shall prevail.</i>
<b>Actual version</b>	<b>Proposal of amendments</b>
<b>ARTICLES OF ASSOCIATION</b>	<b>ARTICLES OF ASSOCIATION</b>
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<b>Company name – Shareholders – Registered head office – Duration – Object</b>	<b>Company name – Shareholders – Registered head office – Duration – Object</b>
<b>Article 1</b>	<b>Article 1</b>
1.1 A joint stock company is incorporated under the name:	1.1 A joint stock company is incorporated under the name:
<b>"PIAGGIO &amp; C. Societa' per Azioni"</b>	<b>"PIAGGIO &amp; C. Societa' per Azioni"</b>
<b>Article 2</b>	<b>Article 2</b>
2.1 The registered head office of the Company is located in Pontedera (PI).	2.1 The registered head office of the Company is located in Pontedera (PI).
2.2 The Company, by resolution of the Board	2.2 The Company, by resolution of the Board of

of Directors, has the power to establish or close branch offices, agencies, representative offices and any other offices of the Company, both in Italy and overseas.	Directors, has the power to establish or close branch offices, agencies, representative offices and any other offices of the Company, both in Italy and overseas.
2.3 The Shareholders', Directors', Statutory Auditors' and external auditors' domiciles and, if available, their telephone and telefax numbers, e-mail addresses or any other addresses at which notices may be served by the Company, shall be deemed to be those stated in the Company registers; the Shareholder, Director, Statutory Auditor and external auditor are responsible for communicating the above details, so that they can be recorded in the Company registers, as well as any changes by registered letter, fax message or e-mail.	2.3 The Shareholders', Directors', <del>Statutory Auditors'</del> and external auditors' domiciles and, if available, their <u>telephone and</u> telefax numbers, e-mail addresses or any other addresses at which notices may be served by the Company, shall be deemed to be those stated in the Company registers; the Shareholder, <del>Director, Statutory Auditor</del> each Director and <u>the</u> external auditor are responsible for communicating the above details, so that they can be recorded in the Company registers, as well as any changes by registered letter, fax message or e-mail.
<b>Article 3</b>	<b>Article 3</b>
3.1 The Company is expected to exist until 31 December 2050 and its duration may be extended, once or more than once, by resolution passed by the Extraordinary Shareholders' Meeting.	3.1 The Company is expected to exist until 31 December 2050 and its duration may be extended, once or more than once, by resolution passed by the Extraordinary Shareholders' Meeting.
3.2 Shareholders who do not vote in favour of the resolution to extend the duration of the Company shall have no right to withdraw.	3.2 Shareholders who do not vote in favour of the resolution to extend the duration of the Company shall have no right to withdraw.
<b>Article 4</b>	<b>Article 4</b>
4.1 The Company's activity is the design, development, production, assembly and marketing of vehicles, engines, components, spare parts and related accessories.	4.1 The Company's activity is the design, development, production, assembly and marketing of vehicles, engines, components, spare parts and related accessories.
4.2 The Company may purchase, construct, transform, sell, exchange, manage and administer property for industrial, commercial and civil use; it may also let such property under any type of lease contract, also finance lease.	4.2 The Company may purchase, construct, transform, sell, exchange, manage and administer property for industrial, commercial and civil use; it may also let such property under any type of lease contract, also finance lease.
4.3 The Company may also acquire stakes in financial, real estate, industrial and commercial (services) companies; carry out any financial and broking transaction in accordance with applicable limits and provisions, more specifically those of Law	4.3 The Company may also acquire stakes in financial, real estate, industrial and commercial (services) companies; carry out any financial and broking transaction in accordance with applicable limits and provisions, more specifically those of Law No. 39/89, acquisitions and granting of



<p>No. 39/89, acquisitions and granting of finance, excluding public fund rising; in addition it may act as representative and provide industrial consulting services both in Italy and overseas.</p>	<p>finance, excluding public fund rising; in addition it may act as representative and provide industrial consulting services both in Italy and overseas.</p>
<p>4.4 The Company may take part to the setting up of companies limited by shares; acquire, sell, exchange, manage securities, in general, issued by the Italian state or foreign states, quotas, shares, debentures of Italian and foreign companies carrying out any type of activity; it may discount securities as well as purchase and sell receivables either with or without recourse clauses; acquire delegations to collect any type of receivables; grant advances in general and carry out finance lease transactions involving immovable and movable assets including those recorded in Public Registers.</p>	<p>4.4 The Company may take part to the setting up of companies limited by shares; acquire, sell, exchange, manage securities, in general, issued by the Italian state or foreign states, quotas, shares, debentures of Italian and foreign companies carrying out any type of activity; it may discount securities as well as purchase and sell receivables either with or without recourse clauses; acquire delegations to collect any type of receivables; grant advances in general and carry out finance lease transactions involving immovable and movable assets including those recorded in Public Registers.</p>
<p>4.5 Furthermore the Company may carry out any other activity associated with the aforesaid Company object or similar ones and may manage, as well as finance – provided it shall not do so vis-à-vis the public and as a major activity – business undertakings of any nature.</p>	<p>4.5 Furthermore the Company may carry out any other activity associated with the aforesaid Company object or similar ones and may manage, as well as finance – provided it shall not do so vis-à-vis the public and as a major activity – business undertakings of any nature.</p>
<p>4.6 The Company may carry out any type of security, real estate, commercial, industrial and financial transaction that the governing body shall deem necessary or useful for the Company, including the assignment or sale of copyrights, patents and trademarks, the taking out of loans, the granting of endorsements, guarantees and other collateral securities, provided that it shall not do so vis-à-vis the public and, in any case, as a major activity, also in the interest of Shareholders or third parties. It may also create liens on shares of subsidiaries or associated companies, either wholly or in part.</p>	<p>4.6 The Company may carry out any type of security, real estate, commercial, industrial and financial transaction that the governing body shall deem necessary or useful for the Company, including the assignment or sale of copyrights, patents and trademarks, the taking out of loans, the granting of endorsements, guarantees and other collateral securities, provided that it shall not do so vis-à-vis the public and, in any case, as a major activity, also in the interest of Shareholders or third parties. It may also create liens on shares of subsidiaries or associated companies, either wholly or in part.</p>
<p style="text-align: center;"><b>Share capital - Shares</b></p>	<p style="text-align: center;"><b>Share capital - Shares</b></p>
<p style="text-align: center;"><b>Article 5</b></p>	<p style="text-align: center;"><b>Article 5</b></p>

5.1 The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred and thirteen thousand, nine hundred and forty-four euros and thirty-seven eurocents) divided into <b>n. 354,632,049 (three hundred and fifty-four million, six hundred and thirty-two thousand, forty-nine)</b> ordinary shares with no par value and may be increased also by payments in kind and receivables.	5.1 The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred and thirteen thousand, nine hundred and forty-four euros and thirty-seven eurocents) divided into <b>n. 354,632,049 (three hundred and fifty-four million, six hundred and thirty-two thousand, forty-nine)</b> ordinary shares with no par value and may be increased also by payments in kind and receivables.
5.2 The Company may purchase funds with obligation to repay Shareholders in accordance with applicable legal regulations.	5.2 The Company may purchase funds with obligation to repay Shareholders in accordance with applicable legal regulations.
5.3 By resolution of the Shareholders' Meeting the share capital may be increased by issuing new shares also with rights different from those of the shares that have already been issued. The resolution to increase the share capital, passed with the majorities prescribed by Articles No. 2368 and 2369 of the Italian Civil Code, may exclude the option right within the limit of 10% of the pre-existing share capital, provided that the issue price is equal to the market value of the shares and this is confirmed by an ad hoc report issued by a statutory auditor or an independent audit company engaged to perform the Company audit.	5.3 By resolution of the Shareholders' Meeting the share capital may be increased by issuing new shares also with rights different from those of the shares that have already been issued. The resolution to increase the share capital, passed with the majorities prescribed by Articles No. 2368 and 2369 of the Italian Civil Code, may exclude the option right within the limit of 10% of the pre-existing share capital, provided that the issue price is equal to the market value of the shares and this is confirmed by an ad hoc report issued by a statutory auditor or an independent audit company engaged to perform the Company audit.
<b>Shareholders' Meeting</b>	<b>Shareholders' Meeting</b>
<b>Article 6</b>	<b>Article 6</b>
6.1 The Shareholders' Meeting is either ordinary or extraordinary pursuant to legal regulations and is held at the Company's registered head office or any other venue indicated in the notice of meeting, provided that such place be located within the national boundaries.	6.1 The Shareholders' Meeting is either ordinary or extraordinary pursuant to legal regulations and is held at the Company's registered head office or any other venue indicated in the notice of meeting, provided that such place be located within the national boundaries.
6.2 The Shareholders' Meeting, whether Ordinary or Extraordinary, may be held by videoconference, the Shareholders participating from different locations, whether close or distant, provided that the	6.2 The Shareholders' Meeting, whether Ordinary or Extraordinary, <u>where permitted by the legislation in force at the time and whenever the administrative body deems it appropriate, may be held entirely remotely,</u> <del> may be held by</del>

<p>participants are able to follow the discussion of the matters presented and participate in real time, are able to receive, transmit or review documents, the examinations and deliberations occur simultaneously, and the principles of bona fide and Shareholders parity of treatment are complied with. In particular, Shareholders' Meetings shall be deemed to be valid, if held via videoconference, provided that:</p>	<p><del>videoconference, the with</del> Shareholders participating from different locations <u>connected by audio/video link</u> <del>whether close or distant,</del> provided that the participants are able to follow the discussion of the matters presented and participate in real time, are able to receive, transmit or review documents, the examinations and deliberations occur simultaneously, and the principles of bona fide and Shareholders parity of treatment are complied with, <u>and in particular</u> provided that: <del>Shareholders' Meetings shall be deemed to be valid, if held via videoconference, provided that:</del></p>
<p>- the Chairman is able, as a result of his tenure of office, to verify the identity and legitimacy of those present, direct and conduct the meeting as well as verify and announce the results of voting;</p>	<p><u>(i)</u> the Chairman is able, as a result of his tenure of office, to verify the identity and legitimacy of those present, direct and conduct the meeting as well as verify and announce the results of voting;</p>
<p>- the person drafting the minutes is able to properly understand the events of the meeting that are to be minuted;</p>	<p><u>(ii)</u> the person drafting the minutes is able to properly understand the events of the meeting that are to be minuted;</p>
<p>- the participants are able to take part to the discussion and simultaneous vote on the items on the agenda;</p>	<p><u>(iii)</u> the participants are able to take part to the discussion and simultaneous vote on the items on the agenda;</p>
<p>- the notice of the meeting indicates the places connected by the Company by video-conference where they may convene, the meeting being deemed as having been held at the place where the Chairman and the person taking the minutes are located;</p>	<p><del>the notice of the meeting indicates the places connected by the Company by video-conference where they may convene, the meeting being deemed as having been held at the place where the Chairman and the person taking the minutes are located;</del></p>
<p>- those attending the Shareholders' Meeting who are connected by a long-distance network have access to the same documentation distributed to the participants at the official venue of the meeting.</p>	<p><u>(iv)</u> those attending the Shareholders' Meeting who are connected by a long-distance network have <del>access to</del> the same documentation distributed to the participants at the official venue of the meeting.</p>
<p>6.3 The Ordinary Shareholders' Meeting to be held to approve the financial statements must be convened within one hundred and twenty days from the end of the accounting period, that is within one hundred and eighty day)if the conditions required by current legal regulations are fulfilled. Ordinary and extraordinary shareholders' meetings may</p>	<p>6.3 The Ordinary Shareholders' Meeting to be held to approve the financial statements must be convened within one hundred and twenty days from the end of the accounting period, that is within one hundred and eighty day) if the conditions required by current legal regulations are fulfilled. Ordinary and extraordinary shareholders' meetings may also be called</p>

also be called whenever considered appropriate by the Board of Directors, and where required by law.	whenever considered appropriate by the Board of Directors, and where required by law.
<b>Article 7</b>	<b>Article 7</b>
7.1 The ordinary and extraordinary Shareholders' Meeting is convened, within the times indicated by law, by notice published on the Company's website and, if required by applicable law in effect at the time, also in an excerpt in the Gazzetta Ufficiale della Repubblica Italiana or in the newspaper "Il Sole 24 Ore" or in the newspaper "Corriere della Sera" indicating the day, time and place of the first meeting and any subsequent calls, as well as the list of items to discuss, without prejudice to any other requirement of applicable law and these Articles of Association.	7.1 The ordinary and extraordinary Shareholders' Meeting is convened, within the times indicated by law, by notice published on the Company's website and, if required by applicable law in effect at the time, also in an excerpt in the Gazzetta Ufficiale della Repubblica Italiana or in the newspaper "Il Sole 24 Ore" or in the newspaper "Corriere della Sera" indicating the day, time and place of the first meeting and any subsequent calls, as well as the list of items to discuss, without prejudice to any other requirement of applicable law and these Articles of Association.
7.2 The agenda of the Shareholders' Meeting is set by those who have the right to convene a meeting by law and the Articles of Association or, if the meeting is convened upon request by the Shareholders, on the basis of the items indicated in the request filed by the Shareholders in question. If the meeting is convened by the Shareholders pursuant to legal requirements, the agenda is integrated within the dates and according to the terms set by applicable legal regulations.	7.2 The agenda of the Shareholders' Meeting is set by those who have the right to convene a meeting by law and the Articles of Association or, if the meeting is convened upon request by the Shareholders, on the basis of the items indicated in the request filed by the Shareholders in question. If the meeting is convened by the Shareholders pursuant to legal requirements, the agenda is integrated within the dates and according to the terms set by applicable legal regulations.
<b>Article 8</b>	<b>Article 8</b>
8.1 Each ordinary share is entitled to one vote.	8.1 Each ordinary share is entitled to one vote.
8.2 The legitimate attendance of Shareholders' Meeting and the exercise of voting rights is confirmed by a statement of the Company from the enabled intermediary, in compliance with the applicable law provisions, on the basis of intermediary accounting balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting on first call and received by the Company within the terms stated by legal regulations. To this end,	8.2 The legitimate attendance of Shareholders' Meeting and the exercise of voting rights is confirmed by a statement of the Company from the enabled intermediary, in compliance with the applicable law provisions, on the basis of intermediary accounting balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting on first call and received by the Company within the terms stated by legal regulations. To this end, reference is made to the date of the first call, as long as the dates of

reference is made to the date of the first call, as long as the dates of any subsequent calls are indicated in the only meeting call; otherwise, reference is made the date of each meeting call.	any subsequent calls are indicated in the only meeting call; otherwise, reference is made the date of each meeting call.
8.3 All subjects with voting right may appoint a proxy to attend and vote on his behalf, by written proxy statement, in accordance with legal regulations. The electronic notification of the proxy may be carried out, in accordance with the methods specified in the meeting notice, sending a message to the certified e-mail box indicated in the meeting notice itself or using a special section of the Company's web site.	8.3 All subjects with voting right may appoint a proxy to attend and vote on his behalf, by written proxy statement, in accordance with legal regulations. The electronic notification of the proxy may be carried out, in accordance with the methods specified in the meeting notice, sending a message to the certified e-mail box indicated in the meeting notice itself or using a special section of the Company's web site.
8.4 The Company is not required to designate for each Shareholders' Meeting a person to whom the Shareholders may grant a proxy for representation at the Shareholders' Meeting pursuant to Article 135- <i>undecies</i> of Legislative Decree 58/1998	8.4 The Company <del>is not required</del> may designate for each Shareholders' Meeting a person to whom the Shareholders may grant a proxy for representation at the Shareholders' Meeting pursuant to Article 135- <i>undecies</i> of Legislative Decree 58/1998. <a href="#"><u>Where permitted by legislation in force at the time, the Company may provide that intervention and the exercise of voting rights at the Shareholders' Meeting by those entitled to do so may also take place exclusively through the said person, in the manner provided for by legislation in force at the time.</u></a>
<b>Article 9</b>	<b>Article 9</b>
9.1 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, if absent or unavailable for any other reason, by the sole Deputy Chairman, or, if there is more than one Deputy Chairman, by the longest serving one attending and, in case of a tie, by the most senior in age. In the absence or disability of both the Chairman and the deputy chairman or joint deputy chairmen, the shareholder meeting will be chaired by a director or shareholder nominated by majority vote of the participants.	9.1 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, if absent or unavailable for any other reason, by the sole Deputy Chairman, or, if there is more than one Deputy Chairman, by the longest serving one attending and, in case of a tie, by the most senior in age. In the absence or disability of both the Chairman and the deputy chairman or joint deputy chairmen, the shareholder meeting will be chaired by a director or shareholder nominated by majority vote of the participants.
9.2 The Chairman of the Shareholders' Meeting verifies the identity and legitimacy of those present; he verifies that the meeting has	9.2 The Chairman of the Shareholders' Meeting verifies the identity and legitimacy of those present; he verifies that the meeting has been

been properly convened and that there is a sufficient number of subjects with voting right to constitute a quorum to be able to pass valid resolutions; and is responsible for conducting the meeting he sets the voting procedure and checks the results of voting.	properly convened and that there is a sufficient number of subjects with voting right to constitute a quorum to be able to pass valid resolutions; and is responsible for conducting the meeting he sets the voting procedure and checks the results of voting.
9.3 The Chairman is assisted by a Secretary appointed by the Shareholders' Meeting by the majority of votes of those attending. In addition to the cases prescribed by the law, if the Chairman deems it fit, a Notary Public chosen by the same Chairman may be asked to act as Secretary.	9.3 The Chairman is assisted by a Secretary appointed by the Shareholders' Meeting by the majority of votes of those attending. In addition to the cases prescribed by the law, if the Chairman deems it fit, a Notary Public chosen by the same Chairman may be asked to act as Secretary.
<b>Article 10</b>	<b>Article 10</b>
10.1 Ordinary and Extraordinary Shareholders' Meetings are considered to be validly held and the related resolutions to be validly passed if all legal regulations and the Company's Articles of Association have been complied with. The Shareholders' Meetings are governed by legal regulations and by the Articles of Association, as well as by the Shareholders' Meeting regulation approved by the Ordinary Shareholders' Meeting, if any.	10.1 Ordinary and Extraordinary Shareholders' Meetings are considered to be validly held and the related resolutions to be validly passed if all legal regulations and the Company's Articles of Association have been complied with. The Shareholders' Meetings are governed by legal regulations and by the Articles of Association, as well as by the Shareholders' Meeting regulation approved by the Ordinary Shareholders' Meeting, if any.
<b>Article 11</b>	<b>Article 11</b>
11.1 The minutes of the Shareholders' Meeting are drawn up in accordance with the law; they are approved and signed by the Chairman of the Shareholders' Meeting and by the Secretary or by the Notary Public if the latter was appointed to draw up the minutes.	11.1 The minutes of the Shareholders' Meeting are drawn up in accordance with the law; they are approved and signed by the Chairman of the Shareholders' Meeting and by the Secretary or by the Notary Public if the latter was appointed to draw up the minutes.
	<b><u>Administration and Control System</u></b> <b><u>Article 12</u></b> <u>12.1 The Company adopts a 'one-tier' system of administration and control pursuant to Articles 2409-sexiesdecies et seq. of the Italian Civil Code, consisting of a Board of Directors of three members who make up the Management Control Committee.</u>
<b>Board of Directors</b>	<b>Board of Directors</b>
<b>Article 12</b>	<b>Article 132</b>
12.1 The Company is managed by a Board of Directors consisting of not fewer than 7	132.1 The Company is managed by a Board of Directors consisting of not fewer than 7 (seven)

<p>(seven) and not more than 15 (fifteen) members. When appointing the members of the Board of Directors, the Ordinary Shareholders' Meeting establishes their number within the aforesaid limits and their term of office which must not exceed three financial years; conversely their term of office shall expire on the date of the Shareholders' Meeting convened to approve the financial statements of the last accounting period of their term of office. Board directors may be re-elected.</p>	<p>and not more than 15 (fifteen) members. When appointing the members of the Board of Directors, the Ordinary Shareholders' Meeting establishes their number within the aforesaid limits and their term of office which must not exceed three financial years; conversely their term of office shall expire on the date of the Shareholders' Meeting convened to approve the financial statements of the last accounting period of their term of office. Board directors may be re-elected.</p>
<p>12.2 Directors must possess the requisites envisaged by current legal requirements, the Articles of Association and other applicable regulations.</p>	<p><u>132.2</u> Directors must possess the requisites envisaged by current legal requirements, these Articles of Association and other applicable regulations.</p>
<p>Individuals cannot be appointed as Directors of the Company and, if they are appointed such appointment is void, unless they have gained at least three years' experience in:</p>	<p>Individuals cannot be appointed as Directors of the Company and, if they are appointed such appointment is void, unless they have gained at least three years' experience in:</p>
<p>a) administration and control activities or managerial tasks for companies limited by shares with a share capital in excess of €2 million (two million euros); or</p>	<p>a) administration and control activities or managerial tasks for companies limited by shares with a share capital in excess of €2 million (two million euros); or</p>
<p>b) professional activities or as university professor with permanent title teaching legal, economic, financial and technical-scientific subjects closely related to the Company's activity; or</p>	<p>b) professional activities or as university professor with permanent title teaching legal, economic, financial and technical-scientific subjects closely related to the Company's activity; or</p>
<p>c) managerial functions with public entities or local government offices operating in the credit, financial and insurance sector or, in any case, in sectors closely related to the one of the Company's activity.</p>	<p>c) managerial functions with public entities or local government offices operating in the credit, financial and insurance sector or, in any case, in sectors closely related to the one of the Company's activity.</p>
<p>The Directors must possess the requisites prescribed by <i>currently</i> applicable legal regulations; a minimum number of Directors equal to the minimum prescribed by legal regulations must possess the independence requisites set out in Article 148, paragraph 3, of Legislative Decree No. 58/1998.</p>	<p><u>Without prejudice to the foregoing,</u> Directors must possess the requisites prescribed by currently applicable legal regulations; <u>of them, at least one third (with a minimum in all cases of three and without prejudice to any greater a minimum number</u> <del>of Directors equal to the minimum number</del> <u>prescribed by legal regulations in force from time to time)</u> must possess the independence requisites set out in Article 148,</p>



	<p>paragraph 3, of Legislative Decree No. 58/1998 and of these, at least three must meet the requirements set out in Article 158, paragraph 4, of Legislative Decree No. 58/1998 <u>and of these, at least three must meet the requirements set out in Article 158, paragraph 4, of Legislative Decree No. 58/1998. In addition to the foregoing, at least one of the Directors must be enrolled in the register of statutory auditors.</u></p>
<p>If a Director no longer has the prescribed requisites his or her term of office shall immediately expire. If a Director falls short of the independence requisite described above his term of office does not expire if the minimum number of Directors prescribed by legal regulations still possesses such requisite.</p>	<p>If a Director no longer has the prescribed requisites his or her term of office shall immediately expire. If a Director falls short of the independence requisite <del>described above</del> <u>prescribed in Article 148, paragraph 3, of Legislative Decree 58/1998</u> his term of office does not expire if the minimum number of Directors prescribed by legal regulations <u>and these Articles of Association</u> still possesses such requisite.</p>
<p>12.3 The Directors are appointed by the ordinary shareholders' meeting, in accordance with the rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number.</p>	<p><del>12.3</del> 13.3 The Directors are appointed by the ordinary shareholders' meeting, in accordance with the rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number.</p>
<p>Each Shareholder, and the Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.</p>	<p>Each Shareholder, and the Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.</p>
<p>Shareholders are entitled to present lists only if, alone or with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital, or a different percentage that may be set by the law or other</p>	<p>Shareholders are entitled to present lists only if, alone or with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital, or a different, lower percentage that may be set by the law or other regulations. The lists</p>



<p>regulations. The lists submitted by Shareholders must be filed at the registered offices, without prejudice to any additional forms of advertising and filing procedures prescribed by regulatory provisions in force at any time, at least twenty days before the date set for the meeting in first call, and this to be mentioned in the meeting call. Ownership of the shareholding required, pursuant to the foregoing, for the purposes of submission of the list is determined having regard to the shares registered in the name of the Shareholder on the date on which the lists are filed with the issuer; certification of the same can also be submitted subsequent to filing the list, provided that this takes place within the deadline for the publication of such lists. Together with each list, the following shall be filed at the registered office, without prejudice to any other provisions in force at any time: (i) information concerning the identity of the Shareholders who presented the list; (ii) an abridged curriculum vitae of the candidates included in the list, containing the personal and professional details of each candidate; and (iii) the declarations made by each candidate whereby they accept their candidacy and attest, under their responsibility, that there are no grounds for ineligibility and incompatibility, as well as that they possess the requisites prescribed by the law and the Articles of Association for their respective positions, and that they are fit to qualify as independent Directors. The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.</p>	<p>submitted by Shareholders must be filed at the registered offices, without prejudice to any additional forms of advertising and filing procedures prescribed by regulatory provisions in force at any time, at least twenty days before the date set for the meeting in first call, and this to be mentioned in the meeting call. Ownership of the shareholding required, pursuant to the foregoing, for the purposes of submission of the list is determined having regard to the shares registered in the name of the Shareholder on the date on which the lists are filed with the issuer; certification of the same can also be submitted subsequent to filing the list, provided that this takes place within the deadline for the publication of such lists. Together with each list, the following shall be filed at the registered office, without prejudice to any other provisions in force at any time: (i) information concerning the identity of the Shareholders who presented the list; (ii) an abridged curriculum vitae of the candidates included in the list, containing the personal and professional details of each candidate; and (iii) the declarations made by each candidate whereby they accept their candidacy and attest, under their responsibility, that there are no grounds for ineligibility and incompatibility, as well as that they possess the requisites prescribed by the law and the Articles of Association for their respective positions, and <del>that there are</del> <u>any fitness requirements</u> to qualify as independent Directors <u>pursuant to Article 158, paragraph 3, of Legislative Decree No. 58/1998</u>. The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.</p>
<p>The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.</p>	<p>The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.</p>
<p>Each candidate may be included in one list only on pain of ineligibility. No candidates may be included in the lists who (without</p>	<p>Each candidate may be included in one list only on pain of ineligibility. No candidates may be included in the lists who (without prejudice to any</p>

<p>prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions. Each list may contain a number of candidates up to the maximum number of the members making up the Board of Directors indicated in the first paragraph of this Article and, among these, at least one candidate must possess the independence requisites set forth in the second paragraph of this Article.</p>	<p>other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions. Each list may contain a number of candidates up to the maximum number of the members making up the Board of Directors indicated in the first paragraph of this Article and, among these, at least one candidate must possess the independence requisites set forth in the second paragraph of this Article.</p>
<p>Lists with at least three candidates shall have candidates of both gender, in proportion to applicable regulations in force on gender balance. Each person entitled to vote may vote for one list only.</p>	<p>Lists with at least three candidates shall have candidates of both gender, in proportion to applicable regulations in force on gender balance. Each person entitled to vote may vote for one list only.</p>
<p>The procedure for appointing Directors is as follows:</p>	<p>The procedure for appointing Directors is as follows:</p>
<p>a) all the Directors but one are selected from the list that obtained the highest number of the votes in the sequential order in which they appear;</p>	<p>a) all the Directors but one are selected from the list that obtained the highest number of the votes in the sequential order in which they appear;</p>
<p>b) the other Director is selected from the minority list that is in no way connected, even indirectly, with the subjects who presented or voted the list at point a) and which obtained the highest number of the votes; the selected person will be the first candidate on the list out of all the candidates set out in sequential order.</p>	<p>b) <del>the other Director is selected</del> <u>The first candidate who possesses the requirements for membership of the Management Control Committee, shall be drawn, on the basis of the sequential order indicated therein, from the</u> minority list that is in no way connected, even indirectly, with the subjects who presented or voted <u>for</u> the list at point a) and which obtained the highest number of <del>the</del> votes; the selected person will be the first candidate on the list out of all the candidates set out in sequential order.</p>
<p>If the minority list at point b) did not obtain a percentage of votes equal to at least half of the required percentage, pursuant to what has been stated above, for the purpose of presenting the very same list, all the Directors to be appointed will be selected from the list at point a).</p>	<p>If the <del>minority</del> list <u>indicated in</u> point b) did not obtain a percentage of votes equal to at least half of the required percentage, pursuant to what has been stated above, for the purpose of presenting the very same list, all the Directors to be appointed will be selected from the list at point a).</p>
<p>If, by following the procedures indicated above, an insufficient number of Directors is</p>	<p>If, <del>by</del> following the procedures indicated above, <u>does not ensure an</u> <del>insufficient</del> number of</p>

<p>appointed with the necessary independence requisites set forth in the second paragraph of this Article and equal to the minimum number set by the law in relation to the overall number of Directors, the last non-independent Director appointed in sequential order from the list that obtained the highest number of votes, as per point a) above, will be replaced by the independent candidate appearing in sequential order on the same list, or, failing this, by the first independent candidate in sequential order that was not appointed from the other lists, based on the number of votes obtained by each list. This replacement procedure will continue until the Board of Directors has a number of members with the independence requisites prescribed by Article 148, paragraph 3 of Legislative Decree No. 58/1998 equal to the minimum number prescribed by legal regulations. If the aforesaid procedure does not ensure the last result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates possessing the aforesaid requisites.</p>	<p>Directors is appointed with the necessary independence requisites set forth in <del>the second paragraph of this Article</del> <u>Article 148, paragraph 3, of Legislative Decree 58/1998</u> and equal to the minimum number set by the law <del>in relation to the overall number of Directors, the last non-independent Director</del> <u>and by these Articles of Association, three of whom are also in possession of the further requirements for members of the Management Control Committee, the candidate that is not in possession of the said requirements</u> appointed in sequential order from the list that obtained the highest number of votes, as per point a) above, will be replaced by the <u>first independent candidate appearing in sequential order</u> on the same list <u>that is in possession of these requirements</u>, or, failing this, by the first <del>independent candidate in sequential order</del> <u>that was not appointed from the other lists that possesses these requirements</u>, based on the number of votes obtained by each list. This replacement procedure will continue until the Board of Directors has <del>at the minimum</del> <u>the minimum</u> number of members with the independence requisites <del>prescribed by</del> <u>pursuant to</u> Article 148, paragraph 3 of Legislative Decree No. 58/1998, <del>equal to the minimum number as</del> <u>prescribed by legal regulations and these Articles of Association, three of whom are also in possession of the further requirements of members of the Management Control Committee</u>. If the aforesaid procedure does not ensure the <del>last</del> result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates possessing the aforesaid requisites.</p>
<p>If, in addition, with the candidates elected in the manner described above, a composition of the Board of Directors compliant with legislation in force at any time concerning the balance between genders is not ensured, the candidate of the more represented gender elected as last in the sequential order in the list that received the most votes shall be</p>	<p>If, in addition, <del>with</del> the candidates elected in the manner described above, <del>do not ensure</del> <u>a composition of the Board of Directors that is compliant with legislation in force at any time concerning the balance between genders is not ensured</u>, the candidate of the more represented gender elected as last in the sequential order in the list that received the most votes shall be replaced</p>

<p>replaced by the first candidate of the less represented gender not elected from the same list according to the sequential order. This replacement procedure shall be repeated until a composition of the Board of Directors compliant with legislation in force at any time concerning the balance between genders has been ensured. If the aforementioned procedure does not ensure the last result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates belonging to the less represented gender.</p>	<p>by the first candidate of the less represented gender not elected from the same list according to the sequential order. This replacement procedure shall be repeated until a composition of the Board of Directors compliant with legislation in force at any time concerning the balance between genders has been ensured. If the aforementioned procedure does not ensure the <del>last</del> result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates belonging to the less represented gender.</p>
<p>12.4 If only one or no list is presented, the Shareholders' Meeting shall resolve according to the legally prescribed majorities, disregarding the above procedure but without prejudice to the provisions of the second paragraph of this Article and compliance with legislation in force at any time concerning the balance between genders.</p>	<p><del>12.4</del><u>13.4</u> If only one or no list is presented, the Shareholders' Meeting shall resolve according to the legally prescribed majorities, disregarding the above procedure <del>but without prejudice to the provisions of the second paragraph of this Article</del> <u>but in any case ensuring (i) the presence of the minimum number of independent directors pursuant to Article 158, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom shall be in possession of the further requirements as prescribed by current regulations and these Articles of Association for members of the Management Control Committee, and (ii)</u> <del>and</del> compliance with legislation in force at any time concerning the balance between genders.</p>
<p>12.5 Should one or more Directors cease to be in office during the financial year for whatever reason, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, pursuant to Article 2386 of the Italian civil code, the following procedure shall apply:</p>	<p><del>12.5</del><u>13.5</u> Should one or more Directors cease to be in office during the financial year for whatever reason, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting pursuant to Article 2386 of the Italian civil code, the following procedure shall apply:</p>
<p>i) the Board of Directors, by resolution approved by the Board of Statutory Auditors, shall appoint the replacing members by selecting the candidates (that are still eligible) from the same list of the Directors that ceased to be in office, in accordance with the</p>	<p><del>i)</del><u>ia)</u> the Board of Directors, <del>by resolution approved by the Board of Statutory Auditors,</del> shall appoint the replacing members by selecting the candidates (that are still eligible) from the same list <del>of</del> <u>as</u> the Directors that ceased to be in office, <del>in accordance with the provisions of the second</del></p>

<p>provisions of the second paragraph of this Article and in compliance with legislation in force at any time concerning the balance between genders, and the Shareholders' Meeting shall resolve, by the legally prescribed majorities, in accordance with the same principles;</p>	<p><del>paragraph of this Article and in compliance with legislation in force at any time concerning the balance between genders,</del> and the Shareholders' Meeting shall resolve, by the legally prescribed majorities, <del>in accordance with the same principles</del> in such a manner as to ensure (i) <u>the presence of the minimum number of independent directors pursuant to Article 148, paragraph 3 of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) compliance with the regulations in force concerning the balance between genders;</u></p>
<p>ii) if there are no candidates left from the aforesaid list that have not already been appointed, that is if by following the replacement procedure indicated at point i) the provisions of the second paragraph of this Article cannot be complied with, or else if the case mentioned in the fourth paragraph of this Article occurred, the Board of Directors, by resolution approved by the Board of Statutory Auditors, shall replace the Directors who ceased to be in office without complying with the provisions set forth in point i), as the Shareholders' Meeting always does in accordance with the legally prescribed majorities, however subject to the provisions of the second paragraph of this Article and compliance with legislation in force at any time concerning the balance between genders.</p>	<p><del>ii) if there are no candidates left from the aforesaid list that have not already been appointed, that is i.e. if by following the replacement procedure indicated at point i) the provisions of the second paragraph of this Article cannot be complied with</del> candidates possessing <u>the established requirements</u>, or else if the case mentioned in the fourth paragraph of this Article occurred, the Board of Directors, <del>by resolution approved by the Board of Statutory Auditors,</del> shall replace the Directors who ceased to be in office without complying with the provisions set forth in point <del>ia)</del>, <del>as and</del> the Shareholders' Meeting, <del>always does again</del> in accordance with the legally prescribed majorities, <u>shall proceed in all cases as to ensure (i) the presence of the minimum number of independent directors pursuant to Article 158, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) however subject to the provisions of the second paragraph of this Article and compliance with legislation in force at any time concerning the balance between genders.</u></p>
<p>If during the financial year one or more</p>	<p>If during the financial year one or more Directors</p>



<p>Directors cease to be in office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, the latter has however the right to pass a resolution to reduce the number of Board members to the number of Directors in office for the unexpired term of their mandate, provided that the provisions of the second paragraph of this Article and legislation in force at any time concerning the balance between genders are complied with and that the Director selected from the minority list as stated in the third paragraph, letter b) of this Article did not cease to be in office (if previously appointed).</p>	<p>cease to be in office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, the latter has however the right to pass a resolution to reduce the number of Board members to the number of Directors in office for the unexpired term of their mandate, <del>provided that the provisions of the second paragraph of this Article so as to ensure in all cases</del> <u>(i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) compliance with the</u> legislation in force at any time concerning the balance between genders <del>are complied with and that the Director selected from the minority list as stated in the third paragraph, letter b) of this Article did not cease to be in office (if previously appointed).</del></p>
<p>12.6 Should the number of Directors appointed by the Shareholders' Meeting fall short of the majority, the entire Board shall be deemed to have resigned and a Shareholders' Meeting must be convened without delay by the Directors still in office so as to reconstitute the Board.</p>	<p><del>12.6</del><u>13.6</u> Should the number of Directors appointed by the Shareholders' Meeting fall short of the majority, the entire Board <u>of Directors</u> shall be deemed to have resigned and a Shareholders' Meeting must be convened without delay by the Directors still in office so as to reconstitute the Board.</p>
<p>12.7 If the fixed number of Directors is lower than the maximum provided for in the first paragraph of this Article, during the term of office of the Board the Shareholders' Meeting may increase that number up to the maximum limit set forth in the aforesaid first paragraph. The other members of the Board will be appointed according to the following procedure:</p>	<p><del>12.7</del><u>13.7</u> If the fixed number of Directors is lower than the maximum provided for in the first paragraph of this Article, during the term of office of the Board the Shareholders' Meeting may increase that number up to the maximum limit set forth in the aforesaid first paragraph. The other members of the Board will be appointed according to the following procedure:</p>
<p>(i) the additional Directors are selected from the list that obtained the highest number of votes when appointing the members currently in office, among the candidates that are still eligible, subject to compliance with</p>	<p><del>(i)</del><u>(ia)</u> the additional Directors are selected from the list that obtained the highest number of votes when appointing the members currently in office, among the candidates that are still eligible, <u>subject to and the Shareholders' Meeting shall resolve, by</u></p>

<p>legislation in force at any time concerning the balance between genders, and the Shareholders' Meeting shall resolve, by the legally prescribed majorities, in accordance with that principle;</p>	<p><u>the legally required majorities, to ensure in all cases (i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee, and (ii) compliance with legislation in force at any time concerning the balance between genders, and the Shareholders' Meeting shall resolve, by the legally prescribed majorities, in accordance with that principle;</u></p>
<p>ii) if there are no candidates left from the aforesaid list that have not already been appointed, or if the case provided for in the fourth paragraph of this Article applies, the Shareholders' Meeting shall proceed with the appointments without complying with the provisions set forth at point i), in accordance with the legally prescribed majorities, subject to compliance with legislation in force at any time concerning the balance between genders.</p>	<p><del>ii</del>b) if there are no candidates left from the aforesaid list that have not already been appointed, or if the case provided for in the fourth paragraph of this Article applies, the Shareholders' Meeting shall proceed with the appointments without complying with the provisions set forth at point <del>ia</del>a), in accordance with the legally prescribed majorities, <u>to ensure in all cases (i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) subject</u> to compliance with legislation in force at any time concerning the balance between genders.</p>
<p><b>Article 13</b></p>	<p><b>Article <del>13</del>14</b></p>
<p>13.1 The Board of Directors shall appoint the Chairman from among its members unless the Shareholders' Meeting failed to do so; it may also appoint one or more Deputy Chairmen. The Board shall also appoint a Secretary who need not be selected from among its members.</p>	<p><del>13.1</del><u>14.1</u> The Board of Directors shall appoint the Chairman from among its members unless the Shareholders' Meeting failed to do so; it may also appoint one or more Deputy Chairmen. The Board shall also appoint a Secretary who need not be selected from among its members.</p>
<p><b>Article 14</b></p>	<p><b>Article <del>14</del>15</b></p>
<p>14.1 The Chairman – or his substitute pursuant to the seventh paragraph of this</p>	<p><del>14.1</del><u>15.1</u> The Chairman – or his substitute pursuant to the seventh paragraph of this Article</p>

<p>Article – shall convene the Board of Directors by letter sent, either via fax or other appropriate communication means, to the domicile of each Director and Standing Auditor.</p>	<p>– shall convene the Board of Directors by letter sent, either via fax or other appropriate communication means, to the domicile of each Director and Standing Auditor.</p>
<p>14.2 The notice of the meeting stating the agenda, date, time, venue and other possible locations from where it will be possible to take part to the meeting via videoconference must be sent to the domicile of each Director and Standing Auditor at least three days before the date fixed for the meeting. For urgent matters the Board of Directors may be convened by telegram, fax, email or other telematic means at least twenty-four hours before the date of the meeting.</p>	<p><del>14.2</del><u>15.2</u> The notice of the meeting stating the agenda, date, time, venue and other possible locations from where it will be possible to take part to the meeting via videoconference must be sent to the domicile of each Director <del>and Standing Auditor</del> at least three days before the date fixed for the meeting. For urgent matters the Board of Directors may be convened by telegram, fax, email or other telematic means at least twenty-four hours before the date of the meeting.</p>
<p>14.3 The Chairman coordinates the work of the Board of Directors and ensures that adequate information about the items on the agenda is provided to all the Directors, taking account of the relevant circumstances.</p>	<p><del>14.3</del><u>15.3</u> The Chairman coordinates the work of the Board of Directors and ensures that adequate information about the items on the agenda is provided to all the Directors, taking account of the relevant circumstances.</p>
<p>14.4 The Board of Directors is convened at the Company's registered head office or other place, as long as within the national boundaries, every time the Chairman – or his substitute pursuant to the seventh paragraph of this Article – deems it fit or when it is so requested by the Managing Director, if appointed, or by at least three Directors, without prejudice to the powers to convene a meeting assigned to other subjects in accordance with legal regulations.</p>	<p><del>14.4</del><u>15.4</u> The Board of Directors is convened at the Company's registered head office or other place, as long as within the national boundaries, every time the Chairman – or his substitute pursuant to the seventh paragraph of this Article – deems it fit or when it is so requested by the Managing Director, if appointed, or by at least three Directors, without prejudice to the powers to convene a meeting assigned to other subjects in accordance with legal regulations.</p>
<p>14.5 Those attending the Board meeting may take part by long-distance network via video or teleconference. In that case, all participants must be able to be identified and must, nevertheless, be guaranteed that they will participate and express their opinion in real time as well as receive, transmit and see documentation that they have not examined before; they must also be guaranteed the simultaneous examination, participation and passing of resolutions. The Directors and</p>	<p><del>14.5</del><u>15.5</u> <del>Those attending Meetings of the Board of Directors meeting may take part by</del> <u>may, where permitted by regulations in force at the time, also be held over</u> long-distance networks via video or teleconference. <del>In that case, all participants must participate, be able to</del> <u>can</u> be identified and <del>must, nevertheless, be guaranteed that they will</del> <u>can</u> participate and express their opinion in real time as well as receive, transmit and see documentation that they have not examined before; they must</p>



Statutory Auditors connected by a long-distance network must be able to avail of the same documentation distributed to those attending the meeting at the official meeting venue. The meeting of the Board of Directors is deemed to have been held at the place where the Chairman and the Secretary are located and must work jointly.	also be guaranteed the simultaneous examination, participation and passing of resolutions. <del>The Directors and Statutory Auditors connected by a long distance network must be able to avail of the same documentation distributed to those attending the meeting at the official meeting venue. The meeting of the Board of Directors is deemed to have been held at the place where the Chairman and the Secretary are located and must work jointly.</del>
14.6 Meetings are deemed to have been validly held even if not convened according to the aforesaid procedure provided that all the Directors and the members of the Board of Statutory Auditors attend.	<del>14.6</del> <u>15.6</u> Meetings are deemed to have been validly held even if not convened according to the aforesaid procedure provided that all the Directors <del>and the members of the Board of Statutory Auditors</del> attend.
14.7 The meetings of the Board of Directors are chaired by the Chairman or, if absent or unavailable for any other reason, by the sole Deputy Chairman, or if there is more than one Deputy Chairman, by the longest serving one attending and, in case of a tie, by the most senior in age.	<del>14.7</del> <u>15.7</u> The meetings of the Board of Directors are chaired by the Chairman or, if absent or unavailable for any other reason, by the sole Deputy Chairman, or if there is more than one Deputy Chairman, by the longest serving one attending and, in case of a tie, by the most senior in age.
If both the Chairman and the sole Deputy Chairman, or all the Deputy Chairmen are absent or unavailable for any other reason, the meeting is chaired by the attending Director considered to be the most senior by reference to the aforesaid criteria.	If both the Chairman and the sole Deputy Chairman, or all the Deputy Chairmen are absent or unavailable for any other reason, the meeting is chaired by the attending Director considered to be the most senior by reference to the aforesaid criteria.
If the Secretary is absent or unavailable for any other reason, the Board shall decide upon his substitute.	If the Secretary is absent or unavailable for any other reason, the Board shall decide upon his substitute.
<b>Article 15</b>	<b>Article <del>15</del><u>16</u></b>
15.1 Resolutions passed by the Board of Directors are deemed to be valid only if the majority of the members in office voted in favour of such resolutions.	<del>15.1</del> <u>16.1</u> Resolutions passed by the Board of Directors are deemed to be valid only if the majority of the members in office voted in favour of such resolutions.
15.2 The resolutions are passed by the majority of voters and that excludes abstentions. In case of tie votes the chairing person shall cast the deciding vote.	<del>15.2</del> <u>16.2</u> The resolutions are passed by the majority of voters and that excludes abstentions. In case of tie votes the chairing person shall cast the deciding vote.
15.3 Voting must take place by open vote.	<del>15.3</del> <u>16.3</u> Voting must take place by open vote.
<b>Article 16</b>	<b>Article <del>16</del><u>17</u></b>
16.1 The resolutions of the Board of	<del>16.1</del> <u>17.1</u> The resolutions of the Board of

Directors must be minuted, recorded in an apposite book and signed by the Chairman chairing the meeting and the Secretary.	Directors must be minuted, recorded in an apposite book and signed by the Chairman chairing the meeting and the Secretary.
<b>Article 17</b>	<b>Article <del>17</del>18</b>
17.1 The Board of Directors has the widest possible powers to manage the Company, and to that end it may pass resolutions or take any action it will deem necessary or useful to achieve the Company object, with the exception of what is reserved to the Shareholders' Meeting by law or the Articles of Association.	<del>17.1</del> 18.1 The Board of Directors has the widest possible powers to manage the Company, and to that end it may pass resolutions or take any action it will deem necessary or useful to achieve the Company object, with the exception of what is reserved to the Shareholders' Meeting by law or the Articles of Association.
Pursuant to Article 2436 of the Italian civil code, the Board of Directors has also the power to pass resolutions concerning:	Pursuant to Article 2436 of the Italian civil code, the Board of Directors has also the power to pass resolutions concerning:
mergers or demergers that are defined "simplified" pursuant to Articles 2505, 2505-bis, 2506-ter, last paragraph of the Italian civil code;	mergers or demergers that are defined "simplified" pursuant to Articles 2505, 2505-bis, 2506-ter, last paragraph of the Italian civil code;
the opening or closing of branches;	the opening or closing of branches;
the transfer of the registered head office within the national territory;	the transfer of the registered head office within the national territory;
which board directors are to be empowered to represent the Company legally;	which board directors are to be empowered to represent the Company legally;
share capital reduction due to withdrawal;	share capital reduction due to withdrawal;
updating the Articles of Association to comply with new legal regulations,	updating the Articles of Association to comply with new legal regulations,
it being understood that such resolutions may nevertheless be passed by the Extraordinary Shareholders' Meeting.	it being understood that such resolutions may nevertheless be passed by the Extraordinary Shareholders' Meeting.
17.2 The Directors report promptly to the Board of Statutory Auditors on any activity carried out and any major economic, financial and asset-based transaction carried out by the Company or its subsidiaries, reporting in particular on the transactions in which they have vested interest, either for their own account or on behalf of third parties, or that have been influenced by the subject who carries out management and coordination activities, when holding Board of Directors meetings, also convened on purpose and, nevertheless, at least on a quarterly basis. If	<del>17.2</del> 18.2 The <del>Directors-delegated bodies</del> report promptly to the <del>Board of Statutory Auditors</del> Board of Directors, and therefore the <del>Management Control Committee</del> on any activity carried out and any major economic, financial and asset-based transaction carried out by the Company or its subsidiaries, reporting in particular on the transactions in which they have vested interest, either for their own account or on behalf of third parties, or that have been influenced by the subject who carries out management and coordination activities, <del>when holding Board of Directors meetings, also</del>

<p>special circumstances should require, the communication may be made also in writing to each Statutory Auditor.</p>	<p><del>convened on purpose and, nevertheless, The communication is made promptly and</del> at least on a quarterly basis. <del>If special circumstances should require, the communication may be made also in writing to each Statutory Auditor.</del></p>
<p>17.3 The Board of Directors, subject to obtaining the mandatory opinion of the Board of Statutory Auditors, appoints and revokes the appointment of the manager responsible for preparing the Company's financial reports, who is assigned the powers and functions prescribed by law and other applicable provisions, as well as the powers and functions established by the Board at the time of appointment or by subsequent resolution. The Board of Directors is also responsible for fixing the remuneration of the aforesaid manager. The manager responsible for preparing the Company's financial reports must possess not only the respectability requisites prescribed by current legal regulations for those who hold administration and managerial positions, but also professionalism requisites characterised by specific competence in administration and accounting. This competence, to be verified by the Board of Directors, must be gained through work experience gained in positions of adequate responsibility for a reasonable period of time.</p>	<p><del>17.3</del>18.3 The Board of Directors, subject to obtaining the mandatory opinion of the <del>Board of Statutory Auditors</del>Management Control Committee, appoints and revokes the appointment of the manager responsible for preparing the Company's financial reports, who is assigned the powers and functions prescribed by law and other applicable provisions, as well as the powers and functions established by the Board at the time of appointment or by subsequent resolution. The Board of Directors is also responsible for fixing the remuneration of the aforesaid manager. The manager responsible for preparing the Company's financial reports must possess not only the respectability requisites prescribed by current legal regulations for those who hold administration and managerial positions, but also professionalism requisites characterised by specific competence in administration and accounting. This competence, to be verified by the Board of Directors, must be gained through work experience gained in positions of adequate responsibility for a reasonable period of time.</p>
<p>17.4 The Board of Directors – within the limits set by the law and the Articles of Association – may delegate its powers and responsibilities to an Executive Committee. It may also delegate, within the same limits, part of its powers and responsibilities to the Chairman and/or other members of the Board, as well as appoint one or more Managing Directors who can be assigned the aforesaid powers and responsibilities. The delegated bodies have the power to grant, as part of their powers and for single transactions or categories of transactions, delegations to Company's employees and</p>	<p><del>17.4</del>18.4 The Board of Directors – within the limits set by the law and the Articles of Association – may delegate its powers and responsibilities to an Executive Committee. It may also delegate, within the same limits, part of its powers and responsibilities to the Chairman and/or other members of the Board, as well as appoint one or more Managing Directors who can be assigned the aforesaid powers and responsibilities. The delegated bodies have the power to grant, as part of their powers and for single transactions or categories of transactions, delegations to Company's employees and power of attorney to third parties and, in both cases, with</p>

power of attorney to third parties and, in both cases, with the right to sub-delegate or grant power of attorney.	the right to sub-delegate or grant power of attorney.
17.5 The Board of Directors may appoint one or more General Managers, fixing their tasks and remunerations.	<del>17.5</del> 18.5 The Board of Directors may appoint one or more General Managers, fixing their tasks and remunerations.
17.6 The Board of Directors may also set up Committees charged with making recommendations or act as consultants for the Board which will fix their competences, powers and operating rules.	<del>17.6</del> 18.6 The Board of Directors may also set up Committees charged with making recommendations or act as consultants for the Board which will fix their competences, powers and operating rules.
17.7 The delegated bodies report adequately and promptly to the Board of Directors and the Board of Statutory Auditors on the activity carried out, on the Company's overall performance and expected developments, as well as on major transactions carried out by the Company and its subsidiaries in terms of size and characteristics, reporting in particular on transactions in which they have a vested interest, either for their own account or on behalf of third parties, or that have been influenced by the subject who carries out management and coordination activities, when holding Board of Directors meetings, also convened on purpose and, nevertheless, at least on a quarterly basis. If special circumstances should require, the communication may be made also in writing to each Statutory Auditor.	<del>17.7 The delegated bodies report adequately and promptly to the Board of Directors and the Board of Statutory Auditors on the activity carried out, on the Company's overall performance and expected developments, as well as on major transactions carried out by the Company and its subsidiaries in terms of size and characteristics, reporting in particular on transactions in which they have a vested interest, either for their own account or on behalf of third parties, or that have been influenced by the subject who carries out management and coordination activities, when holding Board of Directors meetings, also convened on purpose and, nevertheless, at least on a quarterly basis. If special circumstances should require, the communication may be made also in writing to each Statutory Auditor.</del>
<b>Article 18</b>	<b>Article <del>18</del>19</b>
18.1 The Directors are entitled to reimbursement of expenses incurred in the performance of their functions. They are also entitled to an annual fee that is approved by resolution of the Ordinary Shareholders' Meeting that appoints them and remains unchanged until differently resolved by the Shareholders' Meeting.	<del>18.1</del> 19.1 The Directors are entitled to reimbursement of expenses incurred in the performance of their functions. They are also entitled to an annual fee that is approved by resolution of the Ordinary Shareholders' Meeting that appoints them and remains unchanged until differently resolved by the Shareholders' Meeting.
18.2 The Board of Directors, after consulting with the Board of Statutory Auditors, fixes the remuneration of the Chairman or of the Deputy Chairman/Chairmen, of the	<del>18.2</del> 19.2 The Board of Directors, after consulting with the <del>Board of Statutory Auditors</del> Management Control Committee, fixes the remuneration of the Chairman or of the Deputy Chairman/Chairmen,

Managing Directors and the members of the Executive Committee.	of the Managing Directors and the members of the Executive Committee.
18.3 Alternatively, the Shareholders' Meeting may fix an overall amount for the remuneration of all the Directors, including those holding special positions, the allocation of the amount being established by the Board of Directors after consulting with the Board of Statutory Auditors.	<del>18.3</del> <u>19.3</u> Alternatively, the Shareholders' Meeting may fix an overall amount for the remuneration of all the Directors, including those holding special positions, the allocation of the amount being established by the Board of Directors after consulting with the <del>Board of Statutory Auditors</del> <u>Management Control Committee</u> .
<b>Executive Committee</b>	<b>Executive Committee</b>
<b>Article 19</b>	<b>Article <del>19</del><u>20</u></b>
19.1 The Board of Directors may appoint an Executive Committee, establishing beforehand its duration and composition (not less than three members). The number of Board members includes, as members by rights, the Chairman and the Managing Director or Managing Directors, if more than one, if appointed.	<del>19.1</del> <u>20.1</u> The Board of Directors may appoint an Executive Committee, establishing beforehand its duration and composition (not less than three members). The number of Board members includes, as members by rights, the Chairman and the Managing Director or Managing Directors, if more than one, if appointed.
19.2 The Secretary of the Committee is the same as the one of the Board of Directors, unless differently resolved by the Committee itself.	<del>19.2</del> <u>20.2</u> The Secretary of the Committee is the same as the one of the Board of Directors, unless differently resolved by the Committee itself.
<b>Article 20</b>	<b>Article <del>20</del><u>21</u></b>
20.1 The meetings of the Executive Committee are convened pursuant to the first, second and third paragraph of Article 14 above. It meets whenever the Chairman deems it fit or upon request by a Managing Director, if appointed, or by at least two members, without prejudice to the powers to convene meetings assigned to other subjects in accordance with the law. The meetings are attended by the Board of Statutory Auditors.	<del>20.1</del> <u>21.1</u> The meetings of the Executive Committee are convened pursuant to the first, second and third paragraph of Article <del>14</del> <u>15</u> above. It meets whenever the Chairman deems it fit or upon request by a Managing Director, if appointed, or by at least two members, without prejudice to the powers to convene meetings assigned to other subjects in accordance with the law. <del>The meetings are attended by the Board of Statutory Auditors.</del>
20.2 Those attending the meeting of the Executive Committee may take part by long-distance network via video or teleconference in accordance with the provisions of the fifth paragraph of Article 14. The Directors and Statutory Auditors connected by a long-distance network must be able to avail of the same documentation distributed to those attending the meeting at the official meeting	<del>20.2</del> <u>21.2</u> <del>Those attending the m</del> Meetings of the Executive Committee may <u>also</u> take <del>part place,</del> <u>where permitted by the legislation in force at the time, exclusively</u> by long-distance network via video or teleconference in accordance with the provisions of the fifth paragraph of Article <del>14</del> <u>15</u> . <del>The Directors and Statutory Auditors</del> connected by a long-distance network must be able to avail of the same documentation distributed to those

venue.	attending the meeting at the official meeting venue.
20.3 The rules for convening meetings of the Executive Committee and its operating procedures are regulated by applicable legal provisions and, failing these, by apposite regulation approved by the Board of Directors.	<del>20.3</del> <u>21.3</u> The rules for convening meetings of the Executive Committee and its operating procedures are regulated by applicable legal provisions and, failing these, by apposite regulation approved by the Board of Directors.
<b>Article 21</b>	<b>Article <del>21</del><u>22</u></b>
21.1 The Executive Committee passes valid resolutions only if the majority of its members in office attend the related meeting. Resolutions are passed by the absolute majority of voters, excluding abstentions, and in case of tie votes, the chairing person shall cast the deciding vote.	<del>21.1</del> <u>22.1</u> The Executive Committee passes valid resolutions only if the majority of its members in office attend the related meeting. Resolutions are passed by the absolute majority of voters, excluding abstentions, and in case of tie votes, the chairing person shall cast the deciding vote.
<b>Article 22</b>	<b>Article <del>22</del><u>23</u></b>
22.1 The resolutions of the Executive Committee must be minuted, recorded in an apposite book and signed by the Chairman and the Secretary.	<del>22.1</del> <u>23.1</u> The resolutions of the Executive Committee must be minuted, recorded in an apposite book and signed by the Chairman and the Secretary.
<b>Legal representatives</b>	<b>Legal representatives</b>
<b>Article 23</b>	<b>Article <del>23</del><u>24</u></b>
23.1 The Chairman and, if absent or unavailable - even temporarily - for any other reason, the Deputy Chairman or each of the Deputy Chairmen, if there is more than one, the precedence being given pursuant to the seventh paragraph of Article 14, represent the Company vis-à-vis third parties and in court and are the Company's authorised signatories; also the Managing Director or Managing Directors, if appointed, are responsible for the above within the limits of their delegated powers.	<del>23.1</del> <u>24.1</u> The Chairman and, if absent or unavailable - even temporarily - for any other reason, the Deputy Chairman or each of the Deputy Chairmen, if there is more than one, the precedence being given pursuant to the seventh paragraph of Article 14, represent the Company vis-à-vis third parties and in court and are the Company's authorised signatories; also the Managing Director or Managing Directors, if appointed, are responsible for the above within the limits of their delegated powers.
23.2 The substitute's signature shall be evidence, vis-à-vis third parties, of the absence or unavailability of the person he is replacing.	<del>23.2</del> <u>24.2</u> The substitute's signature shall be evidence, vis-à-vis third parties, of the absence or unavailability of the person he is replacing.
23.3 If necessary, the Board may also appoint attorneys from outside the Company to carry out specific transactions through apposite power of attorney.	<del>23.3</del> <u>24.3</u> If necessary, the Board may also appoint attorneys from outside the Company to carry out specific transactions through apposite power of attorney.



<b>Board of Statutory Auditors - Audit</b>	<b><del>Board of Statutory Auditors – Audit Management Control Committee</del></b>
<b>Article 24</b>	<b>Article <del>24</del>25</b>
<p>24.1 The Board of Statutory Auditors is made up of three Standing Auditors and two Alternate Auditors who remain in office for three financial years until the date of the Shareholders' Meeting held to approve the financial statements of the last financial year of their office and may be reappointed. The Statutory Auditors must possess the requisites prescribed by law, the Articles of Association and other applicable legal provisions concerning also the limit to the number of positions held. Pursuant to Article 1, third paragraph of Ministerial Decree No. 162 issued by the Ministry of Justice on 30 March 2000, subjects (legal, economic, financial and technical-scientific) and sectors of activity shall be considered as being closely related to the business carried out by the Company if they are connected with or relate to the Company's activity and its object.</p>	<p><del>24.1 The Board of Statutory Auditors is made up of three Standing Auditors and two Alternate Auditors who remain in office for three financial years until the date of the Shareholders' Meeting held to approve the financial statements of the last financial year of their office and may be reappointed. The Statutory Auditors must possess the requisites prescribed by law, the Articles of Association and other applicable legal provisions concerning also the limit to the number of positions held.</del> <u>25.1 The Management Control Committee is composed of three members appointed by the Board of Directors from among its members in accordance with the provisions of the laws in force and these Articles of Association. The members of the Management Control Committee must possess the requirements of professionalism and integrity provided for by the regulations in force, the requirements of independence prescribed in Article 148, paragraph 3, of Legislative Decree No. 58/1998, and comply with the regulations on the limits on the accumulation of offices. At least one member of the Management Control Committee must be enrolled in the register of statutory auditors.</u> Pursuant to Article 1, third paragraph of Ministerial Decree No. 162 issued by the Ministry of Justice on 30 March 2000, subjects (legal, economic, financial and technical-scientific) and sectors of activity shall be considered as being closely related to the business carried out by the Company if they are connected with or relate to the Company's activity and its object.</p>
<p>24.2 The Board of Statutory Auditors is appointed by the ordinary shareholders' meeting, in accordance with the rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number. The list is made up of two sections: one for the candidates to be</p>	<p><del>24.2 The Board of Statutory Auditors is appointed by the ordinary shareholders' meeting, in accordance with the rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number. The list is made up of two sections: one for the candidates to be appointed as Statutory auditors, the other one for the candidates to be appointed</del></p>

appointed as Statutory auditors, the other one for the candidates to be appointed as Alternate auditors.

as Alternate auditors-

25.2 The role of Chairman of the Management Control Committee is exercised by the director drawn from the minority list, pursuant to Article 13 above, or by the person appointed in his or her absence and/or replacement, again pursuant to Article 13. If no list is presented, the Chairman is elected by the Management Control Committee from among its members.

25.3 If one or more members of the Management Control Committee cease to possess any of the requirements prescribed by laws in force and by these Articles of Association, including enrolment in the register of statutory auditors, they shall be disqualified from holding office. The loss of one of the said requirements by a member of the Management Control Committee shall also result in his or her disqualification as a Director unless, if he or she is a member drawn from the majority list, among the other Directors in office there is at least one who meets the requirements provided for by regulations in force to replace him or her as a member of the Management Control Committee. In the latter case, the member of the Management Control Committee who has ceased to hold office shall retain the office of Director. If a member of the Management Control Committee ceases to serve as a Director for any reason, the rules set forth in Article 13 above shall apply to his or her replacement, in compliance with the regulations in force. If, on the other hand, during the course of the financial year, one or more members of the Management Control Committee who have not ceased to be a Director must be replaced, the Board of Directors, in compliance with the regulations in force and these Articles of Association, shall proceed to appoint a replacement in accordance with the provisions of this Article, in order to ensure that the members of the Management Control Committee meet the requirements of regulations in force and these Articles of Association.

25.4 It is the responsibility of the Ordinary Shareholders' Meeting to establish, at the time of appointment of the Board of Directors, a specific additional fee for the members of the



	<u>Management Control Committee, to be determined in each case as a fixed and equal amount, but with a specifically increased fee for the Chairman.</u>
Lists with a total of at least three candidates shall have candidates of both gender, in proportion to applicable regulations in force on gender balance, as regards positions for both standing auditors and alternate auditors. Each Shareholder, and the Shareholders taking part in a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.	<del>Lists with a total of at least three candidates shall have candidates of both gender, in proportion to applicable regulations in force on gender balance, as regards positions for both standing auditors and alternate auditors. Each Shareholder, and the Shareholders taking part in a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.</del>
Shareholders are entitled to present lists only if, alone or with other Shareholders, they hold shares with voting rights representing at least 2.5% (two point five per cent) of the share capital with voting rights at the Ordinary Shareholders' Meeting, or a different percentage that may be fixed by the law or other regulations.	<del>Shareholders are entitled to present lists only if, alone or with other Shareholders, they hold shares with voting rights representing at least 2.5% (two point five per cent) of the share capital with voting rights at the Ordinary Shareholders' Meeting, or a different percentage that may be fixed by the law or other regulations.</del>
The lists submitted by Shareholders must be filed at the registered offices, without prejudice to any additional forms of filing procedures prescribed by regulatory provisions in force at any time, at least twenty-five days before the date set for the meeting in first call, and this to be mentioned in the meeting call.	<del>The lists submitted by Shareholders must be filed at the registered offices, without prejudice to any additional forms of filing procedures prescribed by regulatory provisions in force at any time, at least twenty-five days before the date set for the meeting in first call, and this to be mentioned in the meeting call.</del>
The lists must be presented along with:	<del>The lists must be presented along with:</del>
a) information concerning the identity of the Shareholders' who presented the lists indicating the overall ownership percentage held; ownership of the overall shareholding held, determined having regard to the shares registered in the name of the Shareholder on	<del>a) information concerning the identity of the Shareholders' who presented the lists indicating the overall ownership percentage held; ownership of the overall shareholding held, determined having regard to the shares registered in the name of the Shareholder on the date on which the lists</del>

the date on which the lists are filed with the issuer, is certified, even after the filing of the lists, according to the deadlines and procedures provided for by legislation, also regulatory, in force at any time;	<del>are filed with the issuer, is certified, even after the filing of the lists, according to the deadlines and procedures provided for by legislation, also regulatory, in force at any time;</del>
b) a declaration by Shareholders other than those holding, also jointly, a controlling or relative majority stake, attesting that there are no relationships with the latter as set out by law or other applicable regulations;	<del>b) a declaration by Shareholders other than those holding, also jointly, a controlling or relative majority stake, attesting that there are no relationships with the latter as set out by law or other applicable regulations;</del>
c) comprehensive information on the personal characteristics of the candidates, as well as a declaration issued by the same candidates attesting, under their own responsibility, that (i) there are no grounds of ineligibility and incompatibility, (ii) they possess the requisites prescribed by the law and (iii) they accept their candidacy, and lastly the list of management and control positions held in other companies.	<del>e) comprehensive information on the personal characteristics of the candidates, as well as a declaration issued by the same candidates attesting, under their own responsibility, that (i) there are no grounds of ineligibility and incompatibility, (ii) they possess the requisites prescribed by the law and (iii) they accept their candidacy, and lastly the list of management and control positions held in other companies.</del>
The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.	<del>The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.</del>
The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.	<del>The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.</del>
No candidates may be included in the lists who (without prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions.	<del>No candidates may be included in the lists who (without prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions.</del>
Each candidate may be included in one list only on pain of ineligibility.	<del>Each candidate may be included in one list only on pain of ineligibility.</del>
Outgoing Statutory Auditors may be reappointed.	<del>Outgoing Statutory Auditors may be reappointed.</del>
Each person entitled to vote may vote for one list only.	<del>Each person entitled to vote may vote for one list only.</del>
The procedure for appointing the Statutory Auditors is as follows:	<del>The procedure for appointing the Statutory Auditors is as follows:</del>
a) two Standing auditors and an Alternate	<del>a) two Standing auditors and an Alternate auditor</del>

auditor are selected from the list which obtained the highest number of votes at the Shareholders' Meeting based on the sequential order in which they appear in the sections of the list;	<del>are selected from the list which obtained the highest number of votes at the Shareholders' Meeting based on the sequential order in which they appear in the sections of the list;</del>
b) one Standing auditors and the other Alternate auditor are selected from the second list which obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to the law and other applicable regulations, is not connected, even indirectly, with the subjects who presented or voted the list which obtained the highest number of votes, based on the sequential order in which they appear in the sections of the list.	<del>b) one Standing auditors and the other Alternate auditor are selected from the second list which obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to the law and other applicable regulations, is not connected, even indirectly, with the subjects who presented or voted the list which obtained the highest number of votes, based on the sequential order in which they appear in the sections of the list.</del>
If there is a tie among two or more lists the Statutory Auditors appointed will be the most senior in age.	<del>If there is a tie among two or more lists the Statutory Auditors appointed will be the most senior in age.</del>
The Chair of the Board of Statutory Auditors shall be the Standing Auditor selected from the second list that obtained the highest number of votes pursuant to point b) above.	<del>The Chair of the Board of Statutory Auditors shall be the Standing Auditor selected from the second list that obtained the highest number of votes pursuant to point b) above.</del>
If with the procedures described above, a composition of the Board of Statutory Auditors, in terms of its statutory members, compliant with legislation in force at any time concerning the balance between genders is not ensured, the necessary replacements shall be made, within the scope of candidates for the office of Statutory Auditor of the list which obtained the greatest number of votes, according to the sequential order in which the candidates are listed.	<del>If with the procedures described above, a composition of the Board of Statutory Auditors, in terms of its statutory members, compliant with legislation in force at any time concerning the balance between genders is not ensured, the necessary replacements shall be made, within the scope of candidates for the office of Statutory Auditor of the list which obtained the greatest number of votes, according to the sequential order in which the candidates are listed.</del>
Statutory Auditors cease to be in office in the cases prescribed by law when the auditor no longer has the mandatory requisites necessary for his office.	<del>Statutory Auditors cease to be in office in the cases prescribed by law when the auditor no longer has the mandatory requisites necessary for his office.</del>
In the event of replacement of a Statutory Auditor, the alternate auditor belonging to the same list as that ceased shall take his/her place, in compliance with that provided for above for the appointment of the Chairman	<del>In the event of replacement of a Statutory Auditor, the alternate auditor belonging to the same list as that ceased shall take his/her place, in compliance with that provided for above for the appointment of the Chairman and legislation in</del>

and legislation in force at any time concerning the balance between genders.	<del>force at any time concerning the balance between genders.</del>
The previous provisions regarding the appointment of Statutory Auditors do not apply to Shareholders' Meetings in respect of which only one list is presented or voted; in such cases the Shareholders' Meeting resolves by relative majority, without prejudice to compliance with legislation in force at any time concerning the balance between genders.	<del>The previous provisions regarding the appointment of Statutory Auditors do not apply to Shareholders' Meetings in respect of which only one list is presented or voted; in such cases the Shareholders' Meeting resolves by relative majority, without prejudice to compliance with legislation in force at any time concerning the balance between genders.</del>
If, by the end of the period set for presenting the lists, only one list, or only lists presented by 'related' Shareholders pursuant to currently applicable law and other regulations have been presented, lists may be presented within the term provided by the laws and regulations applicable from time to time In this case, the minimum share ownership thresholds applicable for filing slates will be halved.	<del>If, by the end of the period set for presenting the lists, only one list, or only lists presented by 'related' Shareholders pursuant to currently applicable law and other regulations have been presented, lists may be presented within the term provided by the laws and regulations applicable from time to time In this case, the minimum share ownership thresholds applicable for filing slates will be halved.</del>
When the Shareholders' Meeting must appoint the Standing auditors and/or the Alternate ones in order to integrate the Board of Statutory Auditors the procedure adopted is as follows: if Statutory auditors elected from the majority list are to be replaced, the appointment takes place by relative majority voting regardless of the lists presented; conversely, if the Statutory Auditors elected from the minority list are to be replaced, the Shareholders' Meeting shall replace them by relative majority voting, selecting them from among the candidates indicated in the list of the statutory auditor to be replaced.	<del>When the Shareholders' Meeting must appoint the Standing auditors and/or the Alternate ones in order to integrate the Board of Statutory Auditors the procedure adopted is as follows: if Statutory auditors elected from the majority list are to be replaced, the appointment takes place by relative majority voting regardless of the lists presented; conversely, if the Statutory Auditors elected from the minority list are to be replaced, the Shareholders' Meeting shall replace them by relative majority voting, selecting them from among the candidates indicated in the list of the statutory auditor to be replaced.</del>
If the application of the above procedures does not allow, for whatever reason, the replacement of the Statutory Auditors designated by the minority, the Shareholders' Meeting will replace them by relative majority voting; however, in verifying the result of this last voting no account will be taken of the votes cast by the subjects who according to	<del>If the application of the above procedures does not allow, for whatever reason, the replacement of the Statutory Auditors designated by the minority, the Shareholders' Meeting will replace them by relative majority voting; however, in verifying the result of this last voting no account will be taken of the votes cast by the subjects who according to</del>

the communications made in compliance with current legal regulation have, even indirectly or jointly with other Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, the relative majority of the votes that may be cast at the Shareholders' Meeting, as well as those Shareholders who control, are controlled or are subject to joint control by the same.	<del>compliance with current legal regulation have, even indirectly or jointly with other Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, the relative majority of the votes that may be cast at the Shareholders' Meeting, as well as those Shareholders who control, are controlled or are subject to joint control by the same.</del>
The replacement procedures referred to in the preceding paragraphs shall in any event ensure compliance with legislation in force relating to the balance between genders.	<del>The replacement procedures referred to in the preceding paragraphs shall in any event ensure compliance with legislation in force relating to the balance between genders.</del>
<b>Article 25</b>	<b>Article 2526</b>
25.1 The Board of Statutory Auditors exercises the powers and functions assigned to it by law and other applicable regulations.	<del>25.1</del> <u>26.1</u> The <u>Management Control Committee Board of Statutory Auditors</u> exercises the powers and functions assigned to it by law and other applicable regulations.
25.2 The meetings of the Board of Statutory Auditors may also be held via tele and/or videoconference provided that:	<del>25.2</del> <u>The meetings of the Board of Statutory Auditors may also be held via tele and/or videoconference provided that:</u>
a) the Chairman and the person in charge of taking minutes attend the same official meeting venue;	<del>a) the Chairman and the person in charge of taking minutes attend the same official meeting venue;</del>
b) all participants can be identified and are able to follow the discussion, receive, transmit and examine the documents, take part verbally and in real time in all the items on the agenda. If the above requisites are met, the meeting of the Board of Statutory Auditors shall be deemed to have been held at the place where the Chairman and the person taking the minutes are located.	<del>b) all</del> <u>26.2 Meetings of the Management Control Committee may also be held exclusively by teleconference and/or videoconference, provided that all</u> participants can be identified and are able to follow the discussion, receive, transmit and examine the documents, take part verbally and in real time in all the items on the agenda. If the above requisites are met, the meeting of the <del>Board of Statutory Auditors</del> <u>Management Control Committee</u> shall be deemed to have been held at the place where the Chairman <del>and the person taking the minutes are</del> <u>is</u> located.
25.3 The audit is performed, pursuant to applicable legal regulations, by an auditing company authorised to carry out such activity.	<del>25.3</del> <u>26.3 The Management Control Committee is duly constituted with the presence of a majority of its members and adopts resolutions by an absolute majority of those present.</u> <u>26.4 The Management Control Committee shall meet at least once every ninety days.</u>



	<p><u>26.5 Minutes of the meetings of the Management Control Committee must be compiled, signed by those present, and must be transcribed in the meeting book of the Management Control Committee.</u></p> <p style="text-align: center;"><b><u>Statutory Audit</u></b> <b><u>Article 27</u></b></p> <p><u>27.3</u> —The audit is performed, pursuant to applicable legal regulations, by an auditing company authorised to carry out such activity.</p>
<b>Financial statements, Dividends, Reserves</b>	<b>Financial statements, Dividends, Reserves</b>
<b>Article 26</b>	<b>Article <del>26</del>28</b>
26.1 The accounting year ends on 31 December.	<del>26.1</del> <u>28.1</u> The accounting year ends on 31 December.
26.2 At each accounting year end, the Board of Directors prepares the financial statements in accordance with the law and other applicable regulations.	<del>26.2</del> <u>28.2</u> At each accounting year end, the Board of Directors prepares the financial statements in accordance with the law and other applicable regulations.
<b>Article 27</b>	<b>Article <del>27</del>29</b>
27.1 The net profit reported in the financial statements, after deducting the mandatory maximum amount allocated to legal reserves, is appropriated by reference to the resolution passed by the Shareholders' Meeting. More specifically, the Shareholders' Meeting, upon recommendation by the Board of Directors, may resolve to set up and increase other reserves.	<del>27.1</del> <u>29.1</u> The net profit reported in the financial statements, after deducting the mandatory maximum amount allocated to legal reserves, is appropriated by reference to the resolution passed by the Shareholders' Meeting. More specifically, the Shareholders' Meeting, upon recommendation by the Board of Directors, may resolve to set up and increase other reserves.
27.2 During the year and when it deems it appropriate, the Board of Directors may resolve to pay interim dividends for the year, in compliance with applicable legislation and regulations, pro tempore in force.	<del>27.2</del> <u>29.2</u> During the year and when it deems it appropriate, the Board of Directors may resolve to pay interim dividends for the year, in compliance with applicable legislation and regulations, pro tempore in force.
<b>Winding up - Liquidation</b>	<b>Winding up - Liquidation</b>
<b>Article 28</b>	<b>Article <del>28</del>30</b>
28.1 Legal regulations shall apply with regard to the Company's winding up and anything else that has not been expressly dealt with in these Articles of Association.	<del>28.1</del> <u>30.1</u> Legal regulations shall apply with regard to the Company's winding up and anything else that has not been expressly dealt with in these Articles of Association.

### 3. Withdrawal

Any amendment to the Articles of Association referred to in this Report will not in any way give rise to a right of withdrawal as provided for in Article 2437 of the Italian Civil Code in favour of those who did not concur with the relevant resolution.

### 4. Effectiveness

As permitted by Article 2380 of the Italian Civil Code, it is proposed that the change in the administration and control system take effect as of registration of the resolution with the Company Register.

If the amendments proposed herein are approved by the Shareholders' Meeting in extraordinary session, the election of the Board of Directors (as in item 4 of the agenda for the ordinary part) will take place in accordance with the new text of the Articles of Association (as indicated in the notice of meeting and in the report of the Board of Directors on the fourth item on the agenda of the ordinary part), with effect as of the registration in the Company Register of the resolution adopting the new Articles of Association.

If, on the other hand, the amendments are not approved, this election will be postponed until a newly-convened Shareholders' Meeting, for the appointment of the Board of Directors and the Board of Statutory Auditors according to the current Articles of Association.

\* \* \*

### 5. Proposed resolution

In view of the above, we submit the following proposal for resolution for your approval:

*"The Shareholders' Meeting of Piaggio & C. S.p.A., held in extraordinary session, having examined the explanatory report of the Board of Directors,*

#### ***RESOLVES***

- *to approve, in its entirety, the new text of the Articles of Association, consisting of 30 (thirty) articles, as appended to the Board of Directors' report, and therefore:*
  - *to adopt the so-called "one-tier" system of administration and control, pursuant to Articles 2409-sexiesdecies et seq. of the Italian Civil Code, consisting of a Board of Directors composed of a minimum of 7 (seven) and a maximum of 15 (fifteen) members, of which 3 (three) shall also be members of the Management Control Committee and accordingly to approve the insertion into the Articles of Association of a new Article 12 (and the consequent renumbering of all subsequent Articles) and the amendment of the current Articles [2], [12], [14], [17], [18], [20], [24] and [25];*
  - *to amend the current Articles [6], [8], [14], [20] and [25] in order to adapt the clauses on the conduct of meetings of corporate bodies to the latest practices and guidelines;*

- *to establish, pursuant to Article 2380 of the Italian Civil Code, that the change in the administration and control system shall take effect upon registration of this resolution in the Company Registry;*
- *to grant the Board of Directors, with the power of sub-delegation, the broadest powers necessary or appropriate to execute the above resolution and to fulfil all the obligations provided for by legislation in force pro-tempore, as well as to carry out the acts and negotiations necessary or appropriate to this end, including, but not limited to, those relating to: (i) the management of relations with any competent body and/or Authority; (ii) the fulfilment of all legal formalities, with the power to make additions, amendments and deletions of a formal and non-substantive nature to the resolutions adopted on the date hereof that may be necessary or in any case be required, including at the time of registration with the competent Company Registry".*



## **Annex A - new text of the Articles of Association**

### **Articles of Association**

#### **Company name – Shareholders – Registered head office – Duration – Object**

##### **Article 1**

1.1 A joint stock company is incorporated under the name:

**"PIAGGIO & C. Societa' per Azioni"**

##### **Article 2**

2.1 The registered head office of the Company is located in Pontedera (PI).

2.2 The Company, by resolution of the Board of Directors, has the power to establish or close branch offices, agencies, representative offices and any other offices of the Company, both in Italy and overseas.

2.3 The Shareholders', Directors' and external auditors' domiciles and, if available, their telephone and telefax numbers, e-mail addresses or any other addresses at which notices may be served by the Company, shall be deemed to be those stated in the Company registers; the Shareholder, each Director and the external auditor are responsible for communicating the above details, so that they can be recorded in the Company registers, as well as any changes by registered letter, fax message or e-mail.

##### **Article 3**

3.1 The Company is expected to exist until 31 December 2050 and its duration may be extended, once or more than once, by resolution passed by the Extraordinary Shareholders' Meeting.

3.2 Shareholders who do not vote in favour of the resolution to extend the duration of the Company shall have no right to withdraw.

##### **Article 4**

4.1 The Company's activity is the design, development, production, assembly and marketing of vehicles, engines, components, spare parts and related accessories.

4.2 The Company may purchase, construct, transform, sell, exchange, manage and administer property for industrial, commercial and civil use; it may also let such property under any type of lease contract, also finance lease.

4.3 The Company may also acquire stakes in financial, real estate, industrial and commercial (services) companies; carry out any financial and broking transaction in accordance with applicable limits and provisions, more specifically those of Law No. 39/89, acquisitions and granting of finance, excluding public fund raising; in addition it may act as representative and provide industrial consulting services both in Italy and overseas.

4.4 The Company may take part to the setting up of companies limited by shares; acquire, sell, exchange, manage securities, in general, issued by the Italian state or foreign states, quotas, shares, debentures of Italian and foreign companies carrying out any type of activity; it may discount securities as well as purchase and sell receivables either with or without recourse clauses; acquire delegations to collect any type of receivables; grant advances in general and carry out finance lease transactions involving immovable and movable assets including those recorded in Public Registers.

4.5 Furthermore the Company may carry out any other activity associated with the aforesaid Company object or similar ones and may manage, as well as finance – provided it shall not do so vis-à-vis the public and as a major activity – business undertakings of any nature.

4.6 The Company may carry out any type of security, real estate, commercial, industrial and financial transaction that the governing body shall deem necessary or useful for the Company, including the assignment or sale of copyrights, patents and trademarks, the taking out of loans, the granting of endorsements, guarantees and other collateral securities, provided that it shall not do so vis-à-vis the public and, in any case, as a major activity, also in the interest of Shareholders or third parties. It may also create liens on shares of subsidiaries or associated companies, either wholly or in part.

## **Share capital - Shares**

### **Article 5**

**5.1** The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred and thirteen thousand, nine hundred and forty-four euros and thirty-seven eurocents) divided into **n. 354,632,049 (three hundred and fifty-four million, six hundred and thirty-two thousand, forty-nine)** ordinary shares with no par value and may be increased also by payments in kind and receivables.

5.2 The Company may purchase funds with obligation to repay Shareholders in accordance with applicable legal regulations.

5.3 By resolution of the Shareholders' Meeting the share capital may be increased by issuing new shares also with rights different from those of the shares that have already been issued. The resolution to increase the share capital, passed with the majorities prescribed by Articles No. 2368 and 2369 of the Italian Civil Code, may exclude the option right within the limit of 10% of the pre-existing share capital, provided that the issue price is equal to the market value of the shares and this is confirmed by an ad hoc report issued by a statutory auditor or an independent audit company engaged to perform the Company audit.

## **Shareholders' Meeting**

### **Article 6**

6.1 The Shareholders' Meeting is either ordinary or extraordinary pursuant to legal regulations and is held at the Company's registered head office or any other venue indicated in the notice of meeting, provided that such place be located within the national boundaries.

6.2 The Shareholders' Meeting, whether Ordinary or Extraordinary, where permitted by the legislation in force at the time and whenever the administrative body deems it appropriate, may be held entirely remotely with Shareholders participating from different locations connected by audio/video link, provided that the participants are able to follow the discussion of the matters presented and participate in real time, are able to receive, transmit or review documents, the examinations and deliberations occur simultaneously, and the principles of bona fide and Shareholders parity of treatment are complied with, and in particular provided that:

- (i) the Chairman is able, as a result of his tenure of office, to verify the identity and legitimacy of those present, direct and conduct the meeting as well as verify and announce the results of voting;
- (ii) the person drafting the minutes is able to properly understand the events of the meeting that are to be minuted;
- (iii) the participants are able to take part to the discussion and simultaneous vote on the items on the agenda;
- (iv) those attending the Shareholders' Meeting who are connected by a long-distance network have the same documentation distributed to the participants at the official venue of the meeting.

6.3 The Ordinary Shareholders' Meeting to be held to approve the financial statements must be

convened within one hundred and twenty days from the end of the accounting period, that is within one hundred and eighty day) if the conditions required by current legal regulations are fulfilled. Ordinary and extraordinary shareholders' meetings may also be called whenever considered appropriate by the Board of Directors, and where required by law.

#### **Article 7**

7.1 The ordinary and extraordinary Shareholders' Meeting is convened, within the times indicated by law, by notice published on the Company's website and, if required by applicable law in effect at the time, also in an excerpt in the Gazzetta Ufficiale della Repubblica Italiana or in the newspaper "Il Sole 24 Ore" or in the newspaper "Corriere della Sera" indicating the day, time and place of the first meeting and any subsequent calls, as well as the list of items to discuss, without prejudice to any other requirement of applicable law and these Articles of Association.

7.2 The agenda of the Shareholders' Meeting is set by those who have the right to convene a meeting by law and the Articles of Association or, if the meeting is convened upon request by the Shareholders, on the basis of the items indicated in the request filed by the Shareholders in question. If the meeting is convened by the Shareholders pursuant to legal requirements, the agenda is integrated within the dates and according to the terms set by applicable legal regulations.

#### **Article 8**

8.1 Each ordinary share is entitled to one vote.

8.2 The legitimate attendance of Shareholders' Meeting and the exercise of voting rights is confirmed by a statement of the Company from the enabled intermediary, in compliance with the applicable law provisions, on the basis of intermediary accounting balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting on first call and received by the Company within the terms stated by legal regulations. To this end, reference is made to the date of the first call, as long as the dates of any subsequent calls are indicated in the only meeting call; otherwise, reference is made the date of each meeting call.

8.3 All subjects with voting right may appoint a proxy to attend and vote on his behalf, by written proxy statement, in accordance with legal regulations. The electronic notification of the proxy may be carried out, in accordance with the methods specified in the meeting notice, sending a message to the certified e-mail box indicated in the meeting notice itself or using a special section of the Company's web site.

8.4 The Company may designate for each Shareholders' Meeting a person to whom the Shareholders may grant a proxy for representation at the Shareholders' Meeting pursuant to Article 135-*undecies* of Legislative Decree 58/1998. Where permitted by legislation in force at the time, the Company may provide that intervention and the exercise of voting rights at the Shareholders' Meeting by those entitled to do so may also take place exclusively through the said person, in the manner provided for by legislation in force at the time.

#### **Article 9**

9.1 The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, if absent or unavailable for any other reason, by the sole Deputy Chairman, or, if there is more than one Deputy Chairman, by the longest serving one attending and, in case of a tie, by the most senior in age. In the absence or disability of both the Chairman and the deputy chairman or joint deputy chairmen, the shareholder meeting will be chaired by a director or shareholder nominated by majority vote of the participants.

9.2 The Chairman of the Shareholders' Meeting verifies the identity and legitimacy of those present; he verifies that the meeting has been properly convened and that there is a sufficient number of subjects with voting right to constitute a quorum to be able to pass valid resolutions; and is responsible for conducting the meeting he sets the voting procedure and checks the results of voting.

9.3 The Chairman is assisted by a Secretary appointed by the Shareholders' Meeting by the majority of votes of those attending. In addition to the cases prescribed by the law, if the Chairman deems it fit, a Notary Public chosen by the same Chairman may be asked to act as Secretary.

#### **Article 10**

10.1 Ordinary and Extraordinary Shareholders' Meetings are considered to be validly held and the related resolutions to be validly passed if all legal regulations and the Company's Articles of Association have been complied with. The Shareholders' Meetings are governed by legal regulations and by the Articles of Association, as well as by the Shareholders' Meeting regulation approved by the Ordinary Shareholders' Meeting, if any.

#### **Article 11**

11.1 The minutes of the Shareholders' Meeting are drawn up in accordance with the law; they are approved and signed by the Chairman of the Shareholders' Meeting and by the Secretary or by the Notary Public if the latter was appointed to draw up the minutes.

### **Administration and Control System**

#### **Article 12**

12.1 The Company adopts a 'one-tier' system of administration and control pursuant to Articles 2409-sexiesdecies et seq. of the Italian Civil Code, consisting of a Board of Directors of three members who make up the Management Control Committee.

### **Board of Directors**

#### **Article 13**

13.1 The Company is managed by a Board of Directors consisting of not fewer than 7 (seven) and not more than 15 (fifteen) members. When appointing the members of the Board of Directors, the Ordinary Shareholders' Meeting establishes their number within the aforesaid limits and their term of office which must not exceed three financial years; conversely their term of office shall expire on the date of the Shareholders' Meeting convened to approve the financial statements of the last accounting period of their term of office. Board directors may be re-elected.

13.2 Directors must possess the requisites envisaged by current legal requirements, these Articles of Association and other applicable regulations.

Individuals cannot be appointed as Directors of the Company and, if they are appointed such appointment is void, unless they have gained at least three years' experience in:

- a) administration and control activities or managerial tasks for companies limited by shares with a share capital in excess of €2 million (two million euros); or
- b) professional activities or as university professor with permanent title teaching legal, economic, financial and technical-scientific subjects closely related to the Company's activity; or
- c) managerial functions with public entities or local government offices operating in the credit, financial and insurance sector or, in any case, in sectors closely related to the one of the Company's activity.

Without prejudice to the foregoing, Directors must possess the requisites prescribed by currently applicable legal regulations; of them, at least one third (with a minimum in all cases of three and

without prejudice to any greater minimum number prescribed by legal regulations in force from time to time) must possess the independence requisites set out in Article 148, paragraph 3, of Legislative Decree No. 58/1998 and of these, at least three must meet the requirements set out in Article 158, paragraph 4, of Legislative Decree No. 58/1998. In addition to the foregoing, at least one of the Directors must be enrolled in the register of statutory auditors.

If a Director no longer has the prescribed requisites his or her term of office shall immediately expire. If a Director falls short of the independence requisite prescribed in Article 148, paragraph 3, of Legislative Decree 58/1998 his term of office does not expire if the minimum number of Directors prescribed by legal regulations and these Articles of Association still possesses such requisite.

13.3 The Directors are appointed by the ordinary shareholders' meeting, in accordance with the rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number.

Each Shareholder, and the Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.

Shareholders are entitled to present lists only if, alone or with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital, or a different, lower percentage that may be set by the law or other regulations. The lists submitted by Shareholders must be filed at the registered offices, without prejudice to any additional forms of advertising and filing procedures prescribed by regulatory provisions in force at any time, at least twenty days before the date set for the meeting in first call, and this to be mentioned in the meeting call. Ownership of the shareholding required, pursuant to the foregoing, for the purposes of submission of the list is determined having regard to the shares registered in the name of the Shareholder on the date on which the lists are filed with the issuer; certification of the same can also be submitted subsequent to filing the list, provided that this takes place within the deadline for the publication of such lists. Together with each list, the following shall be filed at the registered office, without prejudice to any other provisions in force at any time: (i) information concerning the identity of the Shareholders who presented the list; (ii) an abridged curriculum vitae of the candidates included in the list, containing the personal and professional details of each candidate; and (iii) the declarations made by each candidate whereby they accept their candidacy and attest, under their responsibility, that there are no grounds for ineligibility and incompatibility, as well as that they possess the requisites prescribed by the law and the Articles of Association for their respective positions, and any fitness requirements to qualify as independent Directors pursuant to Article 158, paragraph 3, of Legislative Decree No. 58/1998. The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.

The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.

Each candidate may be included in one list only on pain of ineligibility. No candidates may be included in the lists who (without prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or

other provisions applicable to their respective positions. Each list may contain a number of candidates up to the maximum number of the members making up the Board of Directors indicated in the first paragraph of this Article and, among these, at least one candidate must possess the independence requisites set forth in the second paragraph of this Article.

Lists with at least three candidates shall have candidates of both gender, in proportion to applicable regulations in force on gender balance. Each person entitled to vote may vote for one list only.

The procedure for appointing Directors is as follows:

a) all the Directors but one are selected from the list that obtained the highest number of the votes in the sequential order in which they appear;

b) The first candidate who possesses the requirements for membership of the Management Control Committee, shall be drawn, on the basis of the sequential order indicated therein, from the from the minority list that is in no way connected, even indirectly, with the subjects who presented or voted for the list at point a) and which obtained the highest number of votes; the selected person will be the first candidate on the list out of all the candidates set out in sequential order.

If the list indicated in point b) did not obtain a percentage of votes equal to at least half of the required percentage, pursuant to what has been stated above, for the purpose of presenting the very same list, all the Directors to be appointed will be selected from the list at point a).

If following the procedures indicated above does not ensure a sufficient number of Directors is appointed with the necessary independence requisites set forth in Article 148, paragraph 3, of Legislative Decree 58/1998 and equal to the minimum number set by the law and by these Articles of Association, three of whom are also in possession of the further requirements for members of the Management Control Committee, the candidate that is not in possession of the said requirements appointed in sequential order from the list that obtained the highest number of votes, as per point a) above, will be replaced by the first candidate on the same list that is in possession of these requirements, or, failing this, by the first candidate that was not appointed from the other lists that possesses these requirements, based on the number of votes obtained by each list. This replacement procedure will continue until the Board of Directors has the minimum number of members with the independence requisites pursuant to Article 148, paragraph 3 of Legislative Decree No. 58/1998, as prescribed by legal regulations and these Articles of Association, three of whom are also in possession of the further requirements of members of the Management Control Committee. If the aforesaid procedure does not ensure the result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates possessing the aforesaid requisites.

If, in addition, the candidates elected in the manner described above do not ensure a composition of the Board of Directors that is compliant with legislation in force at any time concerning the balance between genders, the candidate of the more represented gender elected as last in the sequential order in the list that received the most votes shall be replaced by the first candidate of the less represented gender not elected from the same list according to the sequential order. This replacement procedure shall be repeated until a composition of the Board of Directors compliant with legislation in force at any time concerning the balance between genders has been ensured. If the aforementioned procedure does not ensure the result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the

presentation of candidates belonging to the less represented gender.

13.4 If only one or no list is presented, the Shareholders' Meeting shall resolve according to the legally prescribed majorities, disregarding the above procedure but in any case ensuring (i) the presence of the minimum number of independent directors pursuant to Article 158, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom shall be in possession of the further requirements as prescribed by current regulations and these Articles of Association for members of the Management Control Committee, and (ii) compliance with legislation in force at any time concerning the balance between genders.

13.5 Should one or more Directors cease to be in office during the financial year for whatever reason, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting pursuant to Article 2386 of the Italian civil code, the following procedure shall apply:

a) the Board of Directors, shall appoint the replacing members by selecting the candidates (that are still eligible) from the same list as the Director that ceased to be in office, and the Shareholders' Meeting shall resolve, by the legally prescribed majorities, in such a manner as to ensure (i) the presence of the minimum number of independent directors pursuant to Article 148, paragraph 3 of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) compliance with the regulations in force concerning the balance between genders;

b) if there are no candidates left from the aforesaid list that have not already been appointed, i.e. candidates possessing the established requirements, or else if the case mentioned in the fourth paragraph of this Article occurred, the Board of Directors shall replace the Directors who ceased to be in office without complying with the provisions set forth in point a), and the Shareholders' Meeting, again in accordance with the legally prescribed majorities, shall proceed in all cases as to ensure (i) the presence of the minimum number of independent directors pursuant to Article 158, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) compliance with legislation in force at any time concerning the balance between genders.

If during the financial year one or more Directors cease to be in office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, the latter has however the right to pass a resolution to reduce the number of Board members to the number of Directors in office for the unexpired term of their mandate, so as to ensure in all cases (i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) compliance with the legislation in force at any time concerning the balance between genders.

13.6 Should the number of Directors appointed by the Shareholders' Meeting fall short of the majority, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened without delay by the Directors still in office so as to reconstitute the Board.

13.7 If the fixed number of Directors is lower than the maximum provided for in the first paragraph of this Article, during the term of office of the Board the Shareholders' Meeting may



increase that number up to the maximum limit set forth in the aforesaid first paragraph. The other members of the Board will be appointed according to the following procedure:

- (a) the additional Directors are selected from the list that obtained the highest number of votes when appointing the members currently in office, among the candidates that are still eligible, and the Shareholders' Meeting shall resolve, by the legally required majorities, to ensure in all cases (i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee, and (ii) compliance with legislation in force at any time concerning the balance between genders;
- b) if there are no candidates left from the aforesaid list that have not already been appointed, or if the case provided for in the fourth paragraph of this Article applies, the Shareholders' Meeting shall proceed with the appointments without complying with the provisions set forth at point a), in accordance with the legally prescribed majorities, to ensure in all cases (i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 prescribed by these Articles of Association, three of whom are in possession of the further requirements as prescribed by current legislation and these Articles of Association for members of the Management Control Committee and (ii) to compliance with legislation in force at any time concerning the balance between genders.

#### **Article 14**

14.1 The Board of Directors shall appoint the Chairman from among its members unless the Shareholders' Meeting failed to do so; it may also appoint one or more Deputy Chairmen. The Board shall also appoint a Secretary who need not be selected from among its members.

#### **Article 15**

15.1 The Chairman – or his substitute pursuant to the seventh paragraph of this Article – shall convene the Board of Directors by letter sent, either via fax or other appropriate communication means, to the domicile of each Director and Standing Auditor.

15.2 The notice of the meeting stating the agenda, date, time, venue and other possible locations from where it will be possible to take part to the meeting via videoconference must be sent to the domicile of each Director at least three days before the date fixed for the meeting. For urgent matters the Board of Directors may be convened by telegram, fax, email or other telematic means at least twenty-four hours before the date of the meeting.

15.3 The Chairman coordinates the work of the Board of Directors and ensures that adequate information about the items on the agenda is provided to all the Directors, taking account of the relevant circumstances.

15.4 The Board of Directors is convened at the Company's registered head office or other place, as long as within the national boundaries, every time the Chairman – or his substitute pursuant to the seventh paragraph of this Article – deems it fit or when it is so requested by the Managing Director, if appointed, or by at least three Directors, without prejudice to the powers to convene a meeting assigned to other subjects in accordance with legal regulations.

15.5 Meetings of the Board of Directors may, where permitted by regulations in force at the time, also be held over long-distance networks via video or teleconference provided that all entitled persons can attend and participate, can be identified and can participate and express their opinion in real time as well as receive, transmit and see documentation that they have not examined before;

they must also be guaranteed the simultaneous examination, participation and passing of resolutions.

15.6 Meetings are deemed to have been validly held even if not convened according to the aforesaid procedure provided that all the Directors attend.

15.7 The meetings of the Board of Directors are chaired by the Chairman or, if absent or unavailable for any other reason, by the sole Deputy Chairman, or if there is more than one Deputy Chairman, by the longest serving one attending and, in case of a tie, by the most senior in age.

If both the Chairman and the sole Deputy Chairman, or all the Deputy Chairmen are absent or unavailable for any other reason, the meeting is chaired by the attending Director considered to be the most senior by reference to the aforesaid criteria.

If the Secretary is absent or unavailable for any other reason, the Board shall decide upon his substitute.

#### **Article 16**

16.1 Resolutions passed by the Board of Directors are deemed to be valid only if the majority of the members in office voted in favour of such resolutions.

16.2 The resolutions are passed by the majority of voters and that excludes abstentions. In case of tie votes the chairing person shall cast the deciding vote.

16.3 Voting must take place by open vote.

#### **Article 17**

17.1 The resolutions of the Board of Directors must be minuted, recorded in an apposite book and signed by the Chairman chairing the meeting and the Secretary.

#### **Article 18**

18.1 The Board of Directors has the widest possible powers to manage the Company, and to that end it may pass resolutions or take any action it will deem necessary or useful to achieve the Company object, with the exception of what is reserved to the Shareholders' Meeting by law or the Articles of Association.

Pursuant to Article 2436 of the Italian civil code, the Board of Directors has also the power to pass resolutions concerning:

mergers or demergers that are defined "simplified" pursuant to Articles 2505, 2505-bis, 2506-ter, last paragraph of the Italian civil code;

the opening or closing of branches;

the transfer of the registered head office within the national territory;

which board directors are to be empowered to represent the Company legally;

share capital reduction due to withdrawal;

updating the Articles of Association to comply with new legal regulations,

it being understood that such resolutions may nevertheless be passed by the Extraordinary Shareholders' Meeting.

18.2 The delegated bodies report promptly to the Board of Directors, and therefore the Management Control Committee on any activity carried out and any major economic, financial and asset-based transaction carried out by the Company or its subsidiaries, reporting in particular on the transactions in which they have vested interest, either for their own account or on behalf of third parties, or that have been influenced by the subject who carries out management and coordination activities. The communication is made promptly and at least on a quarterly basis.

18.3 The Board of Directors, subject to obtaining the mandatory opinion of the Management Control Committee, appoints and revokes the appointment of the manager responsible for preparing the Company's financial reports, who is assigned the powers and functions prescribed by law and other applicable provisions, as well as the powers and functions established by the Board at the time of appointment or by subsequent resolution. The Board of Directors is also responsible for fixing the remuneration of the aforesaid manager. The manager responsible for preparing the Company's financial reports must possess not only the respectability requisites prescribed by current legal regulations for those who hold administration and managerial positions, but also professionalism requisites characterised by specific competence in administration and accounting. This competence, to be verified by the Board of Directors, must be gained through work experience gained in positions of adequate responsibility for a reasonable period of time.

18.4 The Board of Directors – within the limits set by the law and the Articles of Association – may delegate its powers and responsibilities to an Executive Committee. It may also delegate, within the same limits, part of its powers and responsibilities to the Chairman and/or other members of the Board, as well as appoint one or more Managing Directors who can be assigned the aforesaid powers and responsibilities. The delegated bodies have the power to grant, as part of their powers and for single transactions or categories of transactions, delegations to Company's employees and power of attorney to third parties and, in both cases, with the right to sub-delegate or grant power of attorney.

18.5 The Board of Directors may appoint one or more General Managers, fixing their tasks and remunerations.

18.6 The Board of Directors may also set up Committees charged with making recommendations or act as consultants for the Board which will fix their competences, powers and operating rules.

#### **Article 19**

19.1 The Directors are entitled to reimbursement of expenses incurred in the performance of their functions. They are also entitled to an annual fee that is approved by resolution of the Ordinary Shareholders' Meeting that appoints them and remains unchanged until differently resolved by the Shareholders' Meeting.

19.2 The Board of Directors, after consulting with the Management Control Committee, fixes the remuneration of the Chairman or of the Deputy Chairman/Chairmen, of the Managing Directors and the members of the Executive Committee.

19.3 Alternatively, the Shareholders' Meeting may fix an overall amount for the remuneration of all the Directors, including those holding special positions, the allocation of the amount being established by the Board of Directors after consulting with the Management Control Committee.

#### **Executive Committee**

#### **Article 20**

20.1 The Board of Directors may appoint an Executive Committee, establishing beforehand its duration and composition (not less than three members). The number of Board members includes, as members by rights, the Chairman and the Managing Director or Managing Directors, if more than one, if appointed.

20.2 The Secretary of the Committee is the same as the one of the Board of Directors, unless differently resolved by the Committee itself.

#### **Article 21**

21.1 The meetings of the Executive Committee are convened pursuant to the first, second and third paragraph of Article 15 above. It meets whenever the Chairman deems it fit or upon request by a Managing Director, if appointed, or by at least two members, without prejudice to the powers to convene meetings assigned to other subjects in accordance with the law.

21.2 Meetings of the Executive Committee may also take place, where permitted by the legislation in force at the time, exclusively by long-distance network via video or teleconference in accordance with the provisions of the fifth paragraph of Article 15. Directors connected by a long-distance network must be able to avail of the same documentation distributed to those attending the meeting at the official meeting venue.

21.3 The rules for convening meetings of the Executive Committee and its operating procedures are regulated by applicable legal provisions and, failing these, by apposite regulation approved by the Board of Directors.

#### **Article 22**

22.1 The Executive Committee passes valid resolutions only if the majority of its members in office attend the related meeting. Resolutions are passed by the absolute majority of voters, excluding abstentions, and in case of tie votes, the chairing person shall cast the deciding vote.

#### **Article 23**

23.1 The resolutions of the Executive Committee must be minuted, recorded in an apposite book and signed by the Chairman and the Secretary.

#### **Legal representatives**

#### **Article 24**

24.1 The Chairman and, if absent or unavailable - even temporarily - for any other reason, the Deputy Chairman or each of the Deputy Chairmen, if there is more than one, the precedence being given pursuant to the seventh paragraph of Article 14, represent the Company vis-à-vis third parties and in court and are the Company's authorised signatories; also the Managing Director or Managing Directors, if appointed, are responsible for the above within the limits of their delegated powers.

24.2 The substitute's signature shall be evidence, vis-à-vis third parties, of the absence or unavailability of the person he is replacing.

24.3 If necessary, the Board may also appoint attorneys from outside the Company to carry out specific transactions through apposite power of attorney.

#### **Management Control Committee**

#### **Article 25**

25.1 The Management Control Committee is composed of three members appointed by the Board of Directors from among its members in accordance with the provisions of the laws in force and these Articles of Association. The members of the Management Control Committee must possess the requirements of professionalism and integrity provided for by the regulations in force, the requirements of independence prescribed in Article 148, paragraph 3, of Legislative Decree No. 58/1998, and comply with the regulations on the limits on the accumulation of offices. At least one member of the Management Control Committee must be enrolled in the register of statutory auditors. Pursuant to Article 1, third paragraph of Ministerial Decree No. 162 issued by the Ministry of Justice on 30 March 2000, subjects (legal, economic, financial and technical-scientific) and sectors of activity shall be considered as being closely related to the business carried out by the Company if they are connected with or relate to the Company's activity and its object.

25.2 The role of Chairman of the Management Control Committee is exercised by the director drawn from the minority list, pursuant to Article 13 above, or by the person appointed in his or her absence and/or replacement, again pursuant to Article 13. If no list is presented, the Chairman is elected by the Management Control Committee from among its members.

25.3 If one or more members of the Management Control Committee cease to possess any of the requirements prescribed by laws in force and by these Articles of Association, including enrolment in the register of statutory auditors, they shall be disqualified from holding office. The loss of one of the said requirements by a member of the Management Control Committee shall also result in his or her disqualification as a Director unless, if he or she is a member drawn from the majority list, among the other Directors in office there is at least one who meets the requirements provided for by regulations in force to replace him or her as a member of the Management Control Committee. In the latter case, the member of the Management Control Committee who has ceased to hold office shall retain the office of Director. If a member of the Management Control Committee ceases to serve as a Director for any reason, the rules set forth in Article 13 above shall apply to his or her replacement, in compliance with the regulations in force. If, on the other hand, during the course of the financial year, one or more members of the Management Control Committee who have not ceased to be a Director must be replaced, the Board of Directors, in compliance with the regulations in force and these Articles of Association, shall proceed to appoint a replacement in accordance with the provisions of this Article, in order to ensure that the members of the Management Control Committee meet the requirements of regulations in force and these Articles of Association.

25.4 It is the responsibility of the Ordinary Shareholders' Meeting to establish, at the time of appointment of the Board of Directors, a specific additional fee for the members of the Management Control Committee, to be determined in each case as a fixed and equal amount, but with a specifically increased fee for the Chairman.

#### **Article 26**

26.1 The Management Control Committee exercises the powers and functions assigned to it by law and other applicable regulations.

26.2 Meetings of the Management Control Committee may also be held exclusively by teleconference and/or videoconference, provided that all participants can be identified and are able to follow the discussion, receive, transmit and examine the documents, take part verbally and in real time in all the items on the agenda. If the above requisites are met, the meeting of the Management Control Committee shall be deemed to have been held at the place where the Chairman is located.

26.3 The Management Control Committee is duly constituted with the presence of a majority of its members and adopts resolutions by an absolute majority of those present.

26.4 The Management Control Committee shall meet at least once every ninety days.

26.5 Minutes of the meetings of the Management Control Committee must be compiled, signed by those present, and must be transcribed in the meeting book of the Management Control Committee.

### **Statutory Audit**

#### **Article 27**

27.3 The audit is performed, pursuant to applicable legal regulations, by an auditing company

authorised to carry out such activity.

### **Financial statements, Dividends, Reserves**

#### **Article 28**

28.1 The accounting year ends on 31 December.

28.2 At each accounting year end, the Board of Directors prepares the financial statements in accordance with the law and other applicable regulations.

#### **Article 29**

29.1 The net profit reported in the financial statements, after deducting the mandatory maximum amount allocated to legal reserves, is appropriated by reference to the resolution passed by the Shareholders' Meeting. More specifically, the Shareholders' Meeting, upon recommendation by the Board of Directors, may resolve to set up and increase other reserves.

29.2 During the year and when it deems it appropriate, the Board of Directors may resolve to pay interim dividends for the year, in compliance with applicable legislation and regulations, pro tempore in force.

### **Winding up - Liquidation**

#### **Article 30**

30.1 Legal regulations shall apply with regard to the Company's winding up and anything else that has not been expressly dealt with in these Articles of Association.