

## **ARTICLES OF ASSOCIATION - MOLESKINE S.p.A.**

### **SECTION I COMPANY FOUNDING - NAME – REGISTERED OFFICE AND DURATION**

#### Article 1

- 1.1 An Italian corporation with the name of “Moleskine S.p.A.” has been founded and is regulated by the norms of these Articles of Association.

#### Article 2

- 2.1 The Company has a registered office in Milan.
- 2.2 The Company retains the right to establish, modify and close – in accordance with the modalities that are required on a case by case basis, and both in Italy and abroad – secondary offices, branch offices, representative offices, agencies and dependent offices of all types.

#### Article 3

- 3.1 The duration of the Company will continue until 31 December 2050 and can be extended, one or more times, by means of a resolution of the extraordinary shareholders' meeting.

### **SECTION II PURPOSE OF THE COMPANY**

#### Article 4

- 4.1 The Company’s purpose involves the implementation of the following activities:
  - the creation, production, promotion, marketing (wholesale and/or retail), as well as the importing and exporting and the acquisition of agencies - both in Italy and abroad, and even on behalf of production and distribution companies - for gift items (in general) as well as bookseller and stationary items, toys, handicraft items and accessories for clothing and furnishings;
  - the implementation of editorial activities in all forms and with any type of medium; press activities and the distribution of editorial products; as well as the implementation (even as broker and agent, with or without deposit) of any activity associated with that specified above (with the exclusion of daily newspaper issues);
  - the implementation of any activity within the field of communications (in general), and with the right to utilize any means or medium that is suitable for distribution in all forms of expression.

The Company may - in addition - implement (both in Italy and abroad) activities that are related, functional, complementary or similar to the activities listed above.

- 4.2 The Company can – finally – implement (in compliance with prohibitions, limits, conditions and authorizations pursuant to the law) all commercial, securities, real estate and financial operations (but not with respect to the public) which are deemed necessary or advantageous for the attainment of the Company purpose and, for this purpose, either directly or indirectly acquire shares or equity investments in companies, entities or companies that have been founded, or will be founded, and whose purpose is analogous, similar, complementary or (in any case) related to its own; these activities may not be exercised with respect to the public and only as secondary (non core) business activities, and (in any case) excluding all reserved activities pursuant to Italian Legislative Decree no. 58 of 24 February 1998; the Company may - also - issue (always as a secondary activity and not with respect to the public) guarantees of any type, both personal and collateral, even in favour of third parties and/or for obligations assumed by third parties and/or in the interest of third parties.

4.3 The Company is prohibited from collecting savings from the public; reserved activities pursuant to Italian Laws 12/1979, 1966/1939, 1815/1939 as well as Italian Legislative Decrees 385/1993 (Article 106) and 58/1998 are absolutely excluded.

### **SECTION III SHARE CAPITAL – SHARES – WITHDRAWAL – BONDS**

#### Article 5

- 5.1 The share capital is Euro 2,181,513.42, represented by 218,151,342 ordinary shares without par value. The share capital may be increased by a resolution of the shareholders' meeting also through the issue of shares having different rights from ordinary shares and through contributions in kind, as allowed by law. In resolutions to proceed with a paid share capital increase, the option right may be excluded to the maximum extent of 10% of the pre-existing share capital, provided that the issue price matches the market price of the shares, as confirmed by a specific report by the company appointed to audit the financial accounts.
- 5.2 The shareholders' meeting may empower the Board of Directors to increase the share capital once or several times up to a determined amount and for the maximum period of 5 years from the date of the resolution.
- 5.3 In compliance with the law, earnings and/or retained earnings may be assigned to employees of the Company or of its subsidiaries, through the issue of shares in accordance with the first paragraph of Article 2349 of the Italian Civil Code.
- 5.4 Directors are empowered for five years from 25 November 2013 to increase the share capital in support of the implementation of the "Stock Grant Plan", for a maximum amount of Euro 6,800.00 (to be fully allocated to capital), through the issue of a maximum amount of 680,000 new ordinary Moleskine shares without indication of par value, having the same characteristics as outstanding shares, with regular dividend, by allocating a matching maximum amount of earnings and/or retained earnings as recognised in the latest approved financial statements in accordance with Article 2349 of the Italian Civil Code, within the terms and according to the conditions and procedures set out in the Stock Grant itself.
- 5.5 On 25 November 2013, the Extraordinary Shareholders' Meeting resolved to proceed with a divisible paid increase in share capital, no later than 31 December 2020, for a maximum amount of Euro 63,600.00 to be fully allocated to capital, through the issue of a maximum number of 6,360,000 new ordinary Moleskine shares without indication of par value, having the same characteristics as outstanding shares, with regular dividend, with the exclusion of the option right in accordance with Article 2441, Paragraphs 5 and 6 of the Italian Civil Code, to be reserved for subscription to the beneficiaries of the "2013 - 2017 Stock Option Plan" approved by the Shareholders' Meeting of 25 November 2013, at an issue price matching the weighted average of the official closing prices recorded by Moleskine ordinary shares on the Electronic Equity Market (MTA) organised and managed by Borsa Italiana S.p.A. in the thirty stock market trading days preceding the date of assignment of the Options.
- 5.6 Shares are registered and freely transferable; each share entitles to one vote. The issue and trading of the shares are governed by current laws and regulations.
- 5.7 Being a shareholder constitutes, in itself, acceptance of these Articles of Association.

#### Article 6

- 6.1 Each shareholder retains the right to withdraw from the Company in those cases allowed by the law, without prejudice to that provided for by Article 6.2.
- 6.2 Withdrawal rights are excluded for shareholders who did not contribute towards approving resolutions concerning:
  - a) the extension of the deadline for the duration of the Company; and
  - b) the introduction, modification and elimination of constraints for the circulation of shares

#### Article 7

- 7.1 The issue of bonds is deliberated by the directors in accordance with, and by means of, the modalities prescribed by law.
- 7.2 The Company can issue, in accordance with currently effective legislation, special categories of shares that provide different rights, even with regard to the incidence of losses and determining their content in the issue resolution, in addition to investment financial instruments.

### **SECTION IV SHAREHOLDERS' MEETING**

#### Article 8

- 8.1 The ordinary and extraordinary shareholders' meetings are typically held in the municipality where the Company has its registered office, unless deliberated differently by the Board of Directors and as long as the location is in Italy or in a country in which the Company conducts its operations, either directly or through controlled or subsidiary companies.
- 8.2 The ordinary shareholders' meeting must be convened at least once per year in order to approve the financial statements within one hundred twenty days from the closing day of the financial year or within one hundred eighty days given that the Company is required to draft the consolidated financial statements or, in any case, when required by specific needs pertaining to the structure and purpose of the Company.
- 8.3 The convocation is implemented in accordance with the terms prescribed by currently effective legal and regulatory norms by means of a notice that must be published on the website of the Company as well as in accordance with the modalities prescribed by currently effective legal and regulatory norms. The ordinary and extraordinary shareholders' meetings are held in a single call with the majorities that are required for this purpose by the law.

#### Article 9

- 9.1 Authorization to participate in the shareholders' meeting and the exercising of voting rights are regulated by currently effective regulations.

#### Article 10

- 10.1 Parties which retain voting rights can be represented within the shareholders' meeting, in accordance with the law, by means of a proxy issued in compliance with the modalities prescribed by currently effective regulations. The proxy can be notified to the Company even by electronic means by sending an email that complies with the modalities specified in the convocation notice.
- 10.2 The Company does not avail itself of the right prescribed by law that allows for the appointment of a representative to which the shareholders can assign a proxy with voting instructions for all or some of the proposals contained within the agenda of the day of the shareholders' meeting.
- 10.3 The course of the shareholders' meetings can be regulated by specific regulations that are approved by means of a resolution of the ordinary shareholders' meeting of the Company.

#### Article 11

- 11.1 The shareholders' meeting is chaired by the Chairman of the Board of Directors or, in the case of absence or impediment to the latter, by the Vice Chairman or the Chief Executive Officer, if appointed and in attendance; if the latter are not in attendance, the shareholders' meeting will elect its own chairman.
- 11.2 The chairman of the shareholders' meeting is assisted by a secretary, even a non-shareholder, who is appointed by those in attendance and can appoint one or more scrutineers. In the cases authorized by law, or when deemed opportune by the Chairman, the minutes are drafted by a notary public selected by the Chairman who will act as a secretary.
- 11.3 The resolutions of the shareholders' meeting must be documented in minutes which are drafted in compliance with currently effective regulations and which are undersigned by the Chairman and the Secretary as well as by the Notary selected by the Chairman.

#### Article 12

- 12.1 Without prejudice to the provisions of Article 19.2, the shareholders' meeting deliberates on all the topics ascribed to its competence by the law.
- 12.2 The resolutions – for both ordinary and extraordinary meetings, on first and second or additional or single call – are approved with the majorities prescribed by the law in the individual cases, both with regard to the regular formation of the shareholders' meetings as well as with regard to the validity of the resolutions that must be approved.
- 12.3 Shareholders' meetings which are approved in compliance with the law and with these Articles of Association are binding for all shareholders, even if not in attendance or dissenting.

### **SECTION V BOARD OF DIRECTORS**

#### Article 13

- 13.1 The Company is managed by a Board of Directors which is composed of a minimum of 5 (five) and a maximum of 11 (eleven) members. The shareholders' meeting, before proceeding with their appointment, will determine their total number within the aforementioned limits.
- 13.2 Directors are appointed for terms lasting three years, or for a period – which must not, in any case, exceed three years – established in the appointment deed; they may be re-elected.

13.3 Directors are appointed by the shareholders' meeting, in compliance with currently effective legal regulations pertaining to gender equality and on the basis of lists presented by shareholders in compliance with currently effective legal and regulatory norms; the candidates must be specified in these lists by assigning progressive numbers to them. They may not be more than 11 (eleven) in number and must possess the prerequisites pursuant to currently effective legal and regulatory norms. Each list must specify which candidates possess the prerequisites of independence established by currently effective legal and regulatory regulations. Independent candidates in each list must be specified with the first progressive numbers or must be listed in an alternate sequence with the non-independent candidates (and therefore be listed under numbers 1 / 3/ 5/ etc. or 2, 4, 6 of the list). The lists must be registered within the registered office and published in compliance with currently effective regulations. Each shareholder may present or contribute to the presentation of a single list and each candidate may present him(her)self within a single list, upon penalty of ineligibility. Only those shareholders which, either alone or in combination with other shareholders, own shares representing at least 2.5% of the share capital or a different shareholding quota within the share capital – as determined by currently effective legal and regulatory norms – retain the right to present lists. In addition to each list – and within the deadlines prescribed by currently effective legal and regulatory norms – declarations must be registered by the individual candidates; in these declarations, they must declare to accept their candidacy and must certify, under their own responsibility, that there are no causes for ineligibility and incompatibility as well as the existence of the prerequisites required by currently effective regulations for the relative offices. A CV will be registered for each candidate along with the declarations, describing the personal and professional characteristics of the candidate as well as his/her potential suitability to qualify as an independent on the basis of currently effective legal and regulatory norms and in compliance with the codes of conduct pertaining to corporate governance that are potentially adopted by the Company. Lists which present a number of candidates that are equal to or greater than three must be composed of candidates that belong to both genders so that the least represented gender totals at least one third of the candidates (rounded upwards). Lists which do not comply with the aforementioned provisions are considered to be not presented. The appointed directors must notify the Board of Directors, without delay, of the loss of independence requirements and of the occurrence of causes for ineligibility or incompatibility. Each party with voting rights may vote only one list. At the end of the voting sessions, the candidates of the two lists which obtained the greatest number of votes will be considered elected, in accordance with the following criteria:

- a) a number of directors equal to the total number of members to elect, except 1 (one), will be selected from the list which obtained the majority of votes, following the progressive order in which they are listed in the list itself;
- b) the remaining director will be selected from the second list which obtained the greatest number of votes (the "minority list") and which is not connected in any manner, even indirectly, with those who presented or voted the list that received the greatest number of votes.

In the case of equal votes for the lists, a new voting session will be conducted by the entire shareholders' meeting and those candidates who gain a simple majority of votes will be elected. If, at the end of the voting session, a sufficient number of directors possessing the independence prerequisites pursuant to currently effective legal and regulatory norms are not elected, the candidate who does not possess these prerequisites and who is elected last – in the progressive order of the list which obtained the greatest number of votes – will be excluded; this candidate will be replaced by the next candidate that possesses the independence prerequisites, drawn from the same list of the excluded candidate. This procedure, if necessary, will be repeated until the required number of independent directors is elected. In addition, if the candidates elected with the aforementioned modalities do not ensure a composition of the Board of Directors which complies with currently effective regulations pertaining to gender equality, the candidate of the most represented gender – elected last in the progressive order of the list which obtained the greatest number of votes – will be replaced by the first candidate of the less represented gender who is not elected from the same list, in accordance with the progressive numbering order. This replacement procedure will be implemented until a composition of the Board of Directors which complies with currently effective

regulations pertaining to gender equality is ensured. Finally, if this procedure does not ensure the latter result, the replacement will be implemented by means of a resolution approved by the shareholders' meeting with a relative majority and following the presentation of candidates from the less represented gender. In the case of presentation of just one list, the directors will be drawn from the presented list, so long as the latter has obtained approval with a simple majority of votes and - if the directors that are elected in this manner do not total a number which corresponds to the number of members of the Board determined by the shareholders' meeting, or in the case that no list is presented or even in the case that the presented list does not allow for the appointment of independent directors while complying with currently effective legislative and regulatory provisions – the shareholders' meeting will deliberate with legally prescribed majorities, and without prejudice to compliance with currently effective regulations pertaining to gender equality. The procedure for the list vote is only applicable in the case of appointment of the entire Board of Directors.

- 13.4 The shareholders' meeting, even during the course of the mandate, may vary the number of members of the Board of Directors, but always within the limits pursuant to the previous point 13.1, and providing for the relative appointments. The directors which are elected in this manner will have terms that are the same as those already holding office.
- 13.5 If, during the course of the year, one or more directors cease to hold office, action will be taken in accordance with Article 2386 of the Italian Civil Code. If one or more of the directors that cease to hold office were drawn from a list that also contained names of non-elected candidates, the replacement will be implemented by appointing individuals, in accordance with the progressive numbering, that were in the same list as that of the director who ceased to hold office, so long as these are eligible and willing to accept the office. In any case, the replacement of directors that cease to hold office is implemented by the Board of Directors by ensuring: (i) the presence of the necessary number of directors that possess the independence prerequisites established by currently effective law, and (ii) the compliance with currently effective regulations pertaining to gender equality. If the majority of the directors appointed by the shareholders' meeting ceases to hold office, the entire Board will be considered to be resigned and the shareholders' meeting must be convened without delay by the directors still holding office in order to re-form the Board.

#### Article 14

- 14.1 The Board will elect, from among its members, a Chairman if the shareholders' meeting has not already provided for this election; it may elect a Vice Chairman which replaces the Chairman in the case of absence or impediment to the latter.
- 14.2 The Board, upon proposal of the Chairman, will appoint a secretary, even from outside of the Company.

#### Article 15

- 15.1 The Board will meet within the registered office – or in any other location specified within the convocation notice – any time that the Chairman or the Vice Chairman – in the case of absence or impediment to the former – deems it necessary and opportune. The Board may also be convened by the auditors in accordance with the modalities pursuant to Article 24.5 of these Articles of Association, or when a written request is put forth by at least two directors, in order to deliberate on a specific topic which they deem of particular importance and which relates to operations; this topic must be specified in the request itself.
- 15.2 The meetings of the Board may also be held by using telecommunication systems on the condition that all participants can be identified and that this identification is noted in the relative minutes; they must also be able to follow the discussion and intervene in real time in the discussion of the topics of the agenda of the day, exchanging documentation if required; in this case, the Board of Directors will be considered held in the location where the chair of the meeting and the secretary are located; the latter must be present in order to draft and undersign the relative minutes.

15.3 The convocation is typically implemented by means of a notice sent by registered letter, fax or email at least three days before the date set for the meeting or, in urgent cases, at least 24 hours before the date set for the meeting. The notice will specify the location, date, and time of the meeting as well as the agenda of the day.

#### Article 16

16.1 Meetings of the Board of Directors are chaired by the Chairman or, in the case of absence or impediment to the latter, by the Vice Chairman, if appointed. In the absence of the latter, it will be chaired by the director appointed by those in attendance.

#### Article 17

17.1 In order for Board meetings to be valid, a majority of directors holding office must be in attendance.

17.2 Resolutions are approved with an absolute majority of votes of those in attendance. In the case of parity of votes, the vote of the chairman will be decisive.

#### Article 18

18.1 Resolutions of the Board of Directors are drafted into minutes which are signed by the individual chairing the meeting as well as by the secretary; they are then transcribed into the relative book that is maintained in accordance with the law.

18.2 Copies of the minutes are fully legally binding if undersigned by the Chairman or by a proxy of the latter and by the secretary.

#### Article 19

19.1 Management of the Company falls under the exclusive competence of the directors who will implement all actions which are necessary for implementing the Company purpose.

19.2 In addition to exercising the powers that are ascribed to it by law, the Board of Directors may also deliberate upon the following topics:

- (a) merger and spin-offs, in the cases allowed by the law;
- (b) the creation or closure of secondary offices;
- (c) specification of which directors retain the power to represent the Company;
- (d) decrease in share capital in the case of withdrawal of one or more shareholders;
- (e) adjustment of the Articles of Association to regulatory provisions;
- (f) transfer of the registered office within the national territory.

The assignment of these powers to the Board of Directors does not exclude similar powers of deliberation of the shareholders' meeting on these topics.

19.3 Delegated bodies will promptly report to the Board of Directors and to the Board of Statutory Auditors – or, in the absence of delegated bodies, the directors will promptly report to the Board of Statutory Auditors – on at least a quarterly basis and, in any case, at the time of the meetings of the Board itself; they will report on conducted activities, general trends in operations and business forecasts as well as on those operations of major economic and financial significance, or in any case which are of greatest significance due to their size and characteristics, and which were implemented by the Company or its subsidiaries; in particular, they will report on operations in which they retain an interest either for themselves or on behalf of third parties, or which are influenced by the entity which exercises management and coordination activities, if existent.

19.4 The Board of Directors (i) appoints and revokes an executive responsible for financial reporting, following a mandatory but not binding consultation with the Board of Statutory Auditors; (ii) determines its duration; and (iii) grants this party adequate powers and means to exercise his/her functions.

The executive responsible for financial reporting is appointed from those individuals who have significant professional experience in the accounting, economic and financial sector – of at least five years – and which possess the additional prerequisites established by the Board of Directors and/or by legal and regulatory norms.

#### Article 20

20.1 The Board of Directors may delegate, within the limits pursuant to Article 2381 of the Italian Civil Code, its powers to an executive committee and/or to one or more of its members while determining the content, limits and potential modalities for exercising this proxy. The Board of Directors, upon proposal of the Chairman and in agreement with the delegated bodies, may assign proxies for individual deeds or categories of deeds, even to other members of the Board of Directors.

20.2 The delegated bodies retain the power to grant, within the limits of the powers they received, proxies for individual deeds or categories of deeds to employees of the Company and to third parties, including the right to sub-delegate.

#### Article 21

21.1 Legal representation of the Company and Company signing powers are assigned to the Chairman and, in the case of absence or impediment to the latter, to the Vice Chairman, if appointed. These powers are also assigned to the delegated directors, if appointed, and within the limits of their powers.

21.2 The aforementioned legal representatives may grant powers of legal representation of the Company even during legal proceedings, including the right to sub-delegate.

#### Article 22

22.1 The members of the Board of Directors and the executive committee, if appointed, retain the right to compensation, even in the form of participation in profits or subscription rights; this compensation will be determined by the shareholders' meeting. The compensation that is determined in this manner will remain unchanged until deliberated otherwise by the shareholders' meeting. The shareholders' meeting may establish the compensation as a total amount for all directors, including those which are assigned specific mandates.

22.2 Compensation for directors that are assigned specific mandates, in compliance with the Articles of Association, is determined by the Board of Directors following a consultation with the Board of Statutory Auditors and in accordance with the overall amount which is potentially established by the shareholders' meeting.

22.3 Directors retain the right to reimbursement of any expenses sustained during the exercising of their office.

#### Article 23

23.1 The Chairman exercises the functions pursuant to currently effective legal and regulatory norms and these Articles of Association. In particular, he/she:

- (a) retains powers to represent the Company, in accordance with Article 21.1 above;
- (b) chairs the shareholders' meeting, in accordance with Article 11.1 above;

- (c) convenes and chairs the Board of Directors, in accordance with Articles 15 and 16.1 above; sets the agenda of the day, coordinates the course of the meeting and ensures that adequate information on the topics of the agenda of the day are supplied to all directors;
- (d) verifies the implementation of the resolutions of the Board of Directors.

## SECTION VI

### BOARD OF STATUTORY AUDITORS, REGULATORY AUDIT AND OPERATIONS WITH RELATED PARTIES

#### Article 24

- 24.1 The shareholders' meeting elects the Board of Statutory Auditors, which is composed of three standing auditors, and determines their compensation. The shareholders' meeting also elects two alternate auditors. Powers, duties and the duration in office of the Auditors are those established by the law. Auditors may not be elected – and if elected, cease to hold office – if they exceed the limits of cumulated tasks or if they are subject to causes of ineligibility and resignation or if they do not possess the prerequisites of honour and professionalism that are established by currently effective legal and regulatory provisions. For the purposes of Article 1, paragraph 2, letters b) and c) of the Italian Decree of the Ministry of Justice no. 16 of 30 March 2000 which illustrates the prerequisites of honour and professionalism, topics pertaining to commercial and tax law, firm economics and corporate finance, as well as topics and sectors pertaining to the sector of activity of the Company, are considered closely related to the activities of the Company.
- 24.2 Standing and alternate auditors are appointed by the shareholders' meeting, in compliance with currently effective regulations on gender equality and on the basis of lists presented by shareholders in accordance with currently effective legal and regulatory norms; within these lists, the candidates must be listed with progressive numbers and must not total, in number, more than the members of the body that must be elected. Lists with a total number of candidates that are equal to or greater than three must be composed of candidates that belong to both genders so that at least one third (rounded upwards) of the candidates for the office of standing auditor and at least one third (rounded upwards) of the candidates for the office of alternate auditor are of the gender which is less represented in the list. Only those shareholders which, either alone or in combination with other shareholders, own shares representing at least 2.5% of the share capital or a different shareholding quota within the share capital – as determined by currently effective legal and regulatory norms – retain the right to present lists. Each shareholder retains the right to present or contribute to the presentation of a single list and each candidate can present him(her) self within a single list upon penalty of ineligibility. In addition to each list – and within the deadlines prescribed by currently effective regulations – declarations must be registered by the individual candidates; in these declarations, they must declare to accept their candidacy and must certify, under their own responsibility, that there are no causes for ineligibility and incompatibility as well as the existence of the prerequisites required by currently effective regulations and by these Articles of Association for the relative offices. A list which does not comply with these requirements is considered to be not presented. A CV will be registered for each candidate along with the declarations, describing the personal and professional characteristics of the candidate as well as the lists of director and auditing offices which the candidate holds in other companies. Currently effective legal and regulatory provisions are applicable to the presentation, registration and publication of the lists. The lists are structured into two sections: one for candidates for the office of standing auditor and the other for candidates for the office of alternate auditor. Each party with voting rights retains the right to vote just one list. Auditors are elected in the following manner:
- a) two standing and one alternate member will be selected from the list which obtained the majority of votes in the shareholders' meeting, following the progressive order in which they are listed in the list;
  - b) the remaining standing auditor – who will take the office of Chairman – and the other alternate auditor will be selected from the second list which obtained the greatest number of votes in the shareholders' meeting and which is not connected in any manner, even indirectly, with those who presented or voted the list that

received the greatest number of votes, following the progressive order in which they are listed in the list. In the case that multiple minority lists obtained the same number of votes, the most senior list candidate for standing and alternate auditor will be elected;

- c) in the case of presentation of a single list, the Board of Statutory Auditors is entirely elected from this list, so long as it has received approval through a simple majority of votes and without prejudice to compliance with currently effective regulations pertaining to gender equality.

If the aforementioned modalities do not ensure a composition of effective members of the Board of Statutory Auditors which complies with currently effective regulations pertaining to gender equality, the necessary replacements will be implemented from the candidates for standing auditor within the list that obtained the greatest number of votes, and in accordance with the progressive order in which the candidates are listed. In the case that the prerequisites pursuant to regulations and these Articles of Association cease to exist, the auditor will resign from his/her office.

In the case of replacement of an Auditor, the auditor who belongs to the same list as the resigning auditor will take over or, in the absence of the latter and in the case that the minority auditor resigns, the candidate that is next in the same list as the one of the resigning auditor or, alternatively, the first candidate of the minority list who has obtained the second highest number of votes.

All of the above without prejudice to the fact that the office of the Chairman of the Board of Statutory Auditors will be held by the minority auditor and that the composition of the Board of Statutory Auditors must comply with currently effective regulations pertaining to gender equality.

When the shareholders' meeting must provide for the appointment of standing and/or alternate auditors that are necessary in order to integrate the Board of Statutory Auditors, the following procedure must be followed: if it is necessary to replace auditors elected in the majority list, the appointment is implemented with a relative majority vote and without a list constraint; if it is necessary to replace auditors elected in the minority list, shareholders' meeting will replace them with a relative majority vote, selecting them, where possible, from the candidates specified in the list in which the auditor requiring replacement was listed, or in the minority list which obtained the second highest number of votes. If the application of these procedures does not, for any reason, allow for the replacement of the auditors appointed by the minority, the shareholders' meeting will proceed with a relative majority vote following the presentation of candidates on the part of shareholders who, either alone or in combination with others, overall hold shares with voting rights that at least represent the percentage mentioned above in relation to the procedure for presenting the lists; however, when ascertaining the results of the latter vote, the votes of the following shareholders will not be calculated: those which, in accordance with the communication notices provided in accordance with currently effective regulations, retain – even indirectly or jointly with other shareholders that are parties to a shareholder agreement pursuant to Article 122 of Italian Legislative Decree no. 58/1998 – a relative majority of the votes that are exercisable in the shareholders' meeting, or which control, are controlled or are subject to joint control of the latter.

The replacement procedures pursuant to the paragraphs above must, in any case, ensure compliance with currently effective regulations pertaining to gender equality.

24.3 Resigning auditors may be re-elected.

24.4 Meetings of the Board of Statutory Auditors may also be held by using telecommunication systems on the condition that all participants can be identified and that this identification is noted in the relative minutes; they must also be able to follow the discussion and intervene in real time in the discussion of the topics of the agenda of the day, exchanging documentation if required; in this case, the Board of Statutory Auditors will be considered held in the location where the chair of the meeting is located.

24.5 The Board of Statutory Auditors may, following notification of the Chairman of the Board of Directors, convene the shareholders' meeting, the Board of Directors or the executive committee.

The relative powers can also be exercised by at least two members of the Board in the case of convocation of the shareholders' meeting, and by at least one member of the Board in the case of convocation of the Board of Directors or of the executive committee.

24.5 The regulatory audit is conducted by an auditing company which possesses the prerequisites pursuant to the law; its mandate is assigned by the ordinary shareholders' meeting following a justified proposal from the Board of Statutory Auditors.  
Provisions pursuant to currently effective legal norms will be applicable to the appointment, revocation, prerequisites, powers, functions, responsibilities, obligations and compensation of the parties which are entrusted with the regulatory audit.

#### Article 25

25.1 The Company approves operations with related parties in compliance with currently effective legal and regulatory provisions as well as with the provisions of the Articles of Association and with procedures approved for these operations.

25.2 Procedures adopted by the Company in relation to operations with related parties may provide for the exclusion of urgent operations from their realm of application, even those falling under the competence of the shareholders' meeting and within the limits of that allowed by applicable legal and regulatory provisions.

25.3 If reasons of urgency exist in relation to operations with related parties that do not fall under the competence of the shareholders' meeting or which the latter does not have to authorize, the Board of Directors may approve these operations with related parties; these may also be implemented through subsidiaries, in derogation of the usual procedural provisions of the internal procedure for operations with related parties that were adopted by the Company, so long as these comply with and are executed under the same conditions required by the procedure itself.

25.4 If there are reasons for urgency associated with company crisis situations relating to operations with related parties that fall under the competence of the shareholders' meeting or which the latter must authorize, the shareholders' meeting may approve these operations in derogation of the usual procedural provisions of the internal procedure for operations with related parties that were adopted by the Company, so long as these comply with and are executed under the same conditions required by the procedure itself. If the evaluations of the Board of Statutory Auditors on the reasons for urgency are negative, the shareholders' meeting will deliberate with not only the majorities required by law but also with a favourable vote of the majority of non-related shareholders that participate in the shareholders' meeting so long as the latter represent, at the time of the vote, at least 10% of the share capital with voting rights in the Company. If the non-related shareholders that are in attendance in the shareholders' meeting do not represent the requested share capital percentage with voting rights, it will be sufficient to obtain the legal majorities in order to approve the operation.

### **SECTION VII FINANCIAL STATEMENTS AND PROFITS**

#### Article 26

26.1 The financial year will close on 31 December of each year.

26.2 At the end of each year, the Board will proceed with the preparation of the financial statements, in compliance with legal provisions.

26.3 Profits reported in the financial statements are distributed as follows:

- (a) 5% (five percent) to the legal reserve fund, until the legally prescribed limit is reached;
- (b) the remaining amount to all the shares unless the shareholders' meeting, upon proposal of the Board, deliberates special withdrawals in favour of extraordinary reserves or other allocations, or resolves to carry all or part of the amount forward to subsequent years.

26.4 The Board of Directors may, during the course of the year, distribute advances on dividends to the shareholders.

Article 27

27.1 Dividends which are not collected within five years from the day in which they become payable are prescribed in favour of the Company and are directly booked to reserves.

**SECTION VIII  
DISSOLUTION AND LIQUIDATION OF THE COMPANY**

Article 28

28.1 In the case of dissolution of the Company, the shareholders' meeting will determine the modalities of the liquidation and will appoint one or more liquidators in addition to setting their powers and compensation.

**SECTION IX  
GENERAL AND TEMPORARY PROVISIONS**

Article 29

29.1 For all that which is not explicitly provided for in these Articles of Association, the norms of the Italian Civil Code and special relevant laws will be applicable.