

FINMECCANICA – Società per azioni

## **ARTICLES OF ASSOCIATION**

Approved by the Shareholders' Meeting on 4 May 2011

### *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 “FINMECCANICA – Società per azioni” or, in abbreviated form, “FINMECCANICA S.p.a.”.

##### Art. 2

2.1. The Company’s registered office shall be in Rome. It shall have a second 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 OBJECTS

##### Art. 4

4.1. The corporate objects consist 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 shareholdings 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 accordance with the provisions laid down 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 objects; for example, it may set up real estate, investment, commercial or industrial operations, including the supply of equipment and the construction of buildings and other works, in addition to financial and banking transactions involving assets or liabilities and thus any act however linked with the corporate objects, except for soliciting funds from the general public.

Finally, the Company may acquire holdings and equity interests in other companies or firms, be they Italian or foreign, provided that said companies or firms have objects which are similar, assimilated or complimentary to its own, or to those of the companies in which it has an equity interest, and may furnish collateral security and/or guarantees to cover its own obligations or those of third parties, particularly with reference to guaranties.

## 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.

5.1 bis Under Article 3 of Decree-law No 332 of 31 May 1994, converted with amendments into Act No 474 of 30 July 1994, 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.

5.1 ter Under Article 2, paragraph 1 of Decree-law No 332 of 31 May 1994, converted with amendments into Act No 474 of 30 July 1994, as replaced by Article 4, paragraph 227 of Act No 350 of 24 December 2003, the Italian Minister of the Economy and Finance, jointly with the Italian Minister of Economic Development, has the following special rights:

a) the right to oppose the acquisition, by parties subject to the shareholding limit, as referred to in Article 3 of Decree-law No 332 of 31 May 1994, converted with amendments into Act No 474 of 30 July 1994, of material shareholdings, this being understood to mean shareholdings that – as laid down by Decree of the Italian Minister of the Treasury, Budget and Economic Planning of 8 November 1999 – represent at least 3% of the share capital composed of shares with voting rights at Ordinary General Meetings. The objection shall be raised within 10 days from the notification, to be issued by directors when entry in the shareholders' register is requested, if the Minister considers that the operation could harm the vital interests of the State. During the period in which the right of opposition may be exercised, the voting right and any other rights not relating to equity pertaining to shares representing the material shareholding shall be suspended. If the right of opposition is exercised, in the form of a ruling duly justified by the actual harm caused by the operation to the vital interests of the State, the shareholder concerned may not exercise the voting rights or rights not relating to equity pertaining to the shares representing the material shareholding and shall transfer these shares within a period of one year. In case of non-compliance, the court, on request of the Italian Minister of the Economy and Finance, shall order the sale of the shares representing the material shareholding in accordance with the procedures set out in Article 2359-ter of the Italian Civil Code. The ruling by which the right of opposition is exercised may be challenged by the shareholder concerned within 60 days before the Regional Administrative Tribunal of Lazio;

- b) the right to oppose the signing of pacts or agreements as set out in Article 122 of the Consolidated Law, Legislative Decree No 58 of 24 February 1998, in the event that – as laid down by Decree of the Italian Minister of the Treasury, Budget and Economic Planning of 8 November 1999 – such pacts or agreements represent at least 3% of the share capital composed of shares with voting rights at Ordinary General Meetings. So that the right of opposition may be exercised, CONSOB shall inform the Italian Minister of the Economy and Finance of any material agreements and contracts within the meaning of the present article of which it has been informed under said Article 122 of the Consolidated Law, Legislative Decree No 58/1998. The right of opposition must be exercised within 10 days from the date of notification by CONSOB. During the period in which the right of opposition may be exercised, the voting right and any other rights not relating to equity of shareholders who signed the agreement shall be suspended. If an opposition ruling is issued, duly justified in view of the actual harm caused by said agreements or contracts to the vital interests of the State, said agreements or contracts shall be invalidated. If the behaviour at meetings of syndicated shareholders suggests that the obligations assumed under the agreements or contracts referred to in Article 122 of the Consolidated Law, as referred to in Legislative Decree No 58/1998, still apply, resolutions adopted with the vote of the shareholders concerned may be challenged. The ruling exercising the right of opposition may be challenged within 60 days by shareholders who signed the agreements or contracts before the Regional Administrative Tribunal of Lazio;
- c) the right of veto, duly justified in view of the actual harm caused to the vital interests of the State, on resolutions to wind up the Company, transfer the business, proceed with mergers or demergers, relocate the Company's head office to a different country, alter the corporate objects or amend the Articles of Association, where such resolutions abolish or alter the powers referred to in the present article. The ruling by which the right of veto is exercised may be challenged within 60 days by dissenting shareholders before the Regional Administrative Tribunal of Lazio;
- d) the right to appoint a director without a voting right. Should the director thus appointed leave office, the Italian Minister of the Economy and Finance, jointly with the Italian Minister of Economic Development, shall appoint a replacement.

The right of opposition referred to in subparagraphs a) and b) hereinbefore may be exercised in the cases set out in Article 4, paragraph 228 of Act No 350 of 24 December 2003. The special rights referred to in subparagraphs a), b), c) and d) hereinbefore shall be exercised in accordance with the criteria laid down by the Prime Ministerial Decree of 10 June 2004, fully incorporated herein.

Directors appointed by decree of the Italian Minister of the Economy and Finance of 16.5.2003 shall remain in office, with the powers granted to them at the time of their appointment, until their term of office expires. Such directors shall not be replaced if, prior to the expiry of said term, they should have cause to leave office. The appointment of the director without a voting right, as referred to in subparagraph d) of the present article, may take place only after the departure from office of all the aforesaid directors. The auditor appointed by Decree of the Italian Minister of the Economy and Finance of 16.5.2003 shall remain in office until the term of office expires. If, prior to the expiry of said term, said auditor should have cause to leave office, a replacement shall be appointed in accordance with the provisions of the Italian Civil Code. Should the director without a voting right be appointed, as referred to in subparagraph d) of this article, said director shall be guaranteed the same rights as those granted to other directors by law and/or by the Articles of Association. This shall include the attendance to meetings of the Board of Directors, bar the voting right. Said director may not be delegated authority or given particular duties, on a supplementary or temporary basis or otherwise; under no circumstances may he or she chair meetings of the Board of Directors nor represent the Company legally, whether on an ad-hoc basis or otherwise, and his or her presence shall not be included for the purpose of calculating the quorum of meetings of the Board of Directors of the Company.

## 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 the present 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 occasions.

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 head 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 electronical 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, who need not necessarily be a shareholder.

#### Art. 16

16.1 Ordinary General Meetings shall be validly constituted 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 validly constituted 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.

#### 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 the present 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, excluding the director without a voting right appointed in accordance with the provisions of Article 5.1 ter, subparagraph d). 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. Should the director appointed in accordance with Article 5.1 ter, subparagraph d) leave office, the Italian Minister of the Economy and Finance, jointly with the Italian Minister of Economic Development, shall appoint a replacement in accordance with Article 2, paragraph 1 of Decree-law No 332 of 31 May 1994, converted with amendments into Act No 474 of 30 July 1994.

18.4 Without prejudice to the powers of appointment referred to in the preceding subparagraph, 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 head 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 head office 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.

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 head 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 requirements for good repute laid down by the applicable legislation.

Declarations must be deposited together with each list, and within the deadline provided for the of the lists, in which each candidate accepts his or her candidacy and attests, under his or her own responsibility, that there are no reasons for ineligibility 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 requirements for good repute and if any reasons for ineligibility 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, according to the order in which they appear on the list, rounded down to the nearest whole number where necessary;
- b) the remaining directors shall be taken from the other 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.

c) if, following the application of the aforesaid procedure, 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 on the various lists will be calculated according to the method described in subparagraph b); candidates not yet elected from the lists pursuant to subparagraphs a) and b) and who satisfy the independence criteria and who have obtained the highest ratios shall be elected. They shall be sufficient in number to ensure compliance with the Articles of Association and shall replace non-independent directors who have been allocated the lowest ratios. If there are insufficient candidates to fulfil the required minimum of two independent directors, the Meeting shall adopt a resolution based on the statutory majority to replace those candidates who do not satisfy the independence criteria and who have obtained the lowest ratios.

18.5 For directors not appointed in accordance with the aforesaid procedure for any reason, the meeting shall adopt a resolution based on the statutory majority. If during the financial year one or more directors should be absent, the procedure laid down by Article 2386 of the Italian Civil Code shall be adopted, without prejudice to the powers of appointment referred to in Article 5.1 ter, subparagraph d). To replace directors who have left office, the meeting shall adopt resolutions based on the statutory majority 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 at the next suitable meeting after the withdrawal from office is announced.

18.6 If the number of the members of the Board of Directors, excluding the member appointed in accordance with Article 5.1 ter, subparagraph d), 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 the present article and in Article 5.1 ter, subparagraph d).

18.7 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 the present article. Directors thus elected 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, with the exclusion in both cases of the director without a voting right, appointed in accordance with Article 5.1 ter, subparagraph d) of the Articles of Association.

19.2. The Board shall appoint a Secretary, even if not an employee of the Company.

#### Art. 20

20.1. The Board of Directors shall meet at the venue indicated in the notice of meeting, at head 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, with 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, excluding from this the director without a voting right appointed in accordance with Article 5.1 ter, subparagraph d).

22.2. Without prejudice to the provisions of Article 22.3 hereinafter, resolutions shall be adopted based on the majority vote of those present, excluding from this the director without a voting right, appointed in accordance with Article 5.1 ter, subparagraph d); 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, excluding from this the director without a voting right, appointed in accordance with Article 5.1 ter, subparagraph d). 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 exclusion of the director without a voting right from the calculation of the majorities referred to in subparagraphs 22.1, 22.2 and 22.3 shall only apply once all three directors have left office, appointed by special authority of the Italian Minister of the Economy and Finance, jointly with the Italian Minister of Economic Development, by Decree of 16 May 2003. Until such time, each director thus appointed shall have the same rights and obligations as directors appointed by the General Meeting.

#### 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 utmost 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 objects, save for those acts reserved by law or by the Articles of Association for the Shareholders' 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, with the exclusion in any case of the director without a voting right, appointed pursuant to Article 5.1 *ter*, subparagraph d) of the Articles of Association. 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 Chief Executive Officer, with the exclusion in any case of the director without a voting right, appointed pursuant to Article 5.1(iii), subparagraph d) of the Articles of Association.

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 must 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 regulated 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 must satisfy the integrity requirements laid down for directors.

The Manager responsible shall lose the assignment in the event he no longer fulfilling the aforesaid requirements or in case of reorganisation. The circumstance shall be announced by the Board of Directors within 30 days from being appraised of such change or from such change occurring.

#### Art. 26

26.1. The Chairman, or acting chairman pursuant to Article 19 of the present 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, with the exclusion in any case of the director without a voting right, appointed in accordance with Article 5.1 ter, subparagraph d) of the Articles of Association.

#### 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 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 auditors and must have been performing statutory audits of accounts for a period of no less than three years. 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 reasons for ineligibility, and that the prescribed requirements for the appointment have been met.

Without prejudice to the reasons for ineligibility 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 head 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 Regular 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. 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.

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.

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 statutory majority from those candidates on the same list as the Auditor who has left office.

*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 accordance with the minority representation's principle.

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 the present Articles of Association, the provisions of the Italian Civil Code and the relevant special laws shall apply.