

ARTICLES OF ASSOCIATION
NOTORIOUS PICTURES SOCIETÀ PER AZIONI

Article 1

Company Name

The name of the joint stock company is "NOTORIOUS PICTURES SOCIETÀ PER AZIONI".

The Company is also known as "NOTORIOUS PICTURES S.p.A." with any character in upper case and/or lower case letters.

Article 2

Registered Office

The Company's registered office is in the Municipality of Rome.

It is the responsibility of the Board of Directors to open and close secondary offices, branches, agencies or local units in Italy and abroad, whatever they are called, including transferring the address of the registered office within the same municipality.

Article 3

Purpose

The corporate purpose comprises the following activities:

- (i). the trading, production and co-production, distribution and promotion of film and/or television works, feature length and short, audiovisual products of any kind and genre, discs and/or music and/or music cassette tapes and merchandising, relating to film or television productions or soundtracks related to these with the explicit exclusion of activities as a broadcaster of radio and television programmes pursuant to Italian Laws no. 233/1990 and no. 249/1997 and subsequent amendments;
- (ii). the production of videographic products containing compilation works, educational, didactic and scientific products;
- (iii). the production, purchase, sale, adaptation, processing, duplication, conversion, translation, distribution, reproduction, dissemination, rental, publishing, economic use, and marketing in general of videographic and VOD (video on demand) products produced on the basis of film and audiovisual works, sequences of moving images, their components, and, in general, intellectual property, based on currently known technologies or those developed in the future, including, by way of example, DVDs, blue-ray discs, SVOD, streaming, and downloads, for any use, both in relation to the public and parent companies, subsidiaries or related companies, or third-party companies or bodies;
- (iv). e-commerce and mail order sales of goods and services related to its corporate purpose; the printing and distribution of specialist magazines in the sectors in which the Company carries out its activities, with the explicit exclusion of the publishing of daily newspapers pursuant to Italian Law no. 416/81, as amended by Italian Legislative Decree no. 170 of 24 April 2011 and subsequent amendments;
- (v). the production and management of company websites and websites specifically for the sectors of activity;
- (vi). the hiring of agents, with or without storage of the products mentioned above;

- (vii). audiovisual, hi-fi, internet portal and telephone equipment rental, as well as the provision of technical support for this activity;
- (viii). marketing, management of advertising campaigns, analysis and preparation of business development plans in the sectors mentioned above;
- (ix). training and preparation courses for specialist personnel for the management of audiovisual, hi-fi, internet portal and telephone equipment rental activities, excluding labour brokering;
- (x). the setting up and management of workshops for the production and maintenance of audiovisual and cinematographic products in general and of the equipment required to view them;
- (xi). the provision of language services in general, including the written translation of texts and similar, electronic page layout, interpreting services, simultaneous translation and technical conference systems, organisation of meetings and conferences, freelance foreign language secretary services, digitisation of texts, subtitling, language training, and language consultancy in general;
- (xii). the production of goods and services in the advertising sector, the production and marketing of multimedia goods, the production of audiovisual material, audio and video post-production, dubbing, music and editorial productions, import/export and distribution of television audio-cine and technological material in general, general technical consultancy, creations and performances as well as productions, promoter and promotional activities in the music and non-music field, television audio-cine theatre productions, promoter, artistic agency and promotional activities in the same area;
- (xiii). the promotion and establishment of didactic courses and activities, promotion of merchandising, marketing, graphic design for advertising; and development and marketing of all activities relating to the internet and future technologies in the area of global and local networks;
- (xiv). the organisation and promotion of media events in any commodity sector; the organisation of conferences and events, particularly relating to the media industry, and the organisation and running of film festivals; the organisation of recreational activities; public relations; business information agency activities; the production of advertising studies; the distribution of promotional material; the running of schools and relevant training courses, and advertising budget management.

All in full compliance with the law and subject to obtaining the necessary licences, authorisations and anything else required for the purposes of carrying out the aforementioned activities.

The Company can, providing that it is instrumental to and not prevalent with respect to the main activities and with the exclusive purpose of achieving what is specified above:

- (i). carry out all the industrial, business, financial (excluding the collection of savings and securities dealing), mortgage, securities and real estate transactions permitted by law and which are considered necessary and beneficial;
- (ii). give endorsements, sureties and any other guarantees, including collateral, including in favour of third parties;
- (iii). directly and indirectly take on interests and shareholdings in other companies or enterprises with a similar or related purpose to its own, solely for the purposes of achieving the corporate purpose and in compliance with the provisions of article 2361 of the Italian Civil Code. These complementary activities must be carried out in full compliance with the Banking Laws in force and in particular Italian Law no. 197/1991 and Italian Legislative Decree no. 385/1993 and subsequent amendments, and therefore can never be carried out in relation to the public but with banking institutions of any type solely to ensure adequate financial resources for the Company and, in any case, always in a non-prevalent way in relation to the other activities.

Article 4

Duration

The duration of the Company is fixed from the day it was legally established until 31 December 2060, and can be extended once or twice on approval of the extraordinary shareholders' meeting according to the law.

Article 5

Domicile

The domicile of the shareholders, directors, statutory auditors and auditor, for their relationships with the Company, is that indicated in the corporate books.

Article 6

Capital and shares

The share capital is € 500,000.00 (five hundred thousand/00) and is divided into 20,000,000 (twenty million) shares without the nominal value being expressed. The capital can also be increased by the transfer of assets in kind and through loans.

The shares are registered and indivisible, and each gives the right to one vote. The shares are freely transferable.

The shares are dematerialised according to the regulations in force regarding the centralised management system for traded financial instruments on regulated and unregulated markets.

Possession of even one share constitutes in itself adherence to the present Articles of Association and to the decisions taken by the shareholders' meeting in compliance with the law and the Articles of Association.

On 15 April 2014, the shareholders' meeting decided on the following:

1) share issue against payment in one or more tranches, with exclusion of the pre-emptive right in accordance with art. 2441, fifth and sixth paragraphs of the Italian Civil Code, for a maximum amount of € 250,000 (two hundred and fifty thousand) to be allocated to the share capital, as well as the share premium, by issuing a maximum of 10,000,000 (ten million) ordinary shares without nominal value and with regular entitlement, to be offered via subscription to qualified investors, as defined in articles 100 of Italian Legislative Decree 58/98, 34-*ter* of Consob Regulation no. 11971/1999 and 26 of Consob Regulation no. 16190/2007, as well as qualified foreign investors, as part of the offer aimed at listing the Company's ordinary shares on AIM Italia/Mercato Alternativo del Capitale organised and managed by Borsa Italiana S.p.A. (the "First Capital Increase");

2) further share issue against payment in one or more tranches, with exclusion of the pre-emptive right in accordance with art. 2441, fifth and sixth paragraphs of the Italian Civil Code, for a maximum amount of € 4,999,000 (four million nine hundred and ninety nine thousand) to be divided between the share capital and share premium, by issuing a number of ordinary shares without nominal value and with regular entitlement, to be identified as indicated below, to be offered via subscription to investors other than the qualified investors, as defined in articles 100 of Italian Legislative Decree 58/98, 34-*ter* of Consob Regulation no. 11971/1999 and 26 of Consob Regulation no. 16190/2007, as well as qualified foreign investors, as part of the offer aimed at listing the Company's ordinary shares on AIM Italia/Mercato Alternativo del Capitale organised and managed by Borsa Italiana S.p.A. (the "Second Capital Increase");

3) to ensure that the First and Second Capital Increases provide, respectively, a tranche reserved for investors that will subscribe to the First and Second Capital Increase upon admission of the Company to AIM Italia ("IPO") of, respectively, a maximum of 1,000,000 (one million) ordinary shares without nominal value and with regular entitlement (the "Bonus Share Tranche of the First Capital Increase") and a number of shares equal to a tenth of the shares issued for the Second Capital Increase, without nominal value and with regular entitlement (the "Bonus Share Tranche of the Second Capital Increase" and, together with the Bonus Share Tranche of the First Capital Increase, the "Bonus Share Tranches");

4) to authorise the Board of Directors, and on its behalf the CEO Guglielmo Marchetti, to determine, in agreement with Nomad and except for the Bonus Share Tranches:

(a) the indicative price range within which the offer price and maximum price must fall, the latter and the final issue price (including the share premium) as well as the share premium itself, with which these increases will be offered through subscription, notwithstanding that the final issue price, including the share premium, cannot be less than € 0.023 per share, equal to the Company's shareholders' equity, as indicated in the Company's financial statements of 31 December 2013, divided by the number of Company shares after the division referred to in point 1 of the agenda;

(b) the number of shares arising from each capital increase to be issued and allocated to investors, within the maximum amounts provided for in the respective resolutions, being understood that, however, where each of these increases is not fully subscribed within the deadline, this will remain unchanged within the limits of the subscriptions collected by that date, provided that the shares resulting from these effectively subscribed increases are, overall, such as to enable the minimum float requirement of 10 (ten) percent of the post-Offer capital to be met, required by AIM Italia regulations; otherwise, neither capital increase will take effect;

(c) any minimum subscription and trading batches;

(d) the share allocation criteria as part of each of these two capital increases, whenever the subscription requests exceed the maximum number of shares or the maximum value, it being understood that in no case can shares allocated from one of the two capital increases be offered through subscription to recipients of the other capital increase;

(e) the deadline within which these capital increases must be finalised, without prejudice to the provisions of art. 2441, second paragraph of the Italian Civil Code, and in any case within the subscription deadline of 31 (thirty-first) December 2014 (twenty fourteen);

all in conjunction with the execution of the Offer, based on the valuation criteria which take into account the development prospects of the current and subsequent financial years, applying the valuation methodologies commonly recognised by international professional practice and the authorities, as well as taking into account the conditions of the Italian and international securities markets and the expressions of interest received from investors, as well as the quality of these;

5) to ensure that the shares deriving from the Bonus Share Tranches of the First and Second Capital Increases are respectively reserved to each of the subscribers during the IPO of shares from the First and Second Capital Increases, on the condition that each subscriber:

(i) has not sold the shares subscribed during the IPO up to the date corresponding to the three hundred and sixty fifth day following the start date of trading of the Company's shares on AIM Italia (the "Loyalty Term");

(ii) has communicated, within the thirtieth day following the Loyalty Term, according to the technical procedures specified by the Company and communicated to investors, that it intends to make use of the right to receive bonus shares.

6) to ensure that, for the Bonus Share Tranches:

(a) the subscription ratio of the bonus shares is equal to 1 (one) bonus share for every 10 (ten) shares subscribed during the IPO and is maintained for the entire Loyalty Term;

(b) the share issue price will be € 0.025 per share, corresponding to the current accounting par value of the Company, divided by the number of Company shares after the division referred to in point 1 of the agenda;

(c) the funds required for the payment of the bonus shares derive from a reduction in the price paid during the IPO by the subscribers that intend to make use of the option to subscribe to bonus shares; in particular, on the occurrence of the conditions specified above, the share subscription price paid during the IPO by the subscriber will reduce to an extent corresponding to the price of the bonus shares due to it, with accrual of the related credit to the subscriber, credit that will be immediately used as compensation for the subscription to the bonus shares;

(d) at the end of the share subscription during the IPO, the difference between the overall amount paid by the subscribers and the total amount of the accounting par value of the First and Second Capital Increases will be allocated as follows: (x) for a sum equal to the maximum overall equivalent value of the bonus shares attributable to the IPO subscribers, to a component bound to any subsequent reduction in price required for subscription to the bonus shares; (y) for the residual part, to the share premium account;

(e) from the moment of execution of the Bonus Share Tranches, the sum of the previous point (d)(x) will be used, as far as necessary, for the release of the bonus shares, while any excess (i.e. the entire component in the case of lack of subscription to the Bonus Share Tranches) will be definitively attributed to the share premium account;

(f) the final date for subscription to the Bonus Share Tranches will be the sixtieth day following the expiry of the Loyalty Term;

For the whole period in which the Shares will be listed on AIM Italia/Mercato Alternativo del Capitale, shareholders must inform the Company, in the ways identified in the related applicable regulations, of the attainment or exceedance of a share capital stake with voting rights of 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 66.6%, 75%, 90% or 95%, or reductions below these thresholds, or the different thresholds provided for by the applicable regulations and legislation.

Communication must occur within three full days starting from the date of the act or event that gave rise to this change and must be sent by registered letter with return receipt to the Company's registered office, as stated on the business register, for the attention of the Chairman of the Board of Directors.

The Board of Directors can ask shareholders for information on their share capital stake.

If the shareholder does not provide the Company with the information set out in this article 6, the Board of Directors can deprive the shareholder of their voting rights and right to receive profits deriving from the number of shares specified in the notifications communicated to the shareholder, for a period of up to a year from the date of request for information. The prohibition mentioned above can be renewed by the Board of Directors if the interested party continues not to fulfil its information obligations.

Shareholders will also be obliged to communicate, with express reference to the provisions referred to in article 120 et seq. of Italian Legislative Decree no. 58 of 1998 (the "**Consolidated Law on Finance**") and related implementing regulatory provisions, any changes relating to potential shareholdings and to long positions.

Article 7

Financial instruments

The Company, with the decision to be taken by the extraordinary shareholders' meeting by majority vote as referred to in article 15 of these Articles of Association, can issue financial instruments provided with rights to property or administrative rights, excluding voting rights at the general shareholders' meeting. The holders of financial instruments have the right to appoint an independent member of the board of statutory auditors, through a resolution at the special shareholders' meeting, at which the provisions set out by these Articles of Association regarding shareholders' meetings are applicable. The resolution regarding the issue of instruments establishes, with reference to each contributing party, how many financial instruments will be issued in relation to the contribution.

The financial instruments issued are not transferable without the consent of the Board of Directors; the buyer takes over all the obligations of the seller.

The financial instruments are represented by registered securities. The holder of financial instruments who fails to make the promised contribution, subject to formal notice, is suspended from exercising shareholders' rights, without prejudice to the right to compensation for damages, and in more serious cases can have their rights revoked by the extraordinary shareholders' meeting.

The Company can always redeem the financial instruments at a specific price according to the criteria established at the extraordinary shareholders' meeting that approved the issue.

Financial instruments redeemed by the Company and those for which grounds for revocation are established, are settled as of right.

Profits can be allocated to employees of the Company and subsidiaries through the issue, of equal amount, of special categories of shares to be allocated individually. In this case, a resolution of the extraordinary shareholders' meeting is required, with which a corresponding share capital increase is made as well as establishing rules regarding the form, transfer and the rights due for these categories of shares. The extraordinary shareholders' meeting can also approve the allocation to employees of the Company and subsidiaries of financial instruments other than shares, provided with rights to property or administrative rights, excluding voting rights at the general shareholders' meeting. These instruments are non-transferable and expire in the event of termination of the employment relationship for any reason.

Article 8

Bonds

The Company can issue bonds, including convertible bonds, to the holder or registered in accordance with the law. The issue of bonds is always approved by the shareholders' meeting with the majority vote required for extraordinary shareholders' meetings.

Article 9

Allocated assets

The Company can establish assets for a specific business in accordance with Articles 2447-*bis* et seq. of the Italian Civil Code.

The decision is adopted by the Board of Directors in accordance with Article 16 of these Articles of Association.

Article 10

Financing

The Company can acquire shareholder loans for a consideration or free of charge, with or without the requirement to repay, in compliance with the regulations in force, with particular reference to those regulating the collection of savings from the public.

Article 11

Share transfer

Shares are transferable without restriction, both *inter vivos* and by succession due to death.

Article 12

Reference to provisions concerning mandatory takeover bid and exchange

Starting from the point when the shares issued by the Company are admitted for trading on AIM Italia/Mercato Alternativo del Capitale, the provisions (the "**Reference Regulations**") relating to listed companies referred to in the Consolidated Law on Finance and implementing Consob regulations regarding mandatory takeover bids, limited to articles 106 and 109 of the Consolidated Law on Finance, are applicable by voluntary reference and insofar as compatible. The Reference Regulations are those, which are in force when the obligations of the shareholder come into effect. The provisions referred to in article 107 of the Consolidated Law on Finance and the related implementing regulatory provisions are expressly excluded from the Reference Regulations. The provisions of article 106, paragraph 4 of the Consolidated Law on Finance will only be applicable when the voluntary takeover bid is promoted in the manner and according to the provisions set out in article 102 et seq.

of the Consolidated Law on Finance and related implementing regulatory provisions, insofar as compatible and also whenever the recipients of the bid and its amount are less than the thresholds set out by article 1, paragraph 1, letter (v) of the Consolidated Law on Finance. Notwithstanding the provisions of article 104 of the Consolidated Law on Finance, the performance of acts or transactions that may impede the achievement of the objectives of the takeover bid must not be subject to authorisation by the shareholders' meeting.

The acceptance period for the takeover bid and exchange is agreed with the board of arbitrators, known as the 'Panel', set up by Borsa Italiana S.p.A. This Panel also sets the appropriate or necessary provisions for the correct performance of the bid. The Panel exercises these administrative powers after consulting Borsa Italiana S.p.A.

The exceedance of the shareholding threshold set out by art. 106, paragraph 1 of the Consolidated Law on Finance, not accompanied by communication to the Company and the market, as well as, where provided for by the legal provisions or applicable regulations, to the supervisory authority and/or markets authority, or to parties specified by them, and by the submission of a full takeover bid under the terms provided for by the Reference Regulations, will lead to the suspension of voting rights for the excess shareholding, which can be determined by the Board of Directors at any time.

All disputes concerning the interpretation and execution of this clause must be submitted in advance, as a condition of admissibility, to the board of arbitrators, known as the 'Panel'.

The Panel is a board of arbitrators made up of three members appointed by Borsa Italiana S.p.A., which will also elect the Chairman from among the members. The Panel is based at Borsa Italiana S.p.A.

Members of the Panel are chosen from independent persons with proven expertise in financial markets. The term of office is three years and can only be renewed once. Whenever one of the members quits office before expiry, Borsa Italiana will appoint a replacement; this appointment will last until the end of the board's term. The decisions of the Panel on disputes concerning the interpretation and execution of the clause on takeover bids are made according to the law, in compliance with the adversarial principle, within thirty days from the petition and communicated in a timely manner to the parties. The language for the proceedings is Italian. The Panel Chairman has the right to assign the issue, in agreement with the other members of the board, to just one member of the board.

The Company, its shareholders and any bidders can approach the Panel to ask for its prior interpretation and recommendations on any issue that may arise in relation to the takeover bid. The Panel responds to every request verbally or in writing, as quickly as possible, with the right to ask all interested parties for the information required to provide an appropriate and correct response. The Panel also exercises the powers of administration of the takeover bid referred to in the takeover bid and exchange clause, in consultation with Borsa Italiana S.p.A.

Article 13

Withdrawal

Shareholders who do not participate in the approval of decisions regarding the following have the right to withdraw:

- (i). amendment of the corporate purpose clause, when this allows a significant change to the activities of the Company;
- (ii). transformation of the Company;
- (iii). transfer overseas of the registered office;
- (iv). withdrawal of liquidation status;
- (v). amendment of the criteria for determination of the share value in the case of withdrawal;

- (vi). amendments to the Articles of Association concerning voting rights or shareholding rights;
- (vii). extension of the term;
- (viii). introduction or removal of restrictions to the circulation of equity securities.

The following must be listed in the statement of withdrawal: (i) the details of the withdrawing shareholder; (ii) the domicile elected by the withdrawing party for correspondence relating to the procedure; (iii) the number of shares for which the right of withdrawal is being exercised.

The withdrawal is considered concluded on the day when the communication reaches the registered office of the Company.

The shares for which the right of withdrawal is exercised are non-transferable and, at the same time as the statement of withdrawal, the shareholder must meet the requirements of the regulation relating to dematerialised shares.

The liquidation value due to the withdrawing shareholders (the "**Withdrawal Value**") will be established by the Board of Directors according to the provisions of art. 2437-ter of the Italian Civil Code.

Article 14

Management and Coordination - Shareholders' Meeting

The Company must specify the company or body to which its management and coordination is subject to in the records and correspondence, as well as by registration, by the Board of Directors, in the section of the business register referred to in article 2497-bis, paragraph 2, of the Italian Civil Code.

The shareholders' meeting represents all shareholders, and its decisions, taken in accordance with the law and these Articles of Association, are binding for all shareholders.

The meeting can be ordinary and extraordinary.

The ordinary shareholders' meeting decides on subjects reserved to it by law, and must be convened at least once a year, within one hundred and twenty (120) days following the closure of the financial year. The meeting can be convened within a longer term of one hundred and eighty (180) days in the case where the Company is required to prepare consolidated financial statements or whenever there are special requirements regarding the structure and purpose of the Company; in these cases, the directors indicate the reasons for the extension in the report required under article 2428 of the Italian Civil Code.

The extraordinary shareholders' meeting decides on amendments to the Articles of Association, on the appointment, replacement and power of liquidators, and any other subject explicitly assigned to it by law.

Article 15

Convening of shareholders' meetings

Shareholders' meetings can also be convened outside the municipality where the registered office is located, providing it is in another Member State of the European Union.

The shareholders' meeting must be convened by the Board of Directors, including when it is requested by many shareholders who represent at least a tenth of the share capital.

The general shareholders' meeting is convened via a notice, to be published according to the terms set out by the regulations in force, in one of the following newspapers: "Sole 24 ore", "Milano Finanza", "MF", "Corriere della Sera", "Il Messaggero" or "Italia Oggi".

The notice of call must specify: (i) the place where the meeting will be held; (ii) the date and time of the meeting; (iii) the agenda; (iv) the other particulars required by the law or regulatory provisions.

In the notice of call, the date of second call may be included for the case where the first sitting of the meeting is not legally constituted. The shareholders' meeting is also convened by the Board of Directors at the request of

many shareholders that represent at least 1/10 (one tenth) of the share capital, within the limits set out by article 2367, last paragraph, of the Italian Civil Code, or the board of statutory auditors.

Even in the absence of formal convocation, the meeting is duly constituted if the requirements of the law are met.

Article 16

Constitution of the shareholders' meeting and validity of the decisions

Shareholders that have voting rights can take part in the shareholders' meeting. For the purposes of attending, the prior depositing of shares is not necessary; however, the right to take part is due to shareholders for which the Company has received, by the end of the third day of open market before the date set for the first call of the shareholders' meeting (or prior to the date set for subsequent calls where specified in the notice of call), the appropriate communication issued by an authorised intermediary, based on the evidence of accounts relating to the end of the accounting day of the seventh day of open market prior to the date set for the first call of the shareholders' meeting (or prior to the date set for subsequent calls where specified in the notice of call). The right to participate and to vote still stands whenever the above communications are received by the issuer beyond the above term, providing that this occurs before the start of the meeting.

The shareholders' meeting can also take place in more than one location (adjoining or remote locations) by audio-visual link, according to the methods that must be recorded in the minutes. Postal voting is not permitted.

Performance of the shareholders' meeting via audio/video link can take place in compliance with the following conditions:

- (i). the use of this link is expressly indicated in the notice of call;
- (ii). it is possible for the meeting Chairman to ascertain the legitimacy of the participants, to regulate the performance of the meeting, and to establish and announce the results of voting;
- (iii). it is possible for the person taking the minutes to clearly understand the events at the meeting to be minuted;
- (iv). it is possible for the participants to take part in the discussion and simultaneous voting on the arguments on the agenda;
- (v). the audio-video locations linked by the Company which are available to the participants are specified in the notice of call, whenever not already known to shareholders; the location of the meeting must be that where the Chairman and the person taking the minutes are located. An attendance sheet must be provided in all the audio/video-linked locations where the meeting is held.

The shareholders' meeting is chaired by the Chairman of the Board of Directors or, if not present, by the person elected by majority vote of the attendees. The Chairman is assisted by a Secretary appointed by the shareholders' meeting. The assistance of the Secretary is not required when the meeting minutes are drafted by a notary.

The shareholders can be represented at the shareholders' meeting. Representation must be assigned in writing and the related documents must be retained by the Company, under the terms and according to the limits provided for in article 2372 of the Italian Civil Code. The shareholders' meeting is considered duly constituted and makes decisions, during both ordinary and extraordinary meetings and during the first call and second call, with the favourable vote of shareholders representing more than half the share capital, except where different quorums are provided for by law.

Article 17

Majorities and Minutes

The ordinary shareholders' meeting, with the majorities provided for by the law:

- (i) decides on the appointment of directors;

- (ii) determines the remuneration due to directors;
- (iii) decides on the responsibilities of directors;
- (iv) decides on the distribution of profits and on the coverage of losses;
- (v) appoints and revokes the auditing company in charge of the statutory audit, on the justified proposal of the control body;
- (vi) performs other tasks assigned to it by law.

The extraordinary shareholders' meeting makes decisions, both in the first and second call, with the majorities provided for by law.

Whenever the Company's shares are admitted for trading on AIM Italia/Mercato Alternativo del Capitale, prior authorisation of the ordinary shareholders' meeting is required, in accordance with article 2364, paragraph 1, no. 5 of the Italian Civil Code, as well as in the cases set out by law, under the following circumstances:

- (i) acquisition of shareholdings or undertakings or other assets constituting a "reverse take over" in accordance with the AIM Italia/Mercato Alternativo del Capitale Regulation;
- (ii) sale of shareholdings or undertakings or other assets constituting a "substantial change of business" in accordance with the AIM Italia/Mercato Alternativo del Capitale Regulation;
- (iii) request to withdraw from trading on AIM Italia/Mercato Alternativo del Capitale, notwithstanding that in this case a favourable vote of at least 90% of the shareholders present at the meeting is required.

Shareholders' meetings are verified by minutes prepared by the Secretary, appointed by the meeting itself, and signed by the Chairman and the Secretary.

When required by law and when the Board of Directors or the chairman of the shareholders' meeting consider it appropriate, the minutes are drafted by a notary. In such cases, the assistance of the Secretary is not required.

The meeting minutes must be prepared without delay, in the time necessary for the timely execution of filing and publication obligations, and must be signed by the Chairman and the Secretary or by the notary.

The minutes must contain the following:

- (i) the meeting date;
- (ii) the identity of participants and the share capital represented by each (including by means of an attachment);
- (iii) the methods and results of votes;
- (iv) the identification of favourable, abstaining or dissenting shareholders;
- (v) where explicitly requested by one or more participants, a summary of their statements, where relevant to the agenda.

Article 18

Administration and representation

The Company can be managed by a Board of Directors made up of five to seven members.

The directors, who can also be non-shareholders, serve a term of three financial years and can be re-elected.

The Board of Directors has the widest powers for the ordinary and extraordinary management of the Company, without exception, and has the right to perform all of the actions it considers appropriate for the implementation and achievement of the corporate purpose, excluding those that the Articles of Association reserve for the shareholders' meeting.

In accordance with article 2365 of the Italian Civil Code, the Board of Directors is assigned responsibility in relation to the following:

- (i) opening and closing of secondary offices;
- (ii) indication of which of the directors represent the Company;
- (iii) reduction in capital in the case of withdrawal of a shareholder;
- (iv) adaptation of the Articles of Association to regulatory provisions;
- (v) transfer of the registered office within the municipality where it is established.

The Chairman of the Board of Directors has the signing authority and legally represents the Company in relation to third parties and in court.

The Board of Directors can appoint technical directors and/or signatory officers for specific documents or categories of documents, determining the powers and authorities each time.

Specific committees can be set up within the Board of Directors as well as advisory committees. Where provided for by the procedures adopted by the Company, the committees can also issue binding opinions for the Board of Directors.

The remuneration of the Board of Directors and any reimbursement of expenses incurred as a result of their office is established by the shareholders' meeting in accordance with article 2389 of the Italian Civil Code.

Article 19

Board of Directors

The Board of Directors can delegate its powers to an executive committee comprising some of its members, or to one or more of its members, determining the content, limits and means of exercising the delegation.

The Board meets at the place indicated in the notice of call, at the registered office or elsewhere, provided that it is within the European Union, whenever considered necessary by the Chairman, by the board of statutory auditors or by at least two board members.

The meeting is called at least five days in advance by letter, sent by fax, telegram or e-mail. For the decisions of the Board of Directors to be valid, the majority of the current directors must attend. The decisions of the Board of Directors are taken with an absolute majority of those present. Votes cannot be made by proxy.

The board can meet in more than one location (adjoining or remote locations) by audio-visual link, according to the methods that must be recorded in the minutes.

Performance of the Board of Directors meeting via audio/video link can take place in compliance with the following conditions:

- (i). the use of this link is expressly indicated in the notice of call;
- (ii). it is possible for the meeting Chairman to ascertain the legitimacy of the participants, to regulate the performance of the meeting, and to establish and announce the results of voting;
- (iii). it is possible for the person taking the minutes to clearly understand the events at the meeting to be minuted;
- (iv). it is possible for the participants to take part in the discussion and simultaneous voting on the arguments on the agenda.

The location of the meeting is that where the Chairman and the person taking the minutes are located.

Article 20

Board of Statutory Auditors

The board of statutory auditors is made up of three auditors and two alternate auditors, meeting the requirements of the law.

The auditors will remain in office for three financial years, and their remuneration is determined by the shareholders' meeting on appointment for the entire period of their office.

Article 21

Financial Audits

Financial auditing of the Company is carried out by an auditor or by an auditing company, meeting the requirements of the law.

Article 22

Financial statements and profits

The financial years close on 31 December of each year. Net profits from the financial statements, deducting at least 5% (five percent) for the legal reserve until this reaches a fifth of the share capital, will be distributed among the shareholders, proportional to the shareholding of each one, unless otherwise decided at the shareholders' meeting.

Article 23

Dissolution and liquidation

The Company will be dissolved in the cases and in the ways provided for by the law. If the dissolution of the Company occurs for any reason and at any time, the shareholders' meeting, with the majority required for amendment of the memorandum of association, will specify the means and criteria of liquidation and appoint one or two liquidators, establishing their powers and remuneration.

Article 24

General provisions

For anything not set out in these Articles of Association, reference should be made to the relevant regulations in force.

Signed Ugo Girardi

Signed Angelo Busani