

**Articles of Association with underlined the amendments approved by the Shareholders' Meeting on April 28, 2017.**

**ARTICLES OF ASSOCIATION**

**HEADING I**

**Company name, registered offices, purpose and term**

**Article 1**

A joint-stock company is established under the name "Davide Campari-Milano S.p.A." or, in abbreviated form, "D.C.M. S.p.A", "DCM S.p.A." or "Campari S.p.A."

**Article 2**

The company has its registered offices in Sesto San Giovanni.

**Article 3**

The Company's purpose is the performance - directly and/or indirectly - of the following activities:

- a) production of foods and beverages of all kinds, both alcoholic and non-alcoholic, and production of goods and materials involved in or linked with this industry;
- b) purchase, sale, distribution and promotion of the foods, beverages, goods and materials identified in point a);
- c) taking on equity investments in other companies or organisations in Italy or abroad operating (directly or indirectly) in the beverages sector, the food sector and other related sectors;
- d) financing and technical and financial coordination of the

companies or organisations identified in point c) above or which are members of the Group led by the Company, including the providing of guarantees (personal and/or real) and services in the areas of administration, management control, information technology and data processing, general, legal, financial and real estate services, human resources, logistics, purchasing, marketing and commercial services;

e) serving food and beverages;

f) borrowing and lending in any form for performance of the activities identified in the letters above;

g) construction, purchase and sale, management, operation and administration of urban and rural real estate.

Provided that it is not prevalent over the activities listed in the first point, the Company may also conduct, in its own interests or in the interests of the companies or organisations identified in point c) above or other members of the Group led by the Company, all moveable, real estate, financial and commercial transactions, even in sectors other than food and beverages, excluding professional providing of services to the public which the law reserves for banks and/or financial brokers.

#### **Article 4**

The Company shall have an indeterminate term.

## HEADING II

### Share capital and types of share

#### Article 5

The company's share capital is € 58,080,000.00 (fifty-eight million eighty thousand/00), represented by **1,161,600,000 (one billion one hundred sixty one million six hundred thousand)** shares with a par value of **€ 0.05 (five Euro cents)** each.

The company's share capital of € 58,080,000.00 (fifty-eight million eighty thousand/00) has been entirely subscribed and paid up.

For five years following the resolution of the April 30, 2015 extraordinary shareholders' meeting, the Board of Directors shall have the power to:

(i) increase the company's share capital once or more than once, for a price and/or free of charge, possibly in more than one instalment, up to a total par value of € 100,000,000.00 (one hundred million/00) by issuing new shares; and

(ii) the power to issue, in one or more instalments, bonds convertible into shares and/or securities (including securities other than bonds) permitting subscription of new shares up to a total share capital par value of € 100,000,000.00 (one hundred million/00), provided the amount issued each time does not exceed the legal limit for bond issues.

In accordance with the applicable provisions of the law, the power described in the paragraph above may also be exercised with

limitation and/or exclusion of the right of first call, in the following cases:

a) in the case of a share capital increase to be paid up by contribution in kind, if it allows the Company to acquire one or more assets which are prudently assessed by the Board of Directors as being of strategic importance for achievement of the company's purpose;

b) in the case of a share capital increase to be paid up in cash, if the economic conditions and terms of sale (including, simply by way of example, third parties' commitments to subscription) are prudently assessed by the Board of Directors as being advantageous for the Company;

c) in the case of a share capital increase in kind or in cash, if it constitutes part of a wider-ranging industrial agreement which is prudently assessed by the Board of Directors as being of strategic importance to the Company.

In the case of issues of shares with limitation and/or exclusion of rights of first call, the Board resolution concerning the increase must explain the presence of one of the three circumstances identified in the previous paragraph and the criteria applied to

determination of the subscription price.

In addition to the specific opinions required by the applicable law, the congruity of the issue price must first be assessed by a primary bank, and the issue price (including any share premium) may not be any lower than the value of consolidated net worth per share as stated in the company's most recent duly approved financial statements.

Within the limits set by the law and by Article 5, the Board of Directors is given the broadest power to establish the methods of placement in each case (public sale and/or private placement), category (ordinary or special shares, including shares without voting rights), any equity and/or administrative privileges, issue price and share premium (differentiated as necessary if shares of different types are issued at the same time) of new shares, and shares serving convertible bonds and/or securities (other than bonds) permitting subscription of new shares.

It is understood that in case of subscription of new shares with voting rights by shareholders included in the special list set forth in Article 6, the entitlement to the benefit of double voting rights may be extended proportionally to the new shares issued (under the terms and conditions established by the Board of Directors). In this case the rules set forth in Article 6 shall apply.

The Board of Directors is also given the power to make decisions

regarding any requests for issuing shares and/or convertible bonds and/or securities (other than bonds) permitting subscription of new shares on one or more public stock exchanges in Italy or abroad. It is understood that, on the basis of the regulations stated in paragraphs four, five and six above (to be applied mutatis mutandis), the power described in this article must be considered also delegated with reference to issuing of financial instruments involving equity and/or administrative rights, excluding voting rights in the shareholders' meeting, for contribution of cash and/or assets in kind and/or work or services.

Subscription of such financial instruments must be offered as an option to the Company's shareholders, except in the circumstances described in letters **a)** and/or **b)** and/or **c)** of paragraph four above (noting that, for this purpose, contribution of work and services is considered equivalent to contribution of assets in kind).

If financial instruments are issued for a contribution of work or services, the Board of Directors must determine the sanctions applicable in the event of defaulting on these obligations.

The Board of Directors will also determine the equity and/or administrative rights consequent upon financial instruments, while it is understood that in no case will owners of financial instruments issued be granted the right to appoint more than one third of the members of the Board of Directors and/or the right to more than a 30% (thirty percent) share in the profits or available

reserves appearing in the financial statements.

The Board of Directors will also have the right to decide on incorporation of financial instruments into securities for circulation, and the power to request admission for negotiation on one or more public stock exchanges in Italy or abroad.

Through a decision dated 16 June 2016, in the context of the acquisition, by the Company (also by means of a public takeover bid), of the shares of the French company Société des Produits Marnier Lapostolle ("SPML"), the Board of Directors approved the issuance of a maximum number of 44 968 non-equity securities (each, a "Financial Security"), to be distributed, under certain conditions, to those who shall have transferred to the Company shares of SPML, in the amount of one Financial Security per every SPML share transferred.

Each Financial Security incorporates the entitlement to a credit equal to the potential excess selling price, net of any taxes and intermediary costs, with respect to a floor value of eighty million Euros, divided by the total number of SPML shares (equal to eighty-five thousand), of the real estate asset "Les Cèdres" owned by SPML and situated in St. Jean Cap Ferrat, France (the "Real Estate Asset").

The sale of the Real Estate Asset shall take place no later than 30 June 2021, pursuant to the terms and conditions of the offer document concerning SPML shares, issued by the Company on May

2016 and, consequently, the potential credit incorporated in the Financial Securities shall become due.

The Financial Instruments are not transferable (except in case of inheritance or donation) and are admitted to trading under certain conditions on the French regulated market Euroclear Paris.

The transfer and trading of the Financial Instruments is regulated by French law.

#### **Article 6**

The shares are indivisible.

Each share gives entitlement to a voting right.

Notwithstanding the previous subsection, each share shall give entitlement to double voting rights if both the following criteria are met:

a) the right to vote has belonged to the same party under a qualifying in rem right - full owner ("pieno proprietario") of a share being entitled to the attached voting right; bare owner ("nudo proprietario") of a share being entitled to the attached voting right; and usufructuary ("usufruttuario") of a share being entitled to the attached voting right - for a continuous period of at least twenty four months;

b) the fulfilment of the criterion under a) above is confirmed by continuous inclusion, for a period of at least twenty four



months, in the dedicated list referred to in this article.

If the criteria set out in the previous subsection are met, the holder shall be entitled to exercise double voting rights according to the formalities provided by the applicable laws and regulations. It is understood that any pledge granted on a share without assignment of the connected voting rights will not result in the loss of any double voting rights.

The special list for entitlement to special voting shares, which shall contain at least the information required under the applicable legal framework, is instituted and kept at the Company's registered office. The Board of Directors shall appoint the officer responsible for keeping such list, and shall fix the list-keeping rules (if appropriate, even only in electronic form) in accordance with the applicable laws and regulations. The officer responsible for the special list may provide information about its content (including in electronic form); any party in the list may obtain a free copy of the relevant records.

Any party eligible pursuant to this article, who intends to benefit from double voting rights, may ask to be entered in the special list, appending the appropriate documentation certifying ownership of the qualifying in rem right (or procuring that equivalent documentation is provided by the relevant intermediary). Any party included in the special list may ask to be removed (in full or in part) at any time, with the consequent automatic loss (in full or

in part) of the benefit of double voting rights. Any party being entitled to double voting rights may also irrevocably waive all or part of those rights at any time by sending a written communication to the Company, without prejudice to any disclosure requirements laid down by law.

The request for inclusion in the special list may be filed with the Company in the first three months of the calendar year, and must be accompanied, in order to be valid, by a statement signed by the applicant, in which,

a) in the case of a natural person: the applicant declares (i) that he/she has full ownership, formally and substantively, of the right to vote by virtue of a qualifying in rem right, and (ii) that he/she will notify the Company of the loss, for any reason, of that in rem right or of the associated voting right, within ten business days from the date of that loss;

b) in the case of a legal entity or any other entity even without legal personality: the applicant declares (i) that it has full ownership, formally and substantively, of the right to vote by virtue of a qualifying in rem right, and (ii) that it is subject, where appropriate, to (direct or indirect) control by another entity with or without legal personality (with full details of the controlling entity), and (iii) that it shall notify the Company of any loss, for any reason, of the qualifying in rem right and/or the corresponding voting right, or that it has undergone a change

in control, as the case may be, within ten business days from the occurrence.

If the qualifying in rem right belongs to a legal entity or other entity without legal personality which is subject to control, in the event of a change in control such person or entity shall be excluded from the special list (and, consequently, any double voting rights already attributed shall be lost). However, in the event a change in control occurs (i) as a result of succession following death, or (ii) as a result of a transfer free of charge under a family business inheritance agreement, or (iii) as a result of a transfer free of charge for the establishment and/or endowment of a trust, a parental trust fund for minors or a family foundation, whose beneficiaries are the transferors themselves or the legitimate heirs, the registration in the special list will be maintained (and, consequently, any double voting rights already attributed shall be maintained).

In the event that the qualifying in rem right is transferred (i) as a result of succession following death, or (ii) as a result of a transfer free of charge under a family business inheritance agreement, or (iii) as a result of a transfer free of charge for the establishment and/or endowment of a trust, a parental trust fund for minors or a family foundation, whose beneficiaries are the transferors themselves or the legitimate heirs, the assignees may ask for inclusion in the special list in the same order of

registration of the original natural person (and, subsequently, any double voting rights already attributed shall be maintained). If the qualifying in rem right is transferred as a result of a merger or spin-off of an entity already on the special list and which is subject to control, the transferee concerned may ask for inclusion in the special list in the same order of registration as the original transferor, provided the merger or spin-off has not resulted in a change in control (and, consequently, any double voting rights already attributed shall be maintained). In the event that the qualifying in rem right is transferred as a result of a merger or spin-off of an entity included in the special list that is not subject to control, the transferee may ask for inclusion in such list in the same order of registration of the original transferor, provided that the non-material accounting value of the Company shares in the shareholders' equity of the entity concerned does not exceed five per cent and is not more than the corresponding accounting value, on a like-for-like basis, of the shareholders' equity of the original party (and, consequently, any double voting rights already attributed shall be maintained).

Subject to the provisions of the two foregoing subsections, the transfer of the qualifying in rem right (either for consideration or free of charge) shall result in the exclusion from the special list (and, consequently, any double voting rights already attributed shall be lost).

In the event the Company ascertains, as a result of communications or information received, that a person or entity included in the special list is no longer entitled (in full or in part) to be listed for any reason set out in this article, it shall promptly proceed to exclude such person or entity from the list (in full or in part).

In the event the Company increases its share capital free of charge or by means of new contributions, the entitlement to the benefit of double voting rights is extended proportionately to the new shares issued by virtue of those already registered in the special list (giving rise to the extension of any double voting rights where already attributed).

Subject to the provisions of the following subsection, in the event of the Company merger or spin-off, the merger or spin-off project can contemplate that the entitlement to the benefit of the double voting rights is (also) due to the entitled shares in lieu of those for which the owner has applied for inclusion in the special list (and, subsequently, any double voting rights already attributed shall be maintained).

Any (positive or adverse) change to the rules governing the allocation or revocation of increased voting rights referred to under this article shall require only the approval of an extraordinary shareholders' meeting, pursuant to applicable provisions of law. In any event, any right of withdrawal is

excluded to the fullest extent permitted by law.

The vote increase is always calculated to determine constitutive and deliberative quorums based upon share capital quotas. The increase has no effect whatsoever on rights, other than voting rights associated with the possession of certain capital quotas. In this article the relevant definition of the concept of control is that laid down in laws and regulations applicable to listed issuers.

#### **Article 7**

If there are shares of different types other than ordinary shares, such as shares with limited or conditioned voting rights or without any voting rights, these shares may be converted into ordinary shares by resolution of the Extraordinary Shareholders' Meeting, with the approval of a special meeting of shareholders of the type involved.

#### **Article 8**

In the event of a share capital increase, owners of shares of each type shall have proportionate rights of first call for new shares of the same type issued and, if there are no shares of the same type or to make up the difference, shares of other types.

#### **Article 9**

Resolutions to issue new shares of the same type as those in

circulation (by share capital increase, conversion of other types of shares, or conversion of other financial instruments) do not require further approval by special meetings of the owners of shares of a particular type.

#### **Article 10**

If the Company has issued shares not comporting voting rights, the Board of Directors shall summon meetings if the shares without voting rights or ordinary shares have been excluded from negotiation, to determine whether shares without voting rights may be converted into ordinary shares at a rate of exchange to be determined by the Extraordinary Shareholders' Meeting.

### **HEADING III**

#### **Shareholders' meetings and withdrawal rights**

#### **Article 11**

Shareholders' meetings may be ordinary or extraordinary in accordance with the law.

Shareholders may send a representative to the shareholders' meeting according to the procedures set out in the applicable legislation.

The Board of Directors will summon a Shareholders' Meeting in the city where the company has its registered offices or in another location in Italy in accordance with the procedures, terms and conditions set out in the applicable regulations and legislation.

Shareholders are entitled to attend the shareholders' meetings and to exercise voting rights provided that notification is made to the Company within the appropriate deadlines and according to the methods set out by law and applicable regulations.

Shareholders may send a representative to the shareholders' meeting according to the procedures set out in the applicable legislation.

Details of proxies may be notified by email to the Company in accordance with the methods set out by the applicable regulations; proxies received by registered email in accordance with the methods set out in the Notice of Meeting shall be validly notified.

#### **Article 12**

Meetings shall be chaired by the Chairman of the Board of Directors, or, in the absence thereof, by the senior Deputy Chairman, or, in the absence thereof, by a person designated by the majority of those present.

The Meeting shall also appoint a Secretary by majority vote. The Secretary need not be a shareholder.

The Chairman shall perform the tasks and exercise the powers assigned by law.

#### **Article 13**

Shareholders may withdraw from the Company only in cases specified



by law for which no exceptions are allowed.

They may not, therefore, withdraw in the event of introduction or removal of limitations on the circulation of shares or if shares are no longer listed on the stock exchange.

If a shareholder duly exercises the right to withdrawal, and if the Directors need to place the shares with third parties in accordance with the law, placement must take place within a maximum of six months of the expiration of the term for shareholders to exercise the right of first call on the shares of the withdrawing shareholder.

#### **HEADING IV**

#### **Administration**

#### **Article 14**

The Company shall be administered by a Board of Directors with three to fifteen members appointed by the Ordinary Shareholders' Meeting, which shall also determine the number of members.

#### **Article 15**

The Board of Directors is appointed by the Shareholders' Meeting based on a series of lists of names submitted by the ordinary shareholders (or, as applicable, the holders of shares with voting rights on the appointment of Directors), each containing a maximum of 15 candidates, numbered sequentially.

Each candidate may be named in one list only, or else he shall not

be eligible.

Only shareholders who meet the maximum shareholding requirement set by the law and regulations from time to time in force shall be allowed to submit a list.

Presentation, filing and publication of the above lists are subject to the applicable provisions of law and/or regulations.

If, with regard to the mandate from time to time in question, mandatory criteria for gender division (male and female) apply, each list presenting at least three candidates shall contain a number of candidates of the less represented gender at least equal to the minimum quota that is from time to time applicable.

In order to demonstrate that the minimum shareholding requirement for the submission of a list has been met, shareholders shall provide a copy of a statement issued by their custodian bank evidencing their ownership of the shares, by the deadline established by law and in accordance with the methods set out in the applicable regulations.

Without prejudice to the provisions of the paragraph below, the appointment of the Directors shall take place as follows:

- the number of Directors, which in any event shall not be lower than three nor higher than 15, shall be determined as the number of candidates included in the list that obtained the majority of the votes cast;
- from the list which has obtained the majority of the votes cast,

shall be selected, in the sequential order shown in the list, all the Directors to be appointed, less one;

- the remaining Director shall be selected from the list that obtained the second highest number of votes at the Shareholders' Meeting and is not, either directly or indirectly, linked with the shareholders who submitted or voted for the list which obtained the highest number of votes.

If, due to application of the rules stipulated in the previous paragraph, any minimum quota from time to time applicable for the less represented gender is not met, then instead of the last candidate of the most represented gender on the majority list, the next candidate of the less represented gender on the same list shall be regarded as elected.

Lists that obtained a number of votes lower than half the qualifying percentage will not be taken into account.

If only one list has been submitted and this obtains a relative majority of the votes cast at the Shareholders' Meeting, all the candidates will be appointed as Directors in the relevant sequential order up to the total number of candidates listed, which in no event shall be lower than three or higher than 15.

If no list has been submitted, the Board of Directors shall be appointed by the Shareholders' Meeting based on statutory majority requirements, in compliance with any minimum proportional requirements relating to gender division (male and female)

stipulated by the law and the regulations.

If the Shareholders' Meeting is called to appoint new Directors to replace one or more Directors who have ceased to hold office, their appointment shall be made by the Shareholders' Meeting in accordance with the above procedures. The mandate of any Director appointed in accordance with these procedures shall expire at the same time as the mandates of the Directors who were in office at the time of his appointment.

Should they cease to meet the applicable statutory requirements, the appointed Directors shall inform the Company accordingly.

Members of the Board of Directors need not be shareholders. They shall remain in office for one to three years, to be determined by the Shareholders' Meeting, and they may be re-elected.

Should one or more vacancies arise on the Board, they shall be replaced in accordance with the law.

Should the majority of the Board default, the entire Board of Directors shall be considered expired and a Shareholders' Meeting shall be called urgently in order to replace the entire Board of Directors.

#### **Article 16**

The Board of Directors elects a Chairman among its members and may appoint one or two Deputy Chairmen, unless the Shareholders' Meeting has already done so. It may also appoint a Secretary (who

need not be a member of the Board of Directors).

The Board of Directors shall also approve the regulations governing its internal functioning, containing provisions regarding handling of confidential information.

#### **Article 17**

The Board of Directors shall have all powers for ordinary and extraordinary administration of the Company.

The Board of Directors is also attributed all powers which may be attributed to the Board of Directors under the law through clauses in the Company's Articles of Association, including the power to resolve on mergers by incorporation of companies entirely owned or no less than ninety percent owned by the Company, the power to open or close secondary offices, branches, agencies and sub-offices in Italy and abroad, the power to identify which director(s) legally represent the Company, the power to resolve to reduce share capital in the event of withdrawal of a shareholder, the power to resolve on amendments to the company's Articles of Association to adapt it to the law, the power to resolve to move the company's head offices within Italy and the power to issue bonds within the limits and by the methods set by the law.

#### **Article 18**

The Board of Directors may, within the limits set by law, delegate

those powers it considers suitable for management of the Company and representation of the Company with powers of signature to one or more of its members, appointing them to the office of Managing Director.

The Board of Directors may also delegate some of its powers, with the related powers of representation, to an Executive Committee which, if set up, will pass resolutions by majority vote.

#### **Article 19**

The delegated bodies shall perform the tasks assigned to them by law. The appointed Board of Directors and Board of Auditors must present a report at least once every quarter.

#### **Article 20**

The Managing Director(s) or Executive Committee, if one exists, shall appoint and empower one or more parties to audit the internal procedures (administrative and operative) adopted to ensure healthy, efficient management.

The parties entrusted with internal auditing shall report on their work to those who appointed them and to the committee described in Article 22, if established.

#### **Article 21**

The Board of Directors may, having heard the opinion of the Board

of Auditors, appoint one or more manager/s or officer/s to prepare the accounting records and carry out the relevant statutory functions. Any employee with several years' administrative or financial experience in large companies may be appointed to this office.

#### **Article 22**

The Board of Directors may constitute one or more internal committees for recommendations and consultation (such as, for example, a remuneration and/or appointments committee and an internal control and risk management committee), by establishing, at the time of constitution, the organisational rules, functions and powers of these committees and making available suitable means and resources for the tasks that may be assigned to them.

In exercising the power described in the previous paragraph, the Board of Directors shall take account of any recommendations made by the relevant supervisory authority of regulated markets and/or by the company managing the relevant regulated market, as well as best national and international practice, without prejudice to priority valuation of the interest of the Company and its particular requirements, in relation, *inter alia*, to its size, level of complexity and business sector.

#### **Article 23**

The Chairman of the Board of Directors has overall powers to represent the Company before third parties and the law.

Managing Directors also have the power to represent the Company, within the scope of the powers assigned to them. Powers of representation may be granted to people who are not members of the Board of Directors, subject to the regulations governing power of attorney.

#### **Article 24**

The Board of Directors shall meet in response to a summons by the Chairman, and must be summoned whenever a written request is made by the majority of Directors or by at least two Acting Auditors. It may meet in the Company's offices or another location, which need not be in Italy.

Board of Directors' meetings may be attended by videoconferencing or telephone conferencing, on the condition that all those entitled to attend can participate in the meeting, that they may be identified, and that they can follow the proceedings and participate in discussion of the topics on the Agenda in real time and read any documents required. In this case the Board of Directors' meeting shall be considered to have been held in the place where the Chairman and the Secretary were located.

Summons are sent by registered mail sent to the official addresses of Directors and Auditors at least eight days in advance, or, in



urgent cases, by telegram, fax or e-mail sent at least four days prior to the meeting date.

Meetings are chaired by the Chairman, or in the Chairman's absence by the senior Deputy Chairman; in the absence of both, the meeting will be chaired by another member of the Board designated by the Board itself.

#### **Article 25**

The majority of members of the Board of Directors must be present for a meeting to be considered valid.

Resolutions may be validly passed even if a Board of Directors' meeting has not been summoned, provided all members of the Board of Directors and the Board of Auditors are present.

The Board of Directors passes resolutions by absolute majority vote among those present and not abstaining. If the vote is split, the Chairman of the meeting shall cast the deciding vote.

Resolutions of the Board of Directors shall be recorded in minutes written in the Book of Minutes and signed by the Chairman of the meeting and the Secretary.

#### **Article 26**

Directors have the right to be reimbursed for expenses born in office; they may be paid an additional annual payment determined by the ordinary Shareholders' Meeting, while payments due

toDirectors assigned particular responsibilities under the Company's Articles of Association shall be determined by the Board of Directors, having consulted the Board of Auditors, in response to a proposal of the Payment and Appointment Committee.

## **HEADING V**

### **Board of Auditors**

#### **Article 27**

The Board of Auditors consists of three Acting Auditors and three Substitute Auditors.

The minority shareholder shall elect one Acting Auditor and one Substitute Auditor.

The Board of Auditors shall be appointed on the basis of lists presented by shareholders listing candidates with a progressive number.

The list shall have two sections: one for candidates for the office of Acting Auditor, and one for candidates for the office of Substitute Auditor.

Only shareholders who, individually or together with others, hold the maximum shareholding allowed in the Company's capital by the laws and regulations from time to time in force or, alternatively, who hold at least 5% (five per cent) of the shares with voting rights on the appointment of Auditors, shall be allowed to submit candidates' lists.

In order to demonstrate that the minimum shareholding requirement for the submission of a list has been met, shareholders shall provide, together with their list of candidates, a copy of a statement issued by their custodian bank evidencing their ownership of the shares, by the deadline established by law and in accordance with the methods set out in the applicable regulations.

Individual shareholders and shareholders belonging to the same group cannot, either directly or indirectly through a nominee or fiduciary company, submit more than one list of candidates or vote for different lists.

Each candidate may appear on one list only, or else he shall not be eligible.

Auditors can hold director or auditor positions with other companies, in accordance with the provisions of law and/or the regulations from time to time in force.

Submission, filing and publication of the lists are subject to the applicable provisions of law and/or regulations.

If, with regard to the mandate from time to time in question, mandatory criteria for gender division (male and female) apply, each list presenting at least three candidates shall contain a number of candidates of the less represented gender at least equal to the minimum quota that is from time to time applicable (with respect to both the post of Acting Auditor and the post of Substitute Auditor).

Without prejudice to the provisions of the paragraph below, the appointment of the Auditors shall take place as follows:

1. two Acting Auditors and two Substitute Auditors from the list which obtained the most votes in the Shareholders' Meeting;
2. the remaining Acting Auditor and the other Substitute Auditor are appointed, based on their sequential number, from the list that obtained the second highest number of votes in the Shareholders' Meeting.

If, due to application of the rules stipulated in the previous paragraph, any minimum quota from time to time applicable for the less represented gender is not met with respect to the members of the body (with regard to both the post of Acting Auditor and the post of Substitute Auditor), then instead of the last candidate of the most represented gender on the majority list, the next candidate of the less represented gender on the same list shall be regarded as elected.

The first candidate on the list that obtained the second highest number of votes shall be elected Chairman of the Board of Auditors; however where only one list has been submitted or if the laws from time to time applicable allow it, the Chairman of the Board of Auditors shall be the first candidate on the list that obtained the highest number of votes.

If there is a tie between lists achieving the highest number of votes (a tie between majority lists):

a) two Acting Auditors and two Substitute Auditors are selected from the list submitted by the shareholders holding the largest stake at the time the lists are presented or, in the second instance, from the list presented by the largest number of shareholders or, in the third instance, from the list whose candidate that is listed first is the oldest;

b) the remaining Acting Auditor, who shall be the Chairman of the Board of Statutory Auditors, and the other Substitute Auditor are selected from the next list based on the criteria set out at point a) above.

If there is a tie between lists achieving the second highest number of votes (a tie between minority lists), a Acting Auditor, who shall be the Chairman of the Board of Statutory Auditors, and a Substitute Auditor are selected from the list identified according to the criteria set out at point a) of the previous paragraph.

If, for any reason, the appointment cannot be made under the procedure outlined above, the Shareholders' Meeting shall elect the Chairman of the Board of Auditors by a relative majority vote. Any Auditor who no longer meets the legal requirements shall be removed from office.

If an Auditor departs, his or her position shall be taken over until the expiration of the current Board of Auditors by the first Substitute Auditor appearing on the same list as the member leaving office, if this is possible, unless, to comply with any gender quota that might be applicable, replacement by another Substitute Auditor from the same list is not necessary.

If the gender quota that might be applicable is also not met in this case, the General Meeting shall be called to appoint an Auditor from the less represented gender.

If the Chairman of the Board must be replaced, this position shall be taken over by the other Acting Auditor from the same list.

The above provisions governing election of the Board of Auditors shall not apply to Shareholders' Meetings appointing Substitute Auditors when only a single auditor remains in office. In this case the Shareholders' Meeting shall decide by relative majority vote. Auditors shall remain in office for three years and may be re-elected.

Meetings may also be held with the aid of telecommunications devices, in compliance with article 24 of these Articles of Association.

## **HEADING VI**

### **Financial statements, profits and advances**

#### **Article 28**

The Company's financial year shall end on December 31 (thirty-first)

of each year.

#### **Article 29**

Annual financial statements shall be prepared in accordance with the law and by the deadline set by law and submitted to the approval of the Shareholders' Meeting.

An ordinary Shareholders' Meeting must be summoned to approve the financial statements within one hundred twenty days of the end of the year, or one hundred eighty days under the conditions set by law.

Provided the provisions of the law are applied, the destination of the net profit resulting from the financial statements shall be determined by resolution of the ordinary Shareholders' Meeting.

#### **Article 30**

During the year and whenever considered appropriate in relation to the results of management, the Board of Directors may resolve to pay advances on the annual dividend in compliance with the provisions of the law.

#### **Article 31**

Dividends may be paid in the company's head offices and/or at appointed banks.

Dividends not collected within five years of the day on which they become collectible shall be assigned to the Company.



**HEADING VII**

**Final provisions and miscellaneous provisions**

**Article 32**

Shareholders' official addresses for the purpose of their relations with the Company shall be the addresses appearing in the book of Shareholders.

**Article 33**

The Company shall be liquidated under the circumstances specified by law and in accordance with the provisions of the law.

An extraordinary Shareholders' Meeting shall be held to determine the methods of liquidation, appointing one or more liquidators and determining their powers.

**Article 34**

The Company shall fall under the jurisdiction of the Court of Milan.

**Article 35**

All aspects not regulated by these Articles of Association shall be subject to the provisions of the law.

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The official text is the Italian version of the document. Any discrepancies or differences arisen in the translation are not binding and have no legal effect. In case of any dispute on the content of the document, the Italian original shall always prevail.