

## **BY-LAWS**

### SECTION I - NAME, REGISTERED OFFICE, CORPORATE PURPOSE, DURATION AND DOMICILE

#### **Article 1**

##### **Company**

1.1. A joint-stock company (the "**Company**") is hereby incorporated under the name of "**Monnalisa S.p.A.**", with no restrictions on graphic representation or punctuation.

#### **Article 2**

##### **Registered Office**

2.1. The registered office of the company is in Arezzo.

2.2. By motion of the Board of Directors, secondary offices, representative offices, annexes and branches may be set up or closed, in accordance with the applicable law in Italy and overseas, while the registered office may be transferred within Italy.

#### **Article 3**

##### **Corporate purpose**

3.1. The corporate purpose of the Company is the following:

(a) the production and trading both to wholesale and retail customers of clothing, footwear and knitwear in general, textile raw materials, yarns and accessories, manufactured and semi-processed products, precious and non-precious metals and their alloys and machinery in general for the relative operations;

(b) the importing and exporting of the products referred to in point a);

(c) the hiring of agencies, with and without a deposit, of commission agents and concessionaires of the above goods and the intermediation of such in the broadest sense;

(d) the acquisition and transfer of patents, trademarks, industrial and non-industrial designs, production processes, special forms of trade and industry, either by direct acquisition, or by acquiring only the use and/or the use or the license and/or hire for any time and the granting of use to others;

(e) the organisation of courses aimed at acquiring the techniques necessary to carry out the activities referred to in the previous points and the training in general of personnel interested in these activities.

3.2. The Company may also act as a professional mediator pursuant to Article 1754 and subsequent of the Civil Code, in the cases permitted by law and for sectors of activity other than those listed above.

3.3. The Company may also carry out any commercial, industrial, securities and real estate transactions deemed necessary or useful for the achievement of the corporate purpose, in addition to financial transactions (both assets and liabilities), including the assumption of mortgages or other loans, in any form with private parties, companies and credit institutions and provide sureties, endorsements and any other guarantee in general, both unsecured and secured, also in favour of third parties, assume shareholdings in other companies or enterprises, as well as participate in consortia or temporary associations of enterprises, all with the exclusion of exercising reserved financial activities with the public.

#### **Article 4**

##### **Duration of office**

4.1. The duration of the Company concludes on December 31, 2070.

#### **Article 5**

##### **Domicile of the shareholders**

5.1. The domicile of the shareholders, with regard to their relations with the Company, is that contained in the shareholders' register, while a differing domicile may be chosen by communicating such in writing to the board of directors.

### SECTION II - SHARE CAPITAL, SHARES, CONTRIBUTIONS, LOANS AND WITHDRAWAL

#### **Article 6**

##### **Share Capital and Shares**

6.1. The share capital amounts to Euro 10,000,000.00 and is divided into 5,236,300 shares, without par value (the "**Shares**").

6.2. The shares are to bearer and subject to the dematerialisation rules pursuant to Article 83-*bis* and subsequent of Legislative Decree 58/1998 ("**CFA**").

#### **Article 7**

##### **Contributions and share capital increases**

7.1. Shareholder contributions may be sums of money, financial assets or loans, according to the shareholders' meeting motions.

**7.2.** In the event of a share capital increase, the newly issued Shares may also be paid up through contributions in kind and may also be assigned in a manner that is not proportional to the contributions, if the shareholders concerned so agree.

**7.3.** The shareholders' meeting may grant the Board of Directors the faculty to increase the share capital and to issue convertible bonds up to an established amount and for a maximum period of 5 years from the granting motion date.

**7.4.** Where the requirement for the listing of the shares on regulated markets as per Article 2325-*bis* of the Civil Code is satisfied, the granting of option rights to shareholders may be excluded, pursuant to Article 2441, paragraph 4, second sentence, of the Civil Code, within the limit of 10 percent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and such is confirmed in a special report by the independent auditor appointed to audit the Company's accounts.

**7.5.** On May 31, 2018, the Shareholders' Meeting granted to the Board of Directors, pursuant to Article 2443 of the Civil Code, the power to increase the share capital, in one or more tranches, and therefore against payment and also excluding the option right as per paragraphs 4, 5 and 8 of Article 2441 of the Civil Code, or, free of charge in accordance with Article 2349 of the Civil Code, by the 5th (fifth) anniversary of the related motion, for a maximum amount, including any share premium, of Euro 5,000,000.00 (five million/00), through the issue of ordinary shares (also with related warrants), with the same features as the outstanding Shares.

## **Article 8**

### **Classes of shares and other financial instruments**

**8.1.** Within the statutory limits, and as per the provisions of Articles 2348 and 2350 of the Civil Code, the Extraordinary Shareholders' Meeting may decide to issue classes of preference shares, classes of shares with differing rights, including as regards the amount of losses, or shares without voting rights, with multi-voting rights or limited to particular subjects or with voting rights subject to the materialisation of particular conditions that are not merely potestative.

**8.2.** In accordance with Article 2346, paragraph 6, and 2349, paragraph 2 of the Civil Code, the extraordinary shareholders' meeting may decide to issue financial instruments with equity or administrative rights, excluding the right to vote at the shareholders' meeting.

## **Article 9**

### **Bonds, loans and separate assets**

**9.1.** The company may issue bonds, including those convertible into shares or with warrants, to the bearer or nominative, in accordance with law.

**9.2.** Shareholders may also issue interest-bearing or non-interest-bearing loans in favour of the Company, as well as capital payments or other types of payments, also with repayment obligations, in accordance with applicable laws and regulations.

**9.3.** The Company may allocate assets for a specific business pursuant to articles 2447-*bis* and following of the Civil Code, by motion of the extraordinary shareholders' meeting.

## **Article 10**

### **Transferability and trading of the Shares**

**10.1.** The Shares are freely transferable by deed both between living persons and through inheritance.

**10.2.** The Shares may be admitted to trading on multi-lateral trading facilities, as per Articles 77-*bis* and subsequent of the CFA (provided they do not constitute regulated markets), with particular regard to the multi-lateral trading facility called AIM Italia, managed and organized by Borsa Italiana S.p.A. ("**AIM Italia**", whose Issuers' Regulations issued by Borsa Italiana S.p.A. are hereinafter referred to as the "**AIM Italia Issuers' Regulations**"). Where, depending on admission to the AIM Italia or even independently of such, the Shares are held by the public to a significant extent, pursuant to the combined provisions of articles 2325-*bis* of the Civil Code, 111-*bis* of the implementation provisions of the Civil Code and 116 of the Consolidated Finance Act, the regulatory provisions of the Civil Code and the CFA (in addition to secondary regulations) will apply to companies with shares distributed to the public and those clauses of these By-Laws incompatible with the rules set for these companies shall automatically lapse. To the extent that admission to the multi-lateral trading system also fulfils the requirement to list shares on regulated markets pursuant to Article 2325-*bis* of the Civil Code, the provisions of the Civil Code also apply to companies with listed shares.

## Article 11

### **Takeover bids**

**11.1.** Depending on whether the shares are traded or not on the AIM Italia - and in compliance with the provisions of the AIM Italia Issuers' Regulations - these by-laws implement the provisions contained in Sheet Six of the AIM Italia Issuers' Regulations (as amended), which are set forth below.

**11.2.** From the point at which the Shares issued by the Company are admitted to trading on AIM Italia, and until such time as similar rules are made applicable on a mandatory basis, the provisions (hereinafter, "**the stated rules**") relating to listed companies pursuant to the CFA and the implementing CONSOB regulations concerning takeover and compulsory exchange bids - articles 106, 108, 109 and 111 of the CFA (also with reference to the guidelines expressed by CONSOB on the subject as referred to in the AIM Italia Issuers' Regulations, including the drafting by the Company of the "issuer's press release") are made applicable on a voluntary basis and as far as compatible.

**11.3.** For the purposes of calculating the consideration referred to in Article 108, paragraph 4, of the CFA for the exercise of the obligation and the right to purchase referred to in Articles 108 and 111 of the CFA, such shall be equal to the higher of (i) the highest expected price for the purchase of securities of the same class during the 12 (twelve) months prior to the emergence of the right or obligation to purchase by the person held to do so, as well as by persons operating together with him/her, as far as the Board of Directors is aware, and (ii) the weighted average market price of the last 6 (six) months prior to the emergence of the obligation or right to purchase.

**11.4.** The obligations set forth in Article 106, paragraph 3, letter (b) of the CFA do not apply until the date of the shareholders' meeting called to approve the financial statements for the 5th (fifth) financial year following the listing, or, if earlier, until the Company continues to be classified as an "SME" (as defined at any given time by the CFA).

**11.5.** The period for takeover and exchange bids is agreed upon with the appointed investigative board called the "Panel". The Panel also dictates the appropriate or necessary provisions for the proper execution of the offer. The Panel exercises said administrative powers after consulting Borsa Italiana S.p.A.

**11.6.** Exceeding the holding threshold provided for in Art. 106, paragraph 1 of the Consolidated Finance Act (even after the allocation of any multi-vote shares), where not accompanied by the communication to the Board of Directors and the presentation of a complete public offering within the terms established by the stated rules entails the suspension of the voting right on the excess holding, which can be ascertained at any time by the Board of Directors.

**11.7.** The stated rules are those in effect at the moment at which the shareholder's obligations are triggered. All disputes relating to the interpretation and execution of this clause must be submitted in advance, as a condition for procedure, to the investigative board called the "Panel".

**11.8.** The Panel is an investigative board composed of 3 (three) members appointed by Borsa Italiana S.p.A. which also elects a Chairperson from among its members. The Panel is located at Borsa Italiana S.p.A.

**11.9.** Panel members are selected from independent persons with proven financial market expertise. The term of office is three years and can be renewed only once. Where one of the members ceases to hold office before the conclusion date, Borsa Italiana S.p.A. appoints a substitute; this appointment lasts until the conclusion of mandate of the Board in office. The Panel's decisions on disputes concerning the interpretation and execution of the clause regarding the public purchase offer are made in accordance with law, with respect to the adversarial principle, within 30 (thirty) days of the appeal and are promptly communicated to the parties. The language of the proceedings is Italian. The Chairperson of the Panel has the right to assign the matter to a single member of the investigative board in agreement with the other members of the panel.

**11.10.** The Companies, its shareholders and any bidders may appeal to the Panel to request its prior interpretation and its recommendations on any matter that may arise in relation to the public purchase offer. The Panel responds to every oral or written request as soon as possible with the right to request from all interested parties all the information necessary to provide an adequate and correct answer. The Panel also exercises the administrative powers of the public purchase and exchange offer referred to in the public purchase offer clause, having referred to Borsa Italiana SpA.

**11.11.** For the purposes of this article, "**investment**" means a shareholding, even indirectly held through trustees or a nominee, in securities issued by the Company that grant voting rights in shareholders' motions concerning the appointment or removal of directors.

**11.12.** The provisions of this article apply only in cases where the takeover bid and exchange is not otherwise subject to the supervisory powers of CONSOB and the provisions on takeover bids and exchanges set out in the CFA.

## Article 12

### **Disclosure obligations for significant holdings**

**12.1.** Depending on the trading of the shares or other financial instruments issued by the Company on the AIM Italia - and in compliance with the provisions of the AIM Italia Issuers' Regulations - until such time as similar rules are made obligatorily applicable, they are also made applicable by voluntary recall and

as far as compatible with the provisions (hereinafter, "**stated rules**") relating to listed companies set out in the CFA and CONSOB implementing regulations on disclosure requirements for significant shareholdings - Article 120 CFA (also with reference to the guidelines expressed by CONSOB on the subject), except as provided below.

**12.2.** A person who comes to hold equity investments in the Company's share capital with voting rights (even if such right is suspended and "**share capital**" being the total number of voting rights also due to any increase and "**investment**" as provided for in article 11.9 above) equal to or greater than the thresholds established pursuant to the AIM Italia Issuers' Regulations (the "**Significant Investment**") is required to promptly notify the Company's Board of Directors.

**12.3.** The achievement, exceeding, or reduction of the Significant Investment constitutes a "**Substantial Change**" (as defined in the AIM Italia Issuers' Regulation), which must be communicated to the Board of Directors of the Company within 5 (five) calendar days, starting from the day on which the transaction (of purchase, sale, transfer, exchange, or in any other manner implemented) was carried out which involved the Substantial Change according to the terms and methods set forth in the stated rules.

**12.4.** The disclosure obligation stated above also applies to each party who becomes the owner of the Significant Investment for the first time, where, as a consequence of said acquisition, their investment in the Company is equal to or higher than the set thresholds.

**12.5.** The above communication must identify the owner of the Significant Investment, the amount of the investment, the nature and consideration of the transaction and the date on which the owner acquired or sold the percentage of share capital that led to a Substantial Change or the date on which its investment was increased or decreased, in addition to anything else provided for under the stated rules. The stated rule is that in effect at the moment at which the obligations of the party responsible for the relative communication are triggered.

**12.6.** If the communication referred to in this article is omitted, the voting rights relating to the shares and financial instruments for which the communication has been omitted shall be suspended.

**12.7.** Where this prohibition is not complied with, the motion of the shareholders' meeting or the other act, adopted with the vote or, in any case, the decisive contribution of the investment referred to in the previous paragraph, may be challenged in accordance with the provisions of the Civil Code. The investment for which the right to vote cannot be exercised shall be taken into account for the purposes of the regular constitution of the relative shareholders' meeting.

**12.8.** The Board of Directors may at any time request information from shareholders about their investments in the Company.

### **Article 13**

#### **Withdrawal**

**13.1.** Shareholders have the right to withdraw in the cases and within the limits established by law.

**13.2.** The right to withdrawal however is not applicable in the case of extending the duration of the Company or upon the introduction of limits to Share circulation.

## SECTION III - SHAREHOLDERS' MEETINGS

### **Article 14**

#### **Meeting call**

**14.1.** The Shareholders' Meeting shall be called by means of the publication of a notice in the Official Gazette of the Italian Public or, alternatively, in at least one of the following newspapers: "MF-Milano Finanza", "Italia Oggi", "ilSole24Ore" and "Corriere della Sera" and, in any case, on the company's website, at least 15 (fifteen) days prior to the date fixed for the Shareholders' Meeting in first call.

**14.2.** Where the requirement for admission to listing of the Company's shares or other financial instruments on a multi-lateral trading facility or regulated market is not met, the shareholders' meeting may be called, as an alternative to the paragraph above, by the administrative body or the chairperson of the board of directors or, in his absence or impediment, by the vice-chairperson or the chief executive officer (if appointed) by registered letter with acknowledgement of receipt, which must be received by the shareholders at least 8 (eight) days prior to the meeting, or by fax or e-mail sent to the shareholders at least 8 (eight) days prior to the meeting, provided that the receiving fax number or e-mail address has been entered in the shareholders' register at their request, or, alternatively, by publication of the call notice in the Official Gazette of the Republic, in accordance with the law. In addition to that stated above and where required by law or regulation - also with reference to special meetings of bondholders and/or financial instruments, including equity-based instruments - the call notice should be published in the Official Gazette of the Republic, in accordance with law.

**14.3.** The Shareholders' Meeting may also be called outside of the Municipality in which the registered office is located, although in Italy.

**14.4.** The ordinary Shareholders' Meeting for approval of the annual accounts must be called within 120 days of year end or, in the cases provided for by Article 2364, paragraph 2 of the Civil Code, within 180 days

of year-end, without prejudice to any further term provided for by the regulations in force.

**14.5.** In the absence of its formal call, the shareholders' meeting is validly constituted where the legal requirements are met.

#### **Article 15** **Attendance and voting**

**15.1.** Those with voting rights have a right to attend the Shareholders' Meeting.

**15.2.** Such parties are permitted to attend in accordance with law.

**15.3.** In particular, where the requirement for the admission to listing of the shares or the other financial instruments of the company on a multi-lateral trading facility or a regulated market has been met, the right to attend the Shareholders' Meeting and the right to vote requires communication to the Company by an appointed intermediary, in accordance with their accounting records, in favour of the party with the right to vote. The communication is made by the appointed intermediary and is based on the available information at the end of the 7<sup>th</sup> (seventh) trading day before the date fixed for the Shareholders' Meeting in first call ("record date"). Debits and credits to the relevant accounts subsequent to this date do not affect the right to vote at the Shareholders' Meeting. The communications sent to the appointed intermediary must be received by the Company by the end of the 3<sup>rd</sup> (third) trading day before the Shareholders' Meeting is held in first call, or according to a differing timeframe established by CONSOB, in agreement with the Bank of Italy, in the form of a regulation. The right to attend and vote remains valid if the communication is sent to the Company outside the above-stated time periods, although by the beginning of the single call Shareholders' Meeting.

**15.4.** The Ordinary and Extraordinary Shareholders' Meeting may be held in several locations, via audio/video link, on the condition that a collective approach is taken and the principles of good faith and of equal treatment of shareholders are upheld and, in particular, provided that: (a) the Chairperson of the Shareholders' Meeting, also through his/her office, may ascertain the identity and right to attend of all present and govern the business of the meeting, in addition to verify and declare the voting results; (b) the minutes-taker is able to adequately note all the matters pertaining to the Shareholders' Meeting; (c) attendees may participate in the discussions and vote simultaneously on the matters on the Agenda; the meeting shall be considered to have been held in the location of the Chairperson and the minute-taker.

**15.5.** Where not otherwise stated, the right to participate and vote at the shareholders' meeting is governed by law.

#### **Article 16** **Chairperson**

**16.1.** The meeting is chaired by the chairperson of the board of directors or (subordinately) by the vice-chairman or (subordinately) by the chief executive officer (if appointed), or, in the event of their absence, impediment, absence or resignation, by a person elected by the majority of those present.

**16.2.** The functions, powers and duties of the chairperson are governed by law.

#### **Article 17** **Powers and majorities**

**17.1.** The Shareholders' Meeting is permitted to pass motions in ordinary and extraordinary session on the matters provided for by law.

**17.2.** Where the shares or other financial instruments of the Company are admitted to trading on the AIM Italia, the ordinary shareholders' meeting may also authorize, pursuant to Article 2364, paragraph 1, No. 5), of the Civil Code, the following decisions of the administrative body: (i) acquisitions resulting in a "reverse takeover" pursuant to the AIM Italia Issuers' Regulations; (ii) disposals that achieve a "substantial change of business" pursuant to the AIM Italia Issuers' Regulations, unless Borsa Italiana S.p.A. decides otherwise; (iii) request for the revocation of the Shares from trading on the AIM Italia, it being understood that revocation must be approved with the favourable vote of at least 90% (ninety percent) of the votes cast by the shareholders attending the meeting or according to a differing percentage established in the AIM Italia Issuers' Regulations, unless Borsa Italiana S.p.A. decides otherwise.

**17.3.** Without prejudice to the different quorums required by other provisions of these By-Laws, the motions of the ordinary and extraordinary shareholders' meetings shall be passed by statutory majority. Constituent and resolution quorums that make reference to share capital levels are always determined by taking into account

- at the relevant Shareholders' Meetings and with reference only to the matters for which this majority right is established - in addition to any multi-voting rights. The entitlement to exercise rights, other than voting rights, due to the possession of certain levels of share capital is, on the other hand, always determined regardless of any multi-voting rights that may arise.

**Article 18**  
**Minute-taking**

**18.1.** The minutes of the Shareholders' Meetings are prepared by the secretary, appointed by the meeting itself, and signed by the Chairperson and the Secretary.

**18.2.** In those cases required by law, or when the meeting chairperson considers it appropriate, the minutes will be drafted by a notary. In this case, the assistance of the secretary is not necessary.

ADMINISTRATIVE BODY

**Article 19**  
**Number, duration and remuneration of directors**

**19.1.** The Company is governed by a Board of Directors comprising between 5 (five) and 9 (nine) members, as decided by the Shareholders' Meeting.

**19.2.** Directors remain in office for the period set by the appointing shareholders' meeting motion, up to a maximum of 3 (three) financial years, and may be re-elected. They remain in office until the date of the Shareholders' Meeting called to approve the financial statements for their final year of office, subject to the conditions of discontinuation and lapse established by law and these By-Laws.

**19.3.** The Directors shall be reimbursed for any expenses incurred for the execution of their functions. The Ordinary Shareholders' Meeting may also grant directors a remuneration and indemnity at the end of their term of office, including in the form of an insurance policy, as well as an attendance fee, or establish that the remuneration shall consist in whole or in part of profit-sharing or the granting of the right to subscribe to newly-issued shares at a pre-set price pursuant to Article 2389, paragraph 2, of the Civil Code. The shareholders' meeting has the power to determine a total amount for the remuneration of all directors, including those with special duties, to be divided by the board in accordance with the law.

**19.4.** The Board of Directors is given the power, without prejudice to the simultaneous competence of the Extraordinary Shareholders' Meeting, to pass motions: (i) concerning the merger and spin-off of the cases provided for in Articles 2505 and 2505-bis of the Civil Code, the establishment or closure of secondary offices, the indication of which of the directors represent the Company, the reduction of the share capital in the event of the withdrawal of shareholders, the adaptation of the By-Laws to regulatory provisions, the transfer of the registered office in Italy, all in accordance with Article 2365, paragraph 2, of the Civil Code, as well as, (ii) in relation to the issue of convertible bonds or bonds with warrants following indirect proceedings or where the conversion or option relates to the Company's treasury shares or shares already in circulation.

**Article 20**  
**Appointment of the directors**

**20.1.** All directors must satisfy the eligibility, professionalism and good standing requirements established by applicable law and other provisions. Where the Company's shares or other financial instruments are admitted to trading on the AIM Italia, at least 1 (one) director, in the case of a board of up to 7 (seven) members, or 2 (two) directors, in the case of a board of 9 (nine) members, must also meet the independence requirements pursuant to Article 148, paragraph 3, of the CFA, as referred to in Article 147-ter, paragraph 4, of the CFA (hereinafter "**Independent Director(s)**").

**20.2.** Unless otherwise approved by the shareholders' meeting (this is solely done if the requirement to admit the shares or other financial instruments of the Company on a multi-lateral trading facility or on a regulated market) is not met, the appointment of the board of directors takes place by the shareholders' meeting based on slates presented by the shareholders, according to the procedure set out in the following paragraphs.

**20.3.** A slate for the appointment of directors may be submitted by holders of Shares who, individually or jointly, hold a stake equal to at least 5% (five per cent) of the share capital subscribed at the time the slate is submitted.

**20.4.** The slates shall be filed at the registered office no later than 1PM on the 7<sup>th</sup> (seven) day before for the date set for the first call of the Shareholders' Meeting called to consider the appointment of the Board.

**20.5.** The slates provide for a number of candidates not exceeding nine, listed numerically. The slates also contain, also in annexes: (i) information on the identity of the shareholders who have submitted them, with an indication of the total percentage of the shareholding held, as evidenced by a specific declaration issued by an intermediary (or where the requirement for admission to listing of the Company's shares or other financial instruments on a multi-lateral trading facility or regulated market is not concretely stated, also from the shareholders' register); (ii) exhaustive information on the personal and professional characteristics of the candidates, including the list of administrative and control positions held in other companies or entities; (iii) a declaration of the candidates containing their acceptance of their candidature and certification that they meet the legal requirements, as well as the independence requirements, where indicated as Independent Directors. In particular, each slate containing a number of candidates not exceeding 7 (seven) must include and identify at least one candidate who qualifies as an Independent Director, while each slate that

contains more than 7 (seven) candidates must include and identify at least 2 (two) candidates who qualify as Independent Directors.

**20.6.** A shareholder may not present or vote upon more than one slate, even if through a nominee or a trust company. Subject to ineligibility, each candidate may appear only on one slate.

**20.7.** The slate for which the provisions of the preceding paragraphs have not been complied with shall be deemed not to have been submitted.

**20.8.** At the end of the vote, after determining the total number of directors to be elected, the votes obtained from the slates are divided by whole progressive numbers from 1 (one) to the number of directors to be elected. The numbers thus obtained are attributed to the candidates on each slate, in the order provided for. Therefore, the numbers attributed to the candidates of the various slates are arranged in decreasing order in a single ranking.

**20.9.** Those who have obtained the highest numbers shall be elected, up to the number of directors set by the Shareholders' Meeting, it being understood that the candidate listed in first place on the second slate that obtained the highest number of votes and that is not connected in any way, even indirectly, with the shareholders who submitted or voted for the slate that obtained the highest number of votes must in any case be appointed to the board. Therefore, if the above candidate has not obtained the number necessary to be elected, the candidate who obtained the lowest number from the slate that obtained the highest number of votes will not be elected and the Board will be completed with the appointment of the candidate in first place on the second slate that obtained the highest number of votes, in any case subject to the provisions of paragraph 20.12 below.

**20.10.** In the event that in order to complete the entire board of directors more than one candidate has obtained the same number of votes, the candidate of the slate that has not yet elected a director or that has elected the fewest directors will be appointed director. In the event that no director has been elected yet from any of these slates or that the same number of directors has been elected from each slate, the candidate of the slate that has obtained the most votes will be appointed director. Should two slates receive the same number of votes, a second vote of the Shareholders' Meeting shall decide with the candidate being elected by means of a simple majority of the votes.

**20.11.** Where, following the application of the above procedure, the minimum number of Independent Directors required by the By-Laws is not appointed, the number of votes to be attributed to each candidate taken from the slates is calculated, dividing the number of votes obtained from each slate by the order number of each of the said candidates; candidates who do not meet the independence requirements with the lowest numbers among the candidates taken from all the slates are replaced, starting from the last one, by the candidates who meet the independence requirements which may be indicated in the same slate as the replaced candidate (following the order in which they are indicated), otherwise by persons, meeting the independence requirements, appointed according to the statutory majority. In the event that candidates from different slates have obtained the same number, the candidate from the slate from which the highest number of directors is taken will be replaced or, alternatively, the candidate taken from the slate that obtained the lowest number of votes or, in the event of a tie, the candidate who obtains the least votes from the shareholders' meeting in a special vote.

**20.12.** In relation to that above, consideration is not taken of the slates which have not obtained at least the amount of votes required for the presentation of the slates.

**20.13.** Should only one slate be presented, the Shareholders' Meeting shall vote on it and only where this slate obtains the majority set for the relative shareholders' meeting motion, the candidates listed in progressive order up to the number fixed by the Shareholders' Meeting shall be elected as Directors.

**20.14.** In the absence of slates, or if the number of directors elected on the basis of the slates submitted is less than the number determined by the Shareholders' Meeting, the members of the Board of Directors are appointed by the Shareholders' Meeting by statutory majority.

**20.15.** The candidate who is indicated as such in the slate obtaining the highest number of votes, or in the only slate presented, is elected chairperson of the board of directors. If not possible, the chairperson is appointed by the shareholders' meeting by ordinary statutory majority or by the board of directors.

**20.16.** In the case of conclusion of office, for any reason, of one or more directors, their replacement is undertaken according to the provisions of Art. 2386 of the Civil Code by co-opting the candidate on the same slate as the director leaving office, or in any case another person chosen by the board of directors as designated by the shareholder or group of shareholders who presented the slate of the director leaving office, subject to the obligation to comply with the above minimum number of Independent Directors.

**20.17.** The appointment of directors, in any case other than the renewal of the entire board, is carried out by the shareholders' meeting according to the statutory majorities required, subject to the obligation to comply with the minimum number of Independent Directors established above; the term of the directors thus appointed concludes jointly with those in office at the time of their appointment.

**20.18.** Where the Board of Directors ceases to hold office (for resignation or for any other reason) at the same time, the majority of the Board of Directors in office will not be co-opted and will not comply with the requirements of Article 2386, paragraph 2, of the Civil Code and the entire Board of Directors will be deemed to have resigned at the same time, requiring the calling of the Shareholders' Meeting as soon as possible for the appointment of the new Board of Directors. The entire board, including any advisers who may resign, will however remain

in any case in office until the Shareholders' Meeting which will undertake its replacement and may, in the meantime, only perform acts of ordinary administration, notwithstanding the provisions of Article 2386, paragraph 5, of the Civil Code.

#### **Article 21**

##### **Chairperson and corporate boards**

**21.1.** The Board, where not indicated in the relative statutes and where the Shareholders' Meeting has not done so on appointing the Board, must appoint a chairperson from amongst its members.

**21.2.** Where it deems such appropriate, the Board may also appoint one or more vice-chairpersons, acting in support of the chairperson. The Board of Directors - with the exclusion of powers relating to matters that cannot be delegated by law pursuant to Article 2381, paragraph 4, of the Civil Code or these By-Laws pursuant to Article 19.4. - may delegate its powers to one or more directors, who assume the role of chief executive officer or to an executive committee, while setting their duties and management powers. The office of Chairperson and Vice Chairperson are cumulative with that of Chief Executive Officer.

**21.3.** The board of directors may appoint general managers, determining their duties, powers and remuneration, and may appoint and revoke proxies for individual acts or categories of acts, assigning to directors and proxies, in relation to their powers, representation of the company.

#### **Article 22**

##### **Board meetings**

**22.1.** The Board of Directors shall meet, also outside the registered office provided that it is in the European Union or in Switzerland, wherever the Chairperson, or in case of his/her absence or impediment, the Vice Chairperson or the Chief Executive Officer, deems it appropriate and when requested by at least 2 (two) directors in office.

**22.2.** The board shall be called by means of a notice sent by mail, telegram, fax or e-mail at least 3 (three) days prior to the meeting or, in cases of urgency, at least 24 (twenty-four) hours prior to the meeting. In any case, board meetings, otherwise called, shall be valid if all directors and standing auditors in office attend.

**22.2.** Meetings of the Board of Directors are chaired by the Chairperson of the Board of Directors or, in his/her absence, impediment, absence or waiver, respectively by the Vice Chairperson, the Chief Executive Officer (if appointed) or the Director designated by attendees.

**22.3.** The effective presence of the majority of the directors and the favourable vote of the majority of those present are required for the validity of the board's motions. In the event of a tie, the vote of the chairperson of the meeting shall prevail.

**22.4.** Meetings of the Board of Directors may also be held by audio or video conference, provided that:  
(a) the Chairperson and the Secretary, if appointed, are present in the same location, who will write and sign the minutes, verifying that the meeting was held in that location; (b) the Chairperson of the meeting is able to verify the identity of the participants, direct the course of the meeting and witness and announce the results of the vote; (c) that the person taking the minutes is able to adequately observe the events of the meeting that is the subject of the minutes; and (d) that participants are able to follow the discussion and the simultaneous voting on the matters on the agenda, as well as view, receive or transmit documents.

#### **Article 23**

##### **Operating powers and board motions**

**23.1.** The Board of Directors shall have the widest powers of ordinary and extraordinary administration of the company, with the power to carry out all acts it deems appropriate for attaining the corporate scope, with the sole exclusion of those attributed by law to the Shareholders' Meeting. However, prior authorization by the Ordinary Shareholders' Meeting is required, pursuant to Article 2364, paragraph 1, No. 5), of the Civil Code, in addition to the cases provided for by law, in accordance with Article 17.2 above.

#### **Article 24**

##### **Powers of representation**

**24.1.** The power to represent the company before third parties and in court is assigned to the Chairperson of the Board of Directors, without any limit whatsoever (who is assigned the power to sign on behalf of the company and to act before any court, at any level of proceedings, including those before the Court of Cassation and revocation) and, if appointed, the Vice Chairperson, within the limits established by the appointing motion.

**24.2.** In the case of the appointment of executive directors, such shall exercise legal representation within the operating powers granted. The chairperson of the executive committee, where formed, is also granted the power of representation, subject to the same limits.



**24.3.** Representation of the company also falls on the general manager, the managers, representatives and legal representatives, within the limits of the powers conferred on appointment.

## **Article 25**

### **Related party transactions**

**25.1.** The board of directors adopts procedures that ensure the transparency and substantial accuracy of related party transactions, in compliance with the applicable legal and regulatory framework.

**25.2.** For the purposes of these By-Laws, for the definition of related party transactions, significant transactions, the committee of independent directors, equivalent control, unrelated shareholders, etc., reference is made to the related party transactions policy adopted and published by the Company on its website (the "**Policy**") and to the regulations in force at the time regarding related party transactions and the management of conflicts of interest.

**25.3.** More specifically, significant transactions with related parties that are the responsibility of the Shareholders' Meeting, or that must be authorized by the latter, submitted to the Shareholders' Meeting in the presence of a contrary opinion of the Committee of Independent Directors or its equivalent, or in any case without taking into account the remarks made by that Committee or its equivalent, shall be approved with the majorities established by these By-Laws, while the transaction may not be executed where the majority of the unrelated shareholders vote against the transaction.

The transaction may only be halted where the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the share capital with voting rights.

**25.4.** Even in the absence of a favourable reasoned opinion from the committee made up of unrelated independent directors or of an equivalent board pursuant to the laws and regulations in force regarding related party transactions, the board of directors may enter into significant related party transactions provided that the execution of such transactions is authorised by the shareholders' meeting, pursuant to Article 2364, first paragraph, No. 5) of the Civil Code. Subject to the quorums provided for in Article 17.3 above, significant related party transactions shall be considered authorised by the shareholders' meeting as long as a majority of the voting unrelated shareholders do not vote against, as defined by the laws and regulations in force and the Policy. Where the majority of unrelated voting shareholders vote against, related party transactions are prevented only where the unrelated shareholders present at the meeting represent at least one-tenth of the share capital with voting rights.

**25.5.** The Policy adopted by the Company may also provide, where permitted, that in cases of urgency, related party transactions may be concluded, under the terms and conditions provided for by the applicable laws and regulations and/or in the Policy, as an exception to the ordinary procedures provided for therein

## **BOARD OF STATUTORY AUDITORS AND INDEPENDENT AUDIT**

## **Article 26**

### **Board of Statutory Auditors**

**26.1.** The company's management is controlled by a Board of Statutory Auditors, consisting of 3 (three) standing members and 2 (two) alternates, who meet the legal requirements.

**26.2.** The shareholders' meeting determines the remuneration of the statutory auditors, in addition to the reimbursement of expenses.

**26.3.** The members of the Board of Statutory Auditors are appointed by means of slates presented by the shareholders, in accordance with the procedure set out below.

**26.4.** A slate for the appointment of Statutory Auditors may be submitted by shareholders who, individually or jointly, hold a stake equal to at least 5% (five per cent) of the share capital subscribed at the time the slate is submitted.

**26.5.** The slates shall be filed at the registered office no later than 1PM on the 7<sup>th</sup> (seven) day before for the date set for the first call of the Shareholders' Meeting called to consider the appointment of the Board of Statutory Auditors.

**26.6.** For the purposes of that stated above, the slates should comprise two sections: one for candidates for the position of statutory auditor and the other for the position of alternate auditor. In each section, the candidates should be listed by progressive numbering. The slates also contain, also in annexes: (i) information on the identity of the shareholders who have submitted them, with an indication of the total percentage of the shareholding held, as evidenced by a specific declaration issued by an intermediary (or where the requirement for admission to listing of the Company's shares or other financial instruments on a multi-lateral trading facility or regulated market is not concretely stated, also from the shareholders' register); (ii) exhaustive information on the personal and professional characteristics of the candidates, including the list of administrative and control positions held in other companies or entities; (iii) a declaration of the candidates containing their acceptance of their candidature and certification that they meet the legal requirements.

**26.7.** A shareholder may not present or vote upon more than one slate, even if through a nominee or a trust company. Subject to ineligibility, each candidate may appear only on one slate.

**26.8.** The slate for which the provisions of the preceding paragraphs have not been complied with shall be deemed not to have been submitted.

**26.9.** The procedure for electing statutory auditors is as follows:

a) from the slate which obtained the highest number of votes at the shareholders' meeting, based on the progressive order on the slate, two (2) standing members and one (1) alternate members are elected;

b) 1 (one) statutory auditor and 1 (one) alternate auditor are taken from the 2nd (second) slate that obtained the highest number of votes at the Shareholders' Meeting and that is not connected, even indirectly, with the shareholders who submitted or voted for the slate that obtained the highest number of votes, according to the progressive order in which they are listed in the sections of the slate.

**26.10.** In relation to that above, consideration is not taken of the slates which have not obtained at least the amount of votes required for the presentation of the slates.

**26.11.** Where multiple slates have received the same number of votes, a fresh round of balloting takes place between these slates, with the candidates from the slate attaining a simple majority deemed elected.

**26.12.** The Chairperson of the Board of Statutory Auditors shall be the first candidate of the section for standing auditor of the slate as per letter a) of Article 26.9 above.

**26.13.** Where only one slate is presented, the shareholders' meeting votes on this slate; where the slate obtains the majority as per article 2368 of the civil code and subsequent, three (3) candidates shall be elected standing auditor as indicated by progressive order in the relative section and two candidates shall be elected alternate auditor as indicated by progressive order in the relative section; the chairperson of the board of statutory auditors shall be the first candidate of the section for standing auditor in the slate presented.

**26.14.** Where no slate is presented and where a minimum number of candidates are not elected as required by these By-Laws, the Board of Statutory Auditors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority.

**26.15.** In the case of the departure of a statutory auditor, where a number of slates are presented, an alternate auditor is taken from the same slate as the statutory auditor leaving office. In all other cases, including an insufficient number of candidates on the slate, the Shareholders' Meeting appoints the standing or alternative auditors in order to supplement the Board of Statutory Auditors, by a relative majority vote and without any slate restriction applied. Where the Chairperson of the Board of Statutory Auditors is replaced, the replacement standing auditor also assumes the office of Chairperson of the Board of Statutory Auditors, except where otherwise decided by the shareholders' meeting by absolute majority.

**26.16.** The shareholders' meeting sets the remuneration of the statutory auditors, in addition to the reimbursement of expenses.

**26.17.** The duties, powers and responsibilities of statutory auditors are assigned in accordance with law. Meetings of the Board of Statutory Auditors may be held by audio-conference or video-conference, as established for Board meetings.

## **Article 27**

### **Legally-required audit**

**27.1.** The legally-required audit is carried out by an independent audit firm meeting the legal requirements and enrolled in the appropriate register, or, where there is no specific requirement to list the company's shares or other financial instruments on a multi-trading facility or regulated market, pursuant to Article 2409-*bis*, paragraph 2, of the Civil Code, at the choice of the ordinary shareholders' meeting, unless prohibited by law and within the limits set by the same, as an alternative to the audit firm or to an auditor, both meeting the legal requirements, by the control body referred to in the previous article.

**27.2.** The alternative allowed to the ordinary shareholders' meeting may not in any case lead to the revocation of the current legally-required audit appointment.

## **FINANCIAL STATEMENTS AND PROFITS**

## **Article 28**

### **Financial years and preparation of the financial statements**

**28.1.** The financial year of the company concludes on December 31 of each year.

**28.2.** At the end of each accounting period, the governing body draws up the Company's financial statements in the manner and form required by law.

## **Article 29**

### **Profits and dividends**

**29.1.** The net profits resulting from the financial statements approved by the Shareholders' Meeting, less the share intended for the legal reserve, may be distributed to shareholders, in proportion to their respective holdings, or allocated to reserves, at the discretion of the Shareholders' Meeting.

**29.2.** Where the legal conditions and requirements are met, the Company may distribute interim dividends.

WINDING-UP

**Article 30**

**Appointment of liquidators**

**30.1.** If the Company enters liquidation, for any reason and at any time, the Shareholders' Meeting will appoint one or more liquidators and pass resolutions in accordance with the law.

GENERAL PROVISIONS

**Article 31**

**Matters not covered**

**31.1.** Any matters not governed by these by-laws shall be governed by the applicable statutory provisions.