



A2A S.P.A.
ARTICLES
OF
ASSOCIATION

Amended on June 16, 2014 (Extraordinary General Meeting held on June 13, 2014).

Title I
NAME - REGISTERED OFFICE - DURATION - CORPORATE
PURPOSE

ARTICLE 1

1. A joint-stock company is hereby established under the name of A2A S.p.A..

ARTICLE 2

1. The Company has its registered office in Brescia, Italy.
2. The Company may establish or close down secondary and representative offices, branches and sub-offices, both in Italy and abroad, in accordance with the procedures laid down by law.

ARTICLE 3

1. The duration of the Company shall be until December 31 (thirty-one) 2100 (two thousand one hundred) and may be extended by resolution of the shareholders' meeting.

ARTICLE 4

1. The purpose of the Company is to carry out, either directly or through invested companies and entities, activities in the field of research, production, supply, transportation, transformation, distribution, sale, use and recovery of energy resources and of the integrated water cycle.
2. The Company may also carry out activities in the field of other network services, including the installation, maintenance, connection and testing of telecommunications systems, as well as provide public services in general and carry out activities instrumental, connected and ancillary to those indicated above, including services in the field of waste collection, treatment and disposal and of urban and environmental hygiene in general.
3. In these fields, the Company may also carry out study, consulting and design activities, except for activities expressly reserved by law.
4. The Company may perform any and all transactions deemed necessary or useful for the attainment of its corporate purpose; it may

effect, *inter alia*, real and personal property, commercial, industrial and financial transactions, and do everything that is connected to the achievement of its corporate purpose, except for the collection of savings from the general public and the carrying out of reserved activities under Legislative Decree No. 58 of February 24, 1998.

5. Finally, the Company may acquire interests and equity investments in other companies or businesses, both Italian and foreign, whose corporate purpose is similar, connected or ancillary to its own, and may provide real and/or personal security for obligations connected with the conduct of corporate business also to the benefit of subsidiary and/or associated entities and companies.

TITLE II SHARE CAPITAL - SHARES - BONDS

ARTICLE 5

1. The share capital amounts to Euro 1,629,110,744.04 (one billion, six hundred and twenty-nine million, one hundred and ten thousand, seven hundred and forty-four - point zero four) represented by 3,132,905,277 (three billion, one hundred and thirty-two million, nine hundred and five thousand, two hundred and seventy-seven) ordinary shares, with a par value of Euro 0.52 (zero point fifty-two) each.

ARTICLE 6

1. The shares are indivisible and each share carries one vote, except for special shares issued pursuant to the legislation in force from time to time.

ARTICLE 7

1 Payments for shares are requested by the Board of Directors according to the deadlines and procedures it deems appropriate. Without prejudice to article 2344 of the Italian Civil Code, shareholders who are late in their payments shall be charged annual interest amounting to the relevant rate set forth by the European Central Bank increased by 2 (two) percentage points.

ARTICLE 8

1. Shares are registered.

ARTICLE 9

1. Pursuant to article 3 of Decree Law No. 332 of May 31, 1994, as amended by Law No. 474 of July 30, 1994, any individual shareholder other than the Municipality of Brescia and the Municipality of Milan, as well as his/her family, including the shareholder him/herself, the spouse not legally separated and minor children, may not hold an equity investment exceeding 5% (five per cent) of the share capital.

2. This limit also applies to shares held indirectly by a natural or legal person through subsidiary companies, trust companies or a third party, as well as to shares held directly or indirectly by way of pledge or usufruct, provided that the voting rights attached thereto are granted to the pledgee or to the life tenant, as well as to shares held directly or indirectly by way of deposit, should the depositary be entitled to discretionally exercise the voting rights attached thereto, as well as to shares under carry-over contracts, both from the payer's and the receiver's viewpoints.

3. The ownership limit referred to in the previous paragraph also applies to shares held by the individual shareholder's group, i.e. a person who exercises control (including persons without corporate status), subsidiary companies and companies controlled by the same controlling body, as well as affiliates (including persons without corporate status). Control also extends to persons other than companies, in the cases provided for in article 2359, paragraphs 1 and 2, of the Italian Civil Code. The relation of affiliation applies in the cases provided for in article 2359, paragraph 3, of the Italian Civil Code, as well as between persons who, either directly or indirectly, including through subsidiary companies, trust companies or a third party, expressly or through concerted actions, enter into agreements, also with third parties, in relation to the exercise of voting rights or to the transfer of shares, including shares of third-party companies, and in all cases agreements or covenants under article 122 of Legislative Decree No. 58 of February 24, 1998, regardless of the validity of said covenants and agreements.

4. In relation to shareholders' agreements or covenants regarding the exercise of voting rights or the transfer of shares of third-party

companies, a relation is deemed to exist if said agreements or covenants involve at least 10% (ten per cent) of the voting share capital in the event of companies traded on a regulated market, or 20% (twenty per cent) in all other cases.

5. Any person holding company shares in breach of the prohibition under the first paragraph, shall give written notice thereof to the Company within 20 (twenty) days of the transaction following which the equity investment has exceeded the authorized percentage limit.

6. Any covenant or agreement involving, for the parties, limitations or regulations on voting rights, obligations or power to arrange a preliminary consultation for the exercise of such rights, obligations as to the transfer of shares, or any agreement on concerted purchases, shall be entered into by public deed to be notified in writing to Consob (*Commissione Nazionale per le Società e la Borsa* - Italian Stock Exchange) and to the Company within 5 (five) days of its execution, and to be made public within 5 (five) days of its execution by a notice published in 1 national daily and filed with the competent Register of Companies within 5 (five) days of said execution. If the parties fail to comply with the above, the deed will be deemed null and void and ineffective also among the parties.

7. Pursuant to article 2, letter b), of Decree Law No. 332 of May 31, 1994, as amended by Law No. 474 of July 30, 1994, and by Law No. 350 of December 24, 2003, the validity of covenants or agreements between shareholders - referred to in article 122 of Legislative Decree No. 58 of February 24, 1998 - is conditional upon the lack of opposition to be given jointly by the Municipality of Brescia and the Municipality of Milan, should said covenants or agreements involve more than 5% (five per cent) of the share capital represented by voting shares at the shareholders' meeting. The power of opposition must be exercised according to the deadlines and procedures laid down by regulations in force from time to time.

8. Until the expiry of the deadline to exercise the power of opposition, the parties to the covenant may not exercise their voting right. Should the power of opposition be exercised, the agreements shall be deemed null and void. If, during the shareholders' meeting, the syndicated shareholders' conduct infers that they will meet the commitments undertaken when signing the covenants referred to in the aforementioned article 122 of Legislative Decree No. 58 of February 24, 1998, any resolution adopted with the deciding vote of the shareholders themselves may be contested.

9. Except for the Municipality of Brescia and the Municipality of Milan, to whom the ownership limit does not apply, should the ownership limit under this article be exceeded, the voting right attached to the shares held in excess of 5% (five per cent) of the share capital may not be exercised; accordingly, the voting right that would be granted to each of the persons to whom the ownership limit can be referred, shall be reduced proportionally, unless prior joint instructions are given by the shareholders involved.

10. In the event of failure to comply, the resolution passed by the shareholders' meeting may be contested pursuant to article 2377 of the Italian Civil Code, if the majority required had not been reached without the votes in excess of the maximum limit indicated above.

11. The shares for which no voting rights can be exercised are, in any case, taken into account for the purposes of the regular constitution of the shareholders' meeting.

ARTICLE 10

The status of shareholder entails unconditional compliance with the Company's Articles of Association and all the resolutions passed by the shareholders' meeting, including those passed prior to the acquisition of such status. With respect to corporate relations, the shareholders' domicile is considered the domicile indicated in the register of shareholders.

TITLE III SHAREHOLDERS' MEETINGS

ARTICLE 11

1. The shareholders' meeting, legally convened and constituted, is composed of all those entitled to vote and represents the entire body of those entitled to vote. Its resolutions, passed in accordance with the law, are binding upon all shareholders and those entitled to vote, including those absent or dissenting.

2. The shareholders' meeting resolves on all subjects for which it has competence by law or under the Articles of Association.

ARTICLE 12

1. Without prejudice to the statutory powers to convene meetings, it is the duty of the Board of Directors to call the shareholders' meeting. Meetings may also be held away from the registered office, provided they are held in Lombardy, Italy, whenever the Board of Directors deems it necessary and in the cases provided for by law and in any case at least once a year within 120 (one hundred and twenty days), or in the circumstances permitted by law, no later than 180 (one hundred and eighty days), of the closing of the financial year.
2. The notice of call shall indicate the date, time and place of the meeting in first and second call, the list of matters to be discussed and any other information which is required to be reported in the notice of call according to the laws and regulations in force at the time, including article 125-*bis* of Legislative Decree no. 58 of February 24, 1998.
3. The notice of call shall be published on the Company's website, as well as according to the other procedures laid down by Consob, within the deadlines laid down by law. If required by mandatory provisions or decided by the governing body, the notice of call shall also be published in the daily newspaper "Il Sole 24 Ore".
4. The notice of call may also include a third call for the extraordinary session of the shareholders' meeting.
5. Within the limits permitted by article 2367 of the Italian Civil Code, shareholders' meetings are also called when requested by a number of shareholders representing at least 5% (five per cent) of the share capital, specifying the matters to be discussed.
6. Shareholders who, including jointly, represent at least one-fortieth of the share capital are also entitled to ask for items to be added to the agenda of the shareholders' meeting pursuant to article 126-*bis* of Legislative Decree no. 58 of 24 February 1998, within the limits permitted by this rule and according to the procedures and time limits provided therein.

ARTICLE 13

1. Shareholders' meetings are chaired by the Chairman of the Board of Directors or, in his/her absence or impediment, by the Deputy Chairman of the Board of Directors or, in his/her absence or

impediment, by the person appointed by the meeting with an absolute majority of the capital represented therein.

2. The resolutions passed by the shareholders' meeting must be recorded in the minutes signed by the Chairman and by the secretary appointed by the meeting upon the proposal of the Chairman of the meeting. When required by law, or whenever the Chairman of the shareholders' meeting deems it appropriate, the minutes are drawn up by a notary public chosen by the Chairman.

ARTICLE 14

1. The right to attend the shareholders' meeting and to exercise voting rights is certified, in compliance with current laws and regulations in force at the time, by a notice to be given to the Company, by the agent who keeps the accounts on which shares are registered, in accordance with its accounting records, in favor of the person who is granted the voting right.

2. Without prejudice to the provisions on proxy solicitation and granting of proxies to associations of shareholders, those who are entitled to vote may be entitled to be represented, at the shareholders' meeting, pursuant to law, by written proxy which may also be notified to the Company by sending the proxy itself to the certified e-mail address specified in the notice of call, in any case without prejudice to compliance with the laws and regulations in force at the time. Except for the Municipality of Brescia and the Municipality of Milan, to whom the ownership limit does not apply, no one may exercise the voting right, neither directly, nor on behalf of other shareholders, for more than 5% (five per cent) of the share capital. In order to facilitate the collection of voting proxies from shareholders who are employees of the Company and its subsidiaries, from the members of associations of shareholders who meet the requirements laid down in the relevant regulations in force at the time, according to the deadlines and procedures laid down by the Board of Directors, special spaces are made available for the notification and the carrying out of said collection activity.

3. It is the duty of the chairman of the shareholders' meeting to ascertain the validity of the individual proxies and in general the right to attend shareholders' meetings.

ARTICLE 15

1. As to the constitution and resolutions passed by ordinary shareholders' meetings, both in first and second call, the provisions of law shall apply.
2. Extraordinary shareholders' meetings are constituted with the majorities established by law and validly resolve as to any call with the favorable vote of 75% (seventy-five per cent) of the share capital represented at the meeting.
3. Pursuant to article 2, letter c), of Decree Law No. 332 of May 31 1994, as amended by Law No. 474 of July 30, 1994, and by Law No. 350 of December 24, 2003, the Municipality of Brescia and the Municipality of Milan shall be jointly entitled to veto the adoption of resolutions regarding dissolution of the Company, pursuant to article 2484, paragraph 1, No. 6 of the Italian Civil Code, transfer of the business for any reason whatsoever, merger, demerger, relocation of registered office abroad, change in corporate purposes, amendments to the Articles of Association abolishing or modifying, in addition to the powers of the Municipality of Brescia and the Municipality of Milan to be jointly exercised as laid down in this paragraph, also those laid down in article 9, paragraph 7, above.
4. The right of veto must be exercised according to the deadlines and procedures laid down by the regulations, including community regulations, in force from time to time.

TITLE IV MANAGEMENT

ARTICLE 16

1. The Company shall be managed by a Board of Directors having 12 (twelve) members, who do not have to be shareholders, who shall remain in office for three financial years and whose term shall expire at the date of the shareholders' meeting called to approve the financial statements for the last year in which they were in office; members of the Board of Directors may be re-elected and their term office expires in accordance with the requirements of law.
The members of the Board of Directors shall satisfy the requirements of integrity and professionalism prescribed by current laws and regulations.

ARTICLE 17

1. Members of the Board of Directors are elected under a voting system based on lists on which there must be at least two candidates who are allocated a sequential number.

Each list must contain a number of candidates belonging to the lesser represented gender which shall ensure a balance between the genders at least to the minimum extent required by current laws and regulations. Lists containing fewer than 3 (three) candidates shall be exempt from this restriction.

2. The appointment of members of the Board of Directors shall be carried out in the following manner:

(i) 9 (nine) members of the board are taken from the list obtaining the highest number of votes on the basis of the sequential order in which they have been listed;

(ii) for the appointment of the remaining 3 (three) members, the votes which have been obtained by each of the lists other than that at paragraph (i) and which have not been presented by or voted for by shareholders who are related under current legislation with the shareholders who have presented or voted for the list at paragraph (i) are subsequently divided by one, two and three. The quotients thereby obtained are sequentially allocated to the candidates of each list in the order contained in the list.

The candidates are consequently placed in a classification in decreasing order, on the basis of the quotients assigned to each candidate. The candidates having the highest quotients shall be elected until the places of all the members to be elected have been filled. If candidates on different lists have the same quotients, for the last member to be elected preference will be given to the candidate on the list which has obtained the highest number of votes or, in the case of further parity, to the elder or eldest candidate.

3. As an exception to the requirements of the previous paragraph, where the list that has obtained the second highest number of votes has received votes totaling 20% (twenty per cent) or more of the Company's share capital with voting rights at an ordinary shareholders' meeting, the members of the Board of Directors shall be appointed in the following manner:

(i) 9 (nine) members of the Board of Directors shall be taken from the list obtaining the highest number of votes;

(ii) the remaining 3 (three) members shall be taken from the list which obtained the second highest number of votes and which has no direct or indirect relationship with the shareholders who presented or voted for the list which obtained the highest number of votes.

4. A new round of voting shall be held in case there are more than 2 (two) lists which receive votes totaling 20% (twenty per cent) or more of the Company's share capital with voting rights at an ordinary shareholders' meeting. Paragraph 3 shall in any case apply once

voting has been completed.

5. If candidates on different lists have the same quotients, for the last member to be elected preference will be given to the candidate on the list which has obtained the highest number of votes or, in the case of further parity, to the elder or eldest candidate.

6. Lists must include at least two candidates satisfying the independence requirements established for statutory auditors by article 148, paragraph 3 of Legislative Decree no. 58/1998 and those prescribed by the corporate governance code drawn up by the Corporate Governance Committee of Borsa Italiana S.p.A..

7. If the Board of Directors is elected by the procedure envisaged by this article 17, the first and second candidate on the list obtaining the highest number of votes shall be appointed as the Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors. Nevertheless, if the list obtaining the second highest number of votes receives votes which are equal to at least 20% (twenty per cent) of the Company's share capital with voting rights at an ordinary shareholders' meeting, the Chairman of the Board of Directors shall be selected from the first list by the number of votes obtained and the Deputy Chairman of the Board of Directors from the second list by the number of votes obtained.

8. Each list shall contain a number of candidates belonging to the lesser represented gender which shall ensure a balance between the genders at least to the minimum extent required by current laws and regulations.

If on completion of the above-mentioned voting procedure and operations it should turn out that current legislation on gender balance has not been complied with, the candidates elected from the various lists will be placed in a single classification in decreasing order, formed in accordance with the quotient system describe in article 17(ii). The candidate of the more represented gender with the lowest quotient in that classification is then replaced by the first unelected candidate of the lesser represented gender belonging to the same list. If after replacing the candidate of the more represented gender with the lowest quotient in the classification the minimum threshold established by current law for a gender balance is still not reached, then the replacement procedure as described above is repeated with reference to the candidate of the more represented gender having the second lowest quotient, and so on, working upwards in the classification. In the case of equal quotients, replacement is carried out with respect to the candidate taken from the list which obtained the highest number of votes.

If there are no other candidates of the lesser represented gender on such list, the above replacement is carried out by the shareholders' meeting using the majorities established by law and respecting the

principle of a proportional representation of minorities on the Board of Directors.

9. The submission of lists for the appointment of the Board of Directors is governed by the laws and regulations in force at the time and by the following provisions.

(a) Only shareholders who, either alone or with others, hold at the time of the submission of the list (i) a total number of shares representing at least 1% (one per cent) of the share capital with the right to vote at ordinary shareholders' meetings or (ii) an equity interest at least equal to that required pursuant to article 147-ter of Legislative Decree no. 58 of February 24, 1998 and the related regulations for the presentation of candidates as directors of companies with a corresponding capitalization, where this interest is less than 1% (one per cent) of the share capital with the right to vote at the ordinary shareholders' meeting, are entitled to submit lists.

(b) Lists shall bear the names of the candidates standing for appointment to the Board of Directors, to each of which a sequential number is allocated.

(c) Individual shareholders, shareholders who are party to a material shareholders' agreement falling within the scope of article 122 of Legislative Decree no. 58 of February 24, 1998, the parent company, subsidiaries and companies under common control pursuant to article 93 of Legislative Decree no. 58 of February 24, 1998 and other parties between whom there is a connection relationship pursuant to laws and regulations in force at the time, may not submit more than one list or take part in the submission of that list, including through third person or trust company, nor may they vote for different lists; no candidate may stand in more than one list under penalty of ineligibility. Consents given and votes cast in breach of the prohibitions under this paragraph will not be attributed to any list.

(d) The submitted lists must be filed at the Company's registered office within the twenty-fifth day prior to the date of the shareholders' meeting called to resolve on the appointment of the members of the Board of Directors and must be made available to the public at the Company's registered office, on the Company's website and according to any other procedures required by Consob within the twenty-first day prior to the date of the shareholders' meeting. In the event that, on the expiry date of the time limit set for filing the lists, only one list has been filed, or lists have been filed which are submitted by shareholders who are connected to each other, the

provisions under the laws and regulations in force at the time shall apply.

(e) The lists must be accompanied by:

(i) information regarding the shareholders who have submitted them, specifying the total interest they hold, without prejudice to the fact that the certificate showing title to this interest may be produced subsequent to the filing of the lists, provided that this occurs within the time limit set for the publication of the lists by the Company;

(ii) a declaration by shareholders other than the Municipality of Brescia, the Municipality of Milan and those who hold, also jointly, a controlling interest or a relative majority interest, to the effect that there are no relations with such persons as prescribed by laws and regulations in force at the time;

(iii) full information regarding the personal and professional characteristics of the candidates, as well as a declaration issued by the said candidates to the effect that they meet legal requirements and that they accept the candidature;

(f) lists that do not comply with the above provisions will be considered as not having been submitted.

(g) if lists receive the same number of votes, the list submitted by the shareholders who hold the largest interest or, subordinately, the list submitted by the highest number of shareholders, will prevail.

(h) if only one list or no list is submitted, all the candidates included on the list will be elected, or, respectively, the candidates voted by the shareholders' meeting, provided that they receive the relative majority of the votes cast at that meeting. If no list is presented the shareholders' meeting appoints the Chairman and the Deputy Chairman of the Board of Directors by the same majority.

ARTICLE 18

1. If during the year one or more directors other than the Managing Director who have been appointed on the basis of the list vote leave office, their place shall be taken by the director or directors co-opted in accordance with article 2386 of the Italian Civil Code who are the first unelected candidates on the list to which the directors who have left office belonged and who are not yet members of the Board of Directors, respecting the gender balance prescribed by current laws

and regulations. If for any reason no names are available or if the director leaving office is the Managing Director, the board shall co-opt a director in accordance with article 2386 of the Italian Civil Code respecting the principle of gender balance. Directors co-opted by the Board of Directors shall remain in office until the next shareholders' meeting, which will then replace the director leaving office.

If one or more directors appointed on a list vote basis and taken from the list that obtained the highest number of votes has to be replaced, the replacement of that director or those directors shall be approved by a resolution of an ordinary shareholders' meeting adopted with a relative majority, without the requirement for a list.

2. If on the other hand members of the Board of Directors have to be replaced who have been selected from lists other than the one obtaining the highest number of votes, the shareholders' meeting shall where possible select the replacements on the basis of a relative majority vote from the candidates included on the list on which the director to be replaced was a member.

If it is not possible to perform this replacement procedure, the members of the Board of Directors shall be replaced on the basis of a resolution adopted with a relative majority, nonetheless respecting the necessary representation of minorities.

3. The term in office of the members of the Board of Directors appointed in this manner shall expire at the same time as the term of the directors in office when they were appointed.

4. The procedure for replacing one or more directors shall be carried out respecting current legislation on gender balance.

5. If for any reason the majority of the members of the Board of Directors should leave office the whole board shall expire.

ARTICLE 19

1. Pursuant to article 2381 of the Italian Civil Code the Chairman calls meetings of the Board of Directors, establishes the agenda of the meeting, coordinates the proceedings and arranges for adequate information on the matters on the agenda to be provided to all of the directors.

2. In the absence and/or impediment of the Chairman, the Deputy Chairman shall carry out the duties of the Chairman.

ARTICLE 20

1. The Board of Directors shall meet at the Company's registered office or at another location whenever the Chairman deems it appropriate or when a request is made by at least 3 (three) members of the Board.

2. The call notice, together with a description, which may be in summary form, of the matters on the agenda, shall be prepared by the Chairman and sent to the domicile of each member by any suitable means with notice of at least 3 (three) days before the date set for the meeting, save in cases of urgency when the notice period shall be reduced to 1 (one) day. The members of the Board of Statutory Auditors shall also be notified of calls to board meetings in the same way.

3. For meetings of the Board of Directors to be valid more than half of the members in office must attend. Resolutions of the Board of Directors shall be valid if all the directors and all the standing statutory auditors attend, even if the formalities in paragraph 2 are not complied with.

4. Remote attendance at meetings of the Board of Directors by suitable audio-video-conference and/or teleconference systems is permitted on condition that all the people entitled to attend the meeting are able to participate and can be identified, and that they are allowed to follow the meeting and intervene in real time on the matters under discussion, as well as receive, transmit and view documents and take part in board decisions to adopt resolutions at the same time. In these cases the meeting of the Board of Directors shall be considered to have taken place at the place where the chairman and secretary of the meeting are located.

ARTICLE 21

Members of the Board of Directors shall be entitled to the remuneration established for their whole term of office by the shareholders' meeting on appointment, as well as to the reimbursement of expenses incurred for their position. After consulting with the Remuneration Committee and the Board of Statutory Auditors, the Board of Directors shall establish the emoluments payable to directors who are members of the Executive Committee and directors assigned specific positions, powers or duties by the Company's Articles of Association or by the Board of Directors.

ARTICLE 22

1. Resolutions of the Board of Directors are adopted by an open voting procedure by a vote of the majority of its members in office.

2. Resolutions of the Board of Directors regarding the approval of business and financial plans, annual budgets, the appointment of the Executive Committee, the appointment of any General Managers, the merger or demerger of subsidiaries whose annual revenues exceed 200,000,000.00 euros, the sale of equity interests in companies whose annual revenues exceed 200,000,000.00 euros, the acquisition of controlling investments whose annual revenues exceed 200,000,000.00 euros and recommendations for the names of the respective managing directors for subsidiaries whose annual revenues exceed 200,000,000.00 euros are adopted with the vote in favor of at least 9 (nine) members.

ARTICLE 23

1. Resolutions adopted by the Board of Directors are recorded in minutes signed by the Chairman and the Secretary.

ARTICLE 24

1. The Board of Directors has the broadest possible powers for conducting the ordinary and extraordinary management of the Company, without limitations and with the right to carry out all the measures considered necessary or appropriate for achieving the corporate purpose, excluding only those which are obligatorily reserved for shareholders' meetings by law or by these Articles of Association.

2. The Board of Directors may delegate part of its duties, except those stated at point 2 of article 22 of these Articles of Association, or part of its powers, including the use of the company signature, to the Managing Director and/or to the Executive Committee; it may also assign special engagements and special duties of a technical and administrative nature to one or more of its members. In that case the Board of Directors may resolve special emoluments and specific remuneration, after consulting with the Remuneration Committee, on assigning the engagement or subsequently, although in all cases must consult with the Board of Statutory Auditors; all of which in accordance with article 2389 of the Italian Civil Code.

3. The Board of Directors may also appoint an Executive Committee, determining its composition and powers, as described in further detail in Title V.

4. The directors shall report to the Board of Statutory Auditors on a timely basis and in any case at least quarterly, as a rule during a meeting of the Board of Directors or also directly by way of a written note sent to the Chairman of the Board of Statutory Auditors, detailing the activity carried out and transactions of greater economic or financial importance or having significant effects on equity or assets which have been carried out by the Company or its subsidiaries. In particular, the directors shall report on any transactions in which they have an interest, on their own behalf or on the behalf of third parties, or which may be influenced by the party exercising management and coordination activities. The information provided to the Board of Statutory Auditors may also be provided, for reasons of timeliness, directly or at meetings of the Executive Committee.

5. Directors shall, pursuant to article 2391 of the Italian Civil Code, notify the other directors and the Board of Statutory Auditors of any interest they may have, on their own behalf or on behalf of third parties, in a specific operation being carried out by the Company, describing its nature, terms, origin and size; if the director is the Managing Director he/she shall abstain from carrying out the operation, assigning this duty to the collegiate body.

6. The Board of Directors shall have the responsibility for appointing and removing a manager responsible for preparing the corporate accounting documents, subject to the opinion of the Board of Statutory Auditors.

The manager responsible for preparing the corporate accounting documents shall have at least three years of experience in performing:

- a) managerial duties in preparing and/or analyzing and/or evaluating and/or checking corporate documents which present accounting problems of a complexity comparable with those regarding the Company's accounting documents; or
- b) activities as the legal auditor of companies whose shares are listed on regulated Italian markets or the regulated markets of other European Union countries; or
- c) professional activities or university teaching with a permanent position concerning financial or accounting matters; or
- d) managerial duties in public entities or public administrations operating in the financial or accounting sector.

ARTICLE 25

1. The Chairman of the Board of Directors:

a) acts as the Company's legal representative and may sign on the Company's behalf, as described further in article 26;

b) calls meetings of the Board of Directors, establishes the agenda of the meeting, coordinates the proceedings and arranges for adequate information on the matters on the agenda to be provided to all the directors;

c) is head of external relations and general affairs and manages relations between the Company and financial institutions, the media, the independent authorities and public institutions.

ARTICLE 26

1. The Chairman of the Board of Directors may represent the Company in the pursuit and defense of legal actions regarding third parties and in court, before any tribunal of any instance or level, and has sole signing authority on the Company's behalf.

2. The Chairman of the Board of Directors may bring legal action for all matters regarding the Company's management and administration, may lodge appeals with all judicial and jurisdictional authorities and all administrative and fiscal authorities and commissions and may issue general and special powers of attorney for legal proceedings with election of domicile, including when civil action is being brought.

3. As part of his/her powers the Chairman may appoint special attorneys for certain specific acts or categories.

ARTICLE 27

1. The Board of Directors may grant joint or separate signatory powers to its members, to executives, to company officers and to any other persons working at the Company's offices or sites, with the limitations and clarifications it considers suitable, and may also appoint officers having specific powers.

TITLE V
EXECUTIVE COMMITTEE - COMPOSITION, DUTIES AND
RESPONSIBILITIES
AND MEANS OF PROCEEDING

ARTICLE 28

1. The Board of Directors may appoint an internal Executive Committee, establishing the number of its members, the members themselves, its duration and its powers.
2. The Executive Committee shall have up to 5 (five) members. As they are appointed from members of the Board of Directors, the members of the Executive Committee shall not receive a fee for their work and the Company shall not incur any additional costs in this respect.
3. The Executive Committee shall meet whenever the Chairman deems necessary or at the request of at least one third of its members.
4. The Chairman of the Board or, in his/her absence or impediment the most senior committee member from those present, shall chair meetings.
5. The majority of members in office must be present for meetings to be valid. An absolute majority of the votes of those in attendance is required to adopt resolutions. If a member abstains from voting due to an interest which he/she holds on his/her behalf or on behalf of third parties in the operation, abstaining members shall be counted for the purpose of determining whether the committee meeting is properly constituted but shall not be counted for the purpose of determining the majority required for adopting a resolution. The Board of Statutory Auditors attends meetings.
6. In case of a tie vote a motion shall be considered rejected.
7. Meetings are also valid if they are not called as described above provided that all the members of the Executive Committee and the Board of Statutory Auditors attend.
8. Participants may attend meetings of the Executive Committee by remote link through the use of video/teleconference systems in accordance with the requirements of article 20, paragraph 4. The directors and statutory auditors linked to the meeting in this way must

be in a position to have at their disposal the same documentation distributed to the persons present at the place where the meeting is being held.

9. The functions of the Secretary to the Executive Committee are performed by the Secretary to the Board of Directors, or in his/her absence or impediment, by a replacement whom the Committee shall appoint from its members or from the Company's executives or middle management.

10. The Chairman may invite Company employees or external consultants to committee meetings when specific matters are under discussion.

ARTICLE 29

1. The Executive Committee shall have all the duties and powers delegated to it by the Board of Directors, within the limits established by the Articles of Association and in any case in compliance with the requirements of the law and of article 2381 of the Italian Civil Code in particular.

2. Specifically excluded is the possibility for powers to be delegated to the committee in respect of the preparation of the financial statements, the calling of shareholders' meetings and the distribution of interim dividends.

3. The resolutions of the Executive Committee must be recorded in minutes transcribed in a specific minute book, signed by the Chairman and the Secretary. Copies certified as true by the Chairman, or whoever is acting on his/her behalf, or by the Secretary shall provide full evidence.

TITLE VI STATUTORY AUDITORS

ARTICLE 30

1. The shareholders' meeting shall appoint a Board of Statutory Auditors consisting of three standing auditors and two substitute auditors according to the procedures and time limits laid down by law

and shall designate its chairman in accordance with the requirements of paragraph 31.6. Statutory Auditors shall remain in office for a term of three years which expires at the date of the shareholders' meeting called to approve the financial statements for the final year of their period in office.

2. Statutory auditors must satisfy the requirements of integrity and professionalism prescribed by current legislation.

3. For the purpose of ascertaining whether the members of the Board of Statutory Auditors satisfy the requirement of professionalism for listed companies for matters and sectors of activity strictly related to those of the Company's business, the matters and sectors of activity connected with or relating to the Company's business shall be understood to be those stated in article 4. Regarding the composition of the Board of Statutory Auditors, the provisions of current laws and regulations shall apply with respect to situations of ineligibility and limits on the number of management and control positions which may be held concurrently by members of the Board of Statutory Auditors. In addition, none of the Company's statutory auditors may concurrently hold a position on the Board of Statutory Auditors of any of the Company's subsidiaries. If this is the case, the auditor shall no longer hold the position as one of the Company's statutory auditors.

ARTICLE 31

1. Statutory auditors shall be appointed on the basis of lists submitted by shareholders following the procedure described below in order that the minority shall appoint one standing auditor and one substitute auditor.

Lists shall contain at least two candidates for election, each allocated a sequential number. Candidates may be included in only one list, under penalty of ineligibility.

Each list must contain a number of candidates belonging to the lesser represented gender which shall ensure a balance between the genders at least to the minimum extent required by current laws and regulations. Lists containing fewer than 3 (three) candidates shall be exempt from this restriction.

2. Only shareholders who, either alone or with others, hold at the time of the submission of the list (i) a total number of shares representing at least 1% (one per cent) of the share capital with the right to vote at

ordinary shareholders' meetings or (ii) an equity interest equal to at least to that required pursuant to article 147-ter of Legislative Decree no. 58 of February 24, 1998 and the related regulations for the presentation of candidates as directors of companies with a corresponding capitalization, where this interest is less than 1% (one per cent) of the share capital with the right to vote at the ordinary shareholders' meeting, are entitled to submit lists.

3. Shareholders may submit, or take part in submitting, one single list. If this rule is breached the relative shareholder's vote will not be taken into account for any of the lists submitted.

4. The lists signed by the shareholders submitting them, under penalty of ineligibility, must be lodged at the Company's registered office, together with a declaration that there are no agreements or relations of any kind with other shareholders, within the twenty-fifth day prior to that of the shareholders' meeting; the lists must be made available to the public by the means and timing set out in article 17.5.

Within the deadline set for the filing of the lists, declarations must be filed in which the individual candidates accept their candidature and state, under their own responsibility, that there are no reasons under the law why they may be considered ineligible or incompatible and that they meet the requirements of integrity and professionalism prescribed by law for members of a Board of Statutory Auditors, providing a list of any management and control positions they hold in other companies. Any list which fails to meet the above requirements or which does not include candidates of a different gender in compliance with the requirements of article 31.1 of the Articles of Association shall be considered as not having been submitted.

Persons entitled to vote may vote for only one list.

5. Two standing auditors and one substitute auditor, of whom at least one standing auditor is of the lesser represented gender, shall be drawn from the list obtaining the highest number of votes cast by the shareholders, in the order in which they are listed.

The third standing auditor and the other substitute auditor shall be drawn from the other lists, with the first and second candidate of the list obtaining the second highest quotient being respectively elected, of whom at least one substitute auditor must be of the lesser represented gender. If two or more lists obtain the same number of votes, the elder or eldest candidate shall be elected as statutory auditor, respecting the gender balance prescribed by current laws and regulations. If the minimum number of standing and substitute

statutory auditors belonging to the lesser represented gender are not elected, the candidate of the more represented gender who is last in the classification of the candidates elected from the most voted list shall be replaced by the candidate of the lesser represented gender who is first among the non-elected persons of the same list and so on until the minimum number of statutory auditors belonging to the lesser represented gender is reached. If the minimum number of statutory auditors belonging to the lesser represented gender is still not reached by applying this criterion, the above replacement criterion shall be applied to the minority lists, starting from the one which has received the highest number of votes.

6. The chairman of the Board of Statutory Auditors shall be the first candidate of the list obtaining the second highest quotient. If two or more lists receive the same number of votes, the chairman shall be the elder or eldest candidate, respecting the gender balance prescribed by current laws and regulations. The shareholders' meeting shall adopt resolutions by the majorities prescribed by law in the case of the appointment of statutory auditors who for any reason are not appointed by the list vote procedure, respecting the gender balance prescribed by current laws and regulations.

7. If a standing auditor is replaced, the substitute auditor belonging to the list of the auditor being replaced shall take his/her place, respecting the principle of the necessary representation of the minorities and the gender balance.

The shareholders' meeting shall appoint statutory auditors for supplementing the Board of Statutory Auditors within the meaning of article 2401 of the Italian Civil Code by the majorities prescribed by law, selecting from the names indicated by the shareholders submitting the list to which the statutory auditor leaving office belonged, respecting the principle of the necessary representation of the minorities and the gender balance; if this is not possible, the shareholders' meeting shall replace the auditor by the majorities prescribed by law, respecting the gender balance prescribed by current laws and regulations.

8. The shareholders' meeting shall establish the fees due to the statutory auditors and the reimbursement of expenses incurred in the performance of their duties.

The powers and duties of the statutory auditors and their term in office are those established by law.

ARTICLE 32

1. The legal audit of the accounts shall be performed by a firm performing legal audits having the requirements of law.
2. Based on the well-grounded proposal of the Board of Statutory Auditors, the shareholders' meeting shall confer the assignment for the legal audit of the accounts to a firm performing legal audits registered in the special roll and shall set its fees.

The assignment to perform the legal audit of the accounts shall have a term complying with the legislative provisions applicable from time to time and shall expire at the date of the shareholders' meeting called to approve the financial statements for the final year of the term of the engagement.

Title VII FINANCIAL STATEMENTS AND PROFITS

ARTICLE 33

1. The financial year shall run from January 1 to December 31 of each year.
2. Within the deadlines and according to the procedures provided by law, the Board of Directors shall draw up the draft financial statements, accompanied by the documents established by law, and transmit them to the Board of Statutory Auditors at least 30 (thirty) days prior to the date set for the shareholders' meeting called to approve the financial statements.

ARTICLE 34

1. In order to protect public interest, the financial statements shall be audited by a major accounting firm.
2. The audit findings shall then be reported to the Town Council of Brescia and to the Town Council of Milan.

ARTICLE 35

1. The Company's net profits resulting from the financial statements shall be allocated as follows:

1) at least one-twentieth of profits to the legal reserve, until this reaches an amount equal to one-fifth of the share capital;

2) the remaining amount shall be distributed to shareholders, unless the shareholders' meeting approves special withdrawals to extraordinary reserves or for other purposes, or orders them carried forward, in whole or in part, to the subsequent financial year.

2. The Company may resolve to distribute interim dividends, according to the procedures and conditions laid down by law.

Title VIII DISSOLUTION OF THE COMPANY

ARTICLE 36

1. In the event of winding-up and dissolution of the Company, the provisions of law shall apply.

Title IX FINAL PROVISIONS

ARTICLE 37

1. For matters not expressly provided for and governed by these Articles of Association, the current provisions of law on joint-stock companies shall be referred to and applied.

2. Any dispute arising out of the relations between the Company, the shareholders and the members of the corporate bodies, shall be submitted to the jurisdiction of the Court of Brescia.