



AEFFE S.p.A.

Registered Offices in San Giovanni in Marignano - RN

Via delle Querce 51

Share Capital € 26,840,626.00

Rimini Companies Register and Tax Code No. 01928480407

SHAREHOLDERS' MEETING

18TH APRIL 2013

REPORT ON AGENDA ITEMS

prepared pursuant to para. 1 of art. 125-ter of Decree No. 58 dated 24th February 1998 and subsequent amendments (“TUF”) and art. 84-ter of the regulations adopted by Consob Resolution No. 11971 dated 14th May 1999 and subsequent amendments (“Issuers' Regulation”).

ORDINARY SESSION

Item no. 1

1. Approval of the financial statements of Aeffe S.p.A. as of 31st December 2012.
 - 1.1 Approval of the financial statements of Aeffe S.p.A. as of 31st December 2012. Presentation to the shareholders' meeting of the consolidated financial statements as of 31st December 2012.
 - 1.2 Resolutions regarding the results of Aeffe S.p.A. for the year ended 31st December 2012.

Shareholders,

With reference to the first item on the agenda, you are invited to resolve on (i) approval of the Company's financial statements as of 31st December 2012 (ii) the results of Aeffe S.p.A. for the year ended 31st December 2012. You are also invited to take note of the results reported in the consolidated financial statements as of 31st December 2012.

Before this, we consider it essential to highlight the principal macroeconomic variables that have influenced the operations of the Group.

2012 was a difficult year worldwide, for financial reasons and due to the state of the real economy. The current weakness of the global economy, that began in 2011 and continued throughout 2012, is marked by uncertainty and lack of confidence. Accordingly, households and businesses are deferring their spending decisions. This said, the outlook began to change during the period in certain macro geographic areas. First of all, there are fairly comforting signs of a recovery of activity in the USA. In particular, GDP there has risen due, above all, to the contribution made by household spending. Growth in the third quarter of 2012 (+2.7%) was actually ahead of expectations. Investment in housing has also increased. Similarly, the Chinese economy is also recovering strongly. GDP there rose by 7.8% in 2012 and the forecasts are also encouraging for the coming years (+8% in 2013; +7.8% in 2014), although these growth rates are lower than the steady 10% achieved in the pre-crisis years. The recovery of the Chinese economy is confirmed by the rise in exports (+14% over the year, from +2.9%), production (+10.3% from +10.1%) and sales (+15.2%).

The results of the other BRIC countries were more varied. There were signs of a slow recovery in all these markets, but not all the composite PMI, export and production parameters moved in the same direction. By comparison, the ongoing recession deepened in Europe. The start of a slow recovery is forecast from the fourth quarter of 2013, following a revision of the initial expectations for an upturn in the second quarter. The reasons for this situation are attributable to both the financial environment and the real economy, as well as to their close correlation. In particular, the reduced leverage of many operators, the lower recourse to borrowing and the ongoing credit crunch have had a direct, strong impact on the real economy, giving rise to: a generalized lack of confidence, the compression of domestic demand, a drastic reduction in consumption and investment, and a sharp increase in unemployment. Considering the forecasts for 2013, it

is clear above all that politicians must implement effective and efficient policies designed to exit the crisis and support a slow economic recovery.

This said, the necessary appointments have not yet been fixed to take the key action needed at European level. It seems obvious that a number of key points must be implemented in order to exit the crisis: the credit crunch must cease, as a first move, together with the introduction of investment incentives, the replacement of debt with equity and, ideally, increased recourse to private equity and mezzanine financing.

The fashion and luxury goods sector is therefore, of necessity, faced with the extremely unfavorable situation pervading the world economy. A number of results achieved in 2012 confirm the forecasts for an upturn in growth. The improved results of the fashion and luxury goods sector in 2012 were, however, principally led by Asia (growth of 16.5%) followed by Latin America (growth of 14%). By contrast, the geographic area with the lowest growth was Europe. Adding to this negative emphasis, this result was essentially achieved due to the purchases made by foreign customers, especially those from outside the EU.

Turning to Italy, 2012 was essentially marked by the consumption of "made in Italy" fashion abroad. According to a survey conducted by the National Foreign Trade Institute, the weighting of clothing sales made abroad has risen, particularly in relation to non-EU countries. This trend is compounded by a decline in the disposable income of Italian households and, consequently, in their propensity to consume.

Against this background, the Company has reported net income of Euro 1,160,050, while the net loss of the Group was Euro 3,028,260.

At the Shareholders' Meeting, the Board of Directors will propose the following resolution to the Shareholders:

"The Ordinary Meeting of the Shareholders of Aeffe S.p.A., held with a voting quorum today, 18th April 2013, after receiving the Report of the Board of Directors, having taken note of the Directors' report on operations and the reports of the Board of Statutory Auditors and the independent auditors, Mazars S.p.A., and having seen the financial statements as of 31st December 2012, the consolidated financial statements of the Group at that date and the additional accompanying documentation required by law,

resolves

- 1) to approve the financial statements as of 31st December 2012, both as a whole and in detail, together with the accompanying Directors' report on operations;
- 2) to approve the proposal made by the Board of Directors to allocate net income for the year of Euro 1,160,050 as follows:
 - Euro 58,002.50, representing 5% of net income, to the legal reserve;
 - Euro 1,102,047.50, being the remainder, to the extraordinary reserve.
- 3) to take note of the results reported in the consolidated financial statements as of 31st December 2012."

For further information about the first item on the agenda, explicit reference is made to the draft financial statements as of 31st December 2012 and the related report on operations which are available at the registered offices of the Company and on its website at the address www.aeffe.com.

Item no. 2

2 Resolution on the first section of the compensation report pursuant to para. 6 of art.123-ter of Decree No. 58/98.

Shareholders,

You are reminded that the Shareholders' Meeting held on 19th April 2012 gave a consultative vote on the Company's remuneration policy pursuant to para. 6 of art.123-ter of Decree No. 58/98. At that time, the Shareholders' Meeting resolved as follows:

“The Ordinary Meeting of the Shareholders of Aeffe S.p.A., held with a voting quorum today, 19th April 2012, after receiving the report of the Board of Directors and taking note of the remuneration policy contained in the first section of the Compensation Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98, resolves to approve the Company's remuneration policy contained in the first section of the Compensation Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98, presented as attachment "E"”.

You are informed that the Ordinary Shareholders' Meeting called for 18th April 2013, to approve the financial statements as of 31st December 2012, will also be called on to express a consultative vote on a change to the Remuneration Policy adopted.

In particular, without altering the other parts of the Remuneration Policy already adopted, the Board of Directors acting on a proposal from the Compensation Committee has clarified that the Long Term Incentives (LTI), designed to (a) keep the remuneration structure competitive overall in order to attract and retain the loyalty of experienced persons within the Company and the Aeffe Group; (b) guide the efforts of the directors and managers towards the achievement of long-term ratios and goals of strategic interest; (c) align the interests of directors and managers with those of the shareholders, may comprise a system of variable remuneration linked to objectives to be attained over the medium-long term (medium/long-term MBO), as well as remuneration plans based on financial instruments and plans for investment in the capital of the Company.

For further information about the Company's Remuneration Policy and about the remuneration of directors and executives with strategic responsibilities, reference is made to the Compensation Report prepared pursuant to art. 123-ter, TUF, which in accordance with art. 84-quater of the Issuers' Regulation is available at the registered offices of the Company and on the following website www.aeffe.com.

At the Shareholders' Meeting, the Board of Directors will propose the following resolution to the Shareholders:

“The Ordinary Meeting of the Shareholders of Aeffe S.p.A., held with a voting quorum today, 18th April 2013, after receiving the report of the Board of Directors and taking note of the remuneration policy contained in the first section of the Compensation Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98,

resolves

1) to approve the Company's remuneration policy contained in the first section of the Compensation Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98.”

EXTRAORDINARY SESSION

Item no. 3

3 Modification of the Articles of association; modification of the methods for calling meetings and clarification regarding the granting of proxies; compliance with the provisions of Law No. 120 dated 12th July 2011 regarding gender balance on the administrative and control bodies of listed companies; clarification of terminology. In particular:

- 3.1 Modification of article 10.2 of the Articles of association;
- 3.2 Modification of article 10.3 of the Articles of association;
- 3.3 Modification of article 11.2 of the Articles of association;
- 3.4 Modification of article 14.1 of the Articles of association;
- 3.5 Modification of article 14.2 of the Articles of association;
- 3.6 Modification of article 15.1 of the Articles of association;
- 3.7 Modification of article 15.3 of the Articles of association;
- 3.8 Modification of article 15.5 of the Articles of association;
- 3.9 Modification of article 15.6 of the Articles of association;
- 3.10 Modification of article 22.1 of the Articles of association;
- 3.11 Modification of article 22.3 of the Articles of association;
- 3.12 Modification of article 22.4 of the Articles of association;
- 3.13 Modification of article 22.7 of the Articles of association;
- 3.14 Modification of article 22.8 of the Articles of association;
- 3.15 Modification of article 22.9 of the Articles of association;
- 3.16 Modification of article 22.10 of the Articles of association;
- 3.17 Modification of article 24 of the Articles of association.

Shareholders,

You are called in extraordinary session to discuss and resolve on the proposed modification of certain articles of the Articles of association of Aeffe S.p.A., in order to align its contents with the provisions of Law No. 120 dated 12th July 2011 (Law 120/2011) regarding "Changes to the Consolidated Law on the requirements for financial intermediation, contained in Decree No. 58 dated 24th February 1998, concerning gender balance on the administrative and control bodies of companies listed in regulated markets".

Part I: regulatory background

Decree No. 91 dated 18th June 2012 modified art. 125 bis of Decree No. 58/1998 (Consolidated Financial Law - TUF), by indicating the methods of publication and the minimum content for meeting notices; this decree also modified para. 6 of art. 135 novies of the TUF, specifying that proxies for meeting attendance may also be granted via an electronic document bearing a digital signature.

Law 120/2011 modified arts. 147-ter and 148 of Decree No. 58/1998 regarding, respectively, the appointment and composition of the board of directors and the board of statutory auditors of companies with listed shares. In particular, with reference to the appointment and composition of the board of directors, pursuant to the new para.1-ter of art. 147-ter of the TUF, the articles of association of companies with listed shares must envisage "that the allocation of directors to be elected shall be based on a criterion that guarantees gender balance". The new requirement specifies - without prejudice to the transitional arrangements discussed later - that the gender least represented must comprise "at least one third of the elected directors". This allocation criterion must be applied, pursuant to para. 1-ter above, for three consecutive mandates.

With regard to the implementation and adoption of these requirements, art. 147-ter, para. 1-ter, of the TUF defers to the individual articles of association the determination "of the method used to form the lists and to make replacements during a mandate, in order to guarantee compliance with the allocation criteria" referred to above. Consob was made responsible for issuing regulations that govern "the violation of, the application of and compliance with the provisions on gender balance, including coverage of the investigation stage and the procedures to be adopted". The requirements established for the appointment and composition of the board of statutory auditors were virtually the same. The new para.1-bis of art. 148 of the TUF requires the articles of association to establish that the allocation of members of the board of statutory auditors be carried out - without prejudice to the transitional arrangements discussed later - "so that the gender least represented comprises at least one third of the serving members of the board of statutory auditors". This requirement also applies for three consecutive mandates.

With regard to the board of statutory auditors, para.1-bis of art. 148 of the TUF also makes Consob responsible for issuing regulations that govern the violation of, the application of and compliance with the provisions on gender balance, including coverage of the investigation stage and the procedures to be adopted.

Pursuant to art. 2 of Law 120/2011, the new rules are applicable from the first renewal of the administrative and control bodies of companies with listed shares "after one year has elapsed from the date of entry into force" of the law. i.e. from the first renewal of the corporate bodies subsequent to 12th August 2012.

As already explained, Law 120/2011 made Consob responsible for issuing regulations that govern the violation of, the application of and compliance with the provisions on gender balance, including coverage of the investigation stage and the procedures to be adopted. In implementation of this mandate, on 8th February 2012, Consob approved resolution no. 18098 that added a new section to the Regulations adopted by resolution no. 11971 dated 14th May 1999 (Issuers' Regulation) concerning "Gender balance in the composition of administrative and control bodies(1)", comprising just art. 144-undecies.

This article establishes that the articles of association of companies with listed shares must regulate: (i) the methods of forming the lists, as well as additional criteria for identifying the individual members of bodies that ensure a gender balance after voting (2) (in this regard, the article specifies that the articles of association cannot envisage compliance with the gender balance criterion for lists containing fewer than three candidates); (ii) the methods of replacing members of bodies who cease to serve during the period of their mandate, having regard for the gender balance criterion.

It must also be noted, in particular, with regard to the first renewal of the corporate bodies subsequent to 12th August 2012, that Law 120/2011 contains specific transitional arrangements that introduce a principle of gradualness to the application of the regulation on gender balance; in fact, for the first mandate, the least represented gender must comprise "at least one fifth of the directors and statutory auditors elected", instead of one third, as specified above in paras. 1-ter of art.147-ter and 1-bis of art.148 of the TUF.

With regard to the calculation of the fraction (one fifth for the first mandate and one third for the subsequent two) envisaged by Law 120/2011, the Consob regulation clarifies that, if application of the gender allocation required by law does not result in a whole number of members of the administrative and control bodies from the least represented gender, this number must be rounded up to the nearest whole number.

The mandates of the Board of Directors and the Board of Statutory Auditors of Aeffe S.p.A. currently in office will expire naturally at the Shareholders' Meeting held to approve the 2013 financial statements. This means that the renewal of both boards in April 2014 must take place in compliance with the new regulations governing gender balance.

Due to the above, it is necessary to make appropriate modifications to the Articles of association at this Shareholders' Meeting, so that it is updated in good time ahead of the planned renewal of the Board of Directors next year. At the same time, it is also deemed appropriate to align with the requirements of current regulations the text of those articles in the Articles of association relating to the methods of publication and minimum content of meeting notices, as well as that concerning the

form of proxies for participation at meetings. It is also considered desirable to modify the wording of art. 24 of the current Articles of association.

Part II: proposed modifications to the Articles of association of Aeffe S.p.A.

In view of the matters described in Part I of this report, the following modifications to the Articles of association will be presented to the Shareholders' Meeting for approval.

Articles 10.2 and 10.3

The modifications relate to the publication of the notice calling the Shareholders' Meeting (**10.2**) and the content of such notice (**10.3**). In particular, the notice of meeting must be published in a national daily newspaper, as well as on the Company's website; in addition to the information already specified in the previous Articles of association, the notice of meeting must also contain the information required by current regulations; the right to present additional proposals regarding matters already on the agenda is also specified.

Article 11.2

The modification relates to the method of granting proxies for participation at the Shareholders' Meeting. In particular, it is clarified that the proxy may also be granted via an electronic document bearing a digital signature applied in accordance with the applicable regulations.

Articles 14.1 and 14.2

With reference to the composition of the Board of Directors, it is proposed that it should comprise a variable number of members, between seven and nine, of which the least represented gender comprises at least one third of the total, as rounded up to the nearest whole number in the case of a fraction. The number of Board members is determined at the Shareholders' Meeting and remains fixed until decided otherwise at another Shareholders' Meeting. In addition, in view of the fact that Law 120/2011 contains specific transitional arrangements applicable on the first renewal of the corporate bodies subsequent to 12th August 2012, (principle envisaging that, for the first mandate, the least represented gender must comprise "at least one fifth of the directors and statutory auditors elected", instead of one third), it is clarified that on the first renewal of the Board of Directors subsequent to the Shareholders' Meeting held on 18th April 2013, the portion reserved for the least represented gender is limited to one fifth of the total, as rounded up to the nearest whole number in the case of a fraction (**14.1**). The modification to article **14.2** relates to the number of independent directors that must be members of the Board of Directors; if the Shareholders' Meeting resolves that the Board shall comprise more than seven members, the number of serving independent directors is raised to at least two.

Articles 15.1, 15.3, 15.5, 15.6

With regard to the appointment of the Board of Directors, it is firstly clarified, consistent with the requirements of art. 144-undecies.1 of the Issuers' Regulation, that the appointment of Board members must comply with the current regulations on gender balance, rounding up to the nearest whole number the

number of candidates belonging to the least represented gender, if application of the gender balance criterion does not result in a whole number (15.1).

It is also established that the lists may be deposited, via electronic documents bearing digital signatures applied in accordance with the applicable regulations, no later than 25 calendar days prior to the date fixed for the Shareholders' Meeting or by any different minimum time envisaged by current legislation.

The new wording for article 15.3 also envisages that the lists must include members of both genders, so that the least represented gender has the portion of candidates envisaged by the legislation in force at the time (rounded up to the nearest whole number in the case of a fraction), in order to guarantee that the composition of the Board of Directors complies with current regulations governing gender balance.

With regard to the proposed modifications to article 15.5, in addition to two clarifications made necessary by the modification of the number of directors in article 14.1 (shown in the table presented in the third part of this report), it is proposed to add the "follow on" clause presented below in order to include the additional criteria that in compliance with art. 144-undecies.1, para. 2, letter a), of the Issuers' Regulation and with that specified by Consob in the Consultation Document published on 9th December 2011 guarantee compliance with the regulations on gender balance even if, on the outcome of voting, the least represented gender does not immediately achieve the minimum percentage envisaged by law: "If the composition of the Board of Directors does not comply with the gender balance criterion then, having regard for the order of listing, the candidate from the most represented gender elected last from the list that obtained the largest number of votes (the "Majority List") shall be replaced, in consecutive numerical order, by the first candidate not elected from that list. Application of this replacement procedure will continue until the composition of the Board of Directors complies with the regulations in force at the time concerning gender balance.

If using the list voting mechanism the number of candidates is lower than the minimum number of Board directors envisaged in the Articles of association, or if using the list voting mechanism the required number of candidates from the least represented gender is not reached, the Board of Directors shall be elected and supplemented at the Shareholders' Meeting, applying the majorities envisaged by law".

With regard to the proposed modifications to article 15.6, which governs the situation in which, during the year, a majority or minority director ceases to serve, it is clarified that the replacement, on the basis established in the previous version of the above article, must take place "without prejudice to compliance with current regulations governing gender balance".

Articles 22.1, 22.3, 22.4, 22.7, 22.8, 22.9, 22.10

As envisaged in Law 120/2011, the composition of the Board of Statutory Auditor must also comply with the gender balance principle. Accordingly, the new wording of article 22.1 envisages that "The Board of Statutory Auditors comprises 3 (three) serving auditors, of which at least one must be a member of the least represented gender; the Shareholders' Meeting shall also appoint two alternate

auditors, one from each gender. The appointments are made on the basis of lists presented by the shareholders, following the process specified below."

With regard to article **22.3**, it is proposed with regard to the appointment of the Board of Statutory Auditors that lists for the appointment of serving auditors must include three candidates and those for the alternate auditors must include two. In addition, each section of the lists must ensure the presence of both genders. Lists of candidates that do not comply with the above requirements shall be treated as if not presented.

It is also proposed with regard to article **22.4**, in the same way as that proposed for the presentation of lists for the appointment of the Board of Directors, that "the lists may be deposited, via electronic documents bearing digital signatures applied in accordance with the applicable regulations, or otherwise, no later than 25 calendar days prior to the date fixed for the Shareholders' Meeting or by any different minimum time envisaged by current legislation."

With regard to the proposed modifications to article **22.7**, as with the Board of Directors, it is proposed to introduce the following "follow on" clause: "If the composition of the Board of Statutory Auditors or the category of alternate auditors does comply with the gender balance criterion then, having regard for the order of listing in the respective sections, the candidates from the most represented gender elected last from the Majority List shall be replaced by the first candidates not elected from the same list and the same section from the least represented gender. Application of this replacement procedure will continue until the composition of the Board of Statutory Auditors complies with the regulations in force at the time concerning gender balance".

Lastly, with regard to articles **22.8, 22.9 and 22.10**, it is clarified that if, during the year, a majority or minority statutory auditor (serving or alternate) ceases to serve, the replacement must take place "guaranteeing in all cases compliance with the current regulations governing gender balance".

Article 24

With regard to article 24, the proposed modifications relate solely to the wording used. It is proposed to change the heading of the article to "Legal Audit of the Accounts" and to modify the first sentence as follows: "The legal audit of the accounts is performed by an auditing firm that meets the relevant legal requirements".

Part III: Text of the modifications to the Articles of association

The text of the proposed modifications to the articles of the Articles of association specified in the notice of meeting is presented below, in comparison with the text of the current Articles of association.

CURRENT TEXT	PROPOSED MODIFICATION
<p style="text-align: center;">ARTICLE 10.2</p> <p>Shareholders' meetingsMeetings are called at the registered offices or elsewhere in Italy by a notice published, within the timescales and <u>upon the terms envisaged by current legislation. The notice is published on the company's website and it must be published, in extract, in the Italian Official Gazette or, at the discretion of the administrative body, in at least one of the following daily newspapers: a national daily newspaper.</u></p> <p>“Il Corriere della Sera”, “Il sole 24 ore”, “Milano Finanza”, “La Repubblica”.</p> <p>The notice of meeting must also be published on the Company's website.</p>	<p style="text-align: center;">ARTICLE 10.2</p> <p>Shareholders' Meetings are called at the registered offices or elsewhere in Italy by a notice published, within the timescales envisaged by current legislation, in a national daily newspaper. The notice is published on the company's website and it must be published, in extract, in a national daily newspaper.</p>
<p style="text-align: center;">ARTICLE 10.3</p> <p>In addition to the date, time and place of the meeting, the notice of meeting also contains a list of matters to be discussed and indicates, where applicable, the locations which will be linked by audio/videoconference. <u>The</u>In addition to the other information required by current legislation, the notice of meeting moreover<u>also</u> contains the information concerning (i) the procedures to be respected<u>followed</u> by the shareholders in order to participate in and vote at Shareholders' Meetings, such as, for example, the right to put questions prior to the Shareholders' Meeting and the deadline for exercising the right to add items to <u>the agenda and present further proposals on matters already on</u> the agenda, as well as, by reference to the Company's website or otherwise, any additional details regarding such rights and how they may be exercised; (ii) the procedure for proxy voting and information about the forms that the shareholders are entitled to use in order to vote by proxy, as well as methods for notifying any proxies granted by electronic or other means; (iii) the identity of any party appointed by the Company for the assignment of proxy votes, as well as the procedures and terms for the granting of proxies by shareholders, with the clarification that the proxy has no effect with regard to proposals for which voting instructions have not been given (iv) the procedures and the deadlines for access to the full text of proposed resolutions, together with the illustrative reports and documents that will be submitted to the Shareholders' Meeting; (v) the address of Company's website.</p>	<p style="text-align: center;">ARTICLE 10.3</p> <p>In addition to the date, time and place of the meeting, the notice of meeting also contains a list of matters to be discussed and indicates, where applicable, the locations which will be linked by audio/videoconference. In addition to the other information required by current legislation, the notice of meeting also contains the information concerning (i) the procedures to be followed by the shareholders in order to participate in and vote at Shareholders' Meetings, such as, for example, the right to put questions prior to the Shareholders' Meeting and the right to add items to the agenda and present further proposals on matters already on the agenda, as well as, by reference to the Company's website or otherwise, any additional details regarding such rights and how they may be exercised; (ii) the procedure for proxy voting and information about the forms that the shareholders are entitled to use in order to vote by proxy, as well as methods for notifying any proxies granted by electronic or other means; (iii) the identity of any party appointed by the Company for the assignment of proxy votes, as well as the procedures and terms for the granting of proxies by shareholders, with the clarification that the proxy has no effect with regard to proposals for which voting instructions have not been given (iv) the procedures and the deadlines for access to the full text of proposed resolutions, together with the illustrative reports and documents that will be submitted to the Shareholders' Meeting; (v) the address of Company's website.</p>
<p style="text-align: center;">ARTICLE 11.2</p> <p>All shareholders entitled to attend the Shareholders'</p>	<p style="text-align: center;">ARTICLE 11.2</p> <p>All shareholders entitled to attend the Shareholders'</p>

Meeting may be represented by another person, who need not be a shareholder, bearing a written proxy prepared in accordance with legal requirements. ~~This~~The proxy may be granted ~~by~~via an electronic ~~means,~~document bearing a digital signature applied in accordance with the ~~manner envisaged by the Ministry of Justice~~applicable regulations. The proxy may be notified to the Company by certified e-mail at the e-mail address indicated from time to time in the notice of meeting.

ARTICLE 14.1

The ~~Company~~company is administered by a Board of Directors comprising ~~seven—a variable number of~~ members, ~~between seven and nine,~~ who need not be shareholders, ~~of which the least represented gender comprises at least one third of the total, as rounded up to the nearest whole number in the case of a fraction.~~ The number of Board members is determined at the Shareholders' Meeting and remains fixed until decided otherwise at another Shareholders' Meeting. The Board of Directors includes both executive and non-executive directors.

~~On the first renewal of the Board of Directors subsequent to the Shareholders' Meeting held on 18th April 2013, the portion reserved for the least represented gender is limited to one fifth of the total, as rounded up to the nearest whole number in the case of a fraction.~~

ARTICLE 14.2

In all cases, at least one member of the Board of Directors, ~~or two if the Board of Directors comprises more than seven members,~~ must satisfy the independence requirements established in art. 148.3 of Decree No. 58 dated 24th February 1998.

ARTICLE 15.1

The ordinary shareholders' meeting is responsible for appointing the members of the Board of Directors, from the lists of candidates presented by the shareholders, following the methodology described below ~~and in compliance with the regulations currently in force on gender balance, rounding up to the nearest whole number the number of candidates belonging to the least represented gender, if application of the gender balance criterion does not result in a whole number.~~

ARTICLE 15.3

The lists of candidates signed by the shareholders presenting them, or by the shareholder appointed to

Meeting may be represented by another person, who need not be a shareholder, bearing a written proxy prepared in accordance with legal requirements. The proxy may be granted via an electronic document bearing a digital signature applied in accordance with the applicable regulations. The proxy may be notified to the Company by certified e-mail at the e-mail address indicated from time to time in the notice of meeting.

ARTICLE 14.1

The company is administered by a Board of Directors comprising a variable number of members, between seven and nine, who need not be shareholders, of which the least represented gender comprises at least one third of the total, as rounded up to the nearest whole number in the case of a fraction. The number of Board members is determined at the Shareholders' Meeting and remains fixed until decided otherwise at another Shareholders' Meeting. The Board of Directors includes both executive and non-executive directors.

On the first renewal of the Board of Directors subsequent to the Shareholders' Meeting held on 18th April 2013, the portion reserved for the least represented gender is limited to one fifth of the total, as rounded up to the nearest whole number in the case of a fraction.

ARTICLE 14.2

In all cases, at least one member of the Board of Directors, or two if the Board of Directors comprises more than seven members, must satisfy the independence requirements established in art. 148.3 of Decree No. 58 dated 24th February 1998.

ARTICLE 15.1

The ordinary shareholders' meeting is responsible for appointing the members of the Board of Directors from the lists of candidates presented by the shareholders, following the methodology described below and in compliance with the regulations currently in force on gender balance, rounding up to the nearest whole number the number of candidates belonging to the least represented gender, if application of the gender balance criterion does not result in a whole number.

ARTICLE 15.3

The lists of candidates signed by the shareholders presenting them, or by the shareholder appointed to

present them, and accompanied by the documentation required by these articles of association; must be filed, via electronic documents bearing digital signatures applied in accordance with the applicable regulations, or otherwise, at the registered offices ~~at least of the Company no later than~~ twenty-five (25) calendar days prior to the date fixed for the Shareholders' Meeting in first (or only) calling and published on the Company's website at least 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, or any different minimum time envisaged by current legislation or regulations. The filed lists of candidates will also be valid for subsequent callings of the same Meeting, if applicable. In order to demonstrate ownership of the number of shares necessary for the presentation of a list, each nominating shareholder must file the documents confirming such ownership at the registered offices, together with the list ~~and~~, not later than 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, ~~the documents confirming such ownership~~. Each candidate can appear on just one list, or will be ineligible for election. Each list must contain at least ~~two candidates~~ three candidates. The lists must also include candidates from both genders, so that the least represented gender has the portion of candidates envisaged by the legislation in force at the time (rounded up to the nearest whole number in the case of a fraction).

The candidates must be listed in consecutive numerical order. Shareholders who present a list that aspires to obtain the largest number of votes are responsible for ensuring that such list contains a sufficient number of candidates. At least one candidate ~~on~~from each list, or two if the Board of Directors comprises more than seven members, must satisfy the independence requirements established in art. 148.3 of Decree No. 58 dated 24th February 1998 and subsequent amendments.

In addition to each list, the following information must be filed at the registered offices by the above deadline:

- a) the list of shareholders presenting the list, stating their personal or business names, addresses, company registration numbers or equivalent, and total percentage interest held in the Company's share capital.
- b) the curriculum vitae of each candidate, containing full information on their personal and professional characteristics and an indication, where applicable, that they satisfy the independence requirements established in para. 4 of art. 147-ter of Decree No. 58 dated 24th February 1998 and subsequent amendments, as well as: (i) their appointments as non-executive directors or auditors of companies listed on

present them, and accompanied by the documentation required by these articles of association must be filed, via electronic documents bearing digital signatures applied in accordance with the applicable regulations, or otherwise, at the registered offices of the Company no later than twenty-five (25) calendar days prior to the date fixed for the Shareholders' Meeting in first (or only) calling and published on the Company's website at least 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, or any different minimum time envisaged by current legislation or regulations. The filed lists of candidates will also be valid for subsequent callings of the same Meeting, if applicable. In order to demonstrate ownership of the number of shares necessary for the presentation of a list, each nominating shareholder must file the documents confirming such ownership at the registered offices, together with the list, not later than 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling. Each candidate can appear on just one list, or will be ineligible for election. Each list must contain at least three candidates. The lists must also include candidates from both genders, so that the least represented gender has the portion of candidates envisaged by the legislation in force at the time (rounded up to the nearest whole number in the case of a fraction).

The candidates must be listed in consecutive numerical order. Shareholders who present a list that aspires to obtain the largest number of votes are responsible for ensuring that such list contains a sufficient number of candidates. At least one candidate from each list, or two if the Board of Directors comprises more than seven members, must satisfy the independence requirements established in art. 148.3 of Decree No. 58 dated 24th February 1998 and subsequent amendments.

In addition to each list, the following information must be filed at the registered offices by the above deadline:

- a) the list of shareholders presenting the list, stating their personal or business names, addresses, company registration numbers or equivalent, and total percentage interest held in the Company's share capital.
- b) the curriculum vitae of each candidate, containing full information on their personal and professional characteristics and an indication, where applicable, that they satisfy the independence requirements established in para. 4 of art. 147-ter of Decree No. 58 dated 24th February 1998 and subsequent amendments, as well as: (i) their appointments as non-executive directors or auditors of companies listed on regulated markets (including foreign markets) and of

regulated markets (including foreign markets) and of banks, insurance companies and other major companies, being those whose total assets or sales reported in their latest financial statements exceeded Euro 500,000,000.00 (five hundred million); ii) their appointments as executive directors of any company, including those not covered by the categories mentioned in point (i) above, except for companies that “merely hold” property, equity investments or other assets, and companies whose latest reported sales were Euro 50,000,000.00 (fifty million) or less. For each company in which appointments are held, the following information must be provided: name, address, company registration number or equivalent, and the nature of the appointment (indicating also if directorships are executive, non-executive or independent);

c) the declarations of each candidate confirming acceptance of their nomination and certifying under their personal responsibility:

- the absence of reasons for which they would be ineligible or for which their appointment would lapse pursuant to art. 2382 of the Italian Civil Code;
- possession of the honourability and professionalism requirements established by current and applicable laws and/or regulations;
- possession, if applicable, of the independence requirements established in art. 148.3 of Law No. 58 dated 24th February 1998 and subsequent amendments, and/or their suitability to serve as an independent director pursuant to the Code of Self-Regulation prepared by the Committee for the Corporate Governance of Listed Companies sustained by Borsa Italiana S.p.A. Lists of candidates that do not comply with the requirements specified in the preceding paragraphs will be treated as if they had not been presented. Information about the lists presented is communicated in the circumstances and on the basis established by current regulations.

ARTICLE 15.5

If just one list is presented, all the members of the Board of Directors will be drawn from that list. [The Shareholders' Meeting will appoint any directors remaining to be elected, applying the majorities envisaged by law.](#) If, on the other hand, two or more lists are presented, the Board of Directors is appointed in the following manner:

a) all the candidates ~~on, up to the number decided each time at the Shareholders' Meeting, less one, will be drawn from~~ the list that obtains the majority of the votes cast by the shareholders, ~~up to a maximum of six, will be and~~ appointed as directors in the numerical order in which they are presented on that list;

banks, insurance companies and other major companies, being those whose total assets or sales reported in their latest financial statements exceeded Euro 500,000,000.00 (five hundred million); ii) their appointments as executive directors of any company, including those not covered by the categories mentioned in point (i) above, except for companies that “merely hold” property, equity investments or other assets, and companies whose latest reported sales were Euro 50,000,000.00 (fifty million) or less. For each company in which appointments are held, the following information must be provided: name, address, company registration number or equivalent, and the nature of the appointment (indicating also if directorships are executive, non-executive or independent);

c) the declarations of each candidate confirming acceptance of their nomination and certifying under their personal responsibility:

- the absence of reasons for which they would be ineligible or for which their appointment would lapse pursuant to art. 2382 of the Italian Civil Code;
- possession of the honourability and professionalism requirements established by current and applicable laws and/or regulations;
- possession, if applicable, of the independence requirements established in art. 148.3 of Law No. 58 dated 24th February 1998 and subsequent amendments, and/or their suitability to serve as an independent director pursuant to the Code of Self-Regulation prepared by the Committee for the Corporate Governance of Listed Companies sustained by Borsa Italiana S.p.A. Lists of candidates that do not comply with the requirements specified in the preceding paragraphs will be treated as if they had not been presented. Information about the lists presented is communicated in the circumstances and on the basis established by current regulations.

ARTICLE 15.5

If just one list is presented, all the members of the Board of Directors will be drawn from that list. The Shareholders' Meeting will appoint any directors remaining to be elected, applying the majorities envisaged by law. If, on the other hand, two or more lists are presented, the Board of Directors is appointed in the following manner:

a) all the candidates, up to the number decided each time at the Shareholders' Meeting, less one, will be drawn from the list that obtains the majority of the votes cast by the shareholders and appointed as directors in the numerical order in which they are presented on that list;

b) the remaining number of candidates to be elected will be drawn from the list that obtains the second-largest number of votes and appointed as directors in the numerical order in which they are presented on that list, on condition that such list is not linked in any way, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes;

c) the directors to be elected who satisfy the independence requirements established in these articles of association will be drawn from the list that obtains the largest number of votes cast by the shareholders or, to the extent that this is not possible, from that which obtains the second-largest number of votes;

d) in the event of a voting tie between two or more lists, the candidates on the list presented by shareholders with the greatest total equity interest or, failing this, by the largest number of shareholders, will be elected.

If the composition of the Board of Directors does not comply with the gender balance criterion then, having regard for the order of listing, the candidate from the most represented gender elected last from the list that obtained the largest number of votes (the "Majority List") shall be replaced, in consecutive numerical order, by the first candidate not elected from that list. Application of this replacement procedure will continue until the composition of the Board of Directors complies with the regulations in force at the time concerning gender balance.

If using the list voting mechanism the number of candidates is lower than the minimum number of Board directors envisaged in the Articles of association, or if using the list voting mechanism the required number of candidates from the least represented gender is not reached, the Board of Directors shall be elected and supplemented at the Shareholders' Meeting, applying the majorities envisaged by law.

ARTICLE 15.6

If, during the year, one or more directors drawn from the list that obtained the largest number of votes (the "Majority Directors") cease to serve for any reason, they will be replaced as follows on condition that the majority of the directors elected at the Meeting continues to serve:

a) the Board of Directors will replace the Majority Directors who have ceased to serve by co-opting new directors, pursuant to art. 2386 of the Italian Civil Code, having regard for both the requirement that independent directors must be co-opted if one or more of the Majority Directors who have ceased to serve were independent directors; and the requirement to comply with current regulations on gender balance;

b) the remaining number of candidates to be elected will be drawn from the list that obtains the second-largest number of votes and appointed as directors in the numerical order in which they are presented on that list, on condition that such list is not linked in any way, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes;

c) the directors to be elected who satisfy the independence requirements established in these articles of association will be drawn from the list that obtains the largest number of votes cast by the shareholders or, to the extent that this is not possible, from that which obtains the second-largest number of votes;

d) in the event of a voting tie between two or more lists, the candidates on the list presented by shareholders with the greatest total equity interest or, failing this, by the largest number of shareholders, will be elected.

If the composition of the Board of Directors does not comply with the gender balance criterion then, having regard for the order of listing, the candidate from the most represented gender elected last from the list that obtained the largest number of votes (the "Majority List") shall be replaced, in consecutive numerical order, by the first candidate not elected from that list. Application of this replacement procedure will continue until the composition of the Board of Directors complies with the regulations in force at the time concerning gender balance.

If using the list voting mechanism the number of candidates is lower than the minimum number of Board directors envisaged in the Articles of association, or if using the list voting mechanism the required number of candidates from the least represented gender is not reached, the Board of Directors shall be elected and supplemented at the Shareholders' Meeting, applying the majorities envisaged by law.

ARTICLE 15.6

If, during the year, one or more directors drawn from the list that obtained the largest number of votes (the "Majority Directors") cease to serve for any reason, they will be replaced as follows on condition that the majority of the directors elected at the Meeting continues to serve:

a) the Board of Directors will replace the Majority Directors who have ceased to serve by co-opting new directors, pursuant to art. 2386 of the Italian Civil Code, having regard for both the requirement that independent directors must be co-opted if one or more of the Majority Directors who have ceased to serve were independent directors and the requirement to comply with current regulations on gender balance;

b) the co-opted directors remain in office until the next Shareholders' Meeting which will either confirm or replace them in the usual manner with the normal majorities, without recourse to the system of list voting described in this article 15.

If, during the year, one or more directors drawn from the list that obtained the second-largest number of votes (the "Minority Directors") cease to serve for any reason, they will be replaced as follows:

a) the Board of Directors will replace the Minority Directors who have ceased to serve by the first unelected candidates on the same list, on condition that they are still eligible and willing to accept the appointment, and that the appointment complies with current regulations on gender balance or, otherwise, by the first eligible and willing candidates drawn in order from that list or, failing this, from the first subsequent list by number of votes cast that achieved the voting quorum referred to in art. 15.2 above; the mandates of these replacements expire at the same time as those of the directors who were serving when they joined the Board;

b) if one or more of the Minority Directors who ceased to serve was an independent director, they must be replaced by other independent directors;

c) if it is not possible to proceed on the basis described above, due to a lack of candidates on the lists or their unwillingness to serve, the Board of Directors will co-opt a new director, pursuant to art. 2386 of the Italian Civil Code, who is selected by the Board using the criteria established by law and in compliance with the current regulations on gender balance. The director co-opted on this basis will remain in office until the next Shareholders' Meeting which will either confirm or replace him in the usual manner with the normal majorities, without recourse to the system of list voting described in this article 15.

ARTICLE 22.1

The Board of Statutory Auditors comprises 3 (three) serving auditors and 2 (two) alternate auditors appointed, of which at least one must be a member of the least represented gender; the Shareholders' Meeting shall also appoint two alternate auditors, one from each gender. The appointments are made on the basis of lists presented by the shareholders, following the methodology described process specified below.

ARTICLE 22.3

Each list must comprise two sections: one for the appointment of serving auditors, comprising three candidates, and the other for the appointment of alternate auditors. The lists must indicate, comprising

b) the co-opted directors remain in office until the next Shareholders' Meeting which will either confirm or replace them in the usual manner with the normal majorities, without recourse to the system of list voting described in this article 15.

If, during the year, one or more directors drawn from the list that obtained the second-largest number of votes (the "Minority Directors") cease to serve for any reason, they will be replaced as follows:

a) the Board of Directors will replace the Minority Directors who have ceased to serve by the first unelected candidates on the same list, on condition that they are still eligible and willing to accept the appointment, and that the appointment complies with current regulations on gender balance or, otherwise, by the first eligible and willing candidates drawn in order from that list or, failing this, from the first subsequent list by number of votes cast that achieved the voting quorum referred to in art. 15.2 above; the mandates of these replacements expire at the same time as those of the directors who were serving when they joined the Board;

b) if one or more of the Minority Directors who ceased to serve was an independent director, they must be replaced by other independent directors;

c) if it is not possible to proceed on the basis described above, due to a lack of candidates on the lists or their unwillingness to serve, the Board of Directors co-opts a new director, pursuant to art. 2386 of the Italian Civil Code, who is selected by the Board using the criteria established by law and in compliance with the current regulations on gender balance. The director co-opted on this basis will remain in office until the next Shareholders' Meeting which will either confirm or replace him in the usual manner with the normal majorities, without recourse to the system of list voting described in this article 15.

ARTICLE 22.1

The Board of Statutory Auditors comprises 3 (three) serving auditors, of which at least one must be a member of the least represented gender; the Shareholders' Meeting shall also appoint two alternate auditors, one from each gender. The appointments are made on the basis of lists presented by the shareholders, following the process specified below.

ARTICLE 22.3

Each list must comprise two sections: one for the appointment of serving auditors, comprising three candidates, and the other for the appointment of alternate auditors, comprising two candidates, listed in

~~two candidates, listed~~ in consecutive numerical order ~~at least one candidate for serving auditor but, in any case, not more candidates than the number of statutory auditors to be elected.~~ Each candidate can appear on just one list, or will be ineligible for election. ~~Shareholders who present a list that aspires to obtain the largest number of votes are responsible for ensuring that such list contains a sufficient number of candidates.~~ Each section of the lists must ensure the presence of both genders. Lists of candidates that do not comply with the requirements envisaged in this paragraph shall be treated as if not presented.

ARTICLE 22.4

The lists, signed by the shareholders presenting them, or by the shareholder appointed to present them, and accompanied by the documentation required by these articles of association, ~~must be filed, via electronic documents bearing digital signatures applied in accordance with the applicable regulations, or otherwise,~~ at the registered offices ~~at least no later than~~ twenty-five (25) calendar days prior to the date fixed for the Shareholders' Meeting in first (or only) calling and published on the Company's website at least 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, or any different minimum time envisaged by current legislation or regulations.

In order to demonstrate ownership of the number of shares necessary for the presentation of a list, each nominating shareholder must file at the registered offices, together with the list and not later than 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, copies of the documents confirming such ownership.

The following information must also be filed, together with each list, by the deadline indicated above: (i) declarations from each candidate accepting their nomination and confirming, under their personal responsibility, the absence of reasons for which they would be ineligible or for which their appointment would lapse by law, and that they satisfy the honourability and professionalism requirements established by law and applicable to such appointments; (ii) complete information on their personal and professional characteristics (curriculum vitae); (iii) the list of appointments as director or auditor held by candidate statutory auditors in other companies or bodies, if relevant under current regulations to the limit on the total number of appointments allowed by these articles of association or by the current and applicable laws and/or regulations; (iv) the list of shareholders presenting the list, specifying their personal or company name, address, company registration number

consecutive numerical order. Each candidate can appear on just one list, or will be ineligible for election.

Each section of the lists must ensure the presence of both genders.

Lists of candidates that do not comply with the requirements envisaged in this paragraph shall be treated as if not presented.

ARTICLE 22.4

The lists, signed by the shareholders presenting them, or by the shareholder appointed to present them, and accompanied by the documentation required by these articles of association must be filed, via electronic documents bearing digital signatures applied in accordance with the applicable regulations, or otherwise, at the registered offices no later than twenty-five (25) calendar days prior to the date fixed for the Shareholders' Meeting in first (or only) calling and published on the Company's website at least 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, or any different minimum time envisaged by current legislation or regulations.

In order to demonstrate ownership of the number of shares necessary for the presentation of a list, each nominating shareholder must file at the registered offices, together with the list and not later than 21 (twenty-one) calendar days prior to the date fixed for the Meeting in first (or only) calling, copies of the documents confirming such ownership.

The following information must also be filed, together with each list, by the deadline indicated above: (i) declarations from each candidate accepting their nomination and confirming, under their personal responsibility, the absence of reasons for which they would be ineligible or for which their appointment would lapse by law, and that they satisfy the honourability and professionalism requirements established by law and applicable to such appointments; (ii) complete information on their personal and professional characteristics (curriculum vitae); (iii) the list of appointments as director or auditor held by candidate statutory auditors in other companies or bodies, if relevant under current regulations to the limit on the total number of appointments allowed by these articles of association or by the current and applicable laws and/or regulations; (iv) the list of shareholders presenting the list, specifying their personal or company name, address, company registration number

or similar and the total percentage of share capital held by them. Lists not presented in compliance with the requirements of this article will be treated as if they had not been presented. If, on expiry of the above-mentioned term, only one list has been filed or only lists presented by related shareholders, the relevant legal and regulatory requirements will apply.

ARTICLE 22.7

If no lists are presented, the Meeting appoints the Board of Statutory Auditors and its Chairman in accordance with the majorities established by current legislation. If only one list is presented, the Board of Statutory Auditors is drawn entirely from that list and the first candidate on the list is appointed as Chairman.

If, on the other hand, two or more lists are presented, the Board of Statutory Auditors is appointed in the following manner:

a) the following candidates will be appointed, in the numerical order in which they appear, from the list that obtains the majority of the votes cast by the shareholders: (i) the first two candidates for the office of serving auditor and (ii) the first candidate for the office of alternate auditor;

b) the following candidates will be appointed, in the numerical order in which they appear, from the list that obtains the second-largest number of votes, on condition that such list is not linked, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes: (i) the first candidate for the office of serving auditor, who will also be appointed as Chairman of the Board of Statutory Auditors, and (ii) the first candidate for the office of alternate auditor, if available; otherwise, the alternate auditor will be the first candidate for this office on the first list obtaining the next-largest number of votes that is not linked, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes.

c) in the event of a voting tie between two or more lists, the candidates on the list presented by shareholders with the greatest total equity interest or, failing this, by the largest number of shareholders, ~~are~~will be elected ~~as auditors~~.

If the composition of the Board of Statutory Auditors or the category of alternate auditors does not comply with the gender balance criterion then, having regard for the order of listing in the respective sections, the candidates from the most represented gender elected last from the Majority List shall be replaced by the first candidates not elected from the same list and the same section from the least represented gender. Application

or similar and the total percentage of share capital held by them. Lists not presented in compliance with the requirements of this article will be treated as if they had not been presented. If, on expiry of the above-mentioned term, only one list has been filed or only lists presented by related shareholders, the relevant legal and regulatory requirements will apply.

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If no lists are presented, the Meeting appoints the Board of Statutory Auditors and its Chairman in accordance with the majorities established by current legislation. If only one list is presented, the Board of Statutory Auditors is drawn entirely from that list and the first candidate on the list is appointed as Chairman.

If, on the other hand, two or more lists are presented, the Board of Statutory Auditors is appointed in the following manner:

a) the following candidates will be appointed, in the numerical order in which they appear, from the list that obtains the majority of the votes cast by the shareholders: (i) the first two candidates for the office of serving auditor and (ii) the first candidate for the office of alternate auditor;

b) the following candidates will be appointed, in the numerical order in which they appear, from the list that obtains the second-largest number of votes, on condition that such list is not linked, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes: (i) the first candidate for the office of serving auditor, who will also be appointed as Chairman of the Board of Statutory Auditors, and (ii) the first candidate for the office of alternate auditor, if available; otherwise, the alternate auditor will be the first candidate for this office on the first list obtaining the next-largest number of votes that is not linked, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes.

c) in the event of a voting tie between two or more lists, the candidates on the list presented by shareholders with the greatest total equity interest or, failing this, by the largest number of shareholders, will be elected.

If the composition of the Board of Statutory Auditors or the category of alternate auditors does not comply with the gender balance criterion then, having regard for the order of listing in the respective sections, the candidates from the most represented gender elected last from the Majority List shall be replaced by the first candidates not elected from the same list and the same section from the least represented gender. Application

of this replacement procedure will continue until the composition of the Board of Statutory Auditors complies with the regulations in force at the time concerning gender balance.

ARTICLE 22.8

If, during the year, one or more serving auditors drawn from the list that obtained the largest number of votes (the "Majority Statutory Auditors") cease to serve for any reason, they will be replaced - where possible and always in compliance with the regulations in force concerning gender balance - by the alternate auditor belonging to the same list as the former statutory auditor or, otherwise, by the other alternate auditor. If it is not possible to proceed on the basis described above, a Shareholders' Meeting must be called, pursuant to art. 2401.3 of the Italian Civil Code, to complete the Board in the usual manner with the normal majorities, without recourse to the system of list voting described in this article 22.

ARTICLE 22.9

If, during the year, the serving auditor drawn from the list obtaining the second-largest number of votes (the "Minority Statutory Auditor") ceases to serve for any reason; he will be replaced, always in compliance with the regulations in force concerning gender balance, by the alternate auditor belonging to the same list as the former statutory auditor, who will be appointed as Chairman of the Board of Statutory Auditors and whose mandate will expire at the same time as those of the other statutory auditors who were serving when he joined the Board. If it is not possible to proceed on the basis described above, the mandate of the entire Board of Statutory Auditors is deemed to have lapsed immediately and, consequently, a Shareholders' Meeting ~~shareholders' meeting~~ must be called to appoint a new Board of Statutory Auditors in accordance with the system of list voting described in this article 22.

ARTICLE 22.10

If, pursuant to art. 2401.1 of the Italian Civil Code, the Shareholders' meeting must appoint new alternate auditors to the Board of Statutory Auditors, the resolution must be adopted in the usual manner with the normal majorities, always in compliance with the regulations in force concerning gender balance, without recourse to the system of list voting described in this article 22.

ARTICLE 24

Article 24

Legal Audit of the ~~accounting records~~Accounts

The ~~accounting records are audited~~legal audit of the

of this replacement procedure will continue until the composition of the Board of Statutory Auditors complies with the regulations in force at the time concerning gender balance.

ARTICLE 22.8

If, during the year, one or more serving auditors drawn from the list that obtained the largest number of votes (the "Majority Statutory Auditors") cease to serve for any reason, they will be replaced - where possible and always in compliance with the regulations in force concerning gender balance - by the alternate auditor belonging to the same list as the former statutory auditor or, otherwise, by the other alternate auditor. If it is not possible to proceed on the basis described above, a Shareholders' Meeting must be called, pursuant to art. 2401.3 of the Italian Civil Code, to complete the Board in the usual manner with the normal majorities, without recourse to the system of list voting described in this article 22.

ARTICLE 22.9

If, during the year, the serving auditor drawn from the list obtaining the second-largest number of votes (the "Minority Statutory Auditor") ceases to serve for any reason he will be replaced, always in compliance with the regulations in force concerning gender balance, by the alternate auditor belonging to the same list as the former statutory auditor, who will be appointed as Chairman of the Board of Statutory Auditors and whose mandate will expire at the same time as those of the other statutory auditors who were serving when he joined the Board. If it is not possible to proceed on the basis described above, the mandate of the entire Board of Statutory Auditors is deemed to have lapsed immediately and, consequently, a shareholders' meeting must be called to appoint a new Board of Statutory Auditors in accordance with the system of list voting described in this article 22.

ARTICLE 22.10

If, pursuant to art. 2401.1 of the Italian Civil Code, the Shareholders' meeting must appoint new alternate auditors to the Board of Statutory Auditors, the resolution must be adopted in the usual manner with the normal majorities, always in compliance with the regulations in force concerning gender balance, without recourse to the system of list voting described in this article 22.

ARTICLE 24

Article 24

Legal Audit of the Accounts

The legal audit of the accounts is performed by an

accounts is performed by an auditing firm that satisfiesmeets the related~~related~~relevant legal requirements. The conferral and revocation of the related appointment, and the duties, powers and responsibilities of the auditing firm, are governed by the current and applicable laws and/or regulations.

auditing firm that meets the relevant legal requirements. The conferral and revocation of the related appointment, and the duties, powers and responsibilities of the auditing firm, are governed by the current and applicable laws and/or regulations.

San Giovanni in Marignano, 16th March 2013

for the Board of Directors

The Chairman

Massimo Ferretti