

APPENDIX “C” DOCKET NUMBER 45140 / FILE NUMBER 22396

BY-LAWS

Section 1 – Company Name

A joint-stock corporation (public limited company) is incorporated under the name “Basic Net S.p.A.”, as may be written with or without punctuation marks, or abbreviated into one word only, whether capitalized or otherwise, without any restriction over the graphic representation of the company name.

Section 2 – Registered Office

The registered office of the company is at 1 Largo Maurizio Vitale in Turin; each shareholder is deemed to have elected domicile, for all legal effects at the address recorded in the register of members.

The Board of Directors may open or close, pursuant to Board resolution, secondary offices, branch locations, agencies and/or representative offices, whether in Italy or abroad.

Section 3 – Duration

The duration of the company is fixed until December 31, 2050, and may be extended on one or more occasions by a Shareholders' Resolution.

Section 4 – Objects

The company's objects are:

1. the provision of services in the organizational, administrative, commercial and operational management sectors, management coordination of subsidiary and associated undertakings, fellow companies and unrelated parties, whether in Italy or abroad, as well as study, research and development, styling and industrialization activities, operational management and valorization of trademarks and other industrial and intellectual property rights, production and commercialization, relating to products and services whatever and more particularly, by way of mere example, those relating to textiles, apparel, footwear, eyewear, leatherwear, sportswear and equipment and, not least, all related accessories resulting therefrom;
2. the provision of services in favor of subsidiary and associated undertakings, fellow companies and unrelated parties, whether in Italy or abroad, involving the management of logistics and computer system services, and the acquisition on their behalf of products and services;
3. the provision of services in favor of subsidiary and associated undertakings and fellow companies, whether in Italy or abroad, in respect of financing whatever provided to such undertakings and companies;
4. the acquisition, sale or exchange of equity interests, provided that it is not the company's primary activity, in other companies or businesses whatever, whether formed or being formed, falling within the scope of the corporate objects or otherwise related, complementary or similar to it, with the exclusion of all activities involving dealings with the general public.

In the pursuit of the corporate objects, the company may carry out, whether for own account or for the account of the companies and entities in which it holds an interest, all commercial, industrial, financial, investment and property transactions, including therein the formation of companies and, to this end, the company may take out loans and financing and loans and may give, whether in favor of unrelated parties or otherwise, endorsements, sureties and other guarantees, including therein real guarantees.

Section 5 – Share Capital

Share capital amounts to Euro 31,716,673.04 (thirty-one million seven hundred and sixteen thousand six hundred and seventy-three euros zero four cents) and is represented by 60,993,602 (sixty million nine hundred and ninety-three thousand six hundred and two) ordinary shares, par value Euro 0.52 each.

Section 6 – Shares

The shares are indivisible and each share shall entitle the holder to one **vote except (i) as set out in Article 6-bis below**. The mere fact of being a shareholder shall constitute acceptance of the incorporation deed and these Articles of Association.

However, the Company may create, by resolution of the Extraordinary Shareholders' Meeting, categories of shares endowed with different rights pursuant to Article 2348 of the Italian Civil Code.

Shares are subject to the regulations provided for by the special laws on financial instruments traded on regulated markets.

Article 6-bis – The Increased voting rights

- 1. As an exception to that set out in paragraph 1 of Article 6 above, each share confers the right to double voting rights (and therefore to 2 (two) votes for each share) where both the following conditions are satisfied:**
 - (a) the share has been held by the same party - by virtue of a real legitimate right to the exercise of voting rights (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) - for a continuous period of at least 24 months;**
 - (b) the condition set forth in paragraph 1(a) above is attested by continuous enrolment, for a period of at least 24 months, in the special list specifically set up by the Company pursuant to this Article (the "Special List"), as well as by specific communication attesting to continuous share ownership, for the entire duration of the aforementioned period, issued by the intermediary with whom the shares are deposited pursuant to current legislation.**
- 2. The Company sets up and maintains at its registered office, according to the format and content established by the applicable regulation, the Special List, which enrolls those shareholders who intend to benefit from the increase in voting rights.**
- 3. In order to obtain registration in the Special List, the party entitled under this Article must submit a special application, enclosing a communication certifying possession of the shares for which the application has been submitted, issued by the intermediary with whom the shares are deposited in accordance with current regulations, as well as any other documentation required by current regulations. The Increased voting rights may be requested for only a part of the shares held by the holder. In the case of parties other than natural persons, the request should state whether the party is subject to the direct or indirect control of third parties and the details of any ultimate parent company and the relative chain of control.**
- 4. The acquisition of the increase in voting rights become effective automatically at the end of the twenty-fourth month from the date of registration in the Special List and their acquisition will be ascertained on the first of the following dates:**
 - (a) the fifth open trading day in the calendar month following that in which the conditions established by the Articles of Association for the increased voting rights occurred; or**
 - (b) the record date of any Shareholders' Meeting of the Company, established in accordance with the applicable regulation, subsequent to the date on which the conditions established by the Articles of Association for the increase in voting rights occurred.**
- 5. The Special List is updated by the Company by the fifth open trading day after the end of each calendar month and, in any case, by the record date established by the applicable regulations governing the right to attend and vote at the Shareholders' Meeting.**
- 6. The Company shall proceed with removal from the Special List in the following cases:**
 - (a) communication from the interested party or the intermediary proving the lapsing of the requirements for the increase in voting rights or the loss or interruption of possession of the real legitimate right and/or the relative voting rights;**
 - (b) where the Company receives notice of events resulting in the lapsing of the requirements for the increase in voting rights or the loss of ownership of the real legitimate right and/or the relative voting right;**
 - (c) renunciation by the interested party referring to all or part of the shares that led to enrolment in the Special List.**

7. The increased voting rights or, where not yet accrued, the effectiveness of the period of ownership necessary for the accrual of the increase will be retained with full validity and effectiveness in the event of the following:
- (a) constitution of a pledge, usufruct or other encumbrance on the shares with maintenance of the voting right for the holder of the real legitimate right;
 - (b) succession to the beneficiaries following death;
 - (c) merger or spin-off of the holder of the real legitimate right in favour of the company resulting from the merger or the beneficiary of the spin-off;
 - (d) transfer from one UCIT to another UCIT managed by the same SGR (Asset Management Company);
 - (e) transfer free of charge in favour of heirs, in accordance with a family agreement, for the establishment and/or endowment of a trust, a state or foundation of which the registered transferor or his/her heirs are beneficiaries;
 - (f) where the real legitimate right is held through a trust or trust company, the change of trustee or of the trust company.
8. The increased voting rights are extended:
- (a) proportionally to newly issued shares, in the event of a free share capital increase pursuant to Article 2442 of the Italian Civil Code and of a paid capital increase by means of new contributions made in exercise of the pre-emption right;
 - (b) to exchanged shares for which the increased voting rights have been granted, in the case of the spin-off or merger, where this is established by the relative proposal;
 - (c) proportionally to newly issued shares in the case of the conversion right related to convertible bonds and other debt instruments, howsoever structured, provided that such is established in the regulation for these financial instruments.
- In the cases referred to in paragraphs 8(a), 8(b) e 8(c) above:
- (i) the newly issued shares devolving to the holder in relation to shares for which such increased voting rights have already accrued, acquire the increased voting rights from the time of enrolment in the Special List, without the need for an additional uninterrupted holding period;
 - (ii) for the newly issued shares devolving to the holder in relation to shares for which the increased voting rights have not yet accrued (although are in the process of maturation), the increased voting rights devolve from the completion of the holding period calculated from the original enrolment date in the Special List.
9. The increased voting rights are lost:
- (a) in the event of disposal of the shares, with or without consideration, it being understood that "disposal" means any transaction involving the transfer of the shares as well as the establishment of a lien, usufruct or other restriction on the shares which involves the loss of voting rights by the shareholder;
 - (b) in the event of the direct or indirect disposal of controlling investments in companies or entities which hold shares with increased voting rights in excess of the threshold established by Article 120, paragraph 2 of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented.
10. The party entitled to the increased voting rights has the option to irrevocably waive (in full or in part) the increase in voting rights, through written communication to be sent to the Company. This does not affect the right of those who have renounced (in whole or in part) to the increased voting rights to ask for their shares to be included again (in whole or in part) in the Special List, also with reference to those shares for which the waiver was previously made. As regards such shares, the increased voting rights shall accrue after a new period of continuous ownership of at least twenty-four months, under the terms and conditions set forth in this Article.

11. The increased voting rights are included for the establishment of the constitutional and decision making quorums in terms of share capital percentages, although without any effect on the rights, other than voting rights, devolving on the basis of the possession of a particular portion of the share capital.
12. Unless otherwise provided for, for the purposes of this Article the notion of control is that established by the regulations for listed issuers.

Section 7 – Share Capital Increase

Insofar as arising from share capital increases, newly issued shares shall be offered in option to the Shareholders on a basis proportionate to the number of shares they own, without prejudice to the exclusion or limitation of the right of option, as required by applicable laws and regulations.

Share capital may be increased by not more than ten per cent (10%) of existent share capital with exclusion of the right of option in application of Section 2441.4 of the Italian Civil Code.

Share capital may be increased also by means of contributions in kind or credits.

Section 8 – Company Assets Allocated for Specific Business Purposes

In accordance with Section 2447-bis *et seq.* of the Italian Civil Code, the company may allocate an asset or groups of assets for specific business purposes pursuant to a Board resolution adopted by absolute majority vote.

In accordance with Section 2447-bis *et seq.* of the Italian Civil Code, the company may also use the income generated from the specific “business”, in respect of which financing was granted, to repay, inwhole or in part, the financing itself.

Section 9 – Shareholders’ Meetings

Shareholders’ Meetings shall be called to convene, in accordance with current legislation, at the registered office or such other venue as may be deemed to be appropriate in Italy. The Annual General Meeting called to approve the Annual Report & Accounts shall be called within one hundred and twenty days from the close of the company’s fiscal year, or whenever so required by law, within one hundred and eighty days from the close of the company’s fiscal year. Without prejudice to the formalities required by law, Meetings shall be called by the Chairman of the Board of Directors or, failing him, by the Director so delegated or by the Board itself, by publishing, in the manner and within the timescale prescribed by law, a notice specifying the date, time and venue, accompanied by a list of the business to be transacted, of the Meeting on the first call.

Extraordinary and General Shareholders’ Meeting are held usually following two or more calls.

As may be deemed to be appropriate, the Board of Directors may establish, giving relevant indication thereof in the Notice of Meeting, that both the General Shareholders’ Meeting and the Extraordinary Shareholders’ Meeting shall be held following one, and one only, call of shareholders’ meeting. In such instance, the respective quorum and majorities required by law are applicable.

Section 10 – Right to Attend and Proxies at Meeting

Each shareholder entitled to attend and vote at a Meeting of Shareholders may attend and vote in person or may authorize another person, who need not be a shareholder, to act for the shareholder by proxy, in accordance with the procedure established for the Meeting.

Shareholders may register the appointment of their proxy electronically either using the Company’s certificated website or any other means specified in the Notice of Meeting.

As required by applicable laws and regulations, shareholders entitled to attend and/or vote at a Meeting are those shareholders who have obtained certified proof of ownership from their intermediary, as duly communicated to the Company in conformity with applicable law.

The Company (as represented by the Board of Directors) may appoint for every Shareholders’ Meeting, giving due indication thereof in the Notice of Meeting, a representative upon which the shareholders may confer, in the manner, terms and timelines envisaged by applicable legal and regulatory requirements, a proxy containing voting instructions as to how the proxy should cast vote on all or some of the items on the agenda. The vote cast

by proxy shall be effective only for those proposed resolutions for which instructions were given as to how the proxy should cast vote.

The Chairman of the Meeting verifies the rights to attend and the propriety of proxies, presides over the Meeting and verifies the casting of votes.

Section 11 – Chairmanship, Presiding Officer and Voting Procedures

The Meeting is chaired by the Chairman of the Board of Directors, or, in the absence thereof, the Deputy Chairman or, failing him, the person designated by those present. As required by the Regulations governing Meetings, the Chairman acts as presiding officer over Meetings and determines the order of business and the procedure at Meetings, including such regulation of the manner of voting and the conduct of discussion as seem to the Chairman in order.

The Meeting appoints a Secretary, proposed by the Chairman, who need not be a shareholder, and may appoint, whenever deemed to be appropriate, two scrutineers from among the shareholders present.

Resolutions adopted at a Meeting shall be recorded in minutes signed by the Chairman and the Secretary. Where required by law, or should the Chairman of the Meeting consider it appropriate, the minutes of the Meeting are taken by a public notary designated by those present. The assistance of a Secretary is not necessary when the minutes of the Meeting are drawn up by a public notary.

As approved by a Shareholders' Resolution adopted by way of ordinary resolution, Meetings are conducted in a manner pursuant to, and consistent with, the Regulations governing Shareholders' Meetings.

Section 12 – Constitution of Meeting and Validity of Resolutions

The requirements of law shall apply in respect of the constitution of meeting and the validity of resolutions adopted, whether at the General Meetings of Shareholders or at the Extraordinary Meetings of Shareholders.

Section 13 – Board of Directors, Board Committees and Delegated Officers

The Company is administered by a Board of Directors consisting of not less than five and not more than fifteen members.

Prior to their appointment, the Shareholders' Meeting decides the exact number of Board members and related term of office thereof pursuant to the requirements of law.

The Board of Directors shall be appointed by the Meeting on the basis of slates, on which the candidates, not in excess of fifteen in number, shall be listed by means of progressive numbers.

One member at least of the Board of Directors, or, should the Board of Directors be comprised by more than seven members, two members at least shall possess the requisite of independent director as such term is defined by law. Each slate shall list one candidate at least having the requisite of independent director, as appearing first on the slate.

Each candidate shall submit or participate in the submission of one slate only, under penalty of ineligibility.

Having the right to submit slates shall be those Shareholders, and only those Shareholders who, alone or together with other Shareholders, hold a total number of shares having such voting rights as to represent the percentage of the company's capital required by law at such time and as specified in the notice calling the Meeting to pass resolution on the appointment of the directors.

To evidence ownership of the number of shares having the voting rights necessary to present slates, Shareholders shall submit and/or deliver to the registered office of the Company, a certificate attesting to their right to present slates.

Each shareholder, including those shareholders who belong to the one same group pursuant to Article 2359 of the Italian Civil Code, and individuals party to shareholder covenants, whether through subsidiary undertakings or otherwise, pursuant to Article 122 of Italian legislative decree no. 58 of February 24, 1998, may not submit, whether through trust companies or otherwise, more than one slate.

Should more than one slate be submitted, no account shall be taken of the vote cast by the shareholder in respect of certain slates presented.

Each person entitled to vote may vote for one slate only.

The slates, attesting the members who submitted them and the aggregate percentage of ownership held, plus the curriculum vitae of the candidates, shall be filed at the company's registered office within the timescale established by applicable laws and regulations. The slates, with three or more candidates in number, must be formulated in such a way that the composition of the Board of Directors elected complies at least with the minimum gender quota requirement envisaged from time to time by applicable laws and regulations.

Along with each slate, and by the timelines referred to above, declarations shall be filed pursuant to which the individual candidates agree to their candidacy and attest, under their responsibility, that there are no grounds for ineligibility or conflicts of interest, and that they meet the requisite of independent directors as such term is defined by law and, not least, the requirements prescribed for the corresponding positions.

Any slate not complying with the foregoing shall be disregarded.

In the number determined by Shareholders' Resolution, the Board of Directors shall be elected as follows:

- a. all the directors to be elected, except for one, arranged in the progressive order in which they are listed on the slate, shall be chosen from the slate that obtains the greatest number of the votes, so as to assure that the composition of the Board of Directors complies with the gender quota requirement envisaged by law; and
- b. as listed first on the slate, the remaining director to be elected shall be taken from the slate that obtains the second greatest number of the votes.

Slates not attaining a percentage of votes equal to, or in excess of, the percentage of votes prescribed by these By-laws shall be disregarded.

In the case of a tie, new voting shall be cast by the Meeting as a whole and shall culminate into the candidate first listed on the slate that obtains the simple majority of votes being elected.

In appointing directors who for any reason whatever have not been appointed pursuant to the procedure referred to above, the Meeting shall vote on the basis of the majority required by law.

If, in the course of the fiscal year, a vacancy of one or more directors occurs, the procedure pursuant to Article 2386 of the Italian Civil Code shall be followed, whereby:

- a. the Board of Directors shall provide for their replacement by appointing a person or persons taken from the same slate to which the outgoing directors belonged, choosing, where necessary, those meeting the requisite of independent directors as such term is defined by law, with the Meeting passing resolution accordingly on the basis of the majority required by law: and
- b. should observance of the foregoing point a.) not be feasible for any reason whatever in terms of independent director status, the Board of Directors shall provide otherwise for their replacement, as shall the Meeting likewise provide otherwise, always on the basis of the majority required by law; and
- c. should observance of the foregoing point a.) not be feasible for any reason whatever in terms of gender equality quota, the Board of Directors shall provide otherwise for their replacement, as shall the Meeting likewise provide otherwise, always on the basis of the majority required by law.

Unless the Shareholders' Meeting has already done so, the Board of Directors shall elect, from among its members, a Chairman and, as may be deemed to be appropriate, one or more Deputy Chairmen.

Should the Chairman be absent or unavailable, his duties and functions shall be fulfilled by the Deputy Chairman.

If two or more Deputy Chairmen have been appointed, such duties and functions shall be fulfilled by the more senior Deputy Chairman in terms of office or, in the absence thereof, by one of the other Deputy Chairmen in order of appointment.

Within the limits established by current legislation, the Board may delegate any of its powers to an Executive Committee, determining – on formation thereof – the number of Directors to serve on such Committee and their powers and responsibilities. The Board may also delegate its powers, within the limits established by current legislation, to the Chairman or to one or more Managing Directors and establish their powers.

On occasion of the Board meetings, and at least once every three months, the Board committees and/or delegated officers charged with organizational, administrative and internal audit responsibilities report, in written form, to the Board of Directors and the Board of Statutory Auditors on the company's operating performance and business outlook and, not least, on the more significant transactions put in place by the company or its subsidiaries in terms of economic, financial and equity magnitude. In particular, the core remit of the Board committees and/or delegated officers includes promptly bringing the attention of the Board and the Statutory Auditors to transactions in which directors have a personal or related party interest or transactions that might be subject to influence by the entity exercising management and coordination.

The Board may appoint a Secretary, who need not be a member of the Board, and a General Manager, and one or more co-general managers, attorneys-at-law and senior managers, determining their respective powers and responsibilities and, within the framework thereof, their powers of signature.

The members of the Executive Committee shall serve for a term ending on the date of their term of office as Director.

Section 14 – Board Meetings

The Board of Directors meets at the registered offices or elsewhere, whether in Italy or abroad, every time this is required by the affairs of the company or upon call by the Chairman or whenever so requested by at least two directors or by the Board of Statutory Auditors.

Board meetings are called by the Chairman or his deputy, or by the Board of Statutory Auditors or a Standing Auditor, giving at least five days notice thereof to the Chairman of the Board of Directors, served either by recorded delivery or e-mail or fax, except in urgent cases where such timeline may be shortened.

Directors or any members of any committee designated by the directors may also participate in a meeting of the Board of Directors via teleconferencing or similar communications equipment by means of which all persons participating in the meeting can be identified, can hear each other and can receive, transmit or view documents, and participation by such means shall constitute presence in person at such meeting.

In order to ensure that the minutes of the meetings of the Board are taken and undersigned, the Board meeting is considered to take place at the venue in which the Chairman and the Secretary are present.

Board meetings are chaired by the Chairman. If the Chairman is absent or unavailable, the meetings of the Board shall be chaired by the Deputy Chairman (or, if more than one, the more senior Deputy Chairman in terms of office), or, failing him, by the Chief Executive Officer (or, if more than one, the more senior Chief Executive Officer in terms of office).

The requirements of Section 2388 of the Italian Civil Code shall apply in respect of the validity of resolutions adopted by the Board of Directors.

Section 15 – Director Emoluments

Recognition to the Board shall be an emolument in the amount established by the Shareholders' Meeting, and the directors shall have right to reimbursement of the expenses incurred in exercising their functions. In accordance with Section 2389.3 of the Italian Civil Code, the fees of directors who are vested with particular offices are established by the Board of Directors after consultation with the Board of Statutory Auditors.

Section 16 – Powers of the Board of Directors and Representation in Law

The Board of Directors is vested with the widest of powers of ordinary and extraordinary administration, without exception whatever, and, in particular, may perform all acts deemed to be appropriate to achieve the corporate objectives – including therein the recording, subrogation, deferral and cancellation of mortgages and liens, whether in whole or in part, as well as the recording and cancellation of transcriptions and annotations of any kind whatever, regardless of the amounts payable to which such transcriptions and annotations related – with the sole exception of those reserved by law to the Shareholders' Meeting.

In accordance with Section 2365.2 of the Italian Civil Code, also assigned to the authority of the Board of

Directors are the following:

- resolutions, pursuant to Section 2505 and Section 2505-bis of the Italian Civil Code, concerning the merger by incorporation of one or more companies in which are held all the shares or share units, or in which ninety per cent at least of the shares or share units are held;
- opening and closing of secondary offices;
- identifying which Directors are empowered to represent the company in law;
- amending the By-laws of a company in order to ensure compliance with legal and regulatory requirements;
- reducing share capital should rights of withdrawal be exercised by a shareholder; and
- relocating a company formed with registered office within the national territory.

Within the limits established by Section 2410.1 of the Italian Civil Code, the Board of Directors is empowered to issue debentures,

The Board of Directors and its delegated officers, if any, shall have the authority to undertake, with noneed for approval by shareholders' meeting, any deed or action that might hinder the achievement of the objectives of a takeover bid or public offering, from the moment in which the decision or obligation to launch the bid or offering was communicated or published up to the moment in which such a bid or offering is completed or reaches expiration.

The Board of Directors and its delegated officers, if any, shall also have the authority to implement, in whole or in part, such a decision, not falling within the normal course of business, taken prior to receiving the communication referred to above and that, upon implementation, might hinder the achievement of the goals and objectives of a takeover bid or public offering.

Representation in law and before third parties, including therein the power of signature, severally and separately to each Deputy Chairman and to each Managing Director appointed by the Board of Directors pursuant to Section 2381 of the Italian Civil Code.

Section 17 – Board of Statutory Auditors

The Board of Statutory Auditors is composed of three Standing Auditors.

In addition, two Alternate Auditors shall be appointed. The Standing Auditors and the Alternate Auditors shall be appointed for a period of three years, with term of office reaching expiration date at the date on which the Annual Report & Accounts covering the third year of office are approved at the General Shareholders' Meeting. One Standing Auditor and one Alternate Auditor shall be elected by the minority shareholders, as identified by currently prevailing laws and regulations.

The Board of Statutory Auditors shall be appointed on the basis of slates submitted by the Shareholders, where the candidates are listed in progressive order. The slate is divided into two sections: one for the standing auditor candidates and the other for the alternate auditor candidates. The slates, with three or more candidates in number, must be formulated in such a way that the composition of the Board of Statutory Auditors elected complies at least with the minimum gender quota requirement envisaged from time to time by applicable laws and regulations.

Having the right to submit slates shall be those Shareholders, and only those Shareholders, who, alone or together with other Shareholders, hold a total number of shares having such voting rights as to represent the percentage of the company's capital required by law at such time and as specified in the notice calling the Meeting to pass resolution on the appointment of the Board of Statutory Auditors.

To evidence ownership of the number of shares having the voting rights necessary to present slates, Shareholders shall submit and/or deliver to the registered office of the Company, a certificate attesting to their right to present slates.

Each shareholder, including those Shareholders pertaining to the one same group pursuant to Article 2359 of the Italian Civil Code, and individuals that are party to shareholder covenants, whether through subsidiary undertakings or otherwise, pursuant to Article 122 of Italian legislative decree no. 58 of February 24, 1998, may not submit, nor vote, whether through trust companies or otherwise, more than one slate.

Should more than one slate be submitted, no account shall be taken of the vote cast by the shareholder in respect of certain slates presented.

Each candidate may candidate himself/herself on one slate only and, if elected, shall forfeit their office. Candidates holding statutory auditor appointments in excess of the number of statutory auditor appointments established by applicable laws and regulations cannot be elected to the office of statutory auditor. Outgoing Statutory Auditors may stand for re-election.

As defined by Article 1.3. of Ministry of Justice Decree No. 162 of March 30, 2000:

the business segments more closely related to the business segment in which the company specializes unfold into:

- research and development, styling, production and commercialization of products and services and more particularly, products and services relating to textiles, apparel, footwear, eyewear, leatherwear, sportswear and equipment and, not least, all related accessories attaching thereto or resulting therefrom; and
- trademark enhancement and operational management.

The laws, regulations and business competences more closely related to the business segment in which the company specializes are:

- industrial law, commercial law and tax laws and regulations, as well as other issues such as economics and commerce, accounting and corporate finance.

The slates, attesting the members who submitted them and the aggregate percentage of ownership held, including therein such members other than those who, alone or together with other Shareholders, hold majority and/or controlling interests without incurring in the conditions contemplated by law or qualifying for causes of ineligibility and forfeiture, plus the curriculum vitae of the candidates, shall be filed at the company's registered office within the legally required timescale. Along with each slate, and within the legally required timescale referred to above, declarations shall be filed pursuant to which the individual candidates agree to their candidacy and attest, under their responsibility, that there are no grounds for ineligibility or conflicts of interest, and that they meet the requisite of statutory auditor as such term is defined by law and, not least, the requirements prescribed for the corresponding positions and, not least, for the administration and control appointments held at other companies.

Any slate not complying with the foregoing shall be disregarded.

The members of the Board of Statutory Auditors are elected as follows:

- a. as arranged in the progressive order in which they are listed on the slate, the two standing auditors and one alternate auditor to be elected shall be chosen from the slate that obtains the greatest number of votes; and
- b. as arranged in the progressive order in which they are listed on the slate, the remaining standing auditor and the remaining alternate auditor to be elected shall be taken from the second slate that obtains the greatest number of the votes.

The Chairman of the Board of Statutory Auditors shall be deemed to be the first candidate listed on the second slate that obtains the greatest number of the votes.

In the case of a tie, the candidates listed on the slate submitted by the majority shareholders, i.e. the candidates listed on the slate that was submitted by the greatest number of shareholders.

Should one, and only one, slate of candidates be submitted, all the Standing Auditors and all the Alternate Auditors shall be elected from that slate, and the candidate first listed on such slate shall be elected as Chairman of the Board of Statutory Auditors.

In appointing statutory auditors who for any reason whatever have not been appointed pursuant to the procedure referred to above, the Meeting shall vote on the basis of the majority required by law.

Statutory auditors registered in the slate of statutory auditors elected, cancellation or suspension from the slate entails forfeiture of the office of statutory auditor.

In the case of replacement of a Standing Auditor, including therein replacement of the Chairman of the Board of Statutory Auditors, by virtue of cessation of office, the Alternate Auditor registered in the same slate as the auditor being replaced takes his place or, failing this, in the case of replacement of an Auditor elected from the minority slate, the candidate listed immediately after him on the minority slate takes his place. Should replacement of an Auditor lead to non-observance of the gender equality requirement envisaged by law, the Board of Statutory Auditors shall be integrated.

Should the Board of Statutory Auditors be incomplete:

- in terms of an Auditor elected from the majority slate, the Meeting called to provide for such completion shall appoint, by majority vote, the Auditor from among the candidates listed in the majority slate, so as to assure that the composition of the Board of Statutory Auditors complies with the gender quota requirement envisaged by law;
- in terms of an auditor elected from the minority slate, including therein the Chairman of the Board of Statutory Auditors, the Meeting called to provide for such completion shall appoint, by majority vote, the Auditor from among the candidates listed in the minority slate, so as to assure that the composition of the Board of Statutory Auditors complies with the gender quota requirement envisaged by law;
- in terms of Auditors elected from both the majority slate and the minority slate, including therein the Chairman of the Board of Statutory Auditors, the Meeting called to provide for such completion shall appoint, by majority vote, the Auditor and/or Chairman from among the candidates listed in the majority and/or minority slate in a number equal to the number of Auditors, who ceased office, belonging to such slate, so as to assure that the composition of the Board of Statutory Auditors complies with the gender quota requirement envisaged by law.

In appointing statutory auditors who for any reason whatever have not been appointed pursuant to the procedure referred to above, the Meeting shall vote on the basis of the majority required by law, without prejudice to the rights of the minority contemplated.

The annual remuneration of the Statutory Auditors shall be established by the Shareholders' Meeting. Meetings of the Board of Statutory Auditors may be held via teleconferencing or similar communications equipment by means of which all persons participating in the meeting can be identified, can hear each other and can receive, transmit or view documents, and participation by such means shall constitute presence in person at such meeting.

In such circumstances, a Meeting of the Board of Statutory Auditors is considered to take place at the venue in which the Chairman of the Board of Statutory Auditors is present.

The company's accounts shall be audited by a Registered Independent Auditor, as required by Article 161 of Italian legislative decree no. 58 of February 24, 1998.

Section 18 – Fiscal Year

The company's fiscal year ends on December 31st each year. The Directors are responsible for preparing the Company Financial Statements, in accordance with applicable law and regulations and, not least, within the legally required timescale.

Section 19 – Allocation of Net Income

Net income shall be allocated as follows:

- a. five per cent (5%) to the legal reserve until such reserve equates one-fifth of share capital; and
- b. the remainder shall be allocated on a basis consistent with Shareholders' Resolutions adopted by way of ordinary resolutions.

Within the limits established by law, the Board of Directors may distribute interim dividends to the shareholders during the course of the fiscal year.

Section 20 – Officer Responsible for Drawing Up Company Accounting Documents

With the agreement of the Board of Statutory Auditors, the Board of Directors shall appoint a Company Officer responsible for drawing up the Company Accounting Documents, establishing his (her) term of office.

The Company Officer shall possess the following qualifications:

- several years of experience gained in the field of administration, finance and control; and
- good name and honest repute, as required by law in respect of directorships.

Section 21 – Right of Withdrawal

Right of withdrawal is admitted if, and only if, so permitted by law.

Specifically excluded is the right of withdrawal from resolutions concerning changes in respect of the company's duration and the introduction/removal of restrictions attaching to securities in circulation.

Section 22 – Winding-up

If the company is wound up, the Shareholders' Meeting will determine the basis for the liquidation, appoint one or more liquidators and establish their powers and remuneration.

Section 23 – Settlement of Disputes

Any dispute whatever that may arise between the company and the shareholders, their successors or those having cause, the Directors, the Statutory Auditors and/or the liquidator, whether during the duration or the winding up of the company, in connection with these By-laws and the related interpretation, application, execution, breach, term or dissolution thereof, shall be submitted for hearing before the Court of Turin.

Section 24 – Applicable Law

Unless otherwise specified, all matters not covered by these By-laws shall be governed by the Italian Civil Code and other applicable laws and regulations.

Endorsed

Turin, 29th July 2021

Original signed by:

= MARCO DANIELE BOGLIONE

= NOTARY PUBLIC GIULIO BIINO