

**Fiat Partecipazioni S.p.A.  
Partial Spin-off Plan  
in favor of Fiat S.p.A.**

Pursuant to article 2506-bis of the Italian civil code

**1. Description of the Companies involved**

**1.1. Spun-off Company**

**Fiat Partecipazioni S.p.A.** (hereinafter “FP” or “Spun-off Company”), a company duly incorporated under Italian Law, with headquarters in Turin, via Nizza 250, tax code and registration no. with the Trade Register of Turin 01641110018, whose share capital (of Euro 356,158,302, fully paid-in) is fully owned by Fiat S.p.A.; FP is a company subject to direction and coordination of the sole shareholder Fiat S.p.A..

**1.2. Beneficiary**

**Fiat S.p.A.** (hereinafter “Fiat” or “Beneficiary”), a company duly incorporated under Italian Law, with headquarters in Turin, via Nizza 250, tax code and registration no. with the Trade Register of Turin 00469580013, with a fully paid-in share capital of Euro 6,377,262,975.

**2. By-laws of the Companies involved (amendments due to the Spin-off)**

**2.1. By-laws of Spun-off Company**

The Spin-off Plan does not provide for any modification of the By-laws of the Spun-off Company. Exhibit A hereto attaches the FP By-laws currently in force.

**2.2. By-laws of the Beneficiary**

The Spin-off Plan does not provide for any modification of the By-laws of the Beneficiary. Exhibit B hereto attaches the Fiat By-laws currently in force.

**3. Assets and liabilities to be spun-off**

As a result of the Spin-off, the shareholdings owned by the Spun-off Company and listed in the table hereinbelow shall be assigned to Fiat together with the debt vis-à-vis Fiat Finance S.p.A.:

Company's name	Headquarters	Tax code/ registration no. with Trade Register	Share Capital (Euro)	% of ownership	No. of shares owned by FP	Book value in FP (Euro)
Fiat Group Automobiles S.p.A.	Torino	07973780013	745,031,979	100	745,031,979	4,670,000,000
Fiat Netherlands Holding N.V.	Amsterdam	003324436 33142210	2,610,397,295	39.437	37,435,162	1,532,477,429
Fiat Powertrain Technologies S.p.A.	Torino	07979870016	397,500,000	100	750,000,000	297,935,000
Iveco S.p.A.	Torino	01053960017	369,500,000	39.437	145,720,362	509,988,810
Magneti Marelli Holding S.p.A.	Corbetta (Mi)	08082990014	254,324,998	99.991	254,301,607	726,251,268
Maserati S.p.A.	Modena	08245890010	40,000,000	100	40,000,000	103,682,000
RCS Media Group S.p.A.	Milano	12086540155	762,019,050	10.497*	76,907,627	131,785,440
Teksid Aluminum S.r.l	Carnagonda (To)	08349600018	5,000,000	100	5,000,000	70,292,021
Teksid S.p.A.	Torino	08310210011	71,403,261	84.791	60,543,388	75,866,000
Total						8,118,277,968

\*percentage on the total ordinary stock issued

The net value of the assets assigned according to the Spin-off Plan shall amount to Euro 7,318,277,968. Such value shall result from the difference between (i) the overall value of the said shareholdings reflected in the FP balance sheet (and amounting to Euro 8,118,277,968) and (ii) the value of the debt vis-à-vis Fiat Finance S.p.A. (and amounting to Euro 800,000,000).

The value indicated above shall not be subject to any adjustment, in consideration of the circumstance that any possible change of the shareholdings' book value shall be offset reciprocally or, alternatively, in cash.

The FP shareholders' equity shall be consequently reduced of Euro 7,318,277,968 and the said amount shall reduce the following reserves: Reserve for capital contribution (Euro 3,950,000,000), Retained earnings (Euro 2,435,876,585) and Additional paid-in capital (Euro 932,401,383).

FP will assign to Fiat the assets and liabilities abovementioned at book value.

#### **4. Issue of new shares**

The Spin-off Plan does not provide for any emission of new Fiat shares. In fact, FP is a company fully owned by Fiat and, consequently, article 2504-ter, para. 2 and article 2506-ter, para. 5, of the Italian civil code shall apply.

#### **5. Effects of the Spin-off**

Pursuant to article 2506-quater of the Italian civil code, the Spin-off shall be effective from the latter of: (i) the registration of the Spin-off Deed in the Trade Register; or (ii) the effective date possibly indicated in the Spin-off Deed.

The accounting effects of the Spin-off shall be concurrently reflected in the Beneficiary balance sheet in compliance with article 2501-ter no. 6 and article 2506-quater of the Italian civil code.

#### **6. Special rights and privileges guaranteed to shareholders**

The Spin-off Plan does not provide for any special right and/or privilege in favor of any category of shareholders of the Companies involved.

#### **7. Special rights and privileges in favor to Directors**

The Spin-off Plan does not provide for any special right and/or privilege in favor of any member of the Board of Directors of the Companies involved.

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Exhibits:

A. FP By-laws

B. Fiat By-laws

Turin, September 18, 2008

*On behalf of the Spin-off Company Fiat Partecipazioni S.p.A.*

*The Chairman*

*Ferruccio Luppi*

*/s/ FERRUCCIO LUPPI*

*On behalf of the Beneficiary Fiat S.p.A.*

*The Chairman*

*Luca Cordero di Montezemolo*

*/s/ LUCA CORDERO DI MONTEZEMOLO*

**BY – L A W S**

**Art. 1 - Name**

The company is named “FIAT PARTECIPAZIONI S.p.A.”, without any restriction as to how the name shall be represented graphically.

**Art. 2 - Registered office**

The Company’s registered office is located in the municipality of Turin.

**Art. 3 - Objects**

The object of the Company are:

. to perform the following activities, which shall not be carried out with the public nor as a professional business:

- to acquire, hold, manage and dispose of investments in companies and other entities, including taking part in their formation;

- to finance, in whatsoever form, and to coordinate the financing of the companies of the Group to which it belongs;

. to purchase, sell, and lease, excluding under finance lease arrangements, moveable and unmoveable assets, including those recorded in public registers;

. to participate, directly or indirectly, in activities in the field of civil and industrial infrastructure.

The Company may perform all those transactions of a commercial, industrial, real estate and financial nature, the latter not with the public, and those relating to moveable assets, which may be necessary or useful in achieving the corporate objects, including the purchase on its own behalf, or on behalf of the companies and entities in which it holds an investment, of title and use of rights over intangible assets, making such available for use within the ambit of these companies and entities. The company may also grant, but not as a professional business, and receive guarantees in the form of both collateral and unsecured guarantees, including those in favour of third parties, to the extent that these are instrumental in achieving the corporate objects.

All such activities shall be carried out within the limits and in compliance with the regulations governing their performance.

#### **Art. 4 - Duration**

The Company is established for a period ending on December 31, 2050.

#### **Art. 5 - Capital Stock**

The capital stock amounts to Euro 356,158,302 (three hundred fifty-six million one hundred fifty-eight thousand three hundred and two) divided into 356,158,302 (three hundred fifty-six million one hundred fifty-eight thousand three hundred and two) ordinary shares having a par value of Euro 1 (one) each.

The capital stock may be increased, including through contribution of receivables and assets in kind.

The Company may purchase funds with repayment obligations from its stockholders in accordance with the provisions of law.

#### **Art. 6 - Shares and Transfer of Shares**

The Company's shares entitle all of their owners to the same rights.

The provisions of law determine the means by which shares are issued and how they are circulated, without altering the matters indicated herein.

Shares certificates may not be issued. Transfers of shares take effect vis-à-vis the Company at the time that the transaction is recorded in the Stockholders Register.

Shares and rights to shares are freely transferable.

#### **Art. 7 - Call of Stockholders Meetings**

Stockholders shall be called to the Stockholders Meeting by written notice with evidence of receipt that shall be delivered at least eight days prior to the Meeting to the stockholders recorded in the Stockholders Register at their respective domicile or to their fax number or email address if such have been provided for the purpose. Meetings may be held outside the municipality of the Company's registered office but not outside Italy.

A second call may be provided for in the notice referred to above.

In the absence of said formalities, the Stockholders Meeting shall be considered duly constituted if the

Company's entire capital stock is represented and if a majority of the management and control bodies are in attendance. Nevertheless, in this case any participant may oppose discussion of those topics that he or she does not feel sufficiently informed about.

In the circumstance discussed at the previous paragraph, timely notice of the resolutions adopted must be given to the members of the management and control bodies who did not attend.

The ordinary Stockholders Meeting for the approval of the financial statements must be called at least once a year, within 120 days after the end of the fiscal year; this deadline may, when allowed by law, be extended to 180 days.

Stockholders may attend Meetings from multiple contiguous or remote locations that are linked by means of telecommunication systems, acting in accordance with the rules of collegiality, the principles of good faith and equal treatment for all stockholders. In such cases:

- The Notice of the Stockholders Meeting must list the audio/video linkup locations where the attendees can convene, and the Meeting will be deemed to have been held at the location where the Chairman and the person drawing up the Minutes of the Meeting are present;
- The Chairman of the Meeting, using the resources of his office, shall ensure that the Meeting is duly convened, ascertain the identity of the attendees and their right to attend the Meeting, manage the Meeting and verify the results of any votes;
- The person taking the minutes must be in a position to be able to apprehend the events taking place in the Meeting for which the minutes are being taken;
- The attendees must be allowed to participate in the discussion and cast votes simultaneously on the items on the Agenda.

#### **Art. 8 - Convening of Stockholders Meeting and Adoption of Valid Resolutions**

An ordinary Stockholders Meeting shall be duly constituted if stockholders representing at least half of the capital stock are in attendance, with shares not having voting rights for Stockholders Meetings being excluded from this calculation. Resolutions are adopted by an absolute majority.

An Extraordinary Stockholders Meeting can adopt a resolution with the favourable vote of stockholders

representing more than half of the capital stock.

Resolutions are adopted in ordinary Stockholders Meetings held in second call by an absolute majority, whatever the portion of capital represented by attending stockholders, while an extraordinary Stockholders Meeting is duly constituted if more than one third of capital stock is represented, with resolutions being adopted with the favourable vote of stockholders representing at least two thirds of the capital represented at the Meeting.

The foregoing provisions have no effects on special majorities expressly required pursuant to law.

Voting may be carried out by correspondence if the Management Body believes it appropriate. In this case, the notice of the Meeting sent to stockholders must include the documentation required for a vote to be cast on each of the resolutions being proposed together with the related ballot papers.

Stockholders availing themselves of this option shall return the ballot papers to the Company, duly completed and signed, in a closed envelope addressed to the Board of Statutory Auditors, prior to the start of the Meeting. A vote cast by correspondence may be withdrawn by a stockholder by making a statement in writing that must be sent and arrive before the time at which the Meeting commences.

Ballot papers arriving validly are included in the count carried out to determine whether a constituting quorum is reached for the Meeting and remain valid for the Meeting held in second call.

The votes cast by means of the ballot papers for each of the proposed resolutions shall be notified by the Chairman of the Meeting at the time that the respective votes are held and such votes shall be recorded in the minutes of the Meeting.

Should the stockholder whose ballot paper was despatched for the Meeting actually attend the Meeting, in person or by proxy, his vote shall be automatically revoked if not yet counted.

#### **Art. 9 - Chairmanship of the Stockholders Meeting**

The Stockholders Meeting shall be chaired by the Sole Director or Chairman of the Board of Directors or, in their absence, by the Vice Chairman if appointed; in the absence of all of these the Chairman of the Meeting shall be elected by those in attendance who shall also designate a secretary.

In the event that the Meeting is held by telecommunication systems the chair shall be taken by the

person elected by those in attendance.

As provided by law, or when the Chairman of the Meeting so deems, the minutes shall be drafted by a notary designated by the Chairman himself.

#### **Art. 10 – Management Body**

The Company shall be managed by a Sole Director or by a Board of Directors comprising a minimum of three and a maximum of nine members.

Directors may also not be stockholders.

Directors may not be appointed for a term exceeding three financial years: their term expires at the date of the Stockholders Meeting called to approve the financial statements of the final year for which they hold office.

The appointment, revocation, expiration of the term of office, replacement or lapsing of Directors is governed by the applicable laws.

However, if as a result of resignations or other reasons, the majority of the Directors elected by the Stockholders Meeting is no longer in office, the term of office of the entire Board of Directors will be deemed to have expired, and a Stockholders Meeting will be convened on an urgent basis by the Directors still in office for the purpose of electing a new Board of Directors.

If the Sole Director or all of the Directors cease to hold office, a Stockholders Meeting shall be called on an urgent basis by the Board of Statutory Auditors to appoint the new Management Body; the Board of Statutory Auditors may carry out the ordinary management of the Company in the intervening period.

#### **Art. 11 – Powers of the Management Body**

The Sole Director or Board of Directors shall be entitled to all of the most wide ranging powers for the ordinary and extraordinary management and governance that are not mandatorily reserved by law to the Stockholders Meeting.

The Management Body shall furthermore be entitled to issue non-convertible bonds and to adopt resolutions regarding the following matters:

- The merger and demerger of companies, when allowed by law;
- The opening or closing of secondary offices;
- The designation of Directors, in addition to the Chairman, empowered to represent the Company;
- The reduction of capital stock when stockholders exercise the right to have their shares redeemed;
- The amendment of the By-Laws that reflect changes in the law;
- The transfer of the Company's registered office to another location in Italy.

The Board of Directors may delegate its powers to an Executive Committee or to one or more of its members, within the limits of law.

The delegated bodies shall ensure that organisational, administrative and accounting arrangements are adequate for the nature and size of the Company and shall report to the Board of Directors and to the Board of Statutory Auditors with the frequency provided by law on the general performance of operations and the business outlook and on any transactions that are particularly significant, due to either their size or characteristics, carried out by the Company or by its subsidiaries.

**Art. 12 - Appointments to Office**

The Board of Directors shall appoint the Chairman in the event that the Stockholders Meeting has not done so; the Board may also appoint a Vice Chairman and one or more Chief Executive Officers and may also assign specific responsibilities.

The Board of Directors may further appoint a secretary that need not be one of its members.

**Art. 13 - Company Signature and Representation**

The Sole Director shall be entitled to sign on the Company's behalf and represent the Company vis-à-vis third parties and in court; the Sole Director may thus perform all those actions that form part of the Company's objects, within the limits of law, and shall be entitled to authorise and revoke powers of attorney and determine their power.

In case the Company is managed by a Board of Directors, the Chairman shall be entitled to sign on the Company's behalf and represent the Company; where appointed the Vice Chairman and Chief Executive Officers have equal entitlement, within the scope of the powers delegated to them and as

part of the execution of such powers, and shall further, severally, have such entitlement in court and for the execution of resolutions adopted by the Board and by the Executive Committee, if appointed.

#### **Art. 14 - Meetings of the Board of Directors**

The Board of Directors shall be called to meet, in Italy or in any other European country, by written notice, including by fax or by electronic mail sent by the Chairman or the Vice Chairman or by a CHIEF EXECUTIVE OFFICER five days prior to the Meeting, save in cases of urgency when one day's notice shall be sufficient.

Meetings shall be chaired by the Chairman or the Vice Chairman or by a CHIEF EXECUTIVE OFFICER or, failing this, by the most senior Director present in terms of age.

Meetings held by telecommunication systems shall be chaired by the Director elected by those people taking part.

The Board's resolutions shall be valid if the majority of Directors in office are present.

Resolutions are adopted by an absolute majority of votes of the Directors present.

Meetings of the Board of Directors may be held by means of telecommunication systems.

In such cases, the Meeting is deemed to have been held at the location where both the Meeting's Chairman and the Secretary were present. In addition, it must be possible to identify the attendees, and they must be able to follow the proceedings, intervene in real time in the discussion of the topics on the Agenda and receive, send or view documents.

#### **Art. 15 – Meetings of the Executive Committee**

Meetings of the Executive Committee are governed by the same regulations applicable to Board of Directors Meetings.

#### **Art. 16 - General Managers**

One or more general managers may be appointed by the Management Body or by Directors to whom suitable powers are delegated.

#### **Art. 17 - Board of Statutory Auditors**

The Board of Statutory Auditors is composed of three statutory auditors; in addition, two alternate auditors are appointed.

Statutory Auditors shall hold office for three financial years. Their term of office shall expire at the date of the Stockholders Meeting called to approve the financial statements relating to the third year of their term.

The appointment, revocation, expiration of the term of office, replacement or lapsing of Statutory Auditors is governed by the applicable laws.

The annual fees of the Statutory Auditors shall be determined for their full term by the Stockholders Meeting on making the appointment.

Meetings of the Statutory Auditors may be held by means of telecommunication systems. In such cases, the Meeting is deemed to have been held at the location where it was convened and where at least one Statutory Auditor was to be present. In addition, it must be possible to identify the attendees, and they must be able to follow the proceedings, intervene in real time in the discussion of the topics on the Agenda and receive, send or view documents.

#### **Art. 18 - Accounting Control**

The accounting control shall be performed by the Board of Statutory Auditors, whose members shall be auditors registered in the roll held at the Ministry of Justice, except in the case when by a requirement of law or a resolution adopted by shareholders, it is assigned to an auditor or auditing company registered in the specific roll envisaged by law.

#### **Art. 19 - Financial Year**

The Company's financial year ends on December 31 each year.

#### **Art. 20 - Allocation of Net Income**

Five per cent of net income for the year shall be allocated to the legal reserve until such reserve reaches one fifth of capital stock, with the balance allocated to stockholders in proportion to the shares held by them unless stockholders resolve otherwise in the Stockholders Meeting.

The Directors may resolve the payment of interim dividends if the requirements of law are satisfied.

### **Art. 21 - Stockholders Right to Have Their Shares Redeemed**

The right of stockholders to have their shares redeemed is governed by the applicable laws, it being understood that this right is not available to stockholders who did not vote in support of resolutions aimed at:

- a) extending duration or
- b) introducing or removing restrictions on the circulation of shares.

The terms and procedures for the exercise of this right, the criteria used to determine share values and the share redemption process are governed by the applicable laws.

### **Art. 22 - Stockholders Domicile**

The stockholders domicile, for all matters concerning his relationship with the Company, is that recorded in the book of stockholders.

### **Art. 23 - General Provisions**

Whatever is not envisaged in these By-Laws shall be referred to the law.

**BY-LAWS**

**Art. 1 – Name**

A Joint Stock Company is hereby incorporated under the name of "FIAT Società per Azioni".  
The name may be written in either capital or small letters, with or without punctuation marks.

**Art. 2 – Registered Office**

The Company's registered office is located in Turin.

**Art. 3 – Objects**

The objects of the Company are: the carrying out, through wholly or partially owned companies or other entities, or directly, of activities relating to the passenger and commercial vehicles, transport, mechanical engineering, agricultural equipment, energy and propulsion industries, as well as any other manufacturing, commercial, financial or other activities and services.

In order to achieve the above objects and within their scope the Company may:

- operate, among others, in the mechanical, electrical, electromechanical, thermomechanical, electronic, nuclear, chemical, mining, steel and metallurgical industries, as well as in the fields of telecommunications, civil, industrial and agricultural engineering, publishing, information services, tourism and other activities in the field of services;
- acquire shareholdings and equity interests in companies and enterprises of any kind and form; purchase, sell and place shares, quotas and debentures;
- finance wholly or partially owned companies and entities, and carry on the technical, commercial, financial and administrative coordination of their activities;
- acquire, in its own interest and in the interests of wholly or partially owned companies and entities, ownership of rights on intangible assets providing for their use by such companies and entities;
- promote and ensure the performance of research and development activities, as well as the use and exploitation of the results thereof;
- carry out, in its own interest and in the interests of wholly or partially owned companies and entities, any transaction whatsoever concerning personal and real property, finance, trade, and association including loans and financing in general and granting, also in favor of third parties, of guarantees, suretyships and warranties, secured and unsecured by mortgage.

**Art. 4 – Duration**

The Company is established for a period ending on December 31, 2100.

## **Art. 5 – Capital stock**

The capital stock of the Company amounts to 6,377,262,975 euros and comprises 1,092,247,485 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares, all with a par value of 5 euros each.

Pursuant to the resolutions approved by the Board of Directors on November 3, 2006, in execution of the powers assigned to it by the Extraordinary Stockholders Meeting of September 12, 2002, the amount of the Company's capital stock may be raised, through a contributory capital increase, by a maximum of 50,000,000 euros by issuing up to 10,000,000 ordinary shares reserved for executives of the Company and/or its subsidiaries on the basis of the relevant incentive plan.

## **Art. 6 – Classes of Shares and Common Representative**

Ordinary and preference shares are registered shares. Savings shares can be either bearer or registered shares, at the option of their holder or as required by law. All shares are issued in dematerialized form.

Each share conveys the right to a proportionate share of the earnings available for distribution and of the residual net assets upon liquidation, without harming the rights of preference and savings shares, which are discussed in Articles 20 and 23 below.

Each ordinary share conveys the right to vote without any restrictions whatsoever. Each preference share conveys the right to vote only on issues that are within the purview of the Extraordinary Stockholders Meeting and on resolutions concerning Regulations for Stockholders Meetings. Savings shares are not entitled to vote.

When the capital stock is increased, the holders of each class of shares have the right to receive a proportionate number of newly issued shares of the same class, or of another class (or classes) if shares of the same class are not available or their number is insufficient.

The Company's capital stock may also be increased by issuing ordinary and/or preference and/or savings shares in exchange for the contribution of assets or the cancellation of accounts payable.

Resolutions authorizing the issuance of new preference or savings shares with the same characteristics as those already outstanding in connection with capital increases and the conversion of shares into shares of another class do not require further approval by Special Stockholders Meetings.

If the savings shares are delisted, they shall be transformed into registered shares if originally bearer shares, and they shall have the right to a higher dividend increased by 0.175 euros, rather than 0.155 euros, with respect to the dividend received by the ordinary and preference shares.

If the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by 0.2 euros per share.

The outlays needed to safeguard the common interests of the holders of preference and savings shares, which are financed with reserves established for that purpose by the respective Special Stockholders Meetings, shall be borne by the Company up to a maximum annual amount of 30,000 euros for each class of shares.

In order to provide the Common Representatives of the holders of preference and savings shares with adequate information about transactions that may affect share prices, the Company's legal representatives shall promptly inform the Common Representatives of any such issues.

## **Art. 7 – Stockholders Meetings**

The Stockholders Meeting may be convened at the Company's Registered Office, or elsewhere in Italy, by means of a Notice published within statutory deadlines in the newspapers La Stampa and Il Sole 24 Ore or, if both these newspapers are not published, in the Official Gazette of the Republic of

Italy. The Notice may provide for a second call and, in the case of Extraordinary Stockholders Meetings only, a third call.

The Annual General Meeting of Shareholders must be convened within 120 days after the end of the fiscal year.

A Stockholders Meeting may also be convened whenever the Board of Directors deems it appropriate and must be convened when required by law.

### **Art. 8 – Attendance and Representation at Stockholders Meetings**

Holders of voting rights may attend or be represented at meetings after obtaining from the authorized intermediary documentary evidence testifying that their dematerialized shares were deposited at least two non-holidays before the date set for the meeting and therefore that they are entitled to attend. Communication thereof must be made to the Company in accordance with applicable laws.

Stockholders may attend Meetings from multiple contiguous or remote locations that are linked by means of telecommunication systems, acting in accordance with the rules of collegiality, the principles of good faith and equal treatment for all stockholders. In such cases:

- The Notice of the Stockholders Meeting must list the audio/video linkup locations where the attendees can convene, and the Meeting will be deemed to have been held at the location where the Chairman and the person drawing up the Minutes of the Meeting are present;
- The Chairman of the Meeting, using the resources of his office, or the officers of the Meeting who are present at the various linkup locations, shall ensure that the meeting is duly convened, ascertain the identity of the attendees and their right to attend the Meeting, manage the Meeting and verify the results of any votes;
- The person drawing up the Minutes of the Meeting must be able to adequately hear and see sufficiently well any Meeting developments that require inclusion in the Minutes;
- The attendees must be allowed to participate in the discussion and cast votes simultaneously on the items on the Agenda.

### **Art. 9 – Convening of Stockholders Meetings and Adoption of Valid Resolutions**

Resolutions adopted by the Stockholders Meeting pursuant to law and these By-laws are binding on all stockholders, including those who are absent or dissenting.

Ordinary Meetings are properly constituted on first call by the attendance of stockholders representing at least one half of the capital stock entitled to vote; on second call, by the attendance of stockholders representing any portion of the capital stock entitled to vote.

Resolutions are always adopted by an absolute majority of the votes, except for the election of Directors and Statutory Auditors which is governed by the provisions of Articles 11 and 17.

An Extraordinary Stockholders Meeting is duly convened, on the first call, if stockholders representing at least half of the voting capital are present. On the second call and third call, the stockholders in attendance must represent more than one-third and at least one-fifth, respectively, of the voting capital.

An Extraordinary Stockholders Meeting can adopt a resolution, on the first, second or third call, with the favorable vote of at least two-thirds of the capital represented at the Meeting.

The foregoing provisions have no effect on special majorities required pursuant to law or on the provisions that govern Special Meetings for holders of shares of a single class.

## **Art. 10 – Chairmanship of the Stockholders Meetings**

At Stockholders Meetings, the chair is taken by the Chairman of the Board or, in his absence, by the Vice Chairman, if appointed; in their absence, by a person designated by the meeting.

The Secretary is appointed by the meeting upon proposal by the Chairman. Where the law so provides, or when it is deemed appropriate by the Chairman of the meeting, the minutes may be drawn up by a notary public designated by the Chairman himself, in which case there is no need to appoint a Secretary.

## **Art. 11 – Board of Directors**

The Company is managed by a Board of Directors consisting of a number varying from nine to fifteen members, as determined by the Stockholders Meeting.

No one over the age of 75 shall be appointed as a Director.

The Board of Directors is appointed by using lists of candidates. If several lists are submitted, one of the members of the Board of Directors shall be chosen from the list that obtained the second highest number of votes. Lists may be submitted only by those stockholders who, individually or together with others, own voting shares representing a percentage no lower than the percentage which is mandatory under the applicable laws.

No single stockholder, nor stockholders that are controlled by or associated with the company pursuant to the Italian Civil Code, can present or vote, even by means of third parties or a trustee company, more than one list of candidates. Each candidate can be present in one list only, otherwise he will be considered ineligible.

The candidates included on the lists must be indicated in numerical order and satisfy the integrity requirements imposed by law. The candidate who is indicated at number one on the list must also satisfy the legal requirements of independence.

The lists presented must be deposited at the Company's offices at least fifteen days prior to the date set for the Meeting on first call, and mention of such term must be made in the document calling the Meeting.

Together with each list and within the time limit indicated above, the following shall be deposited: a certificate attesting the ownership of the equity interest, exhaustive information on the personal and professional characteristics of the candidates and declarations in which the single candidates accept the candidature and, on their own responsibility, state that they satisfy the envisaged requirements. The candidates who do not comply with these rules are ineligible.

Once the Stockholders Meeting determines the number of directors to be elected, the following procedure shall be applied:

1. all the directors except one shall be elected from the list that has obtained the highest number of votes, on the basis of the numerical order under which they appear on the list;
2. in accordance with the law, one director shall be elected from the list that has obtained the second highest number of votes, on the basis of the numerical order under which the candidates appear on the list.

Lists that received a percentage of votes at the Stockholders Meeting that is less than half of the number required pursuant to the third paragraph of this article shall not be counted.

The foregoing rules for appointment of the Board of Directors do not apply if at least two lists are not submitted or voted on, or at the Stockholders Meetings that must replace directors during their terms. In these cases, the Stockholders Meeting shall decide on the basis of a relative majority.

Without prejudice to what is set forth in this article, the appointment, revocation, expiration of the term of office, replacement or lapsing of Directors is governed by the applicable laws. However, if as a result of resignations or other reasons the majority of the Directors elected by the Stockholders Meeting is no longer in office, the term of office of the entire Board of Directors will be deemed to have expired, and a Stockholders Meeting will be convened on an urgent basis by the Directors still in office for the purpose of electing a new Board of Directors.

#### **Art. 12 – Corporate Offices, Committees and Directors’ Compensation**

The Board of Directors shall appoint from among its members a Chairman, a Vice Chairman, if deemed advisable, and one or more Chief Executive Officers. In the case of the absence or incapacity of the Chairman, the Vice Chairman, if appointed, will assume his functions.

The Board of Directors may set up an Executive Committee and/or other Committees with specific functions and tasks, fixing its/their composition and operating procedures. More specifically, the Board of Directors shall establish a Committee to supervise the Internal Control System and Committees for the nomination and compensation of Directors and senior managers with strategic responsibilities.

After receiving the opinion of the Board of Statutory Auditors, the Board of Directors shall appoint the manager in charge of preparing the Company’s financial reporting. The Board of Directors may vest with the relevant functions more than one individual provided that these individuals perform such functions together and have joint responsibility. Only a person who has acquired several years of experience in the accounting and financial affairs at large companies may be appointed.

The Board of Directors may also appoint one or more Chief Operating Officers and may designate a Secretary, who need not be a member of the Board.

The compensation payable to the Directors and members of the Executive Committee shall be determined by the Stockholders Meeting and will be effective until the Meeting resolves otherwise. The compensation of the Directors vested with particular offices shall be determined by the Board of Directors, after having received the opinion of the Statutory Auditors. Nevertheless, the Stockholders Meeting may determine an aggregate amount for compensation of all the Directors, including those vested with particular offices.

#### **Art. 13 – Meetings and Duties of the Board of Directors**

Meetings of the Board of Directors are convened by the Chairman at least once every quarter and whenever the Chairman deems it appropriate, or when requested by at least three Directors or by one of the Directors to whom powers have been delegated.

The Board of Directors can also be called, after the Chairman has been informed, by at least one statutory auditor.

Meetings are called by written notice, containing all elements necessary for the discussion, to be sent at least five days before the day on which the meeting is to be held, except in cases of urgency.

Meetings are presided over by the Chairman or, in his absence, by the Vice Chairman, if appointed; in their absence the chair shall be taken by another Director designated by the Board.

In the course of meetings, the Directors to whom powers have been delegated must report to the Board of Directors and the Board of Statutory Auditors at least once every quarter on their activities and business outlook, as well as on transactions carried out by the Company or its subsidiaries that are particularly significant in terms of size or characteristics, and each Director is required to disclose any interest that he may have, either directly or on behalf of third parties, in any transaction to which the Company is a party.

Based on the information it receives, the Board of Directors evaluates the adequacy of the Company's organization, administrative structure and accounting system; reviews the Company's strategic, industrial and financial plans; and based on reports provided by the bodies with delegated powers, assesses the general performance of the Company's operations.

Directors and Statutory Auditors may attend meetings by means of telecommunication systems. In such cases, the meeting is deemed to have been held at the location where both the meeting's Chairman and Secretary were present. In addition, it must be possible to identify the attendees, and they must be able to follow the proceedings, intervene in real time in the discussion of the topics on the Agenda and receive, send or view documents.

#### **Art. 14 – Resolutions of the Board of Directors**

The Board's resolutions shall be valid if the majority of Directors in office are present. Resolutions are passed by an absolute majority of votes of the Directors present. In the case of a tie, the Chairman of the meeting shall have the casting vote.

Resolutions shall be recorded in minutes, to be signed by the Chairman of the meeting and the Secretary.

#### **Art. 15 – Powers of the Board of Directors**

The Board is vested, without any limitation, with full powers for the ordinary and extraordinary management of the Company, with the authority to carry out all transactions, including disposals, deemed appropriate to achieve the Company's purposes, excluding and excepting none – including the granting of mortgages or liens, on the whole or part of property, to be registered, postponed and cancelled, as well as effecting or canceling registrations or notes of any kind, also regardless of the payment of debts which such registrations or notes relate to – with the exception of those transactions which are reserved by law to the competence of the Stockholders Meeting.

In addition to the power to issue non-convertible bonds, the Board of Directors is also authorized to adopt resolutions concerning:

- The absorption and demerger of companies, when specifically allowed by law;
- The opening or closing of secondary offices;
- The designation of Directors empowered to represent the Company;
- The reduction of capital stock when stockholders exercise the right to have their shares redeemed;
- The amendment of the By-laws that reflect changes in the law;
- The transfer of the Company's registered office to another location in Italy.

#### **Art. 16 – Representation**

The representation of the Company is invested in the Directors who serve as Chairman of the Board, Vice Chairman and Chief Executive Officer, separately, for the execution of the resolutions of the Board of Directors and in legal proceedings, as well as for the execution of the powers conferred on them by the Board.

The Board of Directors may also delegate to other Directors the power granted to it to represent the Company vis-à-vis third parties and in legal proceedings, including the power to provide formal depositions when required by law.

## **Art. 17 – Appointment and Qualifications of the Statutory Auditors**

The Board of Statutory Auditors is composed of 3 regular members and 3 alternate members. The minority has the right to appoint one regular and one alternate auditor.

All statutory auditors must be entered in the register of auditors and possess at least three years' experience as a statutory account auditor.

The Board of Statutory Auditors is appointed on the basis of lists presented by stockholders in which candidates, whose number shall not exceed the number of statutory auditors to be appointed, are listed in numerical order. The list consists of two sections: one for candidates to the office of regular auditor, the other for candidates to the office of alternate auditor.

Only those stockholders who, alone or with others, hold in total voting shares representing a percentage no lower than that required by applicable laws for the submission of lists of candidates for the appointment of the company's Board of Directors have the right to present lists of candidates.

No single stockholder, nor stockholders belonging to the same group, nor stockholders who are parties of stockholders' agreements whose object is the company's shares, can present or vote, even by means of third parties or a trustee company, more than one list. Each candidate can be present in one list only, otherwise he will be considered ineligible.

Candidates who are within the legally applicable limit for the number of concurrent offices held and meet the requirements of integrity, professionalism and independence set forth in the law and this article may be included in lists of candidates. Statutory auditors whose term of office has expired may be re-elected.

The lists presented must be deposited at the company's offices at least fifteen days prior to the date set for the Meeting on first call, and mention of such term must be made in the document calling the Meeting. In the event that on the expiry of this term only one list has been submitted, or if the only lists submitted are those of stockholders linked amongst themselves as defined by applicable law, lists may be presented up to five days after that date. In this case, the percentage provided in the fourth paragraph of this article is halved.

The lists must be accompanied by the following:

- information as to the identity of the stockholders submitting the lists, with an indication of the total percentage equity interest, as well as a certificate attesting the ownership of this interest;
- a statement by stockholders other than those having a controlling interest or relative majority interest, jointly as may be, in which they attest that they have no relations with such latter stockholders as provided in applicable law;
- exhaustive information on the personal and professional characteristics of the candidates and a declaration in which the single candidates accept the candidature and state, on their own responsibility, that they satisfy the requirements laid down by law and by the company's By-laws for the position in question;
- a list of the positions as director or statutory auditor held by candidates in other companies and their undertaking that they will update said list at the date of the stockholders meeting.

Any candidate for which the above rules are not observed will be considered as ineligible.

The statutory auditors are elected as follows:

1. two regular auditors and two alternate auditors are elected from the list that has obtained the highest number of votes at the Stockholders Meeting, on the basis of the numerical order under which they appear in each section of the list;
2. in compliance with the provisions of applicable law, the remaining regular auditor and the other alternate auditor are elected from the list that has obtained the second highest number of votes at the Stockholders Meeting, on the basis of the numerical order under which they appear in each section of the list. In the case of a tied vote between lists, the candidates are appointed from the list submitted by the stockholders having the greater equity interest or, subordinately, by the greatest number of stockholders.

The chairmanship of the Board of Statutory Auditors will go to the first candidate from the list that has obtained the second highest number of votes as determined pursuant to preceding point 2.

Should it be impossible to proceed with the appointment according to the above described system, the Stockholders Meeting shall resolve by relative majority.

Where the requirements of the law or company articles are not met, the statutory auditor forfeits his office.

In the event of a statutory auditor being replaced, the first alternate auditor belonging to the same list as the auditor being substituted and after having confirmed the existence of the prescribed requirements, will join the Board for the remainder of the auditors' term of office. In the event of a replacement of the Chairman, the office will be taken over by the statutory auditor that replaces him.

Prior rules in matters of the appointment of statutory auditors do not apply to Stockholders Meetings that have to appoint regular and/or alternate auditors to return the number of members of the Board to its original level. In such cases, the Stockholders Meeting resolves by relative majority, basing its decision on the principle that minority stockholders shall be represented.

Meetings of the Statutory Auditors may be held by means of telecommunication systems. In such cases, the meeting is deemed to have been held at the location where it was convened and where at least one Statutory Auditor was present. In addition, it must be possible to identify the attendees, and they must be able to follow the proceedings, intervene in real time in the discussion of the topics on the Agenda and receive, send or view documents.

#### **Art. 18 – Independent Audits**

Independent audits are performed by external auditors who meet statutory requirements.

The Stockholders Meeting has jurisdiction over the granting and revocation of the audit assignment to external auditors and the determination of the applicable compensation.

The duration of the assignment, as well as the rights, duties and prerogatives of external auditors are governed by the applicable laws.

#### **Art. 19 – Financial Year**

The Company's financial year ends on December 31 each year.

#### **Art. 20 – Allocation of Net Income**

The net income for the year resulting from the annual financial statements shall be allocated as follows:

- to the Legal Reserve, 5% of net income until this reserve reaches one fifth of the capital stock;

- to savings shares, a dividend of up to 0.31 euros per share;
- to the Legal Reserve (additional allocation), to the Extraordinary Reserve and/or to retained earnings, such allocations as shall be decided by the Stockholders Meeting;
- to preference shares, a dividend of up to 0.31 euros per share;
- to ordinary shares, a dividend of up to 0.155 euros per share;
- to savings shares and ordinary shares, in equal proportions, an additional dividend of up to 0.155 euros per share;
- to each ordinary, preference and savings shares, in equal proportions, the balance of the net income which the Stockholders Meeting resolves to distribute.

When the dividend paid to savings shares in any year amounts to less than 0.31 euros, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In case of modification of the par value of shares, the abovementioned amounts will be on a pro-rata basis.

During the course of the year, if the results of the Company's operations justify it and the law allows it, the Board of Directors may authorize the payment of interim dividends.

Dividends not collected within five years from the day they became payable shall be forfeited to the benefit of the Company.

#### **Art. 21 – Stockholders Right to Have Their Shares Redeemed**

The right of stockholders to have their shares redeemed is governed by the applicable laws, it being understood that this right is not available to stockholders who, either because absent or dissenting, did not vote in support of resolutions extending duration or introducing or removing restrictions on the circulation of shares.

The terms and procedures for the exercise of this right, the criteria used to determine share values and the share redemption process are governed by the applicable laws.

#### **Art. 22 – Stockholders Domicile**

The stockholders domicile, for all matters concerning his or her relationship with the Company, is that recorded in the book of stockholders.

#### **Art. 23 – Liquidation of the Company**

The Company shall be put into liquidation in the cases provided for and in accordance with the terms of the law.

The Stockholders Meeting shall appoint one or more liquidators and determine their powers.

In the event of liquidation, the Company's assets shall be distributed in the following order:

- to the savings shares up to their par value;
- to the preference shares up to their par value;
- to the ordinary shares up to their par value;
- the balance, if any, to shares of all three classes in equal proportions.