

(FOR THE OFFICIAL DOCUMENTS PLEASE REFER TO THE ITALIAN VERSION)

Damiani S.p.A.

Registered office in Piazza Damiano Grassi Damiani 1 – 15048 Valenza (AL)
Share Capital Euro 36.344.000,00 fully paid up
Tax Code and entry number in the Register of Companies
of Alessandria 01457570065
REA 162836

Rocca S.p.A.

with sole shareholder

Registered office in Via Tortona 1 – 15048 Valenza (AL)
Share Capital Euro 4.680.000,00 fully paid up
Tax Code and entry number in the Register of Companies
of Alessandria 00487690018
REA AL-243028

Subject to management and coordination by the sole shareholder Damiani S.p.A.

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**PLAN FOR THE MERGER BY INCORPORATION OF ROCCA S.P.A.
INTO DAMIANI S.P.A.**

(pursuant to articles 2501-ter and 2505 of the Italian Civil Code)

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The administrative bodies of the companies:

- DAMIANI S.P.A. (hereinafter also referred to as “**Damiani**” or the “**Merging Company**”);
- ROCCA S.P.A. (hereinafter also referred to as “**Rocca**” or the “**Merged Company**”)

have prepared and drafted the following Merger Plan as part of the restructuring program of the group, with the purpose of ensuring to the group increasing rationality as well as a better functionality of the corporate structure under the economic, managerial and financial profiles.

It is therefore necessary to restructure the group and consequently to eliminate, where appropriate, corporate entities that, if active separately, do not appear to be no longer cost-effective or do not meet the strategic plans of the companies.

The proposed merger will be implemented through incorporation of the wholly owned subsidiary Rocca S.p.A. in the parent company Damiani S.p.A. (hereinafter referred to as the “**Merger**”); the exemptions set forth in article 2505 of the Italian Civil Code therefore apply to Merger.

The merger financial statements of the companies involved (provided for by article 2501-*quater*, second paragraph, of the Italian Civil Code) are replaced by the last financial statements of the companies as of 31 March 2014, respectively approved by the Shareholders Meeting of Damiani on 24 July 2014, and by the Shareholders Meeting of Rocca on 22 July 2014.

Pursuant to article 2505, second paragraph, of the Italian Civil Code, article 20 of Damiani’s bylaws in force as well as article 20 of Rocca’s bylaws in force, the Merger will be approved by the administrative bodies of the companies involved.

On the abovementioned premises, the plan for the merger by incorporation is hereinafter drafted pursuant to articles 2501-*ter* and 2505 of the Italian Civil Code (hereinafter referred to the “**Merger Plan**”).

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1. COMPANIES TAKING PART TO THE MERGER (ARTICLE 2501-*TER*, PARAGRAPH 1, NO. 1, OF THE ITALIAN CIVIL CODE)

1.1 MERGING COMPANY

<i>Type:</i>	Italian “ <i>Società per Azioni</i> ”
<i>Denomination:</i>	CASA DAMIANI S.p.A. or DAMIANI S.p.A., or C.D. S.p.A. or C D S.p.A.
<i>Registered office:</i>	Piazza Damiano Grassi Damiani n. 1 -15048 - VALENZA (AL)

Share Capital: Euro 36.344.000,00 (thirty-six million three hundred forty-four thousand /00) fully paid up, divided into no. 82.600.000 (eighty-two million six hundred thousand) ordinary shares of par value of Euro 0,44 (zero point forty-four) each

Companies Register Number: entry number in the Register of Companies of Alessandria 01457570065

“REA”: AL-162836.

1.2. MERGED COMPANY

Type: Italian “*Società per Azioni*” – with sole shareholder

Denomination: ROCCA S.p.A.

Registered office: Via Tortona 1 - 15048 - VALENZA (AL)

Share Capital: Euro 4.680.000,00 (four million six hundred eighty thousand /00) fully paid up, divided into no. 9.000.000 (nine million) ordinary shares of par value of Euro 0,52 (zero point fifty-two) each

Companies Register Number: entry number in the Register of Companies of Alessandria 00487690018

REA: AL-243028.

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2. MERGING COMPANY’S BYLAWS (ARTICLE 2501-TER, PARAGRAPH 1, NO. 2, OF THE ITALIAN CIVIL CODE)

Following the Merger, the Merged Company will cease to exist, whilst the Merging Company will not change its bylaws currently in force.

The bylaws currently in force of the Merging Company Damiani S.p.A. is attached hereto *sub* 1) to constitute an integral part of this Merger Plan.

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3. CONVERSION RATIO OF THE SHARES AND POSSIBLE COMPENSATION IN CASH (ARTICLE 2501-TER, PARAGRAPH 1, NO. 3, OF THE ITALIAN CIVIL CODE)

Since the Merged Company is wholly owned by the Merging Company, pursuant to art. 2505, paragraph 1, of the Italian Civil Code, the following provisions do not apply to the scheduled Merger: article 2501-ter, paragraph 1, no. 3, 4 and 5, article 2501-quinquies and article 2501-sexies of the Italian Civil Code.

Therefore, in the context of the scheduled Merger there will not be any increase in the share capital of the Merging Company, nor determination of the conversion ratio, nor compensations of any kind.

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4. METHOD OF ASSIGNMENT OF THE MERGING COMPANY SHARES AND DATE OF PARTICIPATION IN THE PROFITS (ARTICLE 2501-TER, PARAGRAPH 1, NO. 4 AND 5, OF THE ITALIAN CIVIL CODE)

Due to the considerations referred to *sub* paragraph 3 above, no assignment of new shares of the Merging Company will take place. Therefore it is not necessary to determine any effective date of participation of the shares to the profits.

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5. EFFECTIVE DATE OF THE MERGER AND DATE OF ALLOCATION OF THE OPERATIONS OF THE MERGED COMPANY TO THE FINANCIAL STATEMENT OF THE MERGING COMPANY (ARTICLE 2501-TER, PARAGRAPH 1, NO. 6, OF THE ITALIAN CIVIL CODE)

The effective date of the statutory effects of this Merger will be determined in the merger deed and, pursuant to art. 2504-bis, paragraph 2, of the Italian Civil Code, might also be subsequent to the date of the last entry set forth in art. 2504 of the Italian Civil Code.

The operations of the Merged Company will be allocated to the financial statement of the Merging Company backdated starting from April 1st of the year when the Merger shall have effect, pursuant to art. 2504-bis of the Italian Civil Code. From the same date shall start the tax effects for the purposes of income tax, pursuant to art. 172, paragraph 9, of the D.P.R. no. 917/86.

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6. TREATMENT RESERVED FOR PARTICULAR CATEGORIES OF SHAREHOLDERS AND TO THE OWNER OF TITLES DIFFERENT FROM SHARES (ARTICLE 2501-TER, PARAGRAPH 1, NO. 7, OF THE ITALIAN CIVIL CODE)

There is no special treatment for specific categories of shareholders and/or holders of instruments other than the shares of the two companies participating in the Merger.

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7. PARTICULAR ADVANTAGES IN FAVOUR OF THE DIRECTORS (ARTICLE 2501-TER, PARAGRAPH 1, NO. 8, OF THE ITALIAN CIVIL CODE)

There is no special advantage in favour of the directors of the companies participating in the Merger.

Valenza, 26 July 2012

Schedule:

- 1) Bylaws of the Merging Company Damiani S.p.A.

Mr. Guido Roberto Grassi Damiani

Chairman of the Boards of Director of Damiani
S.p.A. and Rocca S.p.A.

ARTICLES OF ASSOCIATION

NAME - PURPOSE - HEADQUARTERS - DURATION

ARTICLE 1

A joint-stock company with the following name has been established:

'CASA DAMIANI S.p.A.' or, in short,

'C D S.p.A.', 'C.D. S.p.A.' or 'DAMIANI S.p.A.'

ARTICLE 2

The purpose of the company is to perform the following activities, both directly or through the acquisition of shares in other companies also operating in the same sector:

(a) the production, processing and commerce, both wholesale and retail, also of import and export, and on its own behalf and for third parties, as well as carrying out branch office and sales agency for:

- goldsmith's articles, jewellery and valuables, in general;
- watches and clocks, gift articles also in leather, items in crystal and glass;
- accessories for clothing;
- optical articles, in general;
- perfumes, essences and articles for personal hygiene and decorum;
- fashion articles and accessories, articles for the environment and the home and accessories, articles in leather and suitcases and bags, products for furnishing and the home, as

well as, in general, any related product and/or complementary to fashion and/or *prêt-a-porter* and/or furnishing and/or any-way connected to artistic and stylistic activity in general;

(b) carrying out hotel and tourism work, in general, both in Italy and abroad, and the management of bars, restaurants, confectioners and premises for the administration of food and drink, drinks, alcoholic beverages and spirits in general, and comfort items in general to the public;

(c) the creation and sale of editorial articles (excluding the publication of daily newspapers), also with the use of modern IT technologies;

(d) the organisation of courses, seminars and conferences, printing and diffusion of books, instalments and technical bulletins, exclusively for the purpose of training and information in the sphere of the sectors in which the company operates, creation of studies, surveys, analyses, market research and statistical measurements;

(e) the use of spaces for advertising of all the products and articles mentioned above;

(f) the acquisition of shares in the following activities, only for the purpose of stable investment and not to the public, and the exercise, on an occasional basis and only to parent, subsidiary and associated companies pursuant to Article 2359 of the Civil Code, or companies controlled by the same parent company and, therefore, companies operating within the same

group:

- the grant of financing in any form;
 - the issue of securities, sureties and warranties (within the limits consented by the law);
 - services of collection, payment and transfer of funds;
 - the transmission or fulfilment of payment orders, also through debits or credits, made in any manner;
 - the clearing of debits and credits;
 - the transfer or acquisition of credits and debits,
- all with the specific exclusion of the performance of these activities and any other financial activity as per Article 106 of Legislative Decree 385 dated 1 September 1993, to the public, the performance of restricted professional activities, promotion of investments from the public and the provision of consumer credit, not even within the sphere of its shareholders.

The company can carry out all commercial, industrial, securities and property operations considered necessary or useful by the governing body for the attainment of the company objective.

ARTICLE 3

The company is based in Valenza (Alessandria).

The governing body can freely establish the headquarters in the borough, transfer it in Italy, pursuant to Article 2365, second sub-para. of the Civil Code, and also set up and close

elsewhere and anywhere, also abroad, sub-offices, branches, branch offices, agencies, representative offices, offices, warehouses, store-rooms, shops and local units.

ARTICLE 4

The domicile of shareholders, for their relationships with the company, is that shown in the Shareholders' Register.

ARTICLE 5

The duration of the company is established by the date of the Deed of Incorporation as the thirty-first (31) of December (12) two thousand one hundred (2100); this can be extended with a resolution of the Shareholders' Meeting.

ARTICLE 6

The share capital is Euro 36,344,000.00.= (thirty-six million three hundred and forty-four thousand point zero zero) and is divided into 82,600,000 (eighty-two million six hundred thousand) ordinary shares of the nominal value of Euro 0.44.= (zero point forty-four) each. The share capital can be increased also through the issue of shares with different rights from those of the ordinary shares. The issue of new shares, different from the ordinary ones and with the same features as those in circulation, does not, however, require further approval of Special Meetings of the shareholders of different categories.

The Extraordinary Shareholders' Meeting can attribute the governing body with the power to increase the share capital through the issue of shares, also with the exclusion of option

rights, pursuant to and within the limits of Article 2443 of the Civil Code.

The company can ask the shareholders for redeemable bonds, exclusively within the limits and on the conditions permitted by law and the regulations in force at the time of the relative operations. In the event of an increase in share capital for cash, the option right due to shareholders can be excluded, pursuant to Article 2441, sub-para. 4, last sentence, of the Civil Code, within the limits of ten per cent of the pre-existing share capital, as long as the issue price corresponds to the market value of the shares and this is confirmed in a special report of the auditing company.

CAPITAL

ARTICLE 7

The company can issue bonds, including convertible ones, in accordance with the law. The issue of bonds which cannot be converted into shares is the responsibility of the governing body. The extraordinary meeting resolves on the issue of bonds convertible into shares, determining, pursuant to the law, the exchange ratio, period and method of conversion, and can, likewise, delegate the power to resolve on such an issue to the directors, also with the exclusion of the option right, pursuant to Article 2420 *ter* of the Civil Code.

ARTICLE 8

The shares are freely transferable, both by an act *inter vivos*

and on death.

ARTICLE 9

The Meeting can resolve on the reduction of the share capital, also through assignment - to individual shareholders or groups of shareholders - of certain company activities or shares or quotas of other companies in which the company has a stake.

MEETING

ARTICLE 10

The Meeting is convened, ordinarily and extraordinarily, with a notice of convocation published in accordance with the regulations, also regulatory, in force each time. The second convocation can be set for another day in the same notice; a third convocation can be set when extraordinary meetings are involved. The Meeting can also be convened and meet in places other than the headquarters, both in Italy and abroad, as long as its within the countries of the European Union or Switzerland.

ARTICLE 11

Every shareholder, with the right to speak at the Meeting, can be represented by another person, also non-shareholder, through a written power of attorney, in accordance with the law. The power of attorney can also be conferred electronically, respecting the legislation, including regulatory, in force each time. The power of attorney can also be notified to the company through certificated e-mail to the certificated e-mail

address shown in the notice of convocation, in observance of the applicable provisions, including regulatory, in force.

The company does not designate representatives to whom shareholders can attribute a power of attorney with voting instructions.

The right to speak is regulated by the law and the regulatory provisions in force; each person with the right to vote and for whom the company has received the specific advice made by the intermediary in compliance with the accounting records can speak in the meeting, in compliance with the legislation, including regulatory.

ARTICLE 12

Every share gives the right to a vote.

ARTICLE 13

The meeting is chaired, in order, **(a)** by the chairman of the Board of Directors, **(b)** the deputy chairman - where appointed - or **(c)** a managing director; if there are two or more deputy chairmen, the chair is taken, in order, **(bi)** by the deputy chairman with delegated powers, **(bii)** the oldest deputy chairman with delegated powers (if there are two or more deputy chairmen with delegated powers) or **(biii)** - in the absence of deputy chairmen with delegated powers, the oldest deputy chairman; if there are several managing directors, the chair is taken by the eldest of them; if the above are absent, the chair is taken by another person chosen by the Meeting, with

the majority vote of the capital represented in the Meeting;
the Meeting appoints a secretary, who does not have be a
shareholder.

In accordance with the applicable law, the chairman of the
Meeting is responsible for checking the regularity of its con-
stitution, ascertaining the identity and legitimacy of those
attending, regulating the work of the meeting and checking the
results of voting.

ARTICLE 14

The Meeting, whether ordinary or extraordinary, is quorate and
resolves pursuant to the law.

The appointment of the members of the governing body and the
supervisory body is disciplined, respectively, by Articles 16
and 24 of these Articles of Association.

ARTICLE 15

The resolutions of the Meeting are noted in Minutes signed by
the chairman of the Meeting and the secretary. When required
by law, the Minutes will be drafted by a Notary chosen by the
chairman of the Meeting.

ADMINISTRATION

ARTICLE 16

The company is run by a Board of Directors, consisting of a
minimum of five (5) and a maximum of fifteen (15) members. The
composition of the Board of Directors should, however, ensure
the gender balance in compliance with the rules and regula-

tions in force at the time. The ordinary meeting appoints the members of the Board of Directors respecting the regulations described below.

The members of the Board of Directors can also be non-shareholders and stay in office for the period decided at the time of their appointment, as long as its within the legal limits, and can be re-elected. The directors are elected on the basis of lists presented by the shareholders, respecting the regulations in force at the time on the gender balance; shareholders holding a quota at least equal to that determined by CONSOB, pursuant to the law and regulations have the right to present a list of candidates; each candidate can only appear in one list, subject to disqualification; candidates who (except for every other reason for ineligibility or disqualification) do not have the requisites established by law, the Articles of Association or other applicable provisions for the appointment cannot be included in the lists; each list contains a number of candidates up to maximum of fifteen (15), listed via a progressive number.

At least two candidates, always indicated at least at the fourth and seventh position in each list, must have the requisites of independence established by Legislative Decree 58/1998. With effect from the first renewal of the Board of Directors after 12 August 2012, and for three consecutive mandates, each list containing three or more candidates should be

made up in such a way that at least the minimum quota in the gender balance required by the rules, laws and regulations in force at the time is ensured in the Board of Directors.

The lists presented by the shareholders must be deposited in the headquarters within the terms established by legislation, including regulatory, in force each time; the following must be deposited with each list, within the term set out above, at the headquarters: *(i)* the special certification issued by an intermediary, qualified pursuant to the law, proving ownership of the number of shares necessary for the presentation of the lists; *(ii)* a CV of the candidates on the list containing a complete description of the personal and professional features of the candidates, as well as *(iii)* the statements with which the individual candidates accept the candidature and certify, under their own responsibility and under penalty of exclusion from the list, that there are no causes of ineligibility and the possession of the requirements set out by current legislation and the Articles of Association for the assumption of the position of director, and also any possession of the requirements of independence established by Legislative Decree 58/1998 (and subsequent amendments).

The special certification of the intermediary proving ownership of the number of shares necessary for the presentation of the lists can also be produced after lodging, as long as its within the term set out for the publication of the lists by

the company.

The list for which the above rulings are not respected shall be considered as not presented.

The process is as follows to determine those elected to the office of director:

(a) all the directors to elect, except one, are taken from the list that obtained the highest number of votes expressed by the shareholders in the progressive order in which they are found on the list;

(b) the remaining director is taken from the list that obtained the second highest number of votes, after the first and which is not connected in any way, even indirectly, with the shareholders who presented or voted the list at letter **(a)**.

For the purposes of the division of the directors to elect, no account is taken of the lists which did not achieve a percentage of votes at least equal to half of those required by the Articles for their presentation.

If the composition of the Board of Directors does not respect the gender balance set out by the legislation in force at the time at the end of voting, the candidate of the most represented gender elected last in progressive order in the list with the highest number of votes shall be replaced by the first candidate of the least represented gender not elected in the same list in accordance with the progressive order, without prejudice to respect for the minimum number of directors

with the requisites of independence established by law. The replacement procedure shall take place until the composition of the Board of Directors complies with the regulations in force at the time. If the said procedure does not ensure the result indicated above, the Shareholders' Meeting shall arrange for the necessary integrations with a resolution adopted by the legal majority.

If just one list is presented or accepted for voting, the candidates of the said list will be appointed directors in the sphere of that list, according to the progressive number with which they were listed in it. If necessary, the replacement procedure described above shall be applied.

If no list is presented, the Shareholders' Meeting shall deliberate with the legal majority, without respecting the above-mentioned procedure, in compliance with the rules and regulations on gender balance in force at the time.

If there is a reduction of one or more members of the Board of Directors during the financial year, provision must be made pursuant to Article 2386 of the Civil Code, respecting the composition criteria of the Board of Directors set out by the law and this Article.

ARTICLE 17

The Board of Directors elects a chairman and, if necessary, one or more deputy chairmen from among its members; it can also appoint a secretary, also chosen from outside the Board of

Directors.

ARTICLE 18

Without prejudice to the powers of convocation set out by specific legal provisions, the Board of Directors meets whenever the chairman, or the person acting for him, believes it opportune to convene it, and it must also be convened when a director makes a written request for a meeting. It can thus meet in the headquarters, or elsewhere in Italy or another country of the European Union or Switzerland.

Convocations are made through means which guarantee proof of reception (such as, for example, registered letter, fax or e-mail with advice of reading) sent at least five (5) days before that planned for the meeting or, if urgent, at least twenty-four (24) hours before; the convocation shall be advised to the regular auditors in the same way. Nevertheless, a meeting, even if not convened, is valid when all the members of the Board of Directors and all the regular auditors participate.

Meetings are presided over by the chairman of the Board of Directors or, in his absence, the director is chosen by the majority of the members of the Board of Directors attending the meeting. For meetings of the Board of Directors to be valid, the effective attendance of the majority of its members is required.

Resolutions are made by the majority of the votes of those in

attendance; if the voting is equal, that of the chairman of the Board of Directors is decisive. Note will be taken of the resolutions of the Board of Directors in Minutes written into the appropriate book, signed by the chairman and secretary of the meeting.

ARTICLE 19

Meetings of the Board of Directors - and also those of the executive committee (where appointed) - can be also be held in video- or audio conference; technical tools that guarantee the identification of the participants and also enable them to take an active part in the discussion at any time must be used.

ARTICLE 20

The Board of Directors has the widest powers necessary for the ordinary and extraordinary management of the company, without limitations, with the power to carry out all the acts considered opportune for achieving the companies' objectives, only specifically excluding those reserved for the Shareholders' Meeting by law.

The Board of Directors is also attributed with the competence to deliberate on the matters set out by Article 2365, second sub-para., of the Civil Code.

Operations with related parties are concluded respecting the procedures approved in the application of the regulations, including regulatory ones, in force each time. These procedures

may set out, as an exception to the ordinary rules, special methods for the conclusion of operations with related parties (i) in urgent cases and (ii) in urgent cases connected to situations of company crisis, in the respect of the conditions established by the legislation, including regulatory ones.

ARTICLE 21

The powers of signature and representation of the company before third parties and the law are the responsibility of the chairman of the Board of Directors, with the power to start legal action or petitions, also for revocation and Cassation sentences, appointing lawyers and attorneys of record.

Representation for the other directors is within the limits of the powers delegated to them by the Board of Directors.

ARTICLE 22

The Board of Directors can, within the legal limits, delegate those powers that it considers opportune for the ordinary and extraordinary management of the company, as well as the signature and representation of it, to one or more of its members, also with the title of Chief Operating Officer; the Board of Directors can appoint directors, including general directors, proxies and agents, in general, for certain acts and categories of acts, and also revoke them.

In addition, the Board of Directors can set up an executive committee, as well as other committees, also of a consultative and/or proactive nature. In any case, the powers which, by

law, are exclusively reserved to the Board of Directors cannot be delegated.

The executive committees can appoint representatives and proxies for individual acts or categories of acts.

The directors, also through the executive committees, refer to the Board of Directors and the Board of Auditors on the general trend of management and its foreseeable evolution, as well as the most important operations, by size or features, made by the company and its subsidiaries. This communication must be made in a timely manner and, however, at least every quarter, at the meetings of the Board of Directors or through a written note to each director and the members of the Board of Auditors.

Except for the legal obligations, the directors refer on the operations in which they have an interest, on their own behalf or that of third parties, or which are influenced by any person who manages and co-ordinates, where existent.

ARTICLE 23

The members of the Board of Directors can be paid an annual emolument, whose sum will be decided pursuant to Article 2389, first sub-para., of the Civil Code, by the Meeting and will remain unchanged until a further resolution by the Meeting. Likewise, the Meeting can establish a payment for Directors' Severance Indemnity in favour of each director.

The remuneration of directors invested with specific positions

is established by the Board of Directors, after hearing the opinion of the Board of Auditors, and in compliance with the Articles. The remuneration of directors can also consist of profit sharing or the attribution of subscription rights for shares to be issued in the future.

In addition, directors will also be eligible for the reimbursement of expenses incurred while fulfilling the mandate.

BOARD OF AUDITORS and AUDIT

ARTICLE 24

The Board of Auditors will consist of three (3) regular members, the chairman being one, and two (2) alternate members, who have the requisites as per the regulations, including regulatory ones, in force; for this purpose, it must be taken into account that the matters and business sectors closely related to that of the company are those indicated in the company's objectives, with particular reference to companies and bodies operating in the industrial and manufacturing field of luxury and designer goods, marketing, intellectual property and services, in general. The composition of the Board of Auditors should, however, ensure the gender balance in compliance with the rules and regulations in force at the time.

The auditors stay in office for three (3) financial years and can be re-elected; the Meeting appointing the auditors and the chairman of the Board of Auditors will determine the payment due to them.

Election of the regular and alternate members of the Board of Auditors takes place as follows:

(a) as many shareholders as have a shareholding at least equal to that determined by CONSOB for the appointment of the directors can present a list of candidates, ordered progressively by number, pursuant to the law and regulations, depositing it at the registered office of the company in the terms established by the legislation, including the regulatory legislation, in force each time, on pain of forfeiture; each list is accompanied by the information required pursuant to the provisions of the law and the regulations, in force each time. With effect from the first renewal of the Board of Auditors after 12 August 2012, and for three consecutive mandates, each list containing three or more candidates should be made up in such a way that at least the minimum quota in the gender balance required by the rules, laws and regulations in force at the time is ensured in the Board of Auditors. The list for which the above rulings are not respected will be considered as not presented;

(b) a shareholder can neither present nor vote for more than one list, even if through a third party or a trust company; the shareholders belonging to the same group and those who support a shareholders' agreement, concerning the shares of the company, cannot either present or vote for more than one list, even if through a third party or a trust company;

(c) a candidate can only be in one list, on pain of disqualification; candidates who do not respect the limits on the accumulation of positions established by the law and the relative implementation provisions in force each time;

(d) in the event that, at the date of expiry of the term as per letter **(a)** - only one list has been deposited, or only lists presented by shareholders who are connected pursuant to legal and regulatory provisions in force, lists can be presented up to the subsequent term established by the law in force; in this case, the thresholds set out pursuant to letter **(a)** are reduced by half.

The procedure for the election of the Board of Auditors is as follows:

(i) two (2) regular auditors and one (1) alternate auditor are taken from the list obtaining the highest number of votes, in the progressive order in which they are listed;

(ii) the remaining regular auditor and the second alternate auditor are taken from the list obtaining the second highest number of votes from those that are not connected, even indirectly, with the shareholders who presented or voted the list which was first for number of votes, in the progressive order in which they are listed.

If the composition of the Board of Auditors does not respect the gender balance set out by the legislation in force at the time at the end of voting, the second effective and/or alter-

native auditor on the list with the highest number of votes shall be replaced by the next candidate for the same appointment of the least represented gender in the same list. If this procedure does not allow compliance with the law in force at the time on the composition of the Board of Auditors, the Shareholders' Meeting shall make provisions for the necessary replacements with a resolution adopted by the legal majority.

The chairman of the Board of Auditors is the regular auditor taken from the second list who obtained the highest number of votes.

If an auditor is replaced, the alternate is taken from the same list as the person replaced, where possible respecting, however, the regulations in force at the time on the composition of the Board of Auditors. If the replacement does not allow respect for the legislation in force at the time on gender balance, the Shareholders' Meeting shall be convened without delay to ensure compliance with it. If the chairman is replaced, the chair is taken by the alternate member who replaces the chairman who has withdrawn.

When called on to reintegrate the Board of Auditors pursuant to the law, the Meeting acts so that the principle of representation of the minority, and also the rules and regulations on gender balance in force at the time are respected.

The preceding rulings on the election of members of the Board of Auditors and the designation of the chairman, do not apply

to Meetings for which a single list is presented or voted; in these cases, the Meeting acts by majority, also in compliance with the rules and regulations on gender balance in force at the time.

ARTICLE 25

The meetings of the Board of Auditors can also be held using remote intervention, video- or audio-conference, on the same conditions established by these Articles for Board meetings.

ARTICLE 26

Accounting control is by an auditing company, appointed and operating pursuant to the law.

DRAFTING CORPORATE ACCOUNTING DOCUMENTS

ARTICLE 27

Where required by law, the Board of Directors, subject to the mandatory, but not binding, opinion of the Board of Auditors, appoints an executive responsible for drafting the corporate accounting documents and compliance with the requirements set out by the law in force and the regulations, choosing him from people who have a qualified experience of at least three years in accounting or administrative matters in a company with listed shares or, however, with share capital of not less than Euro one million.

HONORARY CHAIRMAN

ARTICLE 28

The Meeting can appoint an honorary chairman, even a non-

shareholder, with the vote in favour of at least the majority of the capital represented there.

BALANCE OF ACCOUNTS AND DISTRIBUTION OF PROFITS

ARTICLE 29

The company financial years close on the thirty-first (31) March (3) of each year. The balance of accounts to be submitted for the approval of the Shareholders' Meeting, is drafted within the limits and with the forms of the law.

The ordinary meeting must be convened at least once a year, within 120 (one hundred and twenty) days of the closure of the company financial year; however, this convocation can occur within 180 (one hundred and eighty) days of the aforesaid term when there are the legal conditions; each time, the reasons for the delay will be given by the directors in the Management Report set out by Article 2428 of the Civil Code.

Interim dividends can be distributed, in accordance with the law.

ARTICLE 30

The net profits, subject to deduction of 5% (five per cent) for the legal reserve until this has reached the legal minimum, will be shared in accordance with the resolution of the Meeting.

Dividends not claimed within five years of the day on which they became payable are prescribed in favour of the company.

DISSOLUTION, WITHDRAWAL AND GENERAL PROVISIONS

ARTICLE 31

On the dissolution of the company occurring at any time and for any reason, the Meeting shall decide the methods of liquidation and appoint one or more liquidators, specifying the powers.

ARTICLE 32

The right of withdrawal is specifically excluded for shareholders who have not taken part in approval of resolutions on:

- (i) the extension of the duration of the company;
- (ii) the introduction, amendment or removal of limits to the circulation of equities.

ARTICLE 33

See the legal provisions on the subject for anything not set out by these Articles of Association.

Signed by Guido Damiani Roberto Grassi