



## **ARTICLES OF ASSOCIATION**

**Approved by the Shareholders' Meeting**

**on 16 May 2017**

### *Disclaimer*

*These Articles of Association have been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the Articles of Association and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.*

## ARTICLES OF ASSOCIATION

### PART I

#### INCORPORATION – NAME – REGISTERED OFFICE – PERIOD OF OPERATION OF THE COMPANY

##### Art. 1

- 1.1 The company governed by the rules provisions of these Articles of Association shall trade under the name of "Leonardo - Società per azioni" or, in short, "Leonardo S.p.a."
- 1.2. The name of the Company may be written in any font in uppercase and/or lowercase".

##### Art. 2

- 2.1 The Company's registered office shall be in Rome. It shall have a secondary office in Genoa.
- 2.2 By resolution of the Board of Directors, the Company may choose to operate or to discontinue operations at satellite establishments, branches, agencies or subsidiaries, be they in Italy or elsewhere.

##### Art. 3

- 3.1 The Company shall continue to exist until 31 December 2090. This period may be extended on one or more occasions by resolution of the Shareholders' Meeting.

### PART II

## CORPORATE PURPOSE

## Art. 4

- 4.1 The corporate purpose consists of the direct or indirect performance, also through shareholdings in other companies, of manufacturing, systems-related, equipment-related, research and training activities in advanced technology sectors, with particular reference to the electronics, IT, aerospace, transport, energy, electromechanical and mechanical sectors, and the provision of services associated therewith; the technical and financial coordination of subsidiary and affiliated companies and the provision to them of financial and management services; the acquisition, sale, management and placement of public and private securities, equities, bonds, credit instruments and transferable securities in general, in compliance with the restrictions provided by law; intermediation also in the “currency” sector, with particular reference to operations pertaining to export credit insurance and finance and any other transaction permitted or delegated by special laws intended to facilitate the disposal, management, administration and collection of amounts receivable from commercial or industrial activities carried out by third parties or goods and/or services supplied by same, in addition to the acquisition and disposal of said receivables in any form and under any conditions, with or without recourse.

The Company may perform any operation necessary to or instrumental in attaining its corporate purpose; these include but are not limited to set up real estate, investment, commercial or industrial operations, including the supply of equipment and the construction of buildings and other works as well as financial and banking transactions involving assets or liabilities and thus any activity however linked with the corporate purpose, except soliciting funds from the general public.

Finally, the Company may acquire shareholdings and equity interests in other companies or firms, be they Italian or foreign, provided that said companies or firms have corporate purposes which are similar, related or complimentary to its own, or to those of the companies in which it has an equity interest, and may furnish

collateral securities and/or guarantees to cover its own obligations or those of third parties, and in particular bails.

### PART III

#### SHARE CAPITAL – SHARES – BONDS – WITHDRAWAL

##### Art. 5

5.1 The Company's share capital is EUR 2,543,861,738.00 (two billion five hundred and forty three million eight hundred and sixty one thousand seven hundred thirty eight euros and zero cents), represented by 578,150,395 (five hundred and seventy eight million one hundred and fifty thousand three hundred and ninety five) ordinary shares with a nominal value of EUR 4.40 (four euros forty) each.

5.1bis Under Article 3 of Decree-law no. 332 of 31 May 1994, converted with amendments into Act no. 474 of 30 July 1994 as amended, no one, except for the State, public bodies or entities controlled thereby and any other party authorised by law, may possess, on any basis, shares in the Company that constitute a shareholding of more than 3% of the share capital represented by shares with voting rights.

The maximum shareholding limit is also calculated in consideration of the total holding of the controlling undertaking, which may be a natural person, legal person or corporation, by direct or indirect subsidiaries and by the subsidiaries of a single controlling undertaking, by affiliated undertakings and by relatives within the second degree of consanguinity or affinity or spouses, provided that the spouses are not legally separated.

With also reference to parties other than companies, the term "control" is held to be within the meaning of Article 93 of Legislative Decree no. 58 of 24 February 1998. The term "affiliation" is held to be within the meaning of Article 2359, paragraph 3 of the Italian Civil Code, and is also deemed to exist between parties who, directly or indirectly, through their subsidiaries, other than those which manage mutual funds, sign, with third parties or otherwise, agreements relating to the exercise of voting rights or the transfer of shares, belonging to third parties or otherwise, or other agreements or contracts with third parties or otherwise, as referred to in Article 122

of the aforesaid Legislative Decree no. 58 of 24 February 1998, if such agreements or contracts concern at least 10% of the voting capital for listed companies or 20% of the voting capital for unlisted companies.

For the purposes of calculating the aforesaid shareholding limit (3%), consideration is also given to shares held through trust companies and/or intermediaries or by third parties in general.

Voting rights relating to shares that exceed the aforesaid maximum limit may not be exercised and voting rights held by shareholders in excess of the shareholding limit shall be reduced proportionally, unless otherwise previously and jointly indicated by all the shareholders concerned. In case of non-compliance, meeting resolutions may be challenged under Article 2377 of the Italian Civil Code if the required majority would not have been reached had the votes exceeding the maximum limit not been included.

However, non-voting shares shall be included for the purposes of calculating the meeting quorum.

- 5.1ter Under Article 1, paragraph 5 of Decree-law no. 21 of 15 March 2012 converted with amendments into Act no. 56 of 11 May 2012, and pursuant to the related implementing provisions, along with any regulations issued in implementation of the aforementioned provisions, anyone (with the exception of the Italian State and Italian public bodies or entities under governmental control) who holds a stake in the share capital above the threshold provided for in Article 120, paragraph 2, of Legislative Decree no. 58/98 as amended or a stake exceeding the thresholds of 3%, 5%, 10%, 15%, 20% and 25%, is required to notify the acquisition made to the Presidency of the Council of Ministers or to any other governmental body in charge pursuant to the regulations currently in force, under the terms and in the manner established by Decree-law no. 21 of 15 March 2012 converted with amendments into Act no. 56 of 11 May 2012. This in order to allow the Presidency of the Council of Ministers or any other governmental body in charge pursuant to the regulations currently in force to exercise the special powers provided for by the above mentioned laws in case of threat of serious prejudice to the fundamental interests of national defence and security.

Art. 6

- 6.1 The shares are registered and each share shall carry one voting right.
- 6.2 The status of shareholder inherently implies acceptance of the Memorandum of Association and these Articles of Association.

Art. 7

- 7.1 The shares are indivisible. In case of joint ownership of a share, the rights of the joint owners shall be exercised by a joint representative appointed in accordance with the procedures laid down by law.

Art. 8

- 8.1 General Meetings may adopt resolutions in respect of capital increases, establishing the terms and conditions and procedures thereof.
- 8.2 General Meetings may also adopt resolutions relating to the exclusion of subscription rights within the bounds of and in accordance with the procedures set out in Article 2441, fourth paragraph, second sentence of the Italian Civil Code.
- 8.3 General Meetings may also adopt resolutions pertaining to the allocation of shares or other financial instruments pursuant to and within the bounds of Article 2349 of the Italian Civil Code.

Art. 9

- 9.1 Share payments shall be requested by the Board of Directors on one or more times.
- 9.2 Shareholders who are late in making said payment shall be charged interest at the official discount rate of the Bank of Italy, without prejudice to the provisions of Article 2344 of the Italian Civil Code.

Art. 10

- 10.1 Directors may decide to issue non-convertible bonds in accordance with the law and with the legal requirements.

- 10.2 The Company may also issue any other financial instrument in accordance with the law and with the legal requirements.

Art. 11

- 11.1 Withdrawal shall not be permitted in the event of resolutions concerning the extension of the period of operation of the Company or the introduction, modification or removal of obstacles to the circulation of shares.

PART IV  
GENERAL MEETINGS

Art. 12

- 12.1 As a rule, Ordinary and Extraordinary General Meetings shall be held at the Company's registered office, unless otherwise resolved by the Board of Directors, and provided that such alternative venue is in Italy.
- 12.2 Ordinary General Meetings must be convened at least once a year in order to approve the financial statements, within one hundred and eighty days from the end of the financial year, since the Company has to prepare consolidated financial statements and in view of the particular requirements arising from the Company's structure and corporate purpose.
- 12.3 Without prejudice to the provisions of Article 24.1, General Meetings shall adopt resolutions on all matters reserved for it by law.

Art. 13

- 13.1 Participation at General Meetings requires the corresponding communication in favour of the subject owning the right to vote, issued by an authorised financial broker, in accordance with its accounting documents, under the terms provided for in the applicable regulations.

## Art. 14

14.1 Those entitled to take part to the General Meeting may appoint a representative in accordance with the law, by issuing a proxy in writing or by electronic means according to the applicable regulations.

The Company may be electronically notified by sending the proxy as a certified e-mail or to the appropriate section of the Company's website, in accordance with the procedures specified from time to time in the notice of meeting.

14.2 The Chairman of the General Meeting shall be responsible for verifying the legality of proxies granted and shall confirm the right to take part in the meeting in general.

14.3 For each General Meeting, the Company may designate a person to whom shareholders may grant proxies with instructions on how to vote regarding all or some of the motions on the agenda in the manner prescribed by law or by regulatory provisions. Proxies are only effective with respect to the motions for which instructions on how to vote have been issued.

## Art. 15

15.1 General Meetings shall be chaired by the Chairman of the Board of Directors or by another person appointed by the Board of Directors, failing which the General Meeting shall elect its own Chairman.

15.2 The Chairman of the General Meeting shall be assisted by a Secretary, even if not a shareholder.

## Art. 16

16.1 Ordinary General Meetings shall be quorated both at first and second convocation when is represented at least the quota of the capital required by the law.

16.2 Ordinary General Meetings, whether at first or second convocation, without prejudice to that provided by Article 16.5 hereinafter, shall adopt resolutions based on the absolute majority of those present.

16.3 Extraordinary General Meetings shall be quorated when, (i) at first convocation, more than half of the share capital; (ii) at second convocation, more than one third



- of the share capital; and (iii) at third convocation, more than one fifth of the share capital, is represented.
- 16.4 Extraordinary General Meetings shall adopt resolutions based on the vote in favour of shareholders representing at least three-quarters of the share capital present at the Meeting.
- 16.5 Resolutions of Ordinary General Meetings pertaining to the matters referred to in Article 22.3 shall be adopted based on the vote in favour of at least three-quarters of the capital present at the meeting.
- 16.6 Ordinary General Meetings shall adopt resolutions not only on the matters attributed to them by law, but also on authorizations for directors to implement actions on the matter of related party transactions as per Article 2391*bis* of the Italian Civil Code.
- 16.7 The resolutions of the General Meeting subject to the exercise of the special powers for matters of national defence and security under Decree-law no. 21 of 15 March 2012 converted with amendments into Act no. 56 of 11 May 2012 and related implementing provisions, shall be adopted and implemented in compliance with the provisions of such regulations.

#### Art. 17

- 17.1 As a rule, voting at Ordinary and Extraordinary General Meetings shall take place by show of hands. Company officers may also be elected by acclamation.
- 17.2 Resolutions of General Meetings, adopted in accordance with the law and with these Articles of Association, shall be binding on all shareholders, even those not present at the meeting or dissenting shareholders.
- 17.3 Minutes of Ordinary General Meetings shall be signed by the Chairman and by the Secretary.
- 17.4 Minutes of Extraordinary General Meetings shall be drawn up by a notary.
- 17.5 Copies of minutes certified by the Chairman or by the acting chairman and by the Secretary shall be fully enforceable also against third parties.

PART V  
BOARD OF DIRECTORS

Art. 18

18.1 The Company shall be governed by a Board of Directors composed of no fewer than eight and no more than 12 members.

From time to time, General Meetings, before proceeding with the election of the Board of Directors, shall determine the number of members within the aforesaid limits.

18.2 Directors shall be appointed for a period of no more than three financial years and shall be re-eligible for office in accordance with Article 2383 of the Italian Civil Code.

18.3 Directors shall be appointed by General Meetings based on lists submitted by shareholders and by the retiring Board of Directors in which the candidates are numbered consecutively.

If the retiring Board of Directors submits its own list, this must be deposited at Company's registered office and published by the twenty-fifth day preceding the date of the meeting at first convocation and, published by the company at least twenty-one days before the date of the meeting, still in case of first convocation, in accordance with the procedures provided for in the relevant regulations.

The lists submitted by shareholders must be deposited at Company's registered office by the twenty-fifth day preceding the date of the meeting at first call, and published by the Company at least twenty-one days before the date of the meeting, still in case of first call, in accordance with the procedures provided for in the relevant regulations.

Each shareholder may submit or take part in the submission of only one list and each candidate may appear on only one list, failing which he or she shall be disqualified.

Only those shareholders who, either alone or together with other shareholders, represent at least 1% of the shares with voting rights at Ordinary General Meetings, shall be entitled to submit lists, or such lesser number as might be provided by legal

or regulatory provisions, where applicable. In order to prove possession of the number of shares necessary for the submission of lists, shareholders must deposit at Company's registered office, within the deadline provided for the publication of the lists by the Company, the relevant certificate proving that they are in possession of the number of shares represented.

At least two Directors must satisfy the independence criteria as laid down for statutory auditors by law. Candidates on the lists who satisfy the independence criteria must be expressly indicated. All candidates must also satisfy the honorableness requirements laid down by the applicable legislation.

Lists presenting three or more candidates must also include candidates of a different gender, in accordance with the notice convening the General Meeting, to allow a constitution of the board of directors in compliance with the provisions relating to gender balance.

Declarations must be deposited together with each list within the deadline provided for the lists, in which declaration each candidate accepts his or her candidacy and attests, under his or her own responsibility, that there are no causes of ineligibility and incompatibility and that the requirements laid down by the applicable legislation for the office in question have been met, including satisfying the independence criteria, as required by these Articles of Association.

Directors nominated shall immediately inform the Company if they no longer satisfy the aforesaid independence criteria and honorableness requirements and if any causes of ineligibility and incompatibility have arisen.

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

Directors shall be elected as follows:

- a) two thirds of the directors to be elected shall be taken from the list that receives the most votes (the "Majority List"), according to the order in which they appear on the list, rounded down to the lower whole number where necessary;
- b) the remaining directors shall be taken from the other lists (the "Minority Lists"); for this purpose, the votes received by the lists shall be divided once, twice, three times and so on, according to the numbering of the directors to be elected. The ratios thus obtained shall be assigned in consecutive order to the

candidates on each list, based on the order shown in the list. The ratios thus allocated to the candidates on the various lists shall be arranged in decreasing order in a single list. Those candidates who have obtained the highest ratios shall be elected. If several candidates obtain the same ratio, the director shall be chosen from the list which has not yet elected a director or which has elected the fewest directors. If none of these lists has elected a director, or if all of them have elected the same number of directors, the candidate on the list with the highest number of votes shall be elected. In case of a tied vote, where the same ratios are obtained, the entire meeting shall hold another vote and the candidate that receives the simple majority of votes shall be elected;

- b-bis) if the Majority List does not have a suitable number of candidates in order to achieve the number of directors to be elected pursuant to letter a) above: i) all candidates shall be drawn from the same Majority List in the progressive order in which they are listed, ii) the other Directors shall be drawn from the Minority Lists, pursuant to letter b) above for a number of candidates equal to one third, according to the number of places reserved to such Lists iii) the remaining Directors shall be drawn, for the places not covered by the Majority List, from the Minority List that has obtained the highest number of votes among the Minority Lists (the “first Minority List”) in relation to the capacity of such List; should the capacity of such List be insufficient, the remaining Director shall be drawn, with the same modalities, from the following List and so forth, according to the number of votes and to the capacity of such Lists. Lastly, if the overall number of candidates listed in the submitted Lists, both Majority and Minority, is lower than the number of Directors to be elected, the remaining Directors shall be appointed by a Shareholders’ Meeting resolution pursuant to art. 18.4 below.
- c) if, following application of the aforesaid procedures, the minimum number of independent Directors required by the Articles of Association has not been appointed, the ratio of votes to be allocated to each candidate taken from the lists will be calculated by dividing the number of votes obtained for each list by the sequential order number of each of said candidates; candidates not fulfilling

the requirements of independence with the lowest ratio among the candidates taken from all the lists are replaced, starting with the last, by any independent candidates appearing on the same list as the replaced candidate (following the order in which they are named). If the list in question does not contain other candidates, the above replacement will be carried out by the General Meeting based on the majorities provided by law, in accordance with what is contemplated in Article 18.4 below. If candidates on different lists have obtained the same ratio, the candidate replaced will be the one on the list from which the greater number of Directors has been taken or, at a secondary level, the candidate taken from the list which has obtained the lesser number of votes or, in the event of a tied vote, the candidate who obtains fewer votes from the General Meeting when the relevant vote is taken;

c-bis) if application of the above mentioned procedures do not allow to comply with the provisions in force regarding gender balance, the vote ratio to be allocated to each candidate on the lists will be calculated by dividing the number of votes obtained for each list by the sequential order number of each of the candidates; the candidate of the more representative gender with the lowest ratio among the candidates from all the lists is replaced – taking into account the minimum number of independent Directors – by the candidate belonging to the less representative gender that may be shown (with the next highest successive ranking) on the same list as the replaced candidate, otherwise by persons appointed in accordance with the procedure stated in Article 18.4 below. In the event that candidates from different lists have obtained the same ratio, the candidate replaced will be the one on the list from which the greater number of Directors has been taken or, at a secondary level, the candidate taken from the list that has obtained the fewer number of votes or, in the event of a tied vote, the candidate who has obtained fewer votes from the General Meeting when the relevant vote is taken.

18.4 For directors not appointed in accordance with the procedures described above, for any reason, the meeting shall adopt a resolution based on the majorities provided by law so as to ensure the presence of the minimum number of independent

directors required by law and Articles of Association, as well as compliance with the provisions in force with regard to gender balance. If during the mandate one or more directors should be absent, the procedure laid down by Article 2386 of the Italian Civil Code shall be adopted. To replace directors who have left office, the meeting shall adopt resolutions based on the majorities provided by law by selecting replacements from the same list as that to which the departed directors belonged, provided that candidates not previously elected remain on this list. The Board of Directors shall proceed with the replacement pursuant to Article 2386 of the Italian Civil Code by selecting replacements based on the same criteria as set out in the preceding subparagraph so as to ensure the presence of the minimum number of independent directors required by law and Articles of Association, as well as compliance with the provisions in force with regard to gender balance, at the next suitable meeting after the withdrawal from office is announced.

- 18.5 If the number of the members of the Board of Directors should be reduced for any reason whatsoever by one third, the entire Board shall be considered revoked and a General Meeting shall be convened to appoint new directors in accordance with the procedure referred to in this Article 18.
- 18.6 The General Meeting may change the number of members of the Board of Directors, even while they are in office, provided that the number of members remains within the limit set out in the first paragraph of Article 18. Appointments shall be made in accordance with this Article. Directors thus appointed shall remain in office until the term of office of existing directors expires.

#### Art. 19

- 19.1 If the General Meeting has not already done so, the Board of Directors shall elect one of its members as Chairman. It may also elect a Deputy Chairman, who shall act in the place and stead of the Chairman in case of his absence or impediment.
- 19.2 The Board shall appoint a Secretary, even if not a member of the Company.

#### Art. 20

- 20.1 The Board of Directors shall meet at the venue indicated in the notice of meeting, at Company's registered office or elsewhere, whenever the Chairman, or his/her replacement pursuant to Article 19 of the Articles of Association, considers it necessary, or whenever this is requested in writing by the majority of its members or by the Board of Statutory Auditors.
- 20.2 As a rule, convocation shall take place at least three clear days before the date scheduled for the meeting. In an emergency, this period may be reduced.
- 20.3 Meetings of the Board of Directors may take place by teleconference or by videoconference, provided that all participants can be identified and are able to follow the discussion and take part simultaneously in the discussion of meeting business and view documents in real time. Provided that these requirements have been met, the meeting of the Board of Directors shall be deemed to take place wherever the Chairman and Secretary are located, in order for the minutes to be drafted and signed.

#### Art. 21

- 21.1 Meetings of the Board of Directors shall be chaired by the Chairman or, in case of his absence, by the Deputy Chairman. In case of the Deputy Chairman's absence, the meeting shall be chaired by the most senior director in age having a voting right.

#### Art. 22

- 22.1 For meetings of the Board of Directors to be valid, the majority of its members in office must be present.
- 22.2 Without prejudice to the provisions of Article 22.3 hereinafter, resolutions shall be adopted based on the majority vote of those present; in case of a tied vote, the person chairing the meeting shall have the deciding vote.
- 22.3 Notwithstanding the provisions of the preceding paragraph, resolutions concerning the strategic topics listed below shall be validly adopted with the vote in favour of 7/10 of directors in office appointed. Where this ratio is a fraction, it shall be rounded down to the next whole number.

- (i) proposals to place the Company in voluntary liquidation;
- (ii) the approval of plans for the merger or demerger of the Company;
- (iii) proposals to modify any clause of the Articles of Association or to adopt new Articles of Association;
- (iv) the sale, transfer, leasing, usufruct or any other disposition, as part of joint ventures or otherwise, or the placing of constraints on the business or parts of the business pertaining to defence-related activities;
- (iv) the sale, transfer, licensing or any other disposition, as part of joint ventures or otherwise, or the placing of constraints on technology, manufacturing processes, know-how, patents, industrial plans and any other creative works in any way pertaining to defence-related activities;
- (vi) the relocation outside Italy of research and development pertaining to defence-related activities;
- (iv) the sale, transfer, usufruct, pledging or any other disposition, as part of joint ventures or otherwise, or the placing of constraints on shareholdings in controlled undertakings, affiliates or subsidiaries (the concepts of control and affiliation shall be taken within the meaning of Article 2359 of the Italian Civil Code) involved in defence-related activities;
- (viii) notification from the issuer relating to public offers for acquisition or exchange pursuant to Article 39 of Resolution no. 11971 of 14 May 1999;
- (ix) votes to be cast on the subjects referred to in the present article at general meetings of controlled undertakings, affiliates or subsidiaries (the concepts of control and affiliation shall be taken within the meaning of Article 2359 of the Italian Civil Code) involved in defence-related activities.

The powers of the Board of Directors in respect of the aforesaid matters may not be delegated pursuant to Article 25 of the Articles of Association nor pursuant to Article 2381 of the Italian Civil Code.

- 22.4 The resolutions of the Board of Directors subject to the exercise of the special powers for matters of national defence and security under Decree-law no. 21 of 15 March 2012 converted with amendments into Act no. 56 of 11 May 2012 and



related implementing provisions, shall be adopted and implemented in compliance with the provisions of such regulations.

#### Art. 23

- 23.1 Resolutions of the Board of Directors shall be recorded in minutes which, transferred into a special statutory minute book, shall be signed by the Chairman of the meeting and by the Secretary.
- 23.2 Copies of minutes shall be authentic if signed by the Chairman, or by the acting chairman, and countersigned by Secretary.

#### Art. 24

- 24.1 The Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration of the Company; in particular, it may perform any act that it considers appropriate in order to carry out and attain the corporate purpose, except for those acts reserved by law or by the Articles of Association for the General Meeting.

The Board of Directors also has the power to adopt resolutions on:

- a) the merger or demerger of the Company in the cases provided by law;
- b) the creation or closure of secondary establishments;
- c) the reduction in share capital in the event of the withdrawal of one or more shareholders;
- d) the adaptation of the Articles of Association to legislative changes;
- e) the relocation of the Company's registered office within the national territory.

The Board of Directors, pursuant to the legal and regulatory provisions applicable from time to time, shall adopt procedures that ensure the transparency and substantive and procedural correctness of related party transactions as per Article 2391*bis* of the Italian Civil Code. The procedures may provide for (i) the approval by the Board of Directors of the most significant related party transactions despite the contrary advice or advice with qualifications of the Committee for related-party transactions, provided that their performance is authorized by the Shareholders' Meeting; (ii) the inapplicability of the same procedures with regard to urgent

transactions if these do not fall within the remit of the Shareholders' Meeting or do not have to be authorized by it.

- 24.2 The competent bodies shall report back to the Board of Directors and Board of Statutory Auditors in a timely fashion – or, in the absence of such bodies, the directors shall report back to the Board of Statutory Auditors in a timely fashion – on the work carried out, the general performance and outlook and on material economic, financial and equity-related operations or key features thereof carried out by the Company and by controlled undertakings; in particular, they shall report back on operations in which the directors may represent an interest in their own name or on behalf of third parties.

Reports may be given at Board meetings or in writing.

Reports shall be given promptly and in any case no less than once a quarter.

#### Art. 25

- 25.1 Without prejudice to the provisions of Article 22.3 of these Articles of Association, the Board of Directors may delegate, within the bounds of Article 2381 of the Italian Civil Code, its powers to an Executive Committee composed of the Chairman and no more than four other directors. The Board of Directors shall determine the scope of the powers thus delegated.

Meetings of the Executive Committee may take place by teleconference or videoconference in accordance with the procedures laid down by Article 20.3.

- 25.2 Without prejudice to the provisions of Article 22.3 of these Articles of Association, the Board may, within the bounds of Article 2381 of the Italian Civil Code, delegate some of its powers and responsibilities to the Chairman and/or to its other members and appoint a General Manager.

- 25.3 The Board of Directors may appoint a Chief Operating Officer, in which case it shall determine the duties and emoluments thereof.

- 25.4 The Board of Directors shall appoint a Manager responsible for preparing the company's accounting documents, subject to the mandatory opinion of the Board of Statutory Auditors.

The term of office of the Manager responsible for preparing the company's accounting documents shall expire together with that of the Board of Directors that appointed him/her. Prior to such time, the Board of Directors may dismiss said Manager on fair grounds once the opinion of the Board of Statutory Auditors has been acquired.

25.5 The Manager responsible for preparing the company's accounting documents and records shall be chosen among persons who have been involved, for at least three years, in:

- a) administration or control or management activities for any company listed on a stock exchange market in Italy or in another Member State of the European Union or another OECD country, with share capital not less than EUR 2 million, or
- b) statutory audits of accounts for the companies indicated in subparagraph a), or
- c) financial or accounting matters on a professional basis or as a permanent member of an university teaching staff, or
- d) management of public or private bodies with authority in the financial, accounting or control sector,

and the same must satisfy the honorableness requirements laid down for directors. The circumstance that the Manager responsible for preparing the company's accounting documents and records no longer satisfies such requirements, or a change in his or her position, causes his or her forfeiture, to be officially declared by the Board of Directors within 30 days from being aware that the same no longer satisfies such honorableness requirements or from the occurrence of such change.

#### Art. 26

26.1 The Chairman, or acting chairman pursuant to Article 19 of these Articles of Association, shall be responsible for legally representing the Company before any judicial or administrative authority and third parties and shall hold the signing authority for the Company.

26.2 Said representation and signing authority shall also belong, within the bounds of the powers conferred, to the Chief Executive Officer, if appointed, and to persons duly

authorised by the Board of Directors by resolutions published in accordance with the law and within the bounds of the resolutions themselves.

Art. 27

- 27.1 Members of the Board of Directors shall be entitled to a refund of expenses incurred in connection with their office and to emoluments to be determined by resolution of the Ordinary General Meeting of the Shareholders. Said resolution, once taken, shall remain valid for subsequent financial years until otherwise determined by the General Meeting.

PART VI

BOARD OF STATUTORY AUDITORS

Art. 28

- 28.1 The General Meeting shall elect a Board of Statutory Auditors, composed of five Regular Statutory Auditors, and shall determine their emoluments. The General Meeting shall also elect two Alternate Statutory Auditors. At least two of the Regular Statutory Auditors and at least one of the Alternative Statutory Auditors shall be selected from among those listed in the official Register of legal auditors who have performed statutory audits of accounts for a period of no less than three years; Auditors who do not fulfil these criteria shall be selected from among those who have at least three years' experience in the following areas:
- a) administration or control or management tasks in capital companies that have share capital of no less than EUR 2,000,000, or
  - b) professional activities or university teaching in legal, economic, financial or techno-scientific fields, strictly connected to the Company's business activities, or

c) management of public bodies or public administrations operating in the credit, financial and insurance sectors or in sectors strictly connected to the Company's,

strictly connected fields or sectors being understood to mean those that are functional to the performance of the activities listed in Article 4 hereinbefore.

28.2 Retiring Auditors shall be re-eligible for office.

28.3 The appointment of the Board of Statutory Auditors shall take place based on lists submitted by shareholders in accordance with the procedures referred to below, so that two regular members and one alternate member are elected by the minority.

Each list, in which candidates shall appear in consecutive order, shall be divided into two sub-lists: one for candidates to be elected to the office of Regular Statutory Auditor and the other for candidates to be elected to the office of Alternate Statutory Auditor. At least the first candidate in each sub-list must be entered in the official Register of legal auditors and must have been performing statutory audits of accounts for a period of no less than three years.

The lists that, taking into account both subsidiary lists, present three or more candidates must include – on the subsidiary list of Regular Statutory Auditors – candidates of a different gender, in accordance with the provisions of the notice convening the General Meeting, in order to allow the constitution of the board of directors in compliance with the provisions relating to gender balance. If the subsidiary list of alternate auditors of said lists names two candidates, these must belong to different genders.

Only those shareholders who, either individually or jointly with other shareholders, collectively hold at least 1% of the share capital with voting rights at Ordinary General Meetings shall be entitled to submit lists, or such lesser number as might be provided by legal or regulatory provisions, where applicable.

Each shareholder may submit or take part in the submission of only one list and each candidate may appear on only one list, failing which he or she shall be disqualified.

The lists, signed by the shareholder or shareholders who submit them, must be deposited at the Company's head office by the twenty-fifth day preceding the date

of the meeting at first convocation and, published at least twenty-one days prior to the meeting, still in case of first convocation, in accordance with the procedures provided for in the corresponding regulations.

Declarations must also be deposited with each list within the term provided for the of the aforementioned lists, in which each candidate accepts his or her candidacy and attests, under his or her own personal responsibility, that there are no causes of ineligibility and incompatibility, and that the prescribed requirements for the appointment have been met.

Without prejudice to the causes of ineligibility and incompatibility provided by law, auditors may not be appointed, and if elected shall be dismissed from office upon the applicable legislation, if they hold the office of regular statutory auditor in five Italian issuers or if they hold in other companies tasks of administration and control exceeding the required limit provided by the same legislation.

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

In order to prove possession of the number of shares necessary for the submission of lists, shareholders must deposit at Company's registered office, within the term provided for the publication of the lists by the Company, a copy of the certificate proving the possession of the number of shares represented.

Members of the Board of Statutory Auditors shall be elected as follows:

- a) three Regular Statutory Auditors and one Alternate Statutory Auditor shall be taken from the list that receives the majority of votes cast, in the order in which they appear on the list;
- b) two Regular Statutory Auditors and one Alternate Statutory Auditor shall be taken from the minority lists; for this purpose, the votes received by these lists shall be divided once and then twice, according to the consecutive numbering of the candidates on the list.

The ratios thus obtained shall be assigned in consecutive order to the candidates on each of these lists, based on the order shown in the list. The ratios thus allocated to the candidates on the various lists shall be arranged in decreasing order on a single list. Those candidates with the highest ratios shall be elected. If several candidates have obtained the same ratio, the candidate shall be selected

from the list which has not yet elected a Regulatory Statutory Auditor.

In case of a tied vote, where candidates have received the same ratios, the entire meeting shall hold another vote, the candidate with the majority of votes being elected.

The Chairman of the Board of Statutory Auditors shall be appointed by the General Meeting from among those Auditors elected by the minority. Should the Chairman of the Board of Statutory Auditors leave office, his or her replacement shall be the most senior Statutory Auditor in age from among those elected by the minority, until the next General Meeting, which must appoint the Chairman from among the Auditors elected by the minority.

If application of the above procedure does not allow to comply with the provisions in force in terms of gender balance, the vote ratio to be allocated to each candidate taken from the subsidiary lists of Regular Statutory Auditors on the different lists will be calculated by dividing the number of votes obtained by each list by the number of votes obtained by each list for the sequential number of each of said candidates; the candidate of the more representative gender with the lowest ratio among the candidates from all the lists is replaced by the candidate belonging to the less representative gender that may be shown (with the next highest successive ranking) on the same subsidiary list of Regular Statutory Auditors as the replaced candidate, or at a secondary level, on the subsidiary list of alternate auditors on the same list as the replaced candidate (who will then take the position of the alternate candidate he replaces), otherwise, where this would not constitute compliance with the provisions relating to gender balance, he is replaced by persons appointed in accordance with the procedure defined in Article 28.3-bis below.

In cases where candidates on different lists have obtained the same ratio, the replaced candidate will be the candidate on the list from which the greater number of Auditors has been taken or, at a subsidiary level, the candidate taken from the list that has obtained the fewer number of votes or, if there is a tied vote, the candidate who obtains fewer votes when the General Meeting takes the relevant vote.

If an Auditor elected by majority vote is replaced, he or she shall be replaced by the Alternate Statutory Auditor elected by the same majority while, if an Auditor elected by the minority is replaced, he or she shall be replaced by the Alternate Statutory Auditor elected by that minority, in order to ensure compliance with the provisions in force with regard to gender balance. If the replacement does not allow to comply with the provisions in force with regard to gender balance, the General Meeting must be convened as soon as practicable to ensure the compliance with said provisions.

In accordance with Article 2401 of the Italian Civil Code, additional members shall be appointed to the Board of Statutory Auditors by the General Meeting based on the majorities provided by law from those candidates on the same list as the Auditor who has left office, and so as to ensure compliance with the provisions in force with regard to gender balance.

28.3bis If for any reason whatsoever the appointment of one or more Regular Statutory Auditors or Alternate Statutory Auditors or additional members of the Board of Statutory Auditors cannot take place in accordance with that provided by the present article, the General Meeting shall adopt a resolution, in compliance with the majorities provided by the law, in accordance with the minority representation's principle and so as to ensure compliance with the provisions in force regarding gender balance.

28.4 Meetings of the Board of Statutory Auditors may take place by teleconference or by videoconference, on the condition that all participants can be identified and are able to follow the discussion and take part simultaneously in the discussion of meeting business and view documents in real time.

Provided these requirements have been met, the meeting of the Board of Statutory Auditors is considered to take place wherever the person chairing the meeting is located.

## PART VII FINANCIAL STATEMENTS AND PROFIT



Art. 29

- 29.1 The Company's financial year shall run to 31 December each year.
- 29.2 At the end of each financial year, the Board of Directors shall prepare the Company's financial statements in accordance with the legal requirements.
- 29.3 The Board of Directors may, during the financial year, distribute interim dividends to shareholders.

Art. 30

- 30.1 The net profit posted to the financial statements, except for any amount not set aside as reserve in the annual financial statements and which is available for distribution, shall be allocated as follows:
- a) 5% (five per cent) to the ordinary reserve until this is equivalent to one fifth of the share capital; or, if the reserve falls below this amount, until it has been returned to said level;
  - b) the remainder – without prejudice to the provisions of the first paragraph of the present article and without prejudice to the right of the General Meeting to resolve on the formation of reserves and special provisions or to carry earnings forward – shall be divided between all shares.

Art. 31

- 31.1 Any dividends not claimed within five years from the date on which they mature shall revert to the Company and be appropriated to reserves.

PART VIII

WINDING UP AND LIQUIDATION OF THE COMPANY

Art. 32

- 32.1 In the event of the Company being wound up, the General Meeting shall determine the liquidation arrangements and shall appoint one or more receivers, deciding their powers and remuneration.

PART IX  
GENERAL PROVISIONS

Art. 33

33.1 For any matter not expressly provided for in these Articles of Association, the provisions of the Italian Civil Code and the relevant special laws shall apply.

Art. 34

34.1 The provisions of Articles 18.3, 18.4, 28.3 and 28.3-*bis* aimed at ensuring compliance with the existing provisions concerning gender balance apply as of the first renewal of the Board of Directors and of the Board of Statutory Auditors subsequent to 12 August 2012 and for three consecutive mandates.