

Digest no. 134152

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**MINUTES OF THE BOARD OF DIRECTORS' MEETING**

REPUBLIC OF ITALY

On June eight two thousand fifteen at 4:15pm

**June 8, 2015**

In Venice - Mestre, Via Terraglio no. 17.

Personally appeared before me, Mr. Francesco Candiani, Public Notary in Venice, registered with the Board of Notaries of Venice, the individual listed below:

**Mr. Nicholas Stathopoulos**, born in Athens (Greece), on November 11, 1969, domiciled for the purpose of his office at the registered offices of the Company

Who declares to take part to this deed as Chairman of the Board of Directors and as legal representative of the Company

**"OVS S.P.A."**

with registered offices in Mestre (Venice), Via Terraglio no. 17, registered with the registrar of companies of Venice under number and tax code 04240010274, economic administrative index (REA) no. 378007, share capital Euro 227,000,000.00 (two hundred twenty-seven million point zero zero) fully paid-up, the shares of which are admitted to trading on the Mercato Telematico Azionario [the Italian electronic stock market] organized and managed by Borsa Italiana S.p.A.

He, whose personal identity I, the Notary, am certain of, in his quality of the Chairman of the Board of Director of the Company, states that this meeting was convened today, in this place at 2:30pm pursuant to the notice of call dated June 3, 2015, sent in compliance with the terms set forth under the Company's By-laws, in order to discuss and resolve upon the following

**AGENDA**

*(OMISSIS)*

**Partial exercise of the proxy to increase the share capital, pursuant to art. 2443 of the Italian civil code, a by way of cash payment, severally, with the exclusion of the right of option as per art. 2441, paragraph 8, of the Italian civil code, for a maximum global principal amount of Euro 35,000,000.00, through the issuance, in one or more tranches, of a maximum number of 5,107,500 ordinary shares with no par value, to be reserved to the beneficiaries of the 2015–2020 Stock Option Plan, granted by the Shareholders' Meeting on May 26, 2015; Inherent and consequent resolutions.**

*(OMISSIS)*

He asks me to write the minutes of the Board of Directors' meeting with reference to the above-mentioned item on the agenda.

Mr. Nicholas Stathopoulos, takes the chair of the meeting, pursuant to the applicable law and the By-law, and he ascertains

- that, besides from The Chairman, the Chief Executive Officer Mr. Stefano Beraldo and the directors Jerome Pierre Losson, Kimm Lori Hall, Kornalik Heinz Jurgen Krogner, Stefano Ferraresi e Gabriele Del Torchio are also attending;
- that, in representation of the Board of Statutory Auditors, Roberto Cortellazzo Wiel is attending in persona, the Chairman of the Board of Statutory Auditors Giuseppe Moretti and the Statutory Auditors Lucio Giulio Ricci are attending via conference call;
- that therefore the meeting is validly held.

First and foremost, the Chairman also acknowledges the presence of the Chief Financial Officer, Mr. Nicola Perin and the General Counsel, Marco Pessi.

With regard to item no. six on the agenda, the Chairman reiterates that the Shareholders' Meeting of May 26, 2015 (as per minutes dated May 26, 2015 digest no. 134111, public notary in Venice Mr. Francesco Candiani, filed under the Italian revenue agency of Venice 2 on June 4, 2015 with no. 5975 – 1/T series and registered with the registrar of companies of Venice on June 4, 2015 no. PRA/39296/2015) approved the granting to the Board of Directors of a proxy, pursuant to art. 2443 of the Italian civil code, to increase the share capital, by way of cash payment, severally, with the exclusion of the right of option as per art. 2441, paragraph 8, of the Italian civil code, for a maximum global principal amount of Euro 35,000,000.00, through the issuance of a maximum number of 5,107,500 newly issued OVS ordinary shares, without any reference of their par value, having the same characteristics as the outstanding shares at the time of the issuance, carrying regular enjoyment rights, thus granting the Board of Directors of the Company, with the power to appoint proxies, any necessary or adequate powers to execute the issuance.

The subscription of these newly issued shares, as the Chairman reiterates, is to be reserved to the beneficiaries of the stock option plan addressed to those directors who are also employees or managers with strategic responsibilities, and/or to the other employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998 (the “**Plan**”), approved during the ordinary Shareholders' meeting held on May 26, 2015.

While referring to this item, the Chairman mentions the information note disclosed on the execution of the Plan in reference to the first assignment cycle in the course of the discussion of the previous item on the agenda, during which a global number of 5,107,500 options have been assigned, valid for the subscription of no. 5,107,500 newly issued shares.

The Chairman proposes for the Board of Directors to execute the proxy granted to them during the extraordinary the Shareholders' Meeting of last May 26, thus resolving upon a capital increase to the service of the Plan.

The Chairman proposes to resolve upon—pursuant to art. 2443 of the Italian civil code, in execution of the proxy granted to them by the Extraordinary Shareholders' Meeting on May 26, 2015— a capital increase, by way of cash payment, for a maximum global principal amount of Euro 5,107,500, through the issuance, in one or more tranches, of a maximum number of 5,107,500 newly issued ordinary shares, without any reference of their par value, carrying regular enjoyment, with the exclusion of the right of option pursuant to art. 2441, paragraph 8, of the Italian civil code, as being reserved to employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998, to the service of the Plan, thus determining as the deadline for subscription June 8, 2025.

The Chairman reiterates that the proposed unit strike price for the newly issued shares in the options' first assignment cycle of the Plan, was established at Euro 4.88.

The strike price for the first options' assignment cycle, as determined by the Company's Board of Directors on April 22, 2015, having heard the opinion of the Appointment and Remuneration Committee, corresponds to the final unit placement price of the OVS shares in the global offering aiming at listing OVS shares on the Mercato Telematico Azionario [the Italian electronic stock market] organized and managed by Borsa Italiana S.p.A., (the “**MTA**”), corresponding to 4.10 euro for each OVS share in the global offering, plus 19.1%.

Furthermore, the Chairman points out that—as the newly issued shares to the service of the Plan are reserved, pursuant to art. 2441, paragraph 8, of the Italian civil code, to employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998—the provisions set forth under both art. 2443 and 2441, paragraph 6, of the Italian civil code, and art. 158 of the Italian legislative decree no. 58/1998 are not applicable in connection with the exercise of the proxy to increase the share capital, as discussed under this item on the agenda. For this reason, both the release from an audit company of an opinion on the congruity of the new shares' strike price, and the drafting of the dedicated directors' report illustrating the criteria based on which the strike price of these shares has been established are not necessary.

It is to be noted that Mr. Stefano Beraldo, are included among the beneficiaries of the Plan, so he does not take part in the discussion of this item.

As a consequence, the Chairman proposes to update the company's bylaws, in order to acknowledge the exercise of the proxy described above.

His speech being terminated, the Chairman opens the discussion.

The Chairman of the Board of Statutory Auditors certifies that the current share capital, amounting to Euro 227,000,000.00, is fully authorized, called-up and existing.

At the end of the other attendees' speeches, the Chairman asks me, the Notary, to read the following resolution proposal.

*“The Board of Directors, having heard the Chairman's speech, having referred to and acknowledged any of the resolutions of the Shareholders' Meeting held on May 26, 2015, availing himself of the powers granted to him by the Shareholders during this same meeting, having taken note that the newly issued shares are reserved, pursuant to art. 2441, paragraph 8, of the Italian civil code, to employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998, and that neither the release from an audit company of an opinion on the congruity of the strike price of the shares to be issued, nor the drafting from the dedicated directors' illustrative report are not required, having taken note of the certification of the Board of Statutory Auditors according to which the current share capital is fully authorized, called-up and existing, with the abstention of the Director Mr. Stefano Beraldo, with the favorable vote of all the remaining Directors attending the meeting*

#### **RESOLVES**

- 1) *to increase, by way of cash payment, the share capital, pursuant to art. 2443 of the Italian civil code, in execution of the proxy granted by the Shareholders' Meeting on May 26, 2015, for a maximum global principal amount of Euro 5,107,500 through the issuance, in one or more tranches, of a maximum number of 5,107,500 newly issued ordinary shares, without any reference of their par value, carrying regular enjoyment, with the exclusion of the right of option pursuant to art. 2441, paragraph 8, of the Italian civil code, as being addressed to employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998 at a unit price of Euro 4.88 (four point eighty eight), to the service of the stock option plan reserved to those directors who are also employees, managers with strategic responsibilities or to the other employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998, approved by the same Extraordinary Shareholder's Meeting held on May 26, 2015, to be subscribed within June 8, 2025; in the event within such deadline the capital increase would not be fully subscribed, the share capital shall be increased of an amount corresponding to the effective subscriptions;*
- 2) *to amend the company's bylaws currently in force:*
  - (i) *adding at the end of art. 5.2 this new paragraph 3:*

*"5.3 On June 8, 2015 the Board of Directors—on the basis and in execution of the proxy they have been granted with, pursuant to art. 2443 of the Italian civil*

*code, by the Extraordinary Shareholders' Meeting held on May 26, 2015—resolved upon the increase, by way of cash payment, of the share capital, with the exclusion of the right of option pursuant to art. 2441, paragraph 8, of the Italian civil code, for a maximum global principal amount of 5,107,500 through the issuance, in one or more tranches, of a maximum number of 5,107,500 newly issued ordinary shares, without any reference of their par value, carrying regular enjoyment, as being addressed to employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998 at a unit price of Euro 4.88 (four point eighty eight), to the service of the stock option plan reserved to those directors who are also employees and managers with strategic responsibilities, and/or to the other employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998, approved by this same Extraordinary Shareholders' Meeting held on May 26, 2015, to be subscribed within June 8, 2025;*

*Changing the number of the followed paragraphs as 4 and 5;*

- 3) *to authorize the Chairman, to perform any necessary action to execute the resolution described above, thus transferring to these individuals, severally and each having the power to appoint proxies, the responsibility to carry out any and all legislative and regulatory fulfillments, even when related to public disclosure, as well as all the formalities; being the share capital subscribed, they will be granted with all the powers to draft the certified document pursuant to art. 2444 of the Italian civil code and to file with the registrar of companies the updated bylaws, reporting the amount of the subscribed capital, as well as with all the necessary or adequate powers to execute any and all of the aforementioned resolutions."*

\* \* \* \* \*

The Board of Directors, after a broad and thorough discussion, approves unanimously, with the abstention of the Director Mr. Stefano Beraldo.

\* \* \* \* \*

The Chairman asks me to attach to these minutes the updated text of the company's bylaws in compliance with the amendments reported herein, in order to comply with the filing obligation set forth under art. 2436 of the Italian civil code. The updated bylaws are attached to these minutes under letter "A".

The examination of the sixth item on the agenda being over, the Chairman proceeds to the discussion of the remaining items, which are recorded by the Board's Secretary.

It is now 4:35pm.

I, the Notary, have read this deed to the individual who appeared before me, who approves it, while exempting me from reading the attached document.

Electronically written by a trusted professional and handwritten filled in by me, the Notary, this deed consists in 3 sheets and takes up 5 pages until here.

**Annex "A"**: New text of OVS's bylaws.

Signed Nicholas Stathopoulos

Signed Francesco Candiani

\* \* \* \* \*

## **BYLAWS OF OVS S.P.A.**

### **TITLE I**

#### **FORMATION – NAME – REGISTERED OFFICE AND DURATION OF THE COMPANY**

##### **ARTICLE 1**

- 1.1 A joint-stock company (*società per azioni*) named OVS S.p.A. is established, to be governed by these bylaws.

##### **ARTICLE 2**

- 2.1. The Company has its registered office in Venezia.  
2.2. The Company may create, modify and close secondary, branch and representative offices, and other offices, agencies and establishments of every kind, in Italy and abroad, as required from time to time.

##### **ARTICLE 3**

- 3.1 The duration of the Company is set until December 31, 2060 and may be extended, on one or more occasions, by a resolution of an Extraordinary Shareholders' Meeting.

### **TITLE II**

#### **PURPOSE OF THE COMPANY**

##### **ARTICLE 4**

- 4.1 The Company's business purpose is to carry out the following activities:
- (a) the retail trade, in all its forms, as well as wholesale, of each good or product, including edible, for the person, home, work and leisure;
  - (b) the provision of each service connected to the activities referred to in this Article 4;
  - (c) the organization and operation of shopping centers, sale warehousing, public stores and related services such as hairdressing, beautician and beauty salons;
  - (d) the direct production or through third-party companies of all products that are traded by the Company; The Company may also;
  - (e) buy, sell, exchange land and buildings, build or construct any real estate property, both civil and destined to the commercial or industrial activities;
  - (f) rent any real estate property, transform and equip it with plants for the use to which the company must allocate it; lease or sublease any real estate property or any part thereof, owned or owned by third parties;
  - (g) rent and rent out companies or on-going businesses trading or producing goods and services;
  - (h) manage on its own, or through specialized agencies, and/or grant to third parties spaces for the promotion and advertising of products and services of the company or third parties;
  - (i) buy, sell and exchange goods that have instrumental nature or related to the activities referred to in this Article 4;
  - (j) take shareholdings in other companies; provide for the funding and the technical, commercial, industrial and financial coordination of the companies in which it participates; buy, sell public and private securities, convertible and straight bonds, Italian and foreign stocks and shares;
  - (k) instrumentally or in connection with the activities referred to in this Article 4, promote the study and research in any operating area of the corporate activity; grant to third parties the use of patents, trademarks, models and methods of work; provide technical, commercial and organizational consultancy; obtain from third-parties manufacturing licenses or exclusive permits of sales, consulting, licenses for the exploitation of names, trademarks and patents;
- in connection with the aforesaid purposes, the Company may carry out all the transactions of real estate, securities, financial and commercial nature, including the assumption of mortgages and loans in general, and the granting of guarantees (avallo), sureties and guarantees, including mortgages, also in favor of third parties, considered related, connected or useful for the achievement of the corporate purpose however, with the exclusion of all financial activities vis-à-vis the public and all other activities reserved by law to specific categories of subjects.

### **TITLE III**

#### **CAPITAL – SHARES – WITHDRAWAL – BONDS**

#### ARTICLE 5

- 5.1 The Company's share capital shall consist of EUR 227,000,000.00 (two hundred twenty seven millions/00) represented by 227,000,000 (two hundred twenty seven millions) ordinary shares with no stated nominal value. The Company's share capital may be increased by a Shareholders' Meeting resolution, even by means of issuing shares having different rights from ordinary shares and with contributions other than in cash, to the extent permitted by law. In resolutions for a paid-up capital increase, preemptive rights (*diritto di opzione*) may be excluded up to a maximum of 10% of the Company's pre-existing share capital, provided that the issue price corresponds to the market price of the shares and this is confirmed by an appropriate report of a statutory auditor (*revisore legale*) or statutory audit firm (*società di revisione legale*).
- 5.2 On May 26, 2015 the extraordinary meeting of shareholders resolved upon the granting to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for a period of five years from the date of the shareholders' resolution on the date hereof, the power to proceed with a paid divisible share capital increase, with exclusion of the option right pursuant to Article 2441, paragraph 8, of the Italian Civil Code, for an overall maximum amount of nominal Euro 35,000,000.00, through the issuing, including in more than one tranche, of a maximum of no. 5,107,500 ordinary shares with no par value having the same characteristics of the ordinary shares in circulation at the date of the issuance, with regular enjoyment, for the subscription by the beneficiaries of the stock option plan named "Piano di Stock Option 2015 - 2020", approved by the shareholders' meeting held on May 26, 2015. Pursuant to Article 2439, paragraph 2, of the Italian Civil Code, if not entirely subscribed within the final term of June 8, 2025, the share capital shall be increased of an amount equal to the registered subscriptions.
- 5.3 On June 8, 2015 the Board of Directors—on the basis and in execution of the proxy they have been granted with, pursuant to art. 2443 of the Italian civil code, by the Extraordinary Shareholders' Meeting held on May 26, 2015—resolved upon the increase, by way of cash payment, of the share capital, with the exclusion of the right of option pursuant to art. 2441, paragraph 8, of the Italian civil code, for a maximum global principal amount of 5,107,500.00 through the issuance, in one or more tranches, of a maximum number of 5,107,500.00 newly issued ordinary shares, without any reference of their par value, carrying regular enjoyment, as being addressed to employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998 at a unit price of Euro 4.88 (four point eighty eight), to the service of the stock option plan reserved to those directors who are also employees and managers with strategic responsibilities, and/or to the other employees of the Company and of its subsidiaries pursuant to art. 93 of the Italian legislative decree no. 58/1998, approved by this same Extraordinary Shareholders' Meeting held on May 26, 2015, to be subscribed within June 8, 2025
- 5.4 Shares shall be in registered form and freely transferable. Each share gives the right to one vote. Shares shall be issued and transferred in compliance with the laws and regulations in effect.
- 5.5 Status as a shareholder constitutes per se acceptance of these bylaws.

#### ARTICLE 6

- 6.1 Each shareholder shall be entitled to withdraw in those cases provided by law.

#### ARTICLE 7

- 7.1 The Directors shall resolve upon the issuance of bonds in conformity with and under the procedures indicated by law.
- 7.2 The Company shall be entitled to issue, pursuant to the law applicable from time to time, special class shares having different rights, also with regard to the impact of the losses, establishing such rights by means of the resolution of issuance, as well as to issue participating financial instruments.

#### TITLE IV

#### SHAREHOLDERS' MEETINGS

#### ARTICLE 8

- 8.1 Ordinary and Extraordinary Shareholders' Meetings shall generally be held in the municipality where the Company has its registered office, except as otherwise decided by the Board of Directors and provided it is in Italy or a country where the Company does business, directly or through its subsidiaries or investee companies.
- 8.2 An Ordinary Shareholders' Meeting must be convened at least once a year, to approve the financial statements, within one hundred twenty days of the close of the Company's fiscal year, or within one hundred eighty days when the Company is obligated to prepare consolidated financial statements or, in any event, when required by particular needs related to the Company's structure and purpose.
- 8.3 The convocation shall be made within the time periods set forth by the legal and regulatory rules in force from

time to time, by notice to be published on the Company's web-site, as well as under the procedures provided for by the legal and regulatory rules in force for time to time, with not less than the minimum legal notice prior to the date set for the Shareholders' Meeting. Ordinary and Extraordinary Shareholders' Meetings shall be held upon single call, to which the majorities indicated by law for this purposes shall be applied.

#### **ARTICLE 9**

- 9.1 The right to participate in Shareholders' Meetings and to exercise voting rights shall be governed by the laws and regulations in force.

#### **ARTICLE 10**

- 10.1 Those with the right to vote may be represented at the Shareholders' Meetings for legal purposes, by means of a proxy issued under the procedures provided for by the laws and regulations in effect. The Company may also be given notice of the proxy electronically, sent by e-mail, under the procedures indicated in the notice of convocation.
- 10.2 The Company shall not avail itself of its legal right to appoint the representative to whom proxies may be granted by shareholders, with instructions to vote on some or all of the proposals on the agenda of the Shareholders' Meeting.
- 10.3 The conduct of Shareholders' Meetings shall be governed by appropriate rules approved by resolution of an ordinary meeting of the Company's shareholders.

#### **ARTICLE 11**

- 11.1 A Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or, in the event of the Chairman's absence or impairment, by the Vice Chairman or the Managing Director, if appointed and present, or, failing that, by the person chosen by the Shareholders' Meeting to chair it.
- 11.2 The Chairman of the meeting shall be assisted by a secretary (including one which is not a shareholder) designated by the participants, and may appoint one or more vote tellers. In the cases provided for by law, or when the Chairman deems it suitable, the minutes are to be drafted by a notary selected by the Chairman, who shall act as secretary.
- 11.3 Resolutions of Shareholders' Meetings must appear in minutes prepared in conformity with the laws and regulations in effect from time to time and signed by the Chairman and the secretary or by the notary selected by the Chairman.

#### **ARTICLE 12**

- 12.1 The Shareholders' Meeting may discuss and resolve upon all matters falling within its legal powers.
- 12.2 Resolutions of both Ordinary and Extraordinary Shareholders' Meetings shall be passed by the majorities required by law in individual cases, both as regards the proper constitution of the Meetings and the validity of the resolutions passed, except as provided by Article 12.3, below.
- 12.3 Resolutions of Shareholders' Meetings made in conformity with the law and with these bylaws shall be binding on all shareholders, even non-participating or dissenting shareholders.

### **TITLE V**

#### **BOARD OF DIRECTORS**

#### **ARTICLE 13**

- 13.1 The Company shall be managed by a Board of Directors composed of a minimum of 7 to a maximum of 15 members. The Shareholders' Meeting shall determine their number thereof, subject to the aforesaid limits, prior to their appointment.
- 13.2 Directors shall be appointed for a period of three fiscal years or for the period established at the time of appointment, which may in no event be greater than three fiscal years, and they are eligible for re-election.
- 13.3 Directors shall be appointed by the Shareholders' Meeting, in compliance with the rules in effect from time to time pertaining to gender balance, on the basis of lists submitted by the shareholders in compliance with the legal and regulatory provisions in effect from time to time, in which the candidates, no more than 15 in number and possessing the requisites provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequence number.

At least 2 Directors possessing the requisites of independence established by law or regulatory provisions must

sit on the Board. Each list must indicate which candidates possess the requisites of independence established by the legal and regulatory rules in effect from time to time. The independent candidates on each list must be indicated with numbers 2/4 of the list with the non-independent candidates. The lists are to be filed with the registered office and published in accordance with applicable rules. Lists with three or more candidates must be composed of candidates belonging to both genders, so that at least one third (rounded up) of the candidates belongs to the gender less well represented.

Each shareholder may submit, or participate in the submission of, one and only one list and each candidate may be presented in only one list, otherwise ineligibility will occur.

Lists may be submitted only by shareholders that, alone or together with others, own shares representing at least 2.5% (two point five percent) of the capital or such different percentage of participation in the share capital as established by the legal and regulatory provisions in effect from time to time.

In any case, notwithstanding the provisions of the laws and regulations in force from time to time, for the first renewal following the admission to listing of the Company's ordinary shares, the shareholding required for the submission of the candidates lists for the appointment of the Board of Directors, pursuant to art. 147-ter of the Legislative Decree 58/1998, shall be equal to a percentage not greater than 2.5% (two point five percent) of the capital.

By the deadlines set by the legal and regulatory provisions in force from time to time, declarations are to be filed along with each list wherein the individual candidates accept their candidacies and declare, under their own responsibility, that no cause of ineligibility or incompatibility exists and that they possess the requisites prescribed by the laws and regulations in effect for the respective positions. Together with the declarations, *curricula vitæ* are to be filed relating to each candidate's personal and professional characteristics, indicating the candidate's potential suitability to be classified as independent, within the meaning of the legal and regulatory provisions in effect and the codes of behavior relating to corporate governance that may have been adopted by the Company. Lists for which the aforesaid provisions have not been complied with are to be deemed not to have been submitted. Directors appointed are to inform the Board of Directors without delay of the loss of the requisites of independence, as well as of supervening causes of ineligibility or incompatibility.

Each person entitled to vote may vote for only one list.

When the voting ends, the candidates from the two lists which received the greatest number of votes shall be elected, using the following criteria:

- (a) directors equal in number to the total number of members to be elected, less 1 (one), shall be drawn from the list which received a majority of the votes cast, in the sequential order in which they are listed on that list;
- (b) the remaining director shall be drawn from the list receiving the second greatest number of votes at the Shareholders' Meeting ("minority list") that is not linked in any way, even indirectly, to those who submitted or voted for the list which came first in number of votes.

In the event of a tie vote for lists, a new vote shall be taken by the entire Shareholders' Meeting, with those candidates being elected who obtain a simple majority of the votes.

If, when the voting ends, a sufficient number of directors which possess the requisites of independence provided for by the legal and regulatory provisions in effect has not been elected, the candidate not possessing such requisites who was elected last in sequential order from the list which received the greatest number of votes shall be excluded and replaced by the subsequent candidate having the requisites of independence drawn from the same list as the candidate excluded. Such procedure, if necessary, shall be repeated until the number of independent directors to be elected is completed. If, in addition, the candidates elected under the procedures indicated above do not ensure a composition of the Board of Directors that conforms to the gender balance regulations in effect from time to time, the candidate of the better represented gender elected last in sequential order from the list which received the greatest number of votes shall be replaced by the first candidate of the less well represented gender not elected in sequential order. This substitution procedure shall be followed until a Board of Directors composition is ensured that conforms to the gender balance rules in effect from time to time. Finally, if said procedure does not ensure the result just indicated, the replacement shall be made by a resolution passed by the Shareholders' Meeting by a relative majority, after candidacies by persons belonging to the less well represented gender have been submitted.

In the event a single list is submitted, the directors shall be drawn from the list submitted, provided that it has been approved by simple majority vote, and if the directors thereby elected do not correspond in number to that of the members of the Board determined by the Shareholders' Meeting, or in the event that no list was

submitted or in the event that the list submitted does not permit the appointment of independent directors in compliance with the legal and regulatory provisions in effect, the Shareholders' Meeting shall pass resolutions with the statutory majorities; all of which without prejudice to compliance with the gender balance regulations in effect from time to time.

The list voting procedure shall apply only in case of appointment of the entire Board of Directors.

- 13.4 If during the course of the fiscal year one or more Directors should come to leave office, the procedures of Article 2386 of the Italian Civil Code are to be followed. If one or more of the Directors leaving office were drawn from a list also containing the names of candidates not elected, the substitution shall be made through the appointment, in sequential order, of persons drawn from the list to which the departing director belonged and who are still eligible and disposed to accept the position or, in the absence or unavailability of such candidates on the list, by the appointment of another candidate indicated by the Directors drawn from the list to which the departing Director belonged. In any event, Directors leaving office are to be replaced while assuring the presence of the necessary number of Directors possessing the requisites of independence established by law and in compliance with the gender balance regulations in effect from time to time.

#### **ARTICLE 14**

- 14.1 The Shareholders' Meeting may elect, among the Directors drawn from the list which received the greatest number of votes, a Chairman and a Vice Chairman, who is to replace the Chairman in the event of absence or impairment.
- 14.2 In the event that the Shareholders' Meeting has not taken action, or in the event of resignation, obstacle or cease to hold office of the Chairman and/or of the Vice Chairman appointed by the Shareholders' Meeting, the Board is entitled to appoint or substitute the same with a Director drawn from the list which received the greatest number of votes.
- 14.3 The Board, upon proposal of the Chairman, shall appoint a secretary, including one from outside the Company.

#### **ARTICLE 15**

- 15.1 The Board of Directors shall meet at the registered office or at a different location indicated in the notice of convocation whenever the Chairman or, in the event of his or her absence or impairment, the Vice Chairman, judges it necessary or appropriate. A meeting of the Board of Directors may also be called by the Statutory Auditors as provided by Article 24.5 of these bylaws, or when a written request therefor has been made by at least 2 Directors to decide upon a specific management-related topic that they deem to be of particular significance, which topic is to be indicated in such request.
- 15.2 Meetings of the Board of Directors may also be held by means of telecommunication, provided that all participants can be identified and such identification is noted in the associated minutes and they are able to follow the discussion and participate in real time in the discussion of the topics treated, with an exchange of documentation where appropriate; in that case, the meeting of the Board of Directors shall be deemed held in the place where the person chairing over the meeting is located, where the secretary must also be present so as to allow for the drafting and signing of the related minutes.
- 15.3 The convocation is normally made by notice sent by registered letter, fax or e-mail, at least 3 days before the date set for the meeting or, in cases of urgency, at least 24 hours prior to that set for the meeting. The notice is to indicate the place, date and schedule of the meeting and the topics on the agenda.

#### **ARTICLE 16**

- 16.1 Meetings of the Board of Directors shall be chaired by the Chairman or, in his or her absence or impairment, by the Vice Chairman. In the absence of the latter as well, they shall be chaired by the Director appointed by those attending.

#### **ARTICLE 17**

- 17.1 For meetings of the Board of Directors to be valid, a majority of the Directors in office must be attending.
- 17.2 Resolutions shall be passed by an absolute majority of the votes of those attending.

#### **ARTICLE 18**

- 18.1 Resolutions of the Board of Directors are to appear in minutes, signed by the person chairing over the meeting and the secretary, transcribed into the appropriate register maintained as required by law.
- 18.2 Copies of the minutes shall be fully binding if signed by the Chairman or the person substituting for the latter and the secretary.

#### **ARTICLE 19**

- 19.1 The management of the enterprise shall be the exclusive responsibility of the Directors, who shall carry out all operations necessary for the achievement of the business purpose.
- 19.2 In addition to exercising the powers assigned to it by law, the Board of Directors shall have the power to decide upon:
- (a) mergers and spin-offs, in the cases provided by law;
  - (b) creation or closing of secondary offices;
  - (c) indication of which Directors may represent the Company;
  - (d) reduction of share capital in the event of withdrawal by one or more shareholders;
  - (e) adaptation of the bylaws to legal and regulatory provisions;
  - (f) transfer of the registered office within Italy.

The assignment of such areas of responsibility to the Board of Directors does not exclude concurrent jurisdiction of the Shareholders' Meeting over the same matters.

- 19.3 Bodies that hold delegated powers (*organi delegati*) shall report in a timely fashion to the Board of Directors and the Board of Statutory Auditors – or, in the absence of bodies holding delegated powers, the Board of Directors shall report in a timely fashion to the Board of Statutory Auditors – at least once each quarter, and in any event at the meetings of such Board, on the activity carried out, on the general performance of the business and on the outlook thereof, as well as on the transactions of major significance in terms of operating results, finances and net assets, or otherwise of major significance due to their size or characteristics, engaged in by the Company and its subsidiaries; in particular, they are to report on operations in which they have an interest, on their own account or that of third parties, or that are influenced by the party performing the activity of direction and coordination, where such exists.
- 19.4 The Board of Directors (i) shall appoint and remove a manager assigned to draw up the corporate accounting documents, after obtaining the required but non-binding opinion of the Board of Statutory Auditors; (ii) shall determine the manager's length of time and (iii) shall grant the manager adequate powers and means for performing the manager's functions.

The manager assigned to prepare the corporate accounting documents shall be appointed from among persons possessing at least 5 years of significant professional experience in the accounting, business and financial sector and any other requirements established by the Board of Directors and/or by legal and regulatory provisions.

#### **ARTICLE 20**

- 20.1 The Board of Directors, within the limits provided by Article 2381 of the Italian Civil Code may delegate its powers to one or more of its members, determining the contents, limits and possible modes of exercise of the delegated authority. The Board, upon a proposal of the Chairman and by agreement with those bodies holding delegated powers, may delegate authority for individual acts or categories of acts, including to other members of the Board of Directors.
- 20.2 Within the scope of the authorizations received, those bodies holding delegated powers may delegate authority for individual acts or categories of acts to employees of the Company and to third parties, with the power to sub-delegate.

#### **ARTICLE 21**

- 21.1 The legal power to represent the Company and the authority to sign for the Company lies with the Chairman and, in the event of the Chairman's absence or impairment, with the Vice Chairman. It also lies with any managing directors appointed, within the limits of their authorization.
- 21.2 The aforesaid legal representatives may grant legal powers to represent the Company, including in litigation and other proceedings, and also including the power to sub-delegate.

#### **ARTICLE 22**

- 22.1 The members of the Board of Directors are entitled to compensation, including in the form of profit-sharing or subscription rights, to be determined by the Shareholders' Meeting. The compensation determined shall not vary until a new resolution of the Shareholders' Meeting is adopted. The Shareholders' Meeting may establish an

overall amount of compensation for all Directors, including those vested with particular assignments.

- 22.2 In accordance with the bylaws, the remuneration of Directors which are entrusted with particular assignments shall be established by the Board of Directors, after obtaining the opinion of the Board of Statutory Auditors, in adherence to any overall amount that may have been set by the Shareholders' Meeting.
- 22.3 Directors are entitled to the reimbursement of expenses incurred in carrying out their office.

#### **ARTICLE 23**

- 23.1 The Chairman shall perform the functions provided for by the legal and regulatory provisions in effect and by these bylaws. In particular, the Chairman:
- (a) shall have the power to represent the Company within the meaning of Article 21.1, above;
  - (b) shall chair the Shareholders' Meeting within the meaning of Article 11.1, above;
  - (c) shall convene and chair meetings of the Board of Directors within the meaning of Articles 15 and 16.1, above; shall set the agenda thereof, coordinate its operations and see to it that adequate information regarding the matters placed on the agenda are provided to all Directors;
  - (d) shall verify the implementation of resolutions of the Board of Directors.

### **TITLE VI**

## **BOARD OF STATUTORY AUDITORS, STATUTORY AUDIT OF ACCOUNTS AND RELATED PARTY TRANSACTIONS**

#### **ARTICLE 24**

- 24.1 The Shareholders' Meeting shall elect a Board of Statutory Auditors, made up of three standing Statutory Auditors, and shall determine its compensation. The Shareholders' Meeting shall also elect two alternate Statutory Auditors.

The powers, duties and term of office of the Statutory Auditors shall be as established by law.

The following may not be elected as Statutory Auditors, and if elected shall forfeit their position: those who exceed the limits on the cumulation of positions, or those for whom causes of ineligibility or forfeiture are present, or who do not possess the requirements of integrity and professionalism established by legal and regulatory provisions in effect. For purposes of Article 1 (2), letters b) and c), of the Italian Ministry of Justice Decree no. 162 of March 30, 2000, which establishes the requirements of integrity and professionalism, the following matters shall be deemed to be closely connected with the scope of the Company's business: commercial law and tax law, business administration and financial management, and the matters and sectors related to the Company's business sector.

- 24.2 Standing Statutory Auditors and alternate Statutory Auditors shall be appointed by the Shareholders' Meeting in compliance with the rules in effect from time to time pertaining to gender balance, on the basis of lists submitted by the shareholders in compliance with the legal and regulatory provisions in effect from time to time, in which the candidates are to be listed with an assigned sequence number, and their number must be no greater than the number of Board members to be elected. Each list must be composed of two sections: one for the appointment of standing Statutory Auditors and one for the appointment of alternate Statutory Auditors. The first candidate in each section must be picked from among the statutory auditors (*revisori legali*) listed in the appropriate registry referred to by Article 2397 of the Italian Civil Code.

Lists that submit a total number of candidates greater than or equal to three must be composed of candidates belonging to both genders, in such a way that at least one third (rounded up) of the candidates for the position of standing Statutory Auditor, and at least one third (rounded up in any event) of the candidates for the position of alternate Statutory Auditor, belong to the gender less well represented on such list.

Lists may be submitted only by shareholders that, alone or together with others, own shares representing at least 2.5% of the capital or such different percentage of participation in the share capital as established by applicable legal and regulatory provisions. Each shareholder may submit, or participate in the submission of, one and only one list and each candidate may be presented in only one list, otherwise ineligibility will occur.

By the deadlines for submission prescribed by applicable regulations, declarations are to be filed along with each list wherein the individual candidates accept their candidacies and declare, under their own responsibility, that no cause of ineligibility or incompatibility exists and that they possess the requisites prescribed by law,

regulations and the bylaws for the position. Lists for which the aforesaid provisions have not been complied with are to be deemed not to have been submitted. Together with the declarations, *curricula vitae* are to be filed relating to each candidate's personal and professional characteristics and including a list of the administrative and supervisory positions held by each candidate at other companies.

The legal and regulatory provisions in effect from time to time shall be applied to the submission, filing and publication of the lists. The lists shall be divided into two sections: one for candidates for the position of standing Statutory Auditor and the other for candidates for the position of alternate Statutory Auditor. Each person entitled to vote may vote for only one list. The Statutory Auditors shall be elected as follows:

- (a) from the list which received the greatest number of votes at the Shareholders' Meeting, 2 standing members and 1 alternate shall be drawn, based on the sequential order in which they are listed in the sections of the list;
- (b) from the list which received the second greatest number of votes at the Shareholders' Meeting and that is not linked in any way, even indirectly, with those who submitted or voted for the list which came first in the number of votes, the remaining standing member – who shall assume the position of Chairman – and the other alternate member shall be drawn, based on the sequential order in which they are listed in the sections of the list. In the event that more than one minority list has received the same number of votes, the list candidate most senior in age shall be elected standing Statutory Auditor and alternate Statutory Auditor;
- (c) in the event that a single list is submitted, the Board of Statutory Auditors shall be drawn in its entirety therefrom, provided that the list has been approved by a simple majority vote.

If the procedures indicated above do not ensure a composition of the Board of Statutory Auditors that, in its standing members, conforms to the gender balance regulations in effect from time to time, the necessary substitutions shall be made from the candidates for the position of standing Statutory Auditor on the list which obtained the greatest number of votes, in the sequential order in which the candidates are listed.

Should the requisites mandated by law, regulations and the bylaws cease to exist, the Statutory Auditor shall forfeit the position. In the event of the replacement of a Statutory Auditor, the latter shall be succeeded by the alternate belonging to the same list as the departing auditor or, failing that, in the event of the departure of the minority Statutory Auditor, the candidate placed next on the same list as the list the departing auditor belonged to or, as a further alternative, the first candidate on the minority list which obtained the second greatest number of votes.

This is without prejudice to the minority Statutory Auditor continuing to be the Chairman of the Board of Statutory Auditors or to the requirement that the composition of the Board of Statutory Auditors must comply with the gender balance rules in effect from time to time.

When the Shareholders' Meeting must arrange for an appointment of standing and/or alternate Statutory Auditors needed to fill vacancies on the Board of Statutory Auditors, the procedure is to be as follows: if Statutory Auditors elected on the majority list need to be replaced, the appointment is to be made by relative majority vote, without any list restriction; if Statutory Auditors elected from the minority list need to be replaced, the Shareholders' Meeting shall replace them by relative majority vote, selecting them, where possible, from among the candidates indicated on the list to which the Statutory Auditor to be replaced belonged, or on the minority list that obtained the second greatest number of votes.

If applying these procedures should for any reason not allow for the statutory auditors appointed by the minority to be replaced, the Shareholders' Meeting shall proceed by relative majority vote, after the submission of candidacies by shareholders that, alone or together with others, own a total number of voting shares representing at least the percentage mentioned above in relation to the procedure for submission of lists; however, in ascertaining the results of this final round of voting, the calculation shall not include the votes of those shareholders that, according to the notifications given under the regulations in effect, hold a relative majority of the votes that may be cast at Shareholders' Meetings, including indirectly or also in conjunction with other shareholders that are parties to a shareholder agreement relevant for purposes of Article 122 of Legislative Decree 58/1998, or of those shareholders that control, are controlled by or are subject to common control with the same.

The replacement procedures in the preceding paragraphs must in any event ensure that the gender balance provisions in effect are complied with.

#### 24.3 Outgoing Statutory Auditors are eligible for re-election.

- 24.4 Meetings of the Board of Statutory Auditors may also be held by means of telecommunication, provided that all participants can be identified and such identification is noted in the associated minutes and they are able to follow the discussion and participate in real time in the discussion of the topics treated, with an exchange of documentation where appropriate; in that case, the meeting of the Board of Statutory Auditors shall be deemed held in the place where the person presiding over the meeting is located.
- 24.5 Upon prior notification to the Chairman of the Board of Directors, the Board of Statutory Auditors may convene Shareholders' Meetings or meetings of the Board of Directors. The related powers may also be exercised by at least two members of the Board in case of convening a Shareholders' Meeting, and by at least one member of the Board in case of convening a meeting of the Board of Directors.
- 24.6 The statutory audit of accounts shall be performed by an outside audit firm (*società di revisione*) which meets the legal requirements and is appointed by an ordinary Shareholders' Meeting upon a reasoned proposal by the Board of Statutory Auditors.
- 24.7 The appointment, dismissal, requirements, assignments, competences, responsibilities, powers, obligations and compensation of those persons in any way charged with the statutory audit of the accounts shall comply with applicable legal rules.

#### **ARTICLE 25**

- 25.1 The Company shall approve transactions with related parties in compliance with legal and regulatory provisions in effect, the provisions of the corporate bylaws, and the relevant procedures adopted.
- 25.2 The procedures adopted by the Company for transactions with related parties may provide that their scope shall not include urgent transactions, including those coming within the jurisdiction of the Shareholders' Meetings, insofar as permitted by applicable law and regulations.

#### **TITLE VII**

### **FINANCIAL STATEMENTS AND PROFITS**

#### **ARTICLE 26**

- 26.1 The Company's fiscal year shall end on January 31 of each year.
- 26.2 At the end of each fiscal year, the Board of Directors shall provide for the preparation of the Company's financial statements, in accordance with statutory provisions.
- 26.3 Balance-sheet net profits shall be distributed as follows:
- (a) legal provisions are to be deducted, up to the legal limit;
  - (b) the remainder – except as the Shareholders' Meeting, upon a proposal by the Board of Directors, should resolve upon special levies in favor of extraordinary reserves or to be appropriated elsewhere, or should direct it to be carried forward in whole or in part to subsequent fiscal years – is to be distributed to all shares.
- 26.4 During the course of the fiscal year, the Board of Directors may distribute interim dividends to shareholders.

#### **ARTICLE 27**

- 27.1 Dividends not collected within five years of the date on which they become payable shall default to the Company, being posted directly to the reserves.

#### **TITLE VIII**

### **DISSOLUTION AND LIQUIDATION OF THE COMPANY**

#### **ARTICLE 28**

- 28.1 In the event of the Company's dissolution, the Shareholders' Meeting shall determine the liquidation procedures and shall appoint one or more liquidators, setting their powers and compensation.

#### **TITLE IX**

### **GENERAL AND TRANSITIONAL PROVISIONS**

#### **ARTICLE 29**

- 29.1 For all matters not expressly provided for herein, the rules of the Italian Civil Code and relevant special legislation shall apply.