

ANSALDO STS S.p.A. BY-LAWS

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CHAPTER I

Name - Head Office - Duration

Article 1

1.1 The company “**ANSALDO STS S.p.A.**” is governed by these by-laws.

Article 2

2.1 The registered office of the company is in Genoa, the secondary office is in Naples.

2.2 The Board of Directors may set up or close secondary offices, subsidiary offices, branches, representative offices, agencies and permanent establishments in Italy and abroad.

Article 3

3.1 The duration of the company is until December 31, 2100 and may be extended one or more times by a resolution of the Shareholders' Meeting.

CHAPTER II

Purpose of the Company

Article 4

4.1 The company may directly or indirectly - even through shares in other companies – carry out industrial design, production, sales, installation, maintenance and post-sales service activities in the field of complete rail transport systems, power supply systems, mechanical plants and services, electric, electronic and software systems, including telecommunications and railway constructions, railway signals, supervision and remote control systems and goods and services linked with the above activities; also, study and research in the field of technologies applied to the railway transport system or anything connected to the corporate purpose.

4.2 The company may – also through acquisition of shares in other Italian and foreign companies and businesses and in any form - in compliance with the regulations in force – conduct, on its own or with other associated companies, design, feasibility studies, construction, maintenance and management of public or private works on tender, integrated tenders, contract authorizations, entrusting of financed projects or as the general contractor carry out all the instrumental activities necessary to win public works tenders, execute them and them to entrust to third parties in compliance with delegated law no. 443/01, referred to as “the Objective Law”, and decree no. 190/02 and subsequent amendments and additions thereto. The company may also provide validations in accordance with European directive 18/2004 or other special regulations on this field for or on behalf of companies in which it does not hold shares in the following fields in addition to the ones mentioned above:

- electric systems, thermohydraulics, general technological systems as foreseen by law 46/90, video surveillance and security systems of all kinds, luminous signs and topographical surveys;
- civil works, civil and industrial buildings, water works, sewage systems, gas pipes and methane gas pipes, construction work and road surfacing, airport and railway and urban surveys of all kinds, car parks, tunnels, viaducts, underground artworks, complex masonry and reinforced concrete works, river and canal works, hydraulic systems and protection systems for rivers and canals;
- environmental intervention, internal and/or external (environmental clean-up, upkeep of green spaces or similar, soundproof barriers) for private and/or public bodies;
- land consolidation work, irrigation work and ecological work to clean up pollution.

4.3 The company may also acquire and manage – though not in relation to the public - shares in consortia and temporary associations of companies in Italy and abroad, and perform leadership and coordinating activities in the industrial and the strategic, technical,

commercial and financial sectors of the subsidiary companies and offer them financial and management services.

4.4 As instrumental to accomplishing the corporate purpose the company may carry out all useful and/or appropriate movables, real estate, commercial, industrial and financial transactions and grant guarantees.

Chapter III

Share Capital- Shares- Withdrawal- Bonds

Article 5

5.1 The share capital is EUR 70,000,000 (seventy million), represented by 140,000,000 (one hundred forty million) ordinary shares with a par value of EUR 0.50 (zero point fifty) each.

The extraordinary shareholders' general meeting held on April 23rd 2010 resolved on the free share capital increase pursuant to article 2442 of the Italian Civil Code, for a total of EUR 50,000,000.00 (fifty million) and therefore from EUR 50,000,000.00 (fifty million) to EUR 100,000,000.00 (one hundred million), by allocating available reserves to the capital through the issue of 100 million ordinary Company shares with a par value of EUR 0.50 (zero point fifty) each to Company shareholders, through five yearly *tranche* of EUR 10,000,000 (ten million) each, in the form of 20,000,000 (twenty million) new ordinary shares for each *tranche*, the first of which to be carried out on 05 July 2010, followed by the others at the date the Board of Directors sets in the second semester of the subsequent four years (from 2011 to 2014). The new shares will be attributed freely to existing shareholders at the date of execution of each *tranche* proportionate to the shares they already own at that date, beginning from 2010 and ending on 31 December 2014.

5.2 The Extraordinary Meeting may increase the company's share capital by issuing shares, even special types of shares, to be freely assigned to the employees in compliance with

Article 2349 of the Italian civil code, or as payment to parties identified by the Meeting but with exclusion of pre-emptive rights, in compliance with Article 2441 of the Italian civil code.

5.3 Pursuant to Article 2441 paragraph 4 of the Italian civil code, the company's share capital may be increased with exclusion of pre-emptive rights up to 10% (ten percent) of the company's previously existing share capital on the condition that the issuing price be equal to the market value of the shares and that this be confirmed, in writing, by the company's independent auditors.

5.4 Moreover, the Board of Directors, in compliance with Article 2443 of the Italian civil code, has the power to increase the company's share capital in one or more increments until April 20th, 2015, up to a maximum amount of Euro 50,000,000.00 (fifty million), by issuing ordinary shares to be offered to the existing shareholders who have the right to subscribe them. The Board of Directors is therefore delegated to set out terms and conditions for each share capital increase, including the number of ordinary shares to be issued and therefore the amount of the share capital increase, and the terms of the offer in compliance with the regulations in force. In exercising these powers, the Board of Directors may resolve to increase the company's share capital with the exclusion of rights of pre-emption pursuant to Article 2441 paragraph 4 of the Italian civil code, up to 10% (ten percent) of the company's existing share capital, on the condition that the issuing price is equal to the market value of the shares and that it be confirmed, in writing, by the company's independent auditor. The share capital increase with exclusion of pre-emptive rights as per art. 2441, paragraph 4 of the civil code may be addressed to institutional investors or to industrial and/or financial partners who, because of their activity and size (features to be confirmed by the Board of Directors), are deemed strategic for the company's business.

Article 6

6.1 Shares are registered; each share comports the right to one vote.

6.2 Being a shareholder implies the acceptance of these by-laws.

6.3 The domicile of each shareholder and of each of the persons having voting rights for the purpose of their relations with the company is the address reported in the register of shareholders or the one resulting from subsequent communications in writing by the shareholders.

6.4 Shares are indivisible. Should shares be joint-owned the rights of the co-owners must be exercised by a common representative appointed according to the applicable laws.

Article 7

7.1 The Extraordinary Shareholders Meeting may agree to share capital increases, setting out the relevant terms and conditions.

7.2 The Extraordinary Shareholders Meeting may also agree to exclude pre-emptive rights in accordance with the limits and manners set forth by Article 2441, paragraph 4, point 2 of the Italian civil code.

7.3 The Extraordinary Shareholders Meeting may also resolve to grant shares or other financial instruments according to Article 2349 of the Italian civil code.

Article 8

8.1 The Board of Directors shall request payments on shares all at once or at different times.

8.2 Shareholders who are late in making payments shall be charged interest at the applicable rate, and Article 2344 of the Italian civil code shall apply.

Article 9

9.1 Each shareholder has the right to withdraw from the company in the cases foreseen by the law, without prejudice to the provisions of paragraph 9.2.

9.2 Extension of the company's duration shall not result in a right to withdraw.

Article 10

10.1 The Board of Directors may resolve to issue non-convertible bonds in compliance with the applicable legislation.

10.2 The company may also issue other financial instruments in compliance with the applicable legislation..

Chapter IV

Shareholders' meetings

Article 11

11.1 Ordinary and Extraordinary Shareholders' Meetings are normally held at the company's registered offices, unless otherwise resolved by the Board of Directors; they must be held in Italy.

11.2 The Ordinary Shareholders' Meeting shall be convened at least once a year to approve the company's financial statements, within one hundred and twenty days following the closure of the company financial year, or within one hundred and eighty days insofar as the Company is obliged to draw up consolidated financial statements, or whenever particular needs relating to the Company structure and purpose so require.

11.3 Shareholders' Meetings shall be called by a notice published in accordance with terms and provisions of the regulations in force. This notice may foresee a third call.

11.4 Ordinary and extraordinary meetings are normally held further to more than one calls. However, the Board of Directors may decide, if it so deems appropriate and giving a specific indication thereof in the meeting notice, that both ordinary and extraordinary meetings may be held further to one single call.

Article 12

12.1 Participation in meetings requires certification issued in favour of the subject which has the right of vote, issued by an intermediary authorized, in accordance to its records at the time set as reference in compliance to regulations in force.

Article 13

13.1 Those who have the right to attend the Shareholders' Meeting may be represented in compliance to regulations in force through a paper or an electronic proxy.

and is not a director, statutory auditor, or employee of the company or of other companies controlled by it.

In order to facilitate the gathering of proxies from shareholders who are employees of the company or of other companies owned by it and shareholders' associations complying with the applicable legislation, such shareholders' associations may be assigned places for the communication and the gathering of proxies, under terms and conditions agreed with their legal representatives.

Proxy duly filled in and signed may be sent in electronic format using certified electronic mail or apposite section of the internet site of the company, accordingly to the provisions set time by time in the notice of meeting.

13.2 Meetings are governed by the meeting regulations approved by the Ordinary Meeting.

13.3 The Chairman of the meeting shall verify the right of those present to attend the meeting and check that the proxies are in order. Following this verification, the validity of the decisions may not be contested by anyone who abstains from voting or leaves the meeting.

Article 14

14.1 The meeting is chaired by the Chairman of the Board of Directors or, if this is absent or is unable to chair the meeting, by the vice-chairman, if nominated or, in the absence of both, by a person elected by the majority vote of those present.

14.2 The Chairman shall be assisted by secretary, who may not be a shareholder, to be appointed by the meeting and may also appoint one or more scrutineers.

Article 15

15.1 The meeting resolves upon the topics falling within its scope under the law, the provisions of Article 23.2, letters a) and b) remaining in effect.

15.2 Pursuant to the Procedure for related-party transactions adopted by the Company and available on the Internet site of the same:

- (a) the Meeting may, pursuant to Art. 2364, subsection 1, No. 5), of the Italian Civil Code, authorise the Board of Directors to carry out related party-transactions of greater importance, notwithstanding a negative opinion of the Committee for related party-transactions, on condition that, apart from the application of the majorities required by the law, the majority of the non-related voting shareholders do not express a contrary vote, and that the non-related shareholders present at the Meeting represent at least 10% of the share capital entitled to vote;
- (b) if the Board of Directors intends to submit to the Meeting a transaction of greater importance notwithstanding a contrary opinion of, or however without taking account of the observations formulated by, the Committee for Related-Party Transactions, the transaction may be carried out if, apart from the application of the majorities required by the law, the majority of the non-related voting shareholders do not vote against such transaction, and the non-related shareholders present at the Meeting represent at least 10% of the share capital entitled to vote.

15.3 The resolutions of the Ordinary and Extraordinary Shareholders' Meetings are passed on first, second or third call, or in single call, with the respective quorums required by law, except for the appointment of management and control bodies, to which Articles 16.3 and 27.2 apply.

15.4 Resolutions passed by the Shareholders' Meetings in compliance with the law and these by-laws are binding upon all the shareholders, even those who are absent or oppose them.

15.5 Voting in both Ordinary and Extraordinary Meetings shall be carried out in compliance with the methods established by the Chairman and in compliance with the law.

15.6 The minutes of Ordinary Meetings shall be signed by the Chairman and the secretary.

15.7 A notary shall draw up the minutes of Extraordinary Shareholders' Meetings.

15.8 Copies of the minutes, authenticated by the Chairman, or whoever is acting as Chairman, and by the Secretary, shall constitute complete proof also towards third parties.

Chapter V

Board of Directors – Representatives

Article 16

16.1 The company shall be managed by a Board of Directors composed of no less than seven and no more than thirteen members. Each time, before appointing the Board of Directors, the meeting shall set the number of members within the above limits.

16.2 The members of the Board of Directors shall be in office no longer than three financial years, and may be re-elected as per Article 2383 of the Italian civil code.

16.3 The members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting on the basis of lists submitted by the shareholders in which the candidates are to be listed in sequential order.

The lists submitted by shareholders must be filed at the registered office of the company and put at public's disposal in accordance with terms and provisions set by the regulations in force.

Each list shall include two candidates who satisfy the independence criteria stated by law, who shall be expressly identified, with one of them to be entered in first place in the list. In

the event of non-compliance with the aforementioned obligations, the list will be deemed as not submitted.

Each shareholder may submit or second the submission of a single list.

Shareholders belonging to the same group and those adhering to a shareholders' agreement on company shares may not submit or vote for more than one list even if through an intermediary or through a trust company.

Each candidate shall appear only in one list under pain of ineligibility. Only those shareholders who, either alone or with other shareholders, represent the share identified in conformity with the Consob regulations or, in their absence, represent at least 2.5% of the shares with voting rights in the Ordinary Meeting of Shareholders' are entitled to submit a list. In order to prove the ownership of the number of shares needed to submit a list, the shareholders should lodge at the company's registered office, within the terms set by the regulations in force, the certificate attesting the ownership of the shares.

Together with each list shareholders shall lodge a declaration by each candidate accepting the candidature and attesting to the absence of any cause of ineligibility and incompatibility as well as the possession of the requirements prescribed by the regulations in force and these by-laws for appointment to their office. Every person having the right to vote may vote for one list only.

The procedure for the election of the members of the Board of Directors is as follows:

- a) two thirds of the members to be elected will be taken from the list which obtains the greatest of votes expressed by the parties entitled, in the order in which these are entered in the list. If the number obtained is not a whole number, it will be rounded down to the preceding whole number;
- b) the other members will be taken from the other lists. The votes obtained by the lists are divided by one, two or three according to the progressive numbers of the members to be

elected. The ratio obtained is progressively applied to the candidates of each list according to the order foreseen by the same list. The ratio is then applied to a decreasing degree and those who have obtained the highest ratio are elected.

If one or more candidates have obtained the same ratio, the candidate who is on the list that has not yet had a member elected or that has the lowest number of directors will be elected.

If none of the lists has yet elected a director, or all of them have elected the same number of directors, the candidate of the list with the greatest number of votes will be elected. If there are equal numbers of votes and ratios, the meeting will vote again and the candidate with the greatest number of votes will be elected.

16.4 If only one list or no list is presented the meeting resolves with the majority required by law without applying the above provisions.

16.5 If in the course of the financial year one or more members of the Board of Directors leave a vacancy, they shall be replaced pursuant to Article 2386 of the Italian civil code so long as the majority of the directors consist of directors appointed by the shareholders' meeting. The following shall apply:

a) the Board of Directors shall appoint the substitute from the same list as the outgoing directors, choosing, where necessary, a substitute who meets the requirement for independence under the law, and the meeting resolves with the majority required by law, in compliance with the same principle;

b) if there are no candidates in the above-mentioned list who: (i) have not been previously elected or (ii) possess the requirements for independence under the law, the Board of Directors shall substitute them without applying point a). The meeting resolves with the majority required by law, respecting the principles of the composition of the board as set forth by the law.

16.6 If in compliance with Article 16.4 the board has been elected after voting for a single list, and one or more directors leave office during the financial year, Article 16.5 above shall be applied as long as the majority of the directors consists of directors appointed by the Shareholders' Meeting.

16.7 If in compliance with Article 16.4 the board has been elected without any list being presented, if one or more directors leave office during the financial year, Article 2386 of the Italian civil code shall be applied, as long as the majority of the directors consists of directors appointed by the Shareholders' Meeting, guaranteeing compliance with the principles of the composition of the board as set forth by the law where necessary.

16.8 If the majority of the members of the Board of Directors leaves office, the entire Board of Directors shall automatically be considered disbanded and a Shareholders' Meeting shall be called to appoint a new Board of Directors.

Article 17

17.1 Appointment to the position of director is subject to possession of the requirements of integrity foreseen by the rules and regulations and possession of the professional requirements set forth in this Article.

17.2 Those who do not possess integrity requirements equivalent those referred to in Article 17.1 above and regulated, in full or in part, by foreign law, cannot be elected as directors of the company and must resign their office if appointed. The Board of Directors determines the integrity of all its members as per Article 17.2.

17.3 Those who have not had three years experience in the following activities cannot be appointed as director and must resign if appointed:

a) management, control or executive functions in joint-stock companies having a share capital of at least two million euros, or,

b) professional activities or university teaching in law, economics, financial and technical-scientific disciplines strictly related to the company's activities, or,

c) management roles in public bodies or the civil service in the credit, financial or insurance sector, or in sectors strictly related to the company's activities.

The Board of Directors checks the professional requirements for all of its members as per Article 17.3.

Article 18

18.1 If the Shareholders' Meeting has not already done so, the Board of Directors shall appoint among its members its own Chairman and may appoint a Vice-Chairman who shall substitute for the Chairman in the event of absence or impediment.

18.2 The Board of Directors shall nominate a Secretary, proposed by the Chairman, who need not be a member of the company.

Article 19

19.1 The Board of Directors shall meet in the place identified in the summons to meet, whenever deemed necessary by the Chairman, or the Vice Chairman, if appointed, in his absence or impediment.

A Board of Directors meeting shall be convened when the majority of members of the Board have sent a written request to resolve on a specific matter deemed to be particularly important and relevant to the management of the company, this matter must be mentioned in the request itself.

19.2 The Chairman shall convene a meeting of the Board of Directors at least 3 clear days before the date set for the meeting. For urgent meetings, the term may be shortened. The Board of Directors sets the terms and conditions for convening their meetings.

19.3 It will be possible to hold meetings of the Board of Directors by means of telecommunication, on the condition that it is possible to identify all the participants and that

this identification is recorded in the minutes of the Board and that they are able to follow the discussion and simultaneously participate in discussion of the subjects dealt with, and are able to exchange documentation if necessary. As long as these requirements are met, the Board of Directors meeting is considered to have been held in the place where the Chairman of the meeting is, and where the Secretary must also be to permit writing and signature of the minutes of the meeting.

Article 20

20.1 The Chairman shall preside over board meetings, and the Vice-Chairman, if appointed, shall take his place in his absence or impediment. If the Vice-Chairman is also absent, the most senior board member shall preside.

Article 21

21.1 A majority of members of the Board of Directors must be present at the meeting for the resolutions to be valid.

21.2 Resolutions are passed by absolute majority vote of those present. In case of an equal number of votes, the Chairman shall cast the deciding vote.

Article 22

22.1 The resolutions of the Board of Directors are written in the minutes entered in the record book kept by law and are signed by the Chairman and the secretary of the meeting.

22.2 Copies of the minutes are valid if signed by the Chairman or substitute thereof and by the secretary.

Article 23

23.1 The company shall be managed exclusively by the members of the board, who shall perform the operations needed to implement the company' purpose.

23.2 As well as exercising the powers attributed to it in law, the Board of Directors is also entitled to resolve on the following matters:

- a) adaptation of the By-Laws to the regulatory provisions in force;
- b) mergers by incorporation or demerger of the company in accordance with the terms of articles 2505, 2505-bis and 2506-ter , final paragraph, of the Italian Civil Code;
- c) notification by the issuer on public acquisition or exchange offers pursuant to the terms of article 39 of Consob resolution no. 11971 of 14th May 1999;
- d) reduction of the company capital in the event of withdrawal by one or more shareholders.

The Board of Directors may delegate to the Shareholders' Meeting the resolutions upon the abovementioned topics.

The Board of Directors appoints a manager entrusted with preparation of the company's financial reports, subject to the mandatory opinion of the Statutory Board. The manager in charge of preparing the company's financial reports must have at least three years' experience performing:

- a) administration or control tasks or a managerial role in a joint-stock company with a share capital of no less than two million euro, or
- b) professional work or a university professorship in law, economics, finance or technical and scientific subjects strictly pertaining to the company's field and the manager's functions, or
- c) a managerial position in a public organisation operating in the field of credit, finance and insurance or in sectors strictly related to the company's field of business.

23.3 The delegated bodies promptly report to the Board of Directors and Auditors – or, where no delegated bodies have been appointed, the directors promptly report to the Statutory Board – at least every three months or – in any case - when the Board of Directors meets, in relation to the business, the general course of management of the company and its predictable development as well as the most relevant economic and financial transactions carried out by the company and its subsidiaries; in particular the delegated bodies or the

directors, as the case may be, report on the operations in which they have an interest in their own right or on behalf of third parties.

The communication can be made during board meetings or in writing.

23.4 In cases of urgency, the Board of Directors or the competent body may, either directly or through subsidiaries, carry out related-party transactions, provided that the Meeting is not competent with regard to such transactions and the relevant authorisation, by applying the simplified rules set out by the Procedure for related-party transactions adopted by the Company and available on the Internet site of the same.

Article 24

24.1 The Board of Directors may delegate its powers to an executive committee, within the limits set by Article 2381 of the Italian civil code and with the exception of the subjects identified in Article 23.2 above, determining the composition of the committee and the content, limits and the manner of the delegation. Meetings of the executive committee may also be held using means of telecommunication pursuant to Article 19.3 above. The Board of Directors can delegate some of their powers to the Chairman and/or other members or appoint one or more Managing Directors, again within the limits set by Article 2381 of the Italian civil code and with the exception of the subjects identified in Article 23.2 above.

The Board of Directors may appoint one or more General Managers, also among its members, determining their duties and remuneration.

24.2 The delegated bodies may, within their powers, assign special powers of attorney to company employees and third parties, with the faculty of subdelegating.

24.3 The Board of Directors may appoint an internal auditing committee, a remuneration committee and a nomination committee in compliance with the provisions of the Corporate Governance Code adopted by Borsa Italiana S.p.A..

Article 25

25.1 The Chairman of the Board of Directors, the Vice-Chairman, if appointed, in his absence or impediment, is the legal representative of the company. The Vice-Chairman's signature is valid towards third parties in absence or impediment of the Chairman.

The Managing Directors, if appointed, are also entitled to the aforesaid powers of representation and powers of signature, within the scope of the powers delegated to them, as are persons duly authorised by the Board of Directors with resolutions published pursuant to the law, within the limits set by these resolutions.

Article 26

26.1 The members of the Board of Directors and executive committee, if appointed, shall be reimbursed for any costs they bear due to their position and be given a remuneration set by resolution of the Shareholders' Meeting. Once this resolution has been passed, it will also be valid for the subsequent financial years until the Shareholders' Meeting decides otherwise.

26.2 The remuneration of the directors with particular positions according to the by-laws is determined by the Board of Directors, subject to the approval of the Statutory Board.

Chapter VI

Statutory Board – External Auditor

Article 27

27.1 The Shareholders' Meeting shall appoint a Statutory Board composed of three statutory auditors, and determine their remuneration. The Shareholders' Meeting shall also appoint two deputy auditors.

The members of the Statutory Board are chosen from among those in possession of the professional and integrity requirements set forth by Ministry of Justice Decree no. 162 dated March 30, 2000. Pursuant to Article 1, paragraph 2, letters b) and c) of the Decree, commercial and tax law, company economics and company taxes, are considered subjects strictly pertaining to the company's business.

Taking the laws on ineligibility into account, auditors who hold management or control positions equal or beyond the limits established by the laws and regulations in force cannot be appointed and must resign if appointed.

27.2 The statutory and deputy auditors are appointed by the Ordinary Shareholders' Meeting on the basis of the lists submitted by the shareholders, in which candidates must be listed in sequential order.

The lists contain the names of one or more candidates which must in any case not exceed the maximum number of members to be elected..

The list are divided into two sections: one for candidates for the office of statutory auditor and one for the deputy auditors. The first candidate in each section must be entered in the register of accounting auditors and must have practiced as a legal auditor of account for at least three years.

The lists submitted by the shareholders will be filed at the registered office of the company and put at public's disposal in accordance with terms and provisions set by the regulations in force.

Each shareholder may submit or second the submission of one list only, and may only vote for one list.

The shareholders who belong to the same group and those adhering to a shareholders' agreement on the company shares may not submit or vote for more than one list, even if through an intermediary or through a trust company.

Each candidate may be entered in one list only. Violation of the above will render the candidate ineligible for election.

Only those shareholders, who alone or together with others, hold a shareholding as that determined in accordance with the Consob regulations have the right to submit lists, or in the absence thereof, the shareholders in question must represent at least 2.5% of shares with

voting right at the Ordinary Shareholders' Meeting. In order to prove possession of the number of shares necessary for the submission of lists, the shareholders shall file at the registered office of the company, within the terms set by the regulations in force, the certificate attesting the ownership of their shares.

Together with each list, and subject to the terms of the regulations in force, each candidate must also submit a declaration stating that he/she accepts the candidature and attesting, under his own responsibility, the inexistence of any grounds of ineligibility or incompatibility, in addition to the existence of the requirements for office prescribed by the applicable legislation and the Company's By-Laws.

Two statutory auditors and one deputy auditor will be taken from the list which has obtained the greatest number of votes, in the order in which these are entered in the sections of the list. The remaining statutory and deputy auditors will be appointed by means of the methods described in article 16.3 b), which will be applied to each section into which the other lists are divided, and in any case in accordance with the provisions and regulations in force.

If (i) a single list is submitted, or (ii) if no list is submitted, or (iii) for the appointment of auditors other than when the entire Statutory Board is to be renewed, the meeting will resolve on a legal majority basis, without applying the above procedure, but in any case in such a way as to ensure that the Statutory Board is formed as specified in article 1, paragraph 1, of Ministry of Justice decree no. 162 of 30th March 2000. In the event of replacement of one of the auditors taken from the list which obtains the greatest number of votes, the deputy auditor from that same list will be appointed. In the event of replacement of the auditor taken from the other lists, the replacement auditor elected by means of the methods described in article 16.3 b) will be appointed. The Shareholders' Meeting convened pursuant to the terms of article 2401, paragraph 1, of the Italian Civil Code will replace the auditors in accordance with the principle of representation of minorities.

The chairman of the Statutory Board is appointed by the Shareholders' Meeting, and is the statutory auditor elected by the minority, unless only one list has been voted or no list has been submitted, in which case the chairman of the Statutory Board will be appointed by the meeting on a legal majority basis.

27.3 Auditors may be re-elected.

27.4 Meetings of the Statutory Board can also be held by telecommunications provided that all the members can be identified, that this identification is recorded in the minutes of the Board and that they can all follow the discussions and can take part in real time in such discussions, exchanging documents if necessary; in this event the meeting will be considered to have been held in the place where the Chairman is.

27.5 The Statutory Board or at least two permanent auditors may convene a Shareholders Meeting after having notified the Chairman of the Board of Directors, and each auditor may convene a meeting of the Board of Directors or the executive committee, where appointed.

Article 28

28.1 Accounts are audited by an External Auditor pursuant to the law.

28.2 The Shareholders' Meeting appoints an External Auditor in response to a motivated proposal from the controlling body and shall approve its remuneration for the entire duration of the office and criteria for the adjustment of such remuneration during the office.

Chapter VII

Balance sheet and profits

Article 29

29.1 The financial year shall end on 31 December of every year.

29.2 At the end of each financial year, the Board of Directors shall draw up the financial statements, as required by law.

29.3 The Board of Directors may pay out advances on dividends to shareholders during the financial year.

Article 30

30.1 Dividends not collected within five years from the day they are payable shall lapse in favour of the company and shall be directly allocated to its reserves.

Chapter VIII

Dissolution and liquidation of the Company

Article 31

31.1 In the event of dissolution of the company, a Shareholders' Meeting shall resolve upon the terms and conditions of the liquidation and shall appoint one or more liquidators, determining their powers and remuneration.

Chapter IX

General provisions

Article 32

32.1 All aspects not specifically contemplated in these by-laws shall be subject to the provisions contained in the Italian civil code and specific laws on these topics.