

## BYLAWS

### COMPANY NAME – REGISTERED OFFICE – CORPORATE OBJECTIVES - TERM

#### Article 1. Company name

A joint-stock company is hereby organized under the name of “Aquafil S.p.A.” (the “Company”).

#### Article 2. Registered office

2.1 The Company maintains its registered office in Arco (Trento, Italy).

2.2 The Board of Directors may set up and close down branches, as well as secondary, executive and operating offices, agencies, and representative and correspondent offices in Italy and abroad, as well as transfer the Company’s registered office to different premises within Italy.

2.3 The address for service of each of the Company’s shareholders, directors, members of the Board of Statutory Auditors, as well as of the Company’s independent auditors, for the intents and purposes of all dealings with the Company, shall be as specified in the Shareholders’ Register.

#### Article 3. Corporate objectives

3.1 The Company’s corporate objectives include:

- a) the manufacture, processing under contract, transformation and marketing of fibers and yarns in general;
- b) the manufacture, processing under contract, transformation and marketing of polymers, including the molding thereof and the marketing of the molded products;
- c) the production, transformation and marketing of raw materials and by-products for the manufacture of semi-finished products for yarns and polymers;
- d) research of new industrial technologies with applications in the textile and plastics industries;
- e) consultancy on production and manufacturing methods and work-process organization in the textile and plastics industries.

3.2 The Company may effect, albeit not as part of its core business operations, commercial, industrial and financial transactions, including the mortgage of real estate and the pledge of movables, as the directors deem necessary or useful in the pursuit of the Company’s corporate objectives.

3.3 The Company may, directly and/or indirectly, acquire equity interests and shareholdings in other corporations or undertakings pursuing corporate objectives similar or complementary to its own.

3.4 Without prejudice to applicable statutory restrictions and in furtherance of the pursuit of its corporate objectives, the Company may stand surety and provide guarantees, including *in rem*, in favor of undertakings pursuing corporate objectives analogous, similar or related to its own.

3.5 Any and all activities that may only be engaged in subject to registration with professional bodies or rolls, as well as the engagement, in respect of the general public, in the activities contemplated in Article 106 of Legislative Decree No. 385/1993, and any and all operations and transactions barred under applicable regulations are expressly excluded from the scope of the Company’s corporate objectives.

#### Article 4. Term

The Company's term shall expire on December 31, 2100, such term being subject to extension by Shareholders' resolution.

## SHARE CAPITAL - SHARES - WITHDRAWAL

### Article 5. Share capital and shares

5.1 The Company's share capital amounts to € 49,714,932.48 (forty-nine million seven-hundred fourteen thousand nine hundred thirty-two point forty-eight) and is divided into 51,143,946 (fifty-one million one hundred forty-three thousand nine-hundred forty-six) shares, including 42,747,926 (forty-two million seven-hundred forty-seven thousand nine-hundred twenty-six) ordinary shares, 8,316,020 (eight million three hundred sixteen thousand twenty) Special B Shares (the "**B Shares**") and 80,000 (eighty thousand) Special C Shares (the "**C Shares**"), all of which bear no specific face value.

On December 23, 2016, the Extraordinary Shareholders' Meeting resolved, *inter alia*:

- A) to increase the share capital, against payment, in one or more tranches, in the overall amount of no more than €203,488.50, to be set aside to cover the exercise of the corresponding 7,500,000 "Aquafile S.p.A. Market Warrants", through the issue of no more than 2,034,885 ordinary shares bearing no specific face value, at the price of €0.10 (zero point ten), entirely accounted for by the implicit accounting value;
- B) to increase the share capital, against payment, in one or more tranches, in the overall amount of no more than €10,400,000, inclusive of share premium, to be set aside to cover the exercise of the corresponding 800,000 "Aquafile S.p.A. Sponsor Warrants", through the issue of no more than 800,000 ordinary shares bearing no specific face value, at the price of €13.00 (thirteen point zero zero), with a book value of €1.00 reflected in the implicit accounting value, and €12.00 by way of share premium;

the deadline mentioned in Article 2439 of the Italian Civil Code, the entitlement to dividend rights and the entry into force of the effects of the aforesaid share capital increase are all regulated in the same Shareholders' resolution.

5.2 The ordinary shares, the B Shares and the C Shares, as well as the warrants, are subject to dematerialization within the meaning of Articles 83-*bis et seqq.* of Legislative Decree No. 58/1998.

5.3 All ordinary shares are registered, indivisible, and freely transferrable, and bear equal rights. More specifically, each ordinary share bears the right to one vote at ordinary and extraordinary Shareholders' Meetings, together with all the other equity and administrative rights arising under law and/or these bylaws.

5.4 All B Shares bear the same rights as ordinary shares, to the sole exception of the following:

- a) each B Share bears the right to three votes, within the meaning of Article 127-*sexies* of Legislative Decree No. 58/1998, at General Shareholders' Meetings, without prejudice to any and all restrictions imposed under law;
- b) B Shares shall be subject to automatic conversion into ordinary shares on a one-to-one basis (with the need for any special resolution to be passed either by holders of B Shares, or by the General Shareholders' Meeting as a whole):
  - a. in the event of the transfer of B Shares to persons or parties that do not already hold B Shares, save where the transferee is: (i) a person or party that directly or indirectly controls or is directly or indirectly controlled by or is otherwise directly or indirectly subject to common control by the transferor, it being understood that in all such cases, should the transferee no longer directly or indirectly control or be directly or indirectly controlled by or be

otherwise directly or indirectly subject to common control by the transferor, all the B Shares held by the transferee shall be automatically converted into ordinary shares on a one-to-one basis;

- b. should any holder of B Shares no longer be directly or indirectly controlled, by (i) Giulio Bonazzi, (ii) Roberta Previdi, (iii) Silvana Bonazzi, (iv) Francesco Bonazzi and/or (v) one or more of the heirs of the body of both (and not of either of) Giulio Bonazzi and Roberta Previdi, each of whom, jointly and/or severally with one or more of the other persons mentioned in paragraph 5.4(b)b (for clarity purposes only, account must be taken of the sum total of the equity interests held by the various persons mentioned in this paragraph, even if the said persons have not entered into any shareholder agreements);
- c) any and all holders of B Shares may obtain the conversion of some or all of their B Shares into ordinary shares, on a one-to-one basis, by forwarding a simple request to such effect to the Chairperson of the Company's Board of Directors, duly carbon-copied to the Chairperson of the Board of Statutory Auditors.

The conversion of B Shares into ordinary shares shall be witnessed in a Board of Directors' resolution to be passed with the majorities contemplated under law. Should the Board of Directors fail to pass the aforesaid resolution, the conversion of B Shares into ordinary shares shall be witnessed in a resolution of the Board of Statutory Auditors passed by a majority of its members in attendance.

In no event may ordinary shares be converted into B Shares.

For the intents and purposes of the above, the noun "control", the verb "to control" and like terms denote (including with regard to individuals) the relationships contemplated in paragraph 1, subparagraphs 1) and 2), and paragraph 2 of Article 2359 of the Italian Civil Code.

5.5 C Shares bear the same rights as ordinary shares, to the sole exception of the following:

- a) C Shares bear no voting rights whatsoever at the Company's ordinary and extraordinary Shareholders' Meetings;
- b) C Shares bear no entitlement to any ordinary dividends whatsoever subject to distribution by Shareholders' resolution;
- c) C Shares are non-transferrable through to April 5, 2022, save in the event of (i) the transfer of special shares to shareholders in Space Holding S.r.l. that exercise their right of withdrawal, following the procedure for the liquidation in kind of their shareholdings; and (ii) the assignment of special shares to the corporate entity appointed as the beneficiary of the proportional de-merger of Space Holding S.r.l. entailing, *inter alia*, the equity interest of Space Holding S.r.l. in the Company;
- d) at the time of issue, each C Share bore the right to the assignment of 2 "Space3 S.p.A. Sponsor Warrants" (now known as "Aquafil S.p.A. Sponsor Warrants");
- e) C Shares shall be subject to automatic conversion into ordinary shares at a conversion ratio of 4.5 (four point five) ordinary shares for each C Share, without the need for any consent whatsoever from the holders of C Shares and without entailing any change in the Company's share capital, it being understood that the said conversion shall give rise, within 60 months following the entry into effect of the merger by incorporation of Aquafil S.p.A. into Space3 S.p.A. (now known as Aquafil S.p.A.) (the "**Merger**"), to a reduction in the implicit accounting value of the ordinary shares, in the amount of 80,000 C Shares in the case where the listed price of

ordinary shares stands at no less than €13 (thirteen) each, for at least 20 (not necessarily consecutive) market days out of 30 consecutive market days, it being understood that, for the intents and purposes of determining the validity of such conversion event, reference must be made to stock prices prevailing during the period commencing as of the date of the resolution passed by the General Shareholders' Meeting of Space3 S.p.A., approving the Merger (which took place on 27 July 2017) and the end of the 60<sup>th</sup> month following the effective date of the Merger. In all cases, upon the expiry of 60 months following the effective date of the Merger, any and all remaining C Shares that have not already been converted as contemplated above shall be subject to automatic conversion into ordinary shares on a one-to-one basis, without entailing any change whatsoever in the Company's share capital.

5.6 The Company may issue B Shares solely in the event of (a) a share capital increase within the meaning of Article 2442 of the Italian Civil Code, or through new capital contributions, without preclusion or restriction of option rights, and in all cases, in combination with ordinary shares, pursuant to the provisions of Article 5.8 below; and (b) merger or de-merger. In no event may the Company issue new C Shares.

5.7 All shareholders shall be entitled to acquire subscription rights issued in respect of share capital increase through the issue of ordinary shares alone (save where the option right is precluded in accordance with law or is otherwise inapplicable), in proportion to and taking due account of the shares already held by each of them – be they ordinary shares, B Shares or C Shares – as at the date on which the share capital increase is effected. In all such cases, there shall be no need whatsoever for a resolution to be passed by a special General Meeting of either B Shareholders or C Shareholders, within the meaning of Article 2376 of the Italian Civil Code.

5.8 In the event of share capital increase for the subscription of ordinary shares and B Shares: (i) the number of ordinary shares and B Shares to be issued must be proportional to the number of ordinary shares and B Shares into which the share capital is divided as at the date of related resolution, it being understood that, for all related intents and purposes, already issued C Shares must be accounted for as ordinary shares on a one-to-one basis; (ii) holders of C Shares may subscribe ordinary shares in proportion to their equity holdings, inclusive of both ordinary shares and C Shares, as at the date on which the share capital increase was effected; and (iii) each shareholder shall be entitled to subscribe newly issued ordinary shares and B Shares in proportion to and taking due account of the ordinary shares and B Shares respectively already held by the shareholder in question as at the date on which the share capital increase was effected, it being understood that (i) any and all C Shares shall be accounted for as ordinary shares on a one-to-one basis; and (ii) newly issued B Shares shall be open to subscription exclusively by shareholders that already hold B Shares, it being underlined that, in the case where newly issued B Shares are not fully subscribed by shareholders that already hold B Shares, the unsubscribed newly issued B Shares shall be subject to automatic conversion into ordinary shares on a one-to-one basis, and shall then be offered to the other shareholders as contemplated under law.

5.9 Should the Company participate in a merger by incorporation as a merged company, holders of B Shares shall be entitled to receive, in terms of the exchange ratio, shares endowed with same features — at least with regard to multiple voting rights — as B Shares, to the fullest extent permitted under law, taking due account of the principle of compatibility.

## **Article 6. Capital contributions, loans, other financial instruments**

6.1 Shareholders may confer capital contributions to the Company in the form of cash, goods in kind or receivables.

6.2 The General Shareholders' Meeting may authorize the Board of Directors not only to proceed with one or more share capital increases up to a specific amount and over a period of no more than five years following the date of the related Shareholders' resolution, but also to issue convertible bonds covering specific amounts, and over a period of no more than five years following the date of the related resolution.

6.3 Pursuant to Article 2441, paragraph 4(2), of the Italian Civil Code, the option right due to all shareholders with regard to the subscription of newly issued shares may be precluded, subject to a cap of 10% (ten percent) of the pre-existing share capital, provided that the issue price is certified by an independent accounting firm or auditor to reflect the fair market value of the shares.

6.4 The Company may receive interest-bearing and interest-free, repayable and non-repayable loans from shareholders, subject to applicable regulations, with specific reference to the regulatory framework governing deposit-taking from the general public.

6.5 Without prejudice to the provisions of Article 5 above regarding the issue of B Shares and C Shares, the Company reserves the right to issue other categories of shares and financial instruments, including — in the circumstances contemplated under law and pursuant to the required amendments to the Bylaws — preference shares, savings shares, warrants and bonds, whether convertible into shares or otherwise, it being understood that shares may also be issued through the conversion of other categories of shares or other securities, within the limits permitted under law.

#### **Article 7. Withdrawal**

7.1 All shareholders shall be entitled to exercise their rights of withdrawal as contemplated under imperative statutory provisions.

7.2 Shareholders that did not vote on resolutions pertaining to the extension of the Company's term and/or the introduction, amendment or removal of restrictions on the circulation of shares shall not be entitled to the rights of withdrawal.

### **GENERAL SHAREHOLDERS' MEETING**

#### **Article 8. Sphere of competence and majorities**

8.1 The General Shareholders' Meeting is empowered to pass resolutions on any and all matters falling within its sphere of competence under law or pursuant to these Bylaws. Shareholders' resolutions passed in accordance with law and these Bylaws shall be binding on all shareholders.

8.2 The General Shareholders' Meeting shall be convened by single notice of calling.

In order to determine whether or not ordinary and extraordinary Shareholders' Meetings are duly constituted with the quora required under law and these Bylaws, account must be taken of the voting rights borne by the shares, and not merely to the number of shares.

8.3 Shareholders' resolutions amending Articles 5.6 and 5.8, as well as this Article 8.3, must be passed with a majority of at least 70% of the sum total of the voting rights borne by all the shares in circulation. The related party transaction procedures adopted by the Company may authorize the Board of Directors to approve "transactions of greater importance" within the meaning of resolution No. 17221 adopted by Consob on March 12, 2010 (as further amended), despite an unfavorable opinion by the committee of independent directors tasked with giving an opinion on such transactions, provided that the transactions in question are authorized by Shareholders' resolution pursuant to Article 2364, paragraph 1(5), of the Italian Civil Code. In all such cases, the related Shareholders' resolutions must be passed with the majorities contemplated under law, provided that, where the number of unrelated shareholders present at the General Shareholders' Meeting in question represent at least 10% of the voting share capital — with each ordinary share and B Share represented

thereat being deemed to account for a single vote, without any consideration for the multiple voting rights borne by each B Share — the majority of unrelated shareholders who vote at the Shareholder's Meeting in question — with each ordinary share and B Share represented thereat being deemed to account for a single vote, without any consideration for the multiple voting rights borne by each B Share — do not vote against such resolution.

#### **Article 9. Calling of General Shareholders' Meetings**

9.1 The Board of Directors must convene the ordinary Shareholders' Meeting at least once a year, within one hundred and twenty days following the end of the Company's financial year, or otherwise, in the cases contemplated in Article 2364, paragraph 2, of the Italian Civil Code, within one hundred and eighty days following the end of the Company's financial year, without prejudice to the provisions of Article 154-*ter* of Legislative Decree No. 58/1998.

9.2 General Shareholders' Meetings may be held in Italy, including at premises located outside the municipality in which the Company's registered offices are situated, or in another EU member state, Switzerland or the United Kingdom.

9.3 In compliance with the deadlines imposed under applicable regulations, General Shareholders' Meetings shall be convened by notice of calling containing all the information required under applicable regulations, including with regard to the items on the agenda, and published on the Company's website, as well as in accordance with the other procedures contemplated under applicable statutory and regulatory provisions.

#### **Article 10. Attendance and voting**

10.1 All holders of shares with voting rights shall be entitled to attend General Shareholders' Meetings.

10.2 Entitlement to take part in and exercise voting rights at General Shareholders' Meetings must be established by notice addressed to the Company by the intermediary tasked with keeping and maintaining the Company's books in accordance with law, on the basis of the Company's accounting records as at the closure of accounts on the seventh market day preceding the scheduled date of the General Shareholders' Meeting convened by single notice of calling, and received by the Company within the deadlines imposed under law.

10.3 Persons and parties entitled to exercise voting rights at General Shareholders' Meetings may do so by proxy pursuant to law. Notice of the conferment of proxy powers may be forwarded electronically, in accordance with the procedures set forth in the notice of calling, and more specifically, by e-mail dispatched to the certified e-mail address indicated in the notice of calling, or using the dedicated section of the Company's website.

10.4 For each General Shareholders' Meeting, the Company may appoint, specifying the same in the notice of calling, a person that shareholders may appoint as proxy with voting instructions on all or some of the items placed on the agenda, in the manner and form and within the deadlines established under law.

10.5 The General Shareholders' Meeting shall be chaired by the Chairperson of the Board of Directors, or in the event of the absence or unavailability of the same, or otherwise at the behest of the Chairperson by another person, including the chief executive officer (if appointed), designated by the General Shareholders' Meeting to discharge such function. The Chairperson of the General Shareholders' Meeting shall be assisted by a secretary appointed, at his or her behest, by the majority of Shareholders in attendance. In the event of extraordinary Shareholders' Meetings and whensoever the Chairperson deems fit, the tasks and functions of the secretary shall be discharged by a Notary Public appointed by the Chairperson.

10.6 Attendees at General Shareholders' Meetings may be situated at various adjacent or remote locations linked together by audio-video conferencing facilities, provided that not only debate, deliberations and decision-making proceed within a panel setting, and the principles of good faith and equal treatment of shareholders are respected, but also, and more specifically, that: (a) the Chairperson of the General Shareholders' Meeting is in a position not only to verify the identity, attendance and entitlement of each attendee, but also to regulate the proceedings, and determine and proclaim the results of voting; (b) the person recording the minutes of the General Shareholders' Meeting is in a position to properly perceive the proceedings to be recorded in minutes; (c) attendees are in a position to participate in discussions and vote on the items on the agenda in real time; (d) any and all related procedures are specified in the notice of calling, together with an indication of the premises at which attendees may take part in the General Shareholders' Meeting. The General Shareholders' Meeting shall be deemed to take place at the venue where the Chairperson and the person tasked with recording the minutes are simultaneously present in person.

## **ADMINISTRATIVE BODY**

### **Article 11. Composition, appointment, term and replacement**

11.1 The Company shall be administered by a Board of Directors comprising no less than eight and no more than 15 members. The number of members of the Board of Directors shall be determined by Shareholders' resolution and may be altered by a subsequent Shareholders' resolution.

11.2 All Company directors must meet the requirements of professionalism, eligibility and personal integrity contemplated under law and other applicable regulations. Moreover, a certain number of directors — to be determined not only on the basis of applicable statutory and regulatory provisions but also in light of the stock-market segment in which the shares are listed for public trading — must meet the requirements of independence imposed under law, as well as all the other requirements specified in the Corporate Governance Code for Listed Companies, issued by Borsa Italiana S.p.A.

11.3 Members of the Board of Directors shall be appointed by Shareholders' resolution, on the basis of lists of candidates submitted by shareholders, in accordance with the procedure entrenched in the following provisions, without prejudice to any and all different or additional procedural or other requirements imposed under imperative statutory or regulatory provisions.

11.4 Lists of candidates for Board of Directors' membership may be submitted by shareholders who, at the time of submission of the list, hold — either on their own or together with other submitting shareholders — a percentage of the Company's share capital at least equal to the percentage established by Consob pursuant to applicable statutory and regulatory provisions. Satisfaction of the minimum equity ownership requirement for the submission of lists of candidates must be established on the basis of shares registered in favor of the submitting shareholder on the day on which the aforesaid lists are filed with the issuer; the related certificate may be produced even after such filing, but before expiry of the deadline for the publication of the lists in question.

11.5 The lists must be lodged at the Company's registered office in accordance with the procedures imposed under applicable regulations, at least twenty-five days prior to the scheduled date of the General Shareholders' Meeting convened to pass resolutions on the appointment of members of the Board of Directors. The Company must render the lists public at least twenty-one days prior to the scheduled date of the aforesaid General Shareholders' Meeting, in accordance with the procedures imposed under applicable regulations.

11.6 Each list must not only bear the names of no less than six and no more than 15 candidates, numbered and arranged in serial order, but also include and expressly specify the names of at least two candidates for the position of member of the Board of Directors who meet the independence requirements imposed under applicable regulations and the Corporate Governance Code issued by Borsa Italiana S.p.A. No all-male or all-female lists of candidates shall be admissible and each list must include a number of candidates of the gender less represented, such that the final composition (men and women) of the Board of Directors is compliant with the gender balance laws and regulations in force from time to time, it being understood that should the application of gender balance requirements not result in an integer number, the latter must be rounded up to the nearest whole number.

11.7 Under penalty of inadmissibility, each list must be accompanied by: (i) a copy of the curriculum vitae of each of the candidates on the list; (ii) statements from each of the said candidates, accepting their candidature and certifying, under their own responsibility, that they do not labor under any of the causes of incompatibility or unfitness for office, and that they meet all the requirements imposed under applicable regulations for serving as a director of the Company, as well as, in the case of candidates seeking appointment as independent directors, that they meet the applicable statutory independence requirements; (iii) an indication of the identity of the shareholder or shareholders submitting the list, together with the percentage of the Company's share capital cumulatively held by the same; (iv) any and all other or additional statements, information and/or documents as may be required under relevant statutory and regulatory provisions in force from time to time.

11.8 No shareholder nor any grouping of shareholders falling under the same corporate group or who are parties to a shareholders' agreement within the meaning of Article 122 of Legislative Decree No. 58/1998, may submit, either alone or together with others, or otherwise through third-party intermediaries or trust companies, more than one list or vote in favor of more than one list, it being further understood that, under penalty of ineligibility, no candidate may appear on more than one list.

11.9 At the end of voting, the candidates included in the two lists that obtained the highest number of votes shall be deemed elected subject to the following: (i) a number of directors equivalent to the sum total of the directors to be appointed less one shall be drawn, in the serial order in which their candidatures were submitted, from the list that obtained the highest number of votes (the "**Majority List**"); and (ii) one director shall be appointed in the person of the candidate appearing first in serial order in the list that obtained the second highest number of votes and that is not directly nor indirectly linked to any of the shareholders that submitted or voted in favor of the Majority List (the "**Minority List**").

11.10 No account shall be taken of lists that do not receive a percentage of votes at least equivalent to half the voting stock required to be held in order to submit the list in question.

11.11 In the case where two or more lists receive the same number of votes, a second round of voting shall be held, and the successful candidates shall be those who receive a simple majority of the votes cast at the General Shareholders' Meeting, without recourse to the list voting mechanism.

11.12 Should the outcome of voting result fail to meet applicable gender balance (men and women) regulations in force from time to time (including with regard to the requirement of rounding up to the nearest whole number in the case where the proper implementation of gender balance regulations does not result in an integer number), application shall be made, in the order in which they are listed, of the following replacement mechanisms:

- a) the elected candidates belonging to the more represented gender and appearing last in serial order on the Majority List shall be replaced by the first non-elected candidates drawn from the same list and belonging to the other gender;



- b) should it prove unfeasible to implement the aforesaid replacement procedure to ensure compliance with the gender balance statutory and regulatory provisions governing the mandatory gender ratio (men and women) in force from time to time, the General Shareholders' Meeting shall directly elect members of the Board of Directors from amongst candidates belonging to the less represented gender, pursuant to ordinary procedures and with ordinary majorities.

11.13 Should the outcome of voting not comply with requirements for a minimum number of independent directors under applicable regulations, taking due account, *inter alia*, of the stock-market segment in which shares in the Company are listed for public trading, the elected non-independent candidates appearing last, in serial order, on the Majority List shall be replaced by the first non-elected independent candidates included in that same list. In the case where this procedure fails to deliver the result stated above, the replacement will be decided by Shareholders' resolution pursuant to ordinary procedures and with ordinary majorities, from amongst candidates meeting regulatory independence requirements.

11.14 Should only one list be submitted, the General Shareholders' Meeting shall vote on the said list, and should the latter obtain a relative majority of votes, all the members of the Board of Directors shall be drawn from the said list, without prejudice to the gender balance (men and women) statutory and regulatory provisions in force from time to time (including with regard to the requirement of rounding up to the nearest whole number in the case where the proper implementation of gender balance regulations does not result in an integer number).

11.15 If no list is submitted, or if only one list is submitted and fails to obtain a relative majority of votes, or if the number of directors elected on the basis of the submitted lists falls short of the number of directors to be appointed, or if only some Board seats must be filled without the need for the appointment of a new Board of Directors, or if, for any reason or cause whatsoever, it were to prove unfeasible to appoint the Board of Directors pursuant to the procedures contemplated in this Article, the related appointments shall be made by means of Shareholders' resolution passed pursuant to ordinary procedures and with ordinary majorities, without recourse to the list voting mechanism and without prejudice to either the statutory requirements imposed in terms of the minimum number of independent directors to be appointed, taking due account, *inter alia*, of the stock-market segment in which shares in the Company are listed for public trading, or any and all applicable gender balance statutory and regulatory provisions in force from time to time.

11.16 The members of the Board of Directors shall be appointed for a term established by the General Shareholders' Meeting, and in any event not exceeding three years following the date of acceptance of appointments; the term of the directors shall expire on the date of the General Shareholders' Meeting convened for the approval of the financial statements pertaining to the last financial year of the Board of Directors' term in office, and directors shall be eligible for reappointment.

11.17 Should one or more directors cease to serve in office for any reason or cause whatsoever, the Board of Directors shall fill the related vacancy or vacancies by coopting, in serial order, one or more non-elected candidates included in the same list from which the previous holder or holders of the now-vacant Board of Directors' seat or seats were drawn, without prejudice to the statutory requirements imposed in terms of the minimum number of independent directors to be appointed, taking due account, *inter alia*, of the stock-market segment in which shares in the Company are listed for public trading, and in strict compliance with any and all applicable gender balance statutory and regulatory provisions in force from time to time.

11.18 Should more than one half of the directors appointed by the General Shareholders' Meeting cease to serve in office, the term of office of the entire Board of Directors shall be deemed to have expired, with effect as of the date on which a new Board of Directors is

appointed, and the directors still sitting on the outgoing Board of Directors shall urgently convene a General Shareholders' Meeting for the appointment of a new Board of Directors.

## **Article 12. Chairperson, delegated bodies and powers of legal representation**

12.1 The Board of Directors shall elect from amongst its members a Chairperson who shall serve in such capacity throughout the Board of Directors' term of office.

12.2 The Board of Directors may delegate some of its powers to an Executive Committee, establishing the scope of the powers thus delegated, as well as the Executive Committee's operating procedures and membership.

12.3 The Board of Directors may appoint one or more managing directors vesting them with appropriate powers and, where warranted, nominating one of them to serve as Chief Executive Officer. Moreover, the Board of Directors may also set up one or more Board committees tasked with providing advice, putting forward recommendations and/or exercising oversight, in compliance with applicable statutory and regulatory provisions. Furthermore, the Board of Directors may appoint general managers, establishing the powers thereof, as well as confer powers of attorney on third parties for the discharge of specific tasks or categories of tasks.

12.4 The Chairperson of the Board of Directors is vested with full powers of corporate and legal representation of the Company before third parties and before the courts (including the power to appoint legal counsel). Powers of corporate and legal representation of the Company are also vested in managing directors, general managers, executive agents, and attorneys-in-fact within the limits of the powers conferred on the same.

## **Article 13. Calling and proceedings of Board meetings**

13.1 The Board of Directors shall meet either at the Company's registered office or elsewhere, whenever the Chairperson deems fit or at the behest of the Chief Executive Officer, if appointed, or when requested by at least two Members of the Board of Directors or the Board of Statutory Auditors.

13.2 The Board of Directors' meetings must be convened by the Chairperson, or in the latter's absence, by the Chief Executive Officer, by notice of calling to be forwarded — by letter, telegram, facsimile transmission or e-mail with proof of receipt — to the address for service of each director and acting auditor, at least five days prior to the scheduled date of the Board of Directors' meeting, such period being reduced in cases of particular urgency to no less than two days prior to the aforesaid date. Board of Directors' meetings shall be deemed validly constituted and fully empowered to pass resolutions, even in default of formal calling, provided that all the directors in office are in attendance together with a majority of the members of the Board of Statutory Auditors, and that the absentee members of the Board of Statutory Auditors have been informed of the Board of Directors' meeting and have raised no objection to its taking place. In all such cases, (i) any one or more individual attendees may object to discussions and voting on matters about which they feel insufficiently informed; and (ii) the absentee members of the Board of Statutory Auditors must be given prompt notice of any and all Board of Directors' resolutions passed at such meetings. Should the Chairperson be unable to attend a Board of Directors' meeting, the same shall be chaired by the Chief Executive Officer, if appointed, and in the latter's absence, by the eldest Board member.

13.3 Board of Directors' meetings may also be held by audio or video conference call, provided that: (i) the Chairperson and secretary of the meeting, if appointed, in charge of drawing up and signing the minutes, must be physically in attendance at the same venue which shall be deemed to be the place where the Board of Directors' meeting is held; (ii) the Chairperson of the Board of Directors' meeting is in a position not only to verify the identity of each attendee, but also to regulate the proceedings, and determine and proclaim the results

of voting; (iii) the person recording the minutes of the Board of Directors' meeting is in a position to properly perceive the proceedings to be recorded in minutes; and (iv) attendees are in a position not only to participate in discussions and vote on the items on the agenda in real time but also to view, receive and transmit documents.

#### **Article 14. Powers and resolutions**

14.1 The Board of Directors is vested with the broadest powers of ordinary and extraordinary Company management, and is fully entitled to take any and all actions it deems fit in the pursuit of the Company's corporate objectives, save for those matters placed under law within the sole and exclusive remit of the General Shareholders' Meeting.

14.2 Pursuant to Article 2365, paragraph 2, of the Italian Civil Code, the Board of Directors is moreover empowered to pass resolutions on the matters listed below, without prejudice to the authority vested in the General Shareholders' Meeting to regulate the same: (i) the setting up and closing down of secondary offices; (ii) the conferment of powers of corporate and legal representation of the Company on specific members of the Board of Directors; (iii) reductions in share capital arising from the withdrawal of one or more shareholders; (iv) the transfer of the Company's registered office to premises elsewhere within Italy; (v) the merger of the Company in the cases contemplated in Articles 2505 and 2505-*bis* of the Italian Civil Code, including to the extent the same are referred to in the last paragraph of Article 2506-*ter* with regard to de-mergers; and (vi) amendments to the Bylaws to ensure that the latter comply with regulatory provisions.

14.3 Board of Directors' resolutions shall be deemed validly passed with a quorum of a majority of the Directors in office and approval by a majority of the Directors in attendance.

14.4 In cases of urgency, related party transactions of greater or lesser importance — as defined in the Procedure for Related Party Transactions approved by the Company's Board of Directors — that do not fall within the purview of the General Shareholders' Meeting and need not be approved by it — may be concluded even in departure from the normal authorization process contemplated in the aforesaid procedure, provided that all the conditions imposed under the said procedure are met.

14.5 The Board of Directors and the Board of Statutory Auditors must be informed, including through delegated bodies, on the Company's activities, operations and outlook, as well as any and all transactions of greater importance effected by the Company and/or any of its subsidiaries that could entail a significant impact on the income statement, cash flow and capital position; in detail, delegated bodies are required to report on any and all transactions in which they may hold an interest, on their own account or on account of third parties, or which may be influenced by the party, if any, exercising powers of corporate management or coordination. The aforesaid reports must be submitted in a timely manner — and in any event, at least on a quarterly basis — at meetings, or otherwise, in writing.

#### **Article 15. Remuneration**

By way of consideration for their service in office, members of the Board of Directors shall be entitled to fixed annual remuneration to be determined on a lump-sum basis by the General Shareholders' Meeting and then shared amongst the members of the Board of Directors, in addition to the amounts to be disbursed pursuant to Article 2389 of the Italian Civil Code in favor of members of the Board of Directors vested with specific tasks, covering both remuneration for their related work and the refund of their expenses. The General Shareholders' Meeting may establish a lump-sum amount covering the remuneration of all the directors in office, including those vested with specific tasks.

#### **Article 16. Appointment of the Manager in charge of preparing the Company's financial reports**

16.1 Upon acknowledging the Board of Statutory Auditors' compulsory opinion on the matter, the Board of Directors shall appoint the Manager in charge of preparing the Company's financial reports, within the meaning of Article 154-*bis* of Legislative Decree No. 58/1998, endowing the said manager with adequate resources and powers to properly discharge his or her assigned tasks.

16.2 The Manager in charge of preparing the Company's financial reports must meet the requirements of professionalism, consisting in at least three years of professional experience in business administration and audit, or as an executive or consultant serving listed corporations and/or related groups of enterprises, companies, entities and undertakings of considerable size and significance, especially within the corporate functions tasked with preparing and auditing accounting and corporate documents. The Manager Responsible for Preparing the Company's Financial Reports must also meet the requirements of personal integrity imposed on members of the Board of Statutory Auditors pursuant to applicable statutory provisions.

## **BOARD OF STATUTORY AUDITORS AND STATUTORY AUDITING OF ACCOUNTS**

### **Article 17. Appointment, term and replacement**

17.1 The Board of Statutory Auditors shall be made up of 3 statutory auditors and 2 alternate auditors, appointed by the General Shareholders' Meeting on the basis of lists submitted by shareholders, in accordance with the procedures set forth the following Articles, without prejudice to any and all different and additional requirements imposed under imperative statutory or regulatory provisions.

17.2 Lists of candidates for membership of the Board of Statutory Auditors may be submitted by shareholders who, at the time of submission of the list, hold — either on their own or together with other submitting shareholders — a percentage of the Company's share capital at least equal to the percentage established by Consob pursuant to applicable statutory and regulatory provisions. Satisfaction of the minimum equity ownership requirement for the submission of lists of candidates must be established on the basis of shares registered in favor of the submitting shareholder on the day on which the aforesaid lists are filed with the issuer; the related certificate may be produced even after such filing, but before expiry of the deadline for the publication of the lists in question.

17.3 The lists must be lodged at the Company's registered office in accordance with the procedures imposed under applicable regulations, at least twenty-five days prior to the scheduled date of the General Shareholders' Meeting convened to pass resolutions on the appointment of members of the Board of Statutory Auditors. The Company must render the lists public at least twenty-one days prior to the scheduled date of the aforesaid General Shareholders' Meeting, in accordance with the procedures imposed under applicable regulations.

17.4 Each list must bear the names of one or more candidates for the position of statutory auditor, as well as of one or more candidates for the position of alternate auditor. The names of the candidates in each section ("statutory auditors" section and "alternate auditors" section) must be numbered and arranged in serial order, and no list may include a number of candidates in excess of the number of appointments to be made to the Board of Statutory Auditors. Lists that include 3 or more candidates, taking both sections into account, must present a number of candidates for each section, such that the final composition of the Board of Statutory Auditors, comprising both the statutory auditors and the alternate auditors, is compliant with the gender balance laws and regulations in force from time to time, it being understood that should the application of gender balance requirements not result in an integer number, the latter must be rounded up to the nearest whole number.

17.5 Under penalty of inadmissibility, each list must be accompanied by: (i) exhaustive information on the identity of the shareholders submitting the list, with an indication of their cumulative equity holdings in the Company; (ii) an attestation by the shareholders other than those who, jointly and/or severally, hold a controlling or relative majority interest in the Company, certifying the absence of any links between themselves and any of the latter, within the meaning of applicable regulatory provisions; (iii) exhaustive information on the personal and professional features of each candidate, together with a statement from each candidate attesting that he or she meets all statutory requirements and accepts his or her candidature, as well as a list of positions held at other corporations with responsibilities covering company management and/or auditing; (iv) any and all other or additional statements, information and/or documents as may be required under relevant statutory and regulatory provisions in force from time to time.

17.6 No shareholder nor any grouping of shareholders falling under the same corporate group or who are parties to a shareholders' agreement within the meaning of Article 122 of Legislative Decree No. 58/1998 may submit, either alone or together with others, or otherwise through third-party intermediaries or trust companies, more than one list or vote in favor of more than one list, it being further understood that, under penalty of ineligibility, no candidate may appear on more than one list.

17.7 If, upon expiry of the deadline for the submission of lists, only one list has been lodged, or otherwise the lists lodged have all been submitted by shareholders linked to one another within the meaning of applicable regulations, lists may be submitted through to the third day following the expiry of the aforesaid deadline. In all such cases, the aforementioned thresholds for the submission of lists shall be reduced by half.

17.8 Members of the Board of Statutory Auditors shall be elected as follows: (i) two statutory auditors and one alternate auditor shall be drawn, in the serial order in which their candidatures were submitted, from the list that obtained the highest number of votes (the "**Majority List**"); (ii) the third statutory auditor (hereinafter the "**Minority Statutory Auditor**"), who shall also serve as Chairperson of the Board of Statutory Auditors, and the second alternate auditor ("**Minority Alternate Auditor**") shall be drawn, in the serial order in which their candidatures were submitted, from the list that obtained the second highest number of votes and that is not directly nor indirectly linked to any of the shareholders that submitted or voted in favor of the Majority List. In the case where two or more lists receive the same number of votes, a second round of voting shall be held, and the candidates who receive a simple majority of the votes, without recourse to the list voting mechanism, shall be deemed to have been elected.

17.9 Should the outcome of voting result fail to meet applicable gender balance (men and women) regulations in force from time to time (including with regard to the requirement of rounding up to the nearest whole number in the case where the proper implementation of gender balance regulations does not result in an integer number), the candidate for the office of statutory or alternate auditor and belonging to the more represented gender who was elected last in serial order from the Majority List shall be replaced by the first non-elected candidate for the office of statutory or alternate auditor appearing on the same list and belonging to the other gender.

17.10 Should only one list be submitted, the General Shareholders' Meeting shall vote on the said list, and should the latter obtain a majority of votes, all three statutory auditors and both alternate auditors shall be appointed in the persons of the candidates presented in the said list for the positions in question, without prejudice to the gender balance (men and women) statutory and regulatory provisions in force from time to time (including with regard to the requirement of rounding up to the nearest whole number in the case where the proper implementation of gender balance regulations does not result in an integer number).

17.11 The Board of Statutory Auditors is appointed for a term of three financial years and members are eligible for reappointment; the term of the said Board shall be deemed to expire on the date of the General Shareholders' Meeting convened for the approval of the financial statements pertaining to the third year of its term in office.

17.12 Without prejudice to the gender balance (men and women) statutory and regulatory provisions in force from time to time, should, for any reason or cause whatsoever, (i) a statutory auditor drawn from the Majority List cease to serve in office, the same shall be replaced by the alternate auditor drawn from the Majority List, and/or (ii) a Minority Auditor cease to serve in office, the same shall be replaced by the Minority Alternate Auditor. Should it prove unfeasible, for any reason or cause whatsoever, to implement the procedures set forth above, a General Shareholders' Meeting must be convened to fill the vacancies on the Board of Statutory Auditors pursuant to a Shareholders' resolution passed in accordance with ordinary procedures and with ordinary majorities, without recourse to the list voting mechanism, and without prejudice to applicable gender balance (men and women) statutory and regulatory provisions in force from time to time.

17.13 If no list is submitted, or otherwise, if it were to prove unfeasible to appoint the Board of Statutory Auditors pursuant to the procedures specified in this Article, the three statutory auditors and two alternate auditors shall be appointed by Shareholders' resolution passed with the ordinary majorities contemplated under law, without prejudice to applicable gender balance (men and women) statutory and regulatory provisions in force from time to time (including with regard to the requirement of rounding up to the nearest whole number in the case where the proper implementation of gender balance regulations does not result in an integer number).

#### **Article 18. Calling, proceedings and resolutions**

18.1 Meetings of the Board of Statutory Auditors are convened at the behest of any one of the members of the said Board. Meetings of the Board of Statutory Auditors are subject to a quorum of a majority of the members of the said Board, with resolutions being passed by absolute majority of the members in attendance.

18.2 Attendees at meetings of the Board of Statutory Auditors may be situated at various adjacent or remote locations linked together by audio-video conferencing facilities, provided that: (i) the Chairperson of the meeting is in a position not only to verify the identity, and attendance and entitlement of each attendee, but also to regulate the proceedings, and determine and proclaim the results of voting; (ii) the person recording the minutes of the meeting is in a position to properly perceive the proceedings to be recorded in minutes; (iii) attendees are in a position not only to participate in discussions and vote on the items on the agenda in real time but also to view, receive and transmit documents. Should all the aforesaid requirements be met, the meeting of the Board of Statutory Auditors shall be deemed to take place at the venue where the Chairperson, as well as, with a view to facilitating the recording of the proceedings in minutes, the secretary to the meeting, are simultaneously in attendance in person.

#### **Article 19. Statutory auditing**

The Company's accounts shall be subject to statutory auditing, in accordance with applicable statutory provisions, by a person or party duly qualified for such purpose pursuant to law.

### **FINANCIAL STATEMENTS, PROFITS, DISSOLUTION, REFERENCE TO LAWS AND REGULATIONS**

#### **Article 20. Financial statements and profits**

20.1 The Company's financial year ends on December 31 (thirty-first) of each year.

20.2 Net profits as per the financial statements, after setting aside five percent of the same by way of provision to the legal reserve until the balance of the latter reflects one fifth of the Company's share capital, shall be distributed to shareholders as determined by the General Shareholders' Meeting.

20.3 During the course of any financial year, the Board of Directors may authorize advance dividend payments to shareholders in accordance with all relevant statutory and regulatory provisions in force from time to time.

**Article 21. Reference to laws and regulations**

Any and all matters not specifically addressed in these Bylaws shall be governed pursuant to the relevant statutory and regulatory provisions in force from time to time.

The undersigned Giulio Bonazzi, in his capacity as Chairman of the Company, hereby declares that the By-laws is the one updated following the partial increase of the share capital deriving from the exercise of no. 8,125 market warrant Aquafil S.p.A., pursuant to the resolution of the extraordinary shareholders' meeting on 23 December 2016.

Arco (TN), October 1<sup>st</sup>, 2018

Giulio Bonazzi