



ASTALDI

Corporate Bylaws

Last update:
5 November 2010

CORPORATE BYLAWS OF ASTALDI S.p.A.

TITLE I

Name – Purpose – Offices – Duration

ART. 1

The Company has the following corporate name:

“ASTALDI Società per Azioni” abbreviated to “ASTALDI S.p.A.”

ART. 2

The Company has as its purpose building activity in general, carrying out public and private works, taking on and managing works including those under concession, taking on, performing, and managing plant engineering activities, and carrying out study, design, and consulting activities.

These activities may be performed in Italy and abroad, both for third parties and on the Company’s own behalf.

The Company may also perform any other activity and conduct any other business related to its corporate purposes directly and through the creation and/or operation of service companies, industrial installations, and commercial and financial activities, as well as by taking on stakes, including shareholdings, in companies, groups, associations including temporary associations of companies, consortia, joint ventures and initiatives having a purpose similar to or in any way connected with its own purpose. The Company may also take part in humanitarian or cultural associations or foundations and contribute to the establishment thereof whenever such participation may raise the company’s image or endow it with social merit.

To achieve its corporate goals, the Company may carry out, abroad and in Italy, all commercial, industrial and financial, moveable-asset and real estate operations including putting up and accepting endorsements, sureties, or other guarantees to and from third parties, as may be related to the corporate purpose or deemed useful by the Board of Directors.

Financial activities vis-à-vis the public, and activities reserved by law, are excluded.

ART. 3

The Company has its main offices in Rome.

The Company has the power to establish and to close down secondary offices, branches, agencies, and representation offices in Italy and abroad.

ART. 4

The domicile of shareholders, as pertains to their relationship with the Company, is to be understood, to all legal effects, as that indicated in the Stock Ledger.

ART. 5

The Company's duration is set until 31 December 2100 and may be extended.

In accordance with Art. 2437, sub-paragraph 2 of the Italian Civil Code, in the event of extension of the term, the shareholders who did not take part in the approval of the relevant resolution shall have no right to withdraw.

TITLE II

Capital – Shares – Bonds

ART. 6

The capital is set at €196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents) fully paid in, and is divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares of a value of €2.00 (two euros and zero cents) each.

The capital may also be increased by the granting of credits or goods in kind.

Corporate capital may also be increased with the issuance of shares having rights other than those of the shares already issued as well as through the issuance of special categories of shares to be assigned individually to employees for assigning them the corporate profits, establishing specific regulations with respect to the form, transfer method and rights of the shareholders.

ART. 7

Shares are registered, indivisible, and freely transferable.

Shares are issued according to the dematerialization system.

ART. 8

The Company's Extraordinary Shareholders' Meeting may grant the Board of Directors the power to issue, on one or more occasions, convertible bonds, for a given amount and for a period not to exceed five years as from the Meeting's resolution, establishing the procedures, deadlines, conditions, and regulations therefor.

The Company's Extraordinary Shareholders' Meeting may issue financial instruments also to the benefit of employees of the company and its subsidiaries, complete with equity claims and administrative rights, excluding the right to vote in the Shareholders' Meeting.

The resolution pertaining to the issuance of financial instruments sets forth the issuing conditions, the conditions to exercise the rights assigned to their holders and the method of

circulation.

TITLE III

Shareholders' Meetings

ART. 9

The Shareholders' Meeting represents the totality of shareholders, and its resolutions made in compliance herewith or, should specific provisions be lacking, in compliance with the law, are binding on all shareholders.

The Shareholders' Meeting is Ordinary and Extraordinary in accordance with the law. It may also be convened in a location outside the corporate offices, provided that said location is in Italy.

The Ordinary Shareholders' Meeting shall be called at least once a year and no later than 120 days after the close of the business year.

The Board of Directors is also authorized to extend the deadline for calling the Ordinary Shareholders' Meeting up to 180 days after the close of the business year, if the Company is obliged to prepare consolidated financial statements and when specific needs pertaining to the structure and purpose of the Company so require.

ART. 10

Without prejudice to the powers of convening established by specific provisions of law, the Shareholders' Meeting is called by the Board of Directors by means of a notice to be published using the procedures and within the deadlines established by law.

The same notice may also indicate a second call for another day, should the first call go unattended; in the event of an Extraordinary Shareholders' Meeting, the notice may also indicate the date for the third call.

The Board of Directors shall make available to the shareholders and auditors, at the corporate offices, a report on the proposals regarding the items on the agenda in the format and in accordance with the deadlines established by the legislative and regulatory provisions in force.

ART. 11

All parties with voting rights as testified by relevant certification issued and notified by brokers in accordance with the procedures and deadlines provided for by law, shall be entitled to take part in the Shareholders' Meeting.

ART. 12

Each ordinary share gives the right to one vote. Each shareholder entitled to take part in the

Shareholders' Meeting may be represented by proxy by another person, not necessarily a shareholder, pursuant to current legislation and regulations.

The Chairman of the Shareholders' Meeting shall be responsible for establishing the right of participation, including by proxy.

All shareholders may perform electronic notification of the proxy by using the dedicated section of the company's website in accordance with the procedures listed in the notice calling the Shareholders' Meeting, in compliance with current legislation. The company shall not avail itself of the faculty as per Article 135 undecies, sub-paragraph 1 of the Finance Consolidation Act (TUF) concerning the "mutual representative.

ART. 13

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or by the Deputy Chairman he proposes. Should the Chairman of the Board of Directors be absent and no Deputy Chairman have been proposed to chair the Meeting, the Meeting shall be chaired by the Deputy Chairman of the Board of Directors or, if there is more than one Deputy Chairman pursuant to Article 18, by the most senior Deputy Chairman in terms of office, or in the event of equal seniority, by the most senior Deputy Chairman in age. In the event of the absence of all the parties listed above, the Meeting shall be chaired by the individual elected by the majority of those attending.

The Chairman of the Shareholders' Meeting is responsible for verifying that the Meeting is duly constituted, ascertaining the identity and legitimization of those attending, governing the Meeting's course and ascertaining the results of the voting.

The work of the Ordinary and Extraordinary Shareholders' Meeting is governed by regulations approved by the Ordinary Shareholders' Meeting and valid for all subsequent ones, until such time as said regulations are amended or replaced. Moreover, at every meeting, the Shareholders' Meeting may decide a priori not to observe one or more provisions of said regulations.

ART. 14

The Ordinary Shareholders' Meeting shall be duly constituted in the following manner: upon first call by the attendance of as many shareholders that represent at least one half of the capital with voting rights; upon second call by whatsoever is the portion of the capital with voting rights represented.

Resolutions shall in any event be made with the absolute majority of votes, to the exclusion of

calculation of abstentions, except for the appointment of board members, for which the relative majority is sufficient, and for the appointment of the Board of Auditors, to which the provisions of Art. 25 herein below shall apply.

The Extraordinary Shareholders' Meeting shall be duly constituted, upon first call, by the attendance of as many shareholders that represent more than one half of the capital with voting rights; upon second and third call by the attendance of as many shareholders that represent respectively more than one third and more than one fifth of said capital. The Extraordinary Shareholders' Meeting shall pass resolutions in first, second, and third call with the favourable vote of at least two thirds of the capital represented at the meeting, except for special majorities in the cases expressly provided for by mandatory regulations.

ART. 15

At the Chairman's instruction, the Shareholders' Meeting shall appoint the Secretary, who may be selected from outside the shareholders. The Chairman of the Shareholders' Meeting shall, if he or she deems appropriate, select two scrutineers.

The Shareholders' Meeting's resolutions shall be taken down in minutes signed by the Chairman, the Secretary, and/or by a Notary Public, if present, as well as by the scrutineers if charged with the office by the Chairman.

In cases of law or whensoever the Chairman of the Shareholders' Meeting deems appropriate, the minutes shall be prepared by a notary public designated by the Chairman. In that case, the Chairman may request the assistance of the secretary.

TITLE IV

Company management

ART. 16

The Company is managed by a Board of Directors composed of nine to fifteen members holding the requisites required by the law and regulations.

Board members, who are not necessarily shareholders, shall remain in office for the period of time determined by the Shareholders' Meeting, which period shall not exceed three years, and may be re-elected.

The Board of Directors shall be appointed by the Shareholders' Meeting on the basis of slates, submitted by shareholders, listing the candidates indicated by progressive number.

Slates may only be submitted by shareholders who, alone or together with other shareholders in agreement with submission of said slate, own shares representing at least 2.5% of the share

capital (or the smallest percentage provided for by applicable law provisions or regulations) with voting rights in the Ordinary Shareholders' Meeting.

The slates, signed by the shareholders submitting them and including the information provided for by law, must be filed at the company's offices in compliance with the procedures and deadlines provided for in applicable legislation. The slates shall subsequently be made available to the public using the procedures provided for in applicable legislation.

The slates must list candidates holding the requisites of independence established by law.

Each candidate may run on one slate only, under penalty of ineligibility.

The slates must be complete with:

- a) information regarding the identity of the shareholders submitting the slate and the total percentage of shares held and certification issued by a qualified broker proving ownership of the number of shares required to submit slates;
- b) personal and professional details of candidates;
- c) statements by the candidates certifying, under their own responsibility, possession of the requisites of independence established by law;
- d) statements by the candidates certifying, under their own responsibility, the existence of the standards of integrity and any other requisites for the office in question provided for by law and herein;
- e) statements by the candidates certifying, under their own responsibility, the non-existence of any reasons for ineligibility or incompatibility provided for by law and herein;
- f) statements by the candidates certifying, under their own responsibility, that there are no circumstances or events which mean that the candidate could bring legal action against the company;
- g) statements in which the individual candidates accept their candidature.

Each slate must list candidates holding the requisites of independence established by law and in a number equal to the number of independent board members which must be present in the Board of Directors by law.

Pursuant to Article 2387 of the Italian Civil Code, only individuals holding the following requisites may be put forward as candidates for the office of company director:

- a) individuals that have at least three years of experience in:
 - administration or control activities, or managerial duties in joint-stock companies with a corporate capital of no less than two million euros;

- professional or regular university teaching in legal, economic, financial, and technical/scientific subjects closely related to the sectors of building and construction in general, of public and private works, and of taking on and carrying out works under concession;
 - management roles with public bodies or public administrations operating in the credit, financial, and insurance sectors or in any event in the sectors as described in the paragraph above.
- b) individuals that are not directors or employees of rival companies, nor do they work as consultants or assistants with said rival companies;
- c) individuals without interests in disputes involving the company or group companies;
- d) individuals holding the requisites set down in the code of conduct adopted by the company.

Each shareholder and shareholders belonging to the same group (the term being understood as referring to shareholders among which there is a direct or indirect control or association or that are subject to the same control) as well as shareholders among which there is an agreement – including among the controlling entities - as per Art. 122 of Legislative Decree No. 58 of 24 February 1998, may submit, contribute to submitting, and vote on one slate only, including through third parties or by means of trust companies.

Slates that fail to comply with above requirements shall be considered as not submitted.

Candidatures and votes which breach the aforementioned restrictions shall not be attributed to any slate.

The election of the members of the Board of Directors is performed in the following manner:

- 1) a number of directors equal to the total number of board members established by the Shareholders' Meeting minus one is drawn from the slate obtaining the greatest number of votes expressed by the shareholders, in the progressive order in which they are listed.
Should no slate have obtained a greater number of votes than the others, the Shareholders' Meeting shall be re-convened for a new vote to be held pursuant to this article;
- 2) one director, in the person of the candidate listed with the first number on the slate, is drawn from the slate that came in second in number of votes, and that is not linked, on the basis of the criteria provided for in current regulations concerning the election of minority auditors, to the shareholders submitting or voting the slate that came first. Should a number of minority slates have obtained the same number of votes, the most senior candidate in age among those appearing under number one on the slates obtaining an equal number of votes

shall be elected director.

Slates not obtaining a percentage of votes equal at least to half of those required to submit slates shall not be taken into account when electing directors.

Should only one slate be submitted, or in the event of no slates being submitted, the Shareholders' Meeting shall resolve with the majorities required by law, without observing the aforementioned procedure.

ART. 17

If during the business year, one or more board members elected from the slate with the greatest number of votes should resign from their office, and provided that the majority continues to be represented by directors appointed by the Shareholders' Meeting, measures will be taken in compliance with Article 2386 of the Italian Civil Code.

If during the business year, the board member elected from the slate with the second greatest number of votes should resign from his office, he shall be replaced as follows:

- a) the Board of Directors appoints a replacement from those belonging to the same slate as the resigning member provided that the shareholders that submitted said slate have maintained the percentage of ownership of shares required to submit slates, and the subsequent Shareholders' Meeting shall resolve with the majority vote required by law, in compliance with said principle;
- b) should it not be possible to appoint a replacement from the slate which received the second greatest number of votes, the Board of Directors appoints the replacement from the candidates belonging to the slates subsequent to the slate which came second, in progressive order, provided that the shareholders that submitted the slate from which the replacement is drawn have maintained the percentage of ownership of shares required to submit slates, and the subsequent Shareholders' Meeting shall resolve with the majority vote required by law, in compliance with said principle;
- c) in the event of there being no available candidates not previously elected, or when for any reason whatsoever, the conditions set forth under letters a) and b) cannot be complied with, the Board of Directors shall replace the member, and the subsequent Shareholders' Meeting shall resolve, with the majority vote required by law, in compliance with legislation concerning the minimum number of independent directors.

Should, for any reason, the majority of the board members resign, the entire Board of Directors shall be considered as resigned, and board members still in office shall urgently convene the

Shareholders' Meeting to appoint a new Board of Directors pursuant to Article 16 above. The Board of Directors shall remain in office until the Shareholders' Meeting has decided as to renewal of the board and acceptance has been granted by more than one half of the new board members. Until that time, the Board of Directors may carry out solely duties related to ordinary administration.

ART. 18

The Board of Directors elects from among its members the Chairman, one or more Deputy Chairmen, and one or more Chief Executive Officers, as well as a secretary, not necessarily a member of the Board.

Should the Chairman be absent, his or her functions shall be performed by the Deputy Chairman; where there is a number of Deputy Chairmen, precedence is given to seniority in terms of office or, in the event of equal seniority, to the person most senior in age.

In the event of the absence or impediment of the Chairman and the Deputy Chairman or Deputy Chairmen, their functions shall be performed by the board member with the greatest seniority in terms of office or, in the event of equal seniority, by the person most senior in age.

ART. 19

The Board of Directors shall generally meet – either at the Company's offices or elsewhere, including abroad – at least once every two months and whenever the Chairman deems necessary, and when a written request is submitted by at least two of its members. The Board of Directors may also be called by the Board of Auditors or by at least two of its members, upon notice made to the Chairman of the Board of Directors.

The Board of Directors is called by written notice to be sent by post, fax, telegram, or electronic mail, at least 5 days prior to the date set for the meeting. In cases of urgency, it may be called by notice to be sent 2 days prior to the date set for the meeting.

In all cases, notices of the call shall be accompanied by a list of items to be discussed and of useful information for passing resolutions.

Board meetings and their resolutions shall be valid even without a formal call whenever all the board members in office and the statutory Auditors are in attendance.

ART. 20

The majority of the members of the Board of Directors in office must be present for its resolutions to be valid. Resolutions are passed by the absolute majority of votes present.

The Secretary sees to preparing and keeping the minutes of each meeting, which shall be signed

by the person chairing the meeting, and by the Secretary.

Board of Directors meetings shall be duly met even when held by teleconferencing or videoconferencing, provided that all participants can be identified by the Chairman and by all others in attendance, that they are able to follow the discussion and intervene in the items being discussed in real time, that they are able to exchange documents regarding these topics, and that all of the above is noted in the minutes. Once these requisites are ascertained, the meeting of the Board of Directors is considered as held in the location where the Chairman is, and where the meeting's Secretary must also be, in order to allow the minutes to be prepared.

ART. 21

Members of the Board of Directors and those of the Executive Committee, where appointed, are entitled to yearly fees established by the Shareholders' Meeting, as well as to reimbursement for expenses incurred in performing their duties.

Fees for board members may consist, in full or in part, of profit sharing or of right to subscribe – at a predetermined price - shares to be issued in the future.

Pursuant to Art. 2389, sub-paragraph 3 of the Italian Civil Code, fees for board members invested with special tasks is established by the Board of Directors, upon hearing the opinion of the Board of Auditors.

ART. 22

The Board of Directors is invested with all the powers for the management of the Company.

The Board of Directors is also responsible for resolving on the following:

- (i) merger and split, as provided for by Articles 2505 and 2505-bis, of the Italian Civil Code, according to the forms and terms described therein;
- (ii) establishment and closing down of sub-offices, including those located abroad;
- (iii) indication of the board members representing the company;
- (iv) writing down the capital if a shareholder withdraws;
- (v) adjustments of the bylaws to meet law provisions;
- (vi) transfer of the corporate offices within the national territory.

The Board of Directors, also through the Chairman or other board members delegated for this purpose, reports to the Board of Auditors as to the activity carried out and the operations of greatest importance economically, financially, and in terms of equity, performed by the Company or by subsidiary companies; in particular, it reports as to activities where board members have personal interests or interests on behalf of third parties, or that are influenced by

the party exercising coordination or management activity. Communication is made promptly and at least on a quarterly basis, on the occasion of meetings of the Board of Directors and of the Executive Committee, if appointed, or by written note addressed to the Chairman of the Board of Auditors.

ART. 22 bis

At the proposal of one or more shareholders representing at least 20% (twenty percent) of the share capital, the Ordinary Shareholders' Meeting may proceed to appoint a Chairman with honorary functions, to be referred to as the "Honorary Chairman", chosen among parties of great prestige and who have contributed to the success and/or development of the company.

The Honorary Chairman may also be appointed among parties not belonging to the Board of Directors.

The Honorary Chairman shall remain in office for a term which is even longer than that of the term of the Board of Directors in office. The appointment may be annulled by the Ordinary Shareholders' Meeting for just cause.

The Honorary Chairman, if not a member of the Board of Directors, may attend the meetings of the Board of Directors and the Shareholders' Meetings, and may express non-binding opinions and judgements on all the matters discussed by the Board of Directors or by the Shareholders' Meetings. The Honorary Chairman may represent the Company based on special powers of attorney issued in writing by the competent corporate bodies.

The Board of Directors shall determine fees, if any, other emoluments, and/or reimbursement of expenses to which the Honorary Chairman is entitled.

ART. 23

The Board of Directors, in compliance with the provisions of the law and of these bylaws, may delegate its powers to an Executive Committee, determining the limits of the powers granted.

The composition, operating regulations, and powers of the Executive Committee are established by the Board of Directors.

The Board of Directors may also set up other committees with specific functions and tasks, establishing their composition and modes of operation.

The Board of Directors shall decide to delegate its powers to one or more Chief Executive Officers, determining the limits of these powers, in compliance with Art. 2381 of the Italian Civil Code. The Board of Directors may decide to delegate its own powers to the Chairman and/or to one or more Deputy Chairmen, determining the limits of the powers granted, in

compliance with Art. 2381 of the Italian Civil Code, and to confer special assignments to individual board members. The Board of Directors may also confer assignments to people not on the Board, also appointing one or more general managers – determining their powers, attributions, and compensation – and proxy-holders for given acts or categories of acts. Those upon whom the above powers are conferred report at least on a quarterly basis to the Board of Directors and to the Board of Auditors as to the activity performed in carrying out the assignments conferred to them.

TITLE IV bis

Executive appointed to draft corporate accounts

ART. 23 bis

Subject to the opinion of the Board of Auditors, the Board of Directors appoints and revokes appointment of the Executive appointed to draft corporate accounts provided for by law.

The Board of Directors establishes the powers of the Executive appointed to draft corporate accounts and the means for exercising his assigned duties.

Individuals in possession of the standards of integrity provided for by law for directors and suitable professional experience, having performed at least three years of management activities in the administrative, accounting, financial or auditing departments of a company whose financial instruments are listed on a regulated market, or of a financial, banking or insurance company, or in a company with a share capital of no less than €2 million, or having worked as an auditor for a minimum of three years in an auditing firm entered in the special register held by CONSOB, may be appointed as Executive appointed to draft corporate accounts.

Establishment of the non-existence or loss of the above requisites shall result in immediate forfeiture of the position of Executive appointed to draft corporate accounts.

TITLE V

Company signature and representation

ART. 24

The Company's legal representation before third parties and in court is devolved, separately, on the Chairman, the Deputy Chairman or Deputy Chairmen, and the Chief Executive Officer or Chief Executive Officers, with the power to grant powers of attorney.

The Board of Directors can also grant the powers of legal representation to the General Manager or General Managers with regard to the duties and powers assigned to them by the Board of Directors, as well as to Technical Managers and representatives of secondary branches

abroad, within the limits of the powers assigned to them by the Chairman, Deputy Chairman or Deputy Chairmen, Chief Executive Officer or Chief Executive Officers.

The powers of legal representation of the company may also be granted to directors and representatives for specific acts or categories of acts, within the limits of the powers assigned to them by the Chairman, Deputy Chairman or Deputy Chairmen, Chief Executive Officer or Chief Executive Officers and by the General Manager or General Managers, if authorised.

TITLE VI

Board of Auditors

ART. 25

The Ordinary Shareholders' Meeting is responsible for appointing the members of the Board of Auditors and establishing fees.

The Board of Auditors consists of three statutory Auditors and three alternate Auditors, whose office has a duration of three business years, with the powers and obligations established by law. The minority is reserved the right to elect one statutory Auditor with the tasks of Chairman, and one alternate Auditor.

The Board of Auditors is appointed on the basis of slates, submitted by shareholders, listing the candidates indicated by progressive number. Each slate has two sections: one for candidates for statutory Auditor, and the other for candidates for alternate Auditor.

Each slate must contain at least one statutory auditor candidate and one alternate auditor candidate entered in the auditors' register, who have practised the auditing profession for a period of no less than three years. Within the slate, the candidates shall be listed, respectively among the statutory auditor candidates and the alternate auditor candidates, with the progressive number one or two.

Auditor candidates that do not possess the requirement as per the above paragraph are chosen from among those with the greatest overall experience of at least three years in exercising:

- a) administration or control activities, or management duties at joint-stock companies with a share capital of no less than two million euros;
- b) professional or regular university teaching in legal, economic, financial, and technical/scientific subjects closely related to the sectors of building and construction in general, of public and private works, and of taking on and carrying out works under concession;
- c) management positions in public bodies or public administrations operating in the credit,

financial, and insurance sectors, or in any event in the sectors as described in the paragraph above.

Each shareholder and shareholders belonging to the same group (the term being understood as referring to shareholders among which there is a direct or indirect control or association or that are subject to the same control) as well as shareholders among which there is an agreement – including among the controlling entities - as per Art. 122 of Legislative Decree No. 58 of 24 February 1998, may submit, contribute to submitting, and vote on one slate only, including through third parties or by means of trust companies.

Each candidate may run on one slate only, under penalty of ineligibility.

Those who are statutory Auditors in more than four Italian companies with shares quoted in regulated markets in Italy or other European Union countries as well as companies issuing financial instruments distributed among the public in a significant manner pursuant to relative legislation, cannot be appointed as Auditors.

Slates may be presented only by shareholders who on their own or with other shareholders hold, altogether, shares with voting rights representing at least 1% of the share capital (or the smallest percentage provided for by applicable law provisions or regulations) with voting rights in the Ordinary Shareholders' Meeting.

The slates shall be signed by the shareholder or shareholders submitting them (also by proxy to one of them) and filed at the company's offices in compliance with the procedures and deadlines provided for in applicable legislation.

The slates must be complete with:

- a) information regarding the identity of the shareholders submitting the slate and the total percentage of shares held and certification issued by a qualified broker proving ownership of the number of shares required to submit slates;
- b) a description of the personal and professional details of candidates along with statements in which the individual candidates accept their candidature and certify, under their own responsibility, the non-existence of any reasons for ineligibility or incompatibility and the existence of the requisites provided for by law and herein for their respective offices, and also listing any management and auditing positions held in other companies;
- c) a statement by the shareholders other than those holding, including jointly, a controlling or relative majority interest, regarding the non-existence of relations with the latter pursuant to legislation in this regard.

Slates that fail to comply with these requirements shall be considered as not submitted.

The election of the members of the Board of Auditors is performed in the following manner. From the slate that has obtained the greatest number of votes expressed by the shareholders in attendance, two statutory and two alternate members are drawn, in the progressive number in which they are listed in the corresponding sections of the slate. The remaining statutory member and the other alternate member are drawn from the slate that came in second in number of votes, among the slates submitted and voted by the shareholders which are not associated to the reference shareholders in compliance with the current regulations, based on the progressive number with which they were listed in the corresponding sections of the slate. Should a number of minority slates have obtained the same number of votes, the candidates senior in age among those appearing under number one in the corresponding sections of the slates obtaining an equal number of votes are elected statutory auditor and alternate auditor.

Should only one slate be submitted, all the statutory and alternate auditors to be elected according to the listing order are drawn from it. In this case, Chairmanship of the Board of Auditors goes to the person indicated in the first position on the slate. In the event of failure to satisfy the prerequisites established by regulations and bylaws, the auditor is removed from office.

Outgoing auditors may be re-elected.

In the event of the resignation of a statutory Auditor for any reason, he or she is replaced by the first of the alternate candidates elected on the same slate, subject to checking of the existence of the aforementioned requisites.

In the event of the resignation of the statutory Auditor taken from the slate which came second for any reason, should it not be possible to replace said auditor with the alternate auditor elected from the same slate, he or she shall be replaced by the first of the next candidates on the same slate, subject to checking of the existence of the aforementioned requisites, or if no candidate is available by the first candidate on the slate which came second among the minority slates.

A Shareholders' Meeting shall be called should it not be possible, for any reason, to make the replacements in accordance with the aforementioned criteria.

Should no slates be presented, the Shareholders' Meeting shall appoint the Board of Auditors and its Chairman by deciding by relative majority. In this case, where an auditor resigns from office before his or her term has expired, the alternate Auditors in order of age shall replace him or her until the following Shareholders' Meeting and, should the Chairman resign from office,

the Chairmanship is assumed until the next Shareholders' Meeting by the Auditor most senior in age.

Board of Auditors meetings shall be duly constituted even when held by teleconferencing or videoconferencing, provided that all participants may mutually identify each other, that they are able to follow the discussion and intervene in the items being discussed in real time, that they are able to exchange documents regarding these items, and that all the above is noted in the minutes. Once these requisites are ascertained, the meeting of the Board of Auditors is considered as held in the location where the Board was convened, and where at least one Auditor is present.

TITLE VII

Financial statements and profits

ART. 26

Corporate business years close on 31 December of each year. At the end of each business year, the Board of Directors shall prepare the corporate financial statements in accordance with the law.

ART. 27

From the net profits resulting from the corporate financial statements, 5% (five percent) thereof shall be deducted to be allocated to the legal reserve until said reserve has reached an amount equal to one fifth of the share capital.

From the net profits, an amount equal to 1.5% (one point five percent) thereof shall also be deducted for a fund available to the Board of Directors in complete independence, for liberality purposes.

The remaining net profit will be disposed of in the manner established by the Shareholders' Meeting.

The Board of Directors shall have the power to decide to distribute interim dividends within the limits and in the forms provided for by law.

ART. 28

Dividends are paid at the banking institutions designated by the Board of Directors by no later than the deadline set yearly by the Board of Directors.

ART. 29

Dividends not collected by no later than five years after the day when they become collectible shall be prescribed in the Company's favour.

TITLE VIII**Dissolution****ART. 30**

In the occurrence, at any time and on any grounds, of the Company's dissolution, the Shareholders' Meeting shall establish the liquidation procedures and appoint one or more liquidators, determining their powers.

Signed by:

Ernesto MONTI

Salvatore MARICONDA, Notary Public