

COMPANY INFORMATION SHEET

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Company Name (stock code): PRADA S.p.A. (1913)

Stock Short Name: PRADA

This information sheet is provided for giving information to the public about PRADA S.p.A. (the “**Company**”) as at the date hereof. It does not purport to be a complete summary of the information relevant to the Company and/or its securities.

Unless otherwise indicated, the capitalized terms have the same meaning as ascribed in the Company’s prospectus dated 13 June 2011 (the “**Prospectus**”).

If there is any inconsistency between the English version of this information sheet and its Chinese translation, the English version shall prevail.

Responsibility statement

The directors of the Company as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this information sheet and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information is accurate and complete in all material respects and not misleading or deceptive and that there are no other matters the omission of which would make any information inaccurate or misleading.

The directors of the Company also collectively and individually undertake to publish a revised information sheet when there are material changes to the information since its last publication.

Summary Content

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1. Summary of Waivers	
Latest version	30 June 2022
2. Summary of Foreign Laws and Regulations	
Latest version	30 June 2022
3. By-laws of the Company	
Latest version	27 May 2021

Date of this information sheet: 30 June 2022

1. SUMMARY OF WAIVERS

The following waivers have been applied for, and granted by, the Stock Exchange.

1.1. WAIVER IN RESPECT OF THE PUBLIC FLOAT REQUIREMENT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the issuer's total issued share capital must at all times be held by the public. Our Company applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange confirmed that it would exercise, its discretion under Rule 8.08(1)(d) of the Listing Rules to accept a lower public float percentage of 17.5% or a higher percentage upon the exercise of the IPO over-allotment option of our Company. After the exercise of the IPO over-allotment option, our public float is approximately 20% of the Company's issued share capital. The above discretion was granted subject to the condition that our Company complied with the disclosure requirements under Rule 8.08(1)(d) of the Listing Rules and that the Joint Sponsors and we were able to demonstrate satisfactory compliance with Rules 8.08(2) and 8.08(3) of the Listing Rules at the time of the Listing. Our Company has made appropriate disclosure of the lower prescribed percentage of public float and confirmed sufficiency of the public float in its successive annual reports after the Listing. In addition, our Company has, with a view to ensuring compliance with our obligations under the Listing Rules in relation to the minimum number of Prada Shares (hereinafter, the "**Public Float Shares**") which must be in public hands, (i) monitored our register of members, relevant disclosures made under Part XV of the SFO and other relevant sources of information available to us and (ii) (if at any time we became aware that the number of Public Float Shares which were in public hands was less than such minimum number) taken such steps as were legally available to us to restore the number of Public Float Shares in public hands to the minimum required by the Listing Rules.

1.2. WAIVER IN RESPECT OF APPOINTMENT OF AUDITOR AT EACH ANNUAL GENERAL MEETING

Our Company's consolidated financial statements have been audited by Deloitte & Touche S.p.A. ("**Deloitte Italy**") since 2003. On April 13, 2012, the Hong Kong Stock Exchange granted to the Company a waiver from strict compliance with Rule 13.88 of the Listing Rules, which requires the appointment of an auditor at each annual general meeting to hold office until the next annual general meeting. Under Italian law, a company's auditors are appointed for a term of three years and a shorter period is not allowed. Therefore, the Company's auditor is appointed and its remuneration determined every three years at the shareholders' general meeting of the Company under the applicable Italian laws.

On March 14, 2022, March 15, 2019, April 8, 2016 and April 5, 2013, the Board resolved, in accordance with the recommendations received from the Board of statutory auditors and the Audit Committee, to propose a resolution at the shareholders' general meeting of the Company on April 28, 2022 (the "**2022**

AGM”), April 30, 2019 (the “**2019 AGM**”), May 24, 2016 (the “**2016 AGM**”) and May 23, 2013 (the “**2013 AGM**”) respectively to appoint/reappoint Deloitte Italy as the auditor of the Company for a term of three financial years and to fix its remuneration.

At the 2022 AGM, 2019 AGM, 2016 AGM and 2013 AGM, it was resolved to appoint Deloitte Italy as the auditor of the Company for a term of three financial years. Accordingly, the auditor’s mandate expired at the shareholders’ general meetings convened for the approval of the financial statements of the Company for the years ended December 31, 2021, December 31, 2018 and January 31, 2016 and will expire at the shareholders’ general meeting to be convened for the approval of the financial statements of the Company for the year ending December 31, 2024.

2. SUMMARY OF FOREIGN LAWS AND REGULATIONS

A. ITALIAN COMPANIES LAW

Set out below is a summary of certain provisions of the relevant Italian law applicable to an Italian company whose shares are listed on the Hong Kong Stock Exchange.

The summary below is for general guidance only and does not constitute legal advice nor should it be used as a substitute for specific legal advice on the corporate laws of Italy. The summary does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the corporate laws of Italy, which may be different from equivalent provisions in jurisdictions with which interested parties may be more familiar. Investors should note that the following summary is based on the laws and regulations in force as at the date of this information sheet, which may be subject to change.

A.1. Introduction

The relevant Italian corporate laws and regulations governing Italian joint stock companies, including those whose shares are listed on the regulated markets like the Hong Kong Stock Exchange, are mainly included in the Italian civil code, as amended and updated from time to time (“**Italian Civil Code**”).

A.2. Incorporation

Our Company is a joint-stock company (*società per azioni*) governed by the Italian Civil Code. A joint-stock company is incorporated in the presence of an Italian notary. The notary is required to verify whether the conditions for the incorporation of a company have been complied with and whether the by-laws of the company comply with Italian law. The liability of the shareholders of our Company is limited. Under Italian law, a joint-stock company is normally established for a specified period. This period can be extended by a resolution of the shareholders at an extraordinary general meeting.

A.3. Share capital

The minimum amount of share capital provided for a joint-stock company is equal to € 50,000 (fifty thousand).

The increase or reduction in the share capital of a company shall be resolved upon by an extraordinary general meeting of shareholders, acting in accordance with the conditions prescribed for the amendment of the by-laws.

In addition, should the by-laws or a subsequent extraordinary meeting resolution grant to the board of directors such relevant power, a capital increase of a company can also be resolved upon by its board of directors in one or more times up to the amount specified in the relevant resolution of the extraordinary shareholders' meeting and for the maximum period indicated by the same which cannot exceed five years from the date of registration of the company (or of the extraordinary meeting resolution granting this power).

(a) Capital increases

As a general rule, new issues of ordinary shares are subject to the existing shareholders' option rights (*diritto di opzione*) and each such shareholder is entitled to subscribe for shares on a pro rata basis. However, shareholders' option rights (*diritto di opzione*) are excluded, if the capital increase is carried out as a result of a contribution in kind, and can be excluded or limited if (i) the by-laws of the company expressly provide for this possibility, but only for a number of newly issued shares not exceeding 10% of the issued and outstanding shares (in this case the issue price must be equal to the market price of the shares and such circumstance is confirmed by a specific opinion of the auditing firm) with respect to companies whose shares are listed on a regulated market only; or (ii) this is in the best interest of the company; or (iii) the newly issued shares are offered to employees of the company, of its controlling company or of its subsidiaries.

(b) Capital reductions

A reduction of share capital can be either voluntary or compulsory. It is compulsory when: (i) the losses incurred by our company exceed one-third of its share capital and are not reduced within this threshold by the end of the financial year following the one in which they are recorded, or (ii) the losses incurred by the company result in a reduction of the share capital below the minimum threshold set forth by the Italian Civil Code (*i.e.*, € 50,000). In this case, either the extraordinary shareholders' meeting resolves upon a capital increase to an amount not lower than the minimum requirement or the transformation of the form of Company or the company is liquidated.

The voluntary reduction can be carried out either by a repayment to shareholders or waiver of their obligation to pay up their shares if they are not already fully paid up within the limits set out by law.

The reduction of the share capital shall be approved by an extraordinary shareholders' meeting of the company. When the capital reduction is voluntary, the relevant resolution of the extraordinary shareholders' meeting can only be effective after 90 days from the date of its registration in the register of enterprises (*Registro delle Imprese*) provided that during this period no objection has been made by any creditor of the company that was a creditor before the above registration.

Notwithstanding any such objection, the relevant Court can still order that the reduction of capital should be carried into effect, if the risk of prejudice for creditors is deemed groundless or the company provides adequate security.

In the event that the company owns treasury shares, the voluntary capital reduction shall be carried out so that the treasury shares, if any, owned after the share capital reduction shall not exceed 20% of the share capital.

A.4. Dividends and distributions of profits

A company may proceed with a distribution of profits or distributable reserves by means of a resolution adopted by the ordinary shareholders' meeting. A portion

not lower than 5% of the annual net profits must be set aside to a non-distributable reserve (*riserva legale*) until this reserve is equal to 20% of the share capital of the company.

The distribution may only be out of actual profits as resulting from the financial statements that has been duly approved by shareholders. In the case of capital losses, a company shall not proceed to distribute profits as long as the share capital has not been reinstated or reduced by a corresponding amount.

Distribution of profits made in breach of such provisions cannot be recovered from recipients if the shareholders collected them in good faith on the basis of a financial statements duly approved showing correspondent net profits.

(a) Dividends in shares

The allotment of additional shares in lieu of dividends by means of (i) a dedicated capital increase, to be approved by the extraordinary shareholders' meeting and (ii) the disposal of treasury shares held by the company, to be authorized by the ordinary shareholders' meeting.

A.5. Shareholders' suits/Protection of minority shareholders' rights

The board of directors – or the board of statutory auditors, if the board of directors fails to do so – shall call a shareholders' meeting without delay upon request of shareholders representing at least 5% of the company's share capital – or the lower percentage set forth in the by-laws – provided that the items to be discussed shall be indicated in the request.

If the board of directors – and the board of statutory auditors, if applicable – fails to convene the meeting when requested, the relevant court – upon request by one or more shareholder(s) registered in the shareholders' ledger and after hearing the members of the board of directors and of the board of statutory auditors – shall call the meeting by a decree, if it considers the failure to convene the meeting is unjustified. In such event, the court will also designate the person who will chair the meeting ordered by the relevant court.

The calling of a shareholders' meeting upon request of the shareholders is not allowed on matters, which, pursuant to Italian law, should be proposed by the directors or because of a report or a project to be drafted by them.

Shareholders representing at least 0.1% of the share capital and registered in the shareholders' ledger (or the lower percentage provided in the by-laws) may challenge before a competent court any shareholders' meeting resolution that contravenes provisions of the by-laws or applicable laws and may seek annulment of the same if (i) the resolution was adopted at a shareholders' meeting not attended by such shareholders, (ii) said shareholders dissented, or (iii) said shareholders abstained from voting. They may also seek suspension of the resolution by an injunction. The complaint must be filed within 90 days from the date on which the resolution is adopted or, as the case may be, registered in or filed with the register of enterprises (*Registro delle Imprese*) before the court of the place where the company has its registered office. Members of the board

of directors and the board of statutory auditors have the same right to challenge a shareholders' resolution that is not adopted in compliance with applicable law or the by-laws.

Shareholders are entitled to claim damages suffered because of resolutions not compliant with applicable law or the company's by-laws.

Any shareholder of the Company may bring to the attention of the Board of Statutory Auditors facts or acts, which are deemed wrongful, and the Board of Statutory Auditors shall take into account the complaint in its report to the general shareholders' meeting. If shareholders representing at least 2% of the Company's share capital (or the lower percentage set out in the by-laws) bring a matter to the attention of the Board of Statutory Auditors, such board must investigate immediately and report its findings and recommendations at a shareholders' meeting. If there is a basis for suspicion of serious irregularities in the discharge of directors' duties, shareholders representing at least 5% of the Company's share capital (or the lower percentage set out in the by-laws) have the right to report such irregularities to the competent court (and afterwards waive or settle such suits). In addition, shareholders representing at least 2.5% of the Company's share capital (or the lower percentage set out in the by-laws) may bring derivative suits against directors, statutory auditors and general managers in a competent court. The Company will reimburse the legal costs of the shareholders' action in the event that the shareholders' claim is successful and the court does not impose the costs upon the directors, statutory auditors or general managers involved, or in the event that such directors, statutory auditors or general managers could not cover such costs.

A.6. Board of directors

(a) *Management powers and disposal of assets*

The board of directors is vested with powers to manage the company and to perform all acts necessary to obtain the corporate purpose (such as administration and disposition of its assets).

The number of directors is determined by the company's by-laws.

The board of directors elects a chairperson from among its members, unless the shareholders' meeting has already appointed one.

The board of directors may delegate part of its powers to an executive committee made up of some of its members or to one or more directors, determining their powers in compliance with the limitations set forth by applicable law.

The board of directors (i) assesses the adequacy of the organizational, administrative and accounting structure of the company; (ii) when elaborated, examines the strategic, industrial and financial plans of the company; and (iii) examines, based on the information received of the delegated bodies, the general performance of the company.

Directors shall act in an informed manner; each director can require that any

delegated body refer to the board of directors information relating to its management activity.

Directors are appointed by the ordinary shareholders' meeting and can be removed by an ordinary shareholders' meeting resolution at any time. In the case of removal without cause, they are entitled to damages.

If during a financial year one or more directors cease from the office for any reason, the remaining directors resolve upon their substitution with the favourable opinion of the board of statutory auditors, provided that the majority of the directors are appointed by the ordinary shareholders' meeting.

The incoming directors remain in office until the subsequent shareholders' meeting. If the majority of directors appointed by the ordinary shareholders' meeting cease from office for any reason, the remaining directors shall call an ordinary shareholders' meeting for their substitution. If all directors cease from office for any reason, the board of statutory auditors shall promptly call a shareholders' meeting for the appointment of new directors.

Resolutions adopted by the board of directors not in compliance with applicable laws and the by-laws may be challenged only by the board of statutory auditors and directors who did not attend the meeting or vote against the resolution within 90 days from the date of the relevant resolution.

Shareholders may challenge a board resolution if it is detrimental to their rights. Rights acquired by bona fide third parties in compliance with board resolutions cannot be challenged.

(b) Conflict of interests

A director must disclose to other directors and to the board of statutory auditors any interest that he/she has on his/her own or on behalf of third parties in a specific transaction of the company, specifying the nature, the terms, the origin and the relevance of the interest. If any director – by virtue of a power of attorney granted to him/her – has the power to decide on an individual basis with respect to a specific transaction in which he/she has a concurrent interest, he/she must abstain from carrying out the transaction and the decision regarding the transaction shall be voted on by the board of directors. In the case of an interest held by a director, the resolution of the board of directors must adequately justify the reasons for and the benefits to the company of the transaction.

In the event of non-compliance with the provisions above or if the resolution of the board is adopted with the determining vote of the interested director and its contents may prejudice the company, the resolution may be challenged by the directors or by the board of statutory auditors within 90 days from the date of its adoption. Any director who voted in favor of the resolution, if the information requirements have been complied with, cannot challenge the resolution.

The director is liable for any damages suffered by the company because of his/her actions or omissions. The director is also liable for the damages, which may be suffered by the company from the use for his/her own, benefit or that of

third persons of data, information or business opportunities obtained in connection with his/her appointment.

The board of directors must adopt internal rules, following the guidelines set forth by CONSOB, aimed at ensuring transparency and fairness both from a substantive and a procedural standpoint in relation to related party transactions. The board of statutory auditors supervises compliance with such rules.

(c) *Directors' liability towards the company*

Directors have a general duty to act with care, without self-interest and on a well-informed basis. The applicable standard of conduct is determined, on a case-by-case basis, taking into account the characteristics of the company, the specific tasks and responsibilities conferred to the single directors, and the personal skills of the latter. Directors are jointly and severally liable to the company for damages caused by the failure to comply with their duties, except for functions vested solely in the executive committee or in one or more directors. In any case, directors are jointly and severally liable, if being aware of prejudicial acts, they do not do what they can in order to prevent their performance or to eliminate or reduce their harmful consequences. Liability for acts or omissions of directors does not extend to a director who, being without fault, has had his dissent entered without delay in the minutes of the board of directors and has immediately given written notice to the chairperson of the board of statutory auditors.

(d) *Action for directors' liability brought by the company*

An action for directors' liability is brought pursuant to a resolution of the ordinary shareholders' meeting. The resolution concerning directors' liability can be adopted when the shareholders' meeting approves the annual financial statements even if not included in the agenda when it relates to matters pertaining to the fiscal year to which the financial statements refer. The action may be brought upon resolution of the statutory auditors adopted with a two-thirds majority. The action may be commenced within five years from the termination of the director's appointment. The resolution to bring an action for liability entails the removal from office of the directors against whom the case is brought provided that it is adopted with the favourable vote of at least 20% of the share capital. In such a case, the same shareholders' meeting provides for their replacement.

The company can waive the right to bring an action for liability and can settle it provided that such waiver and settlement are approved by an express resolution of the ordinary shareholders' meeting and unless 5% - or the lower percentage set out in the by-laws which, in such a case, cannot exceed 2.5% - or more of the share capital vote against.

(e) *Action for directors' liability brought by shareholders*

The company action for liability may also be exercised by shareholders representing at least 2.5% of the company's share capital registered in the shareholders' ledger (or the lower percentage set out in the by-laws). The shareholders who intend to promote the action may appoint, by majority of the

share capital owned, one or more common representatives for the exercise of the action and for the performance of the related acts. If the claim is accepted, the company reimburses the plaintiff's judicial expenditures and those incurred for the ascertainment of the facts, which the judge does not charge to the losing party or which may not be possible to recover upon enforcement against them. Shareholders who have initiated the action may abandon it or settle it.

Any compensation for waiver or settlement must be for the benefit of the company.

(f) *Individual action of the shareholders and of third parties*

Individual shareholders or third parties who have been directly damaged because of malice, fraud or negligence by the directors can sue the company for damages. Such action can be brought within five years from the act that damaged the shareholder or the third party.

(g) *Action for directors' liability brought by creditors*

Directors are liable vis-a-vis creditors of the company if they do not fulfil their obligations in connection with the keeping of the integrity of the company assets. Creditors may exercise their action in the event that the company assets are not sufficient to satisfy their credits.

A.7. Board of statutory auditors

(a) *Duties and powers of the statutory auditors*

The board of statutory auditors supervises compliance with the law and the by-laws, compliance with the principles of proper management and, in particular, on the adequacy of the organizational, administrative and accounting structure adopted by the company and on its functioning.

The board of statutory auditors, in the case of omissions or unjustified delay by the directors, must convene the shareholders' meeting and arrange for the relevant publications required by law.

The board of statutory auditors may at any time proceed, also individually, to inspections and controls and may request information from directors, also with reference to controlled companies, on the trend of corporate affairs or on specific matters. It may also exchange information with the correspondent bodies of the controlled companies on the administration and control system and on the general trend of the corporate bodies.

The board of statutory auditors may also, subject to a prior communication to the chairperson of the board of directors, convene the meeting if, in the performance of its duties, it becomes aware of censurable serious facts and there is urgency to take action.

(b) *Appointment, removal and replacement of statutory auditors*

Statutory auditors are appointed by the ordinary shareholders' meeting. They remain in office for a period of three years and the termination of their office

becomes effective on the date on which a new board of statutory auditors is re-appointed.

The appointment of the statutory auditors may be revoked only for cause. The resolution for revocation must be approved by decree of the relevant court after having heard the interested person.

In the case of the death or resignation of a statutory auditor or non-satisfaction of the relevant independence requirements by a statutory auditor, the alternate auditor who is the most senior in age takes his place. The alternate auditor remains in office until the next meeting, which will have to elect the statutory and alternate auditors necessary for the integration of the board. The term of office of the newly appointed auditors expires together with the term of those in office.

In case of substitution of the chairperson of the board of statutory auditors, the chairpersonship is assumed by the statutory auditor senior in age until the next meeting.

If it is not possible to fill the vacancies on the board of statutory auditors with alternate auditors, an ordinary shareholders' meeting shall be called in order to fill those vacancies.

(c) Meetings and resolutions of the board of statutory auditors

The board of statutory auditors shall meet at least every 90 days. The meeting may take place, if allowed in the by-laws, also through telecommunications means.

The board of statutory auditors is validly convened with the presence of the majority of the statutory auditors and resolves by absolute majority of those present. A dissenting statutory auditor has the right to have the reasons for the dissent registered in the minute.

The statutory auditors shall attend the meetings of the board of directors and meetings of shareholders and of the executive committee.

Statutory auditors who, without justifiable reason, fail to attend meetings of shareholders or, twice in a row during a company fiscal year, meetings of the board of directors, of the executive committee, or of the board of statutory auditors forfeit their office.

(d) Complaint of shareholders to the board of statutory auditors

Any shareholder can complain to the board of statutory auditors of facts deemed censurable and the board of statutory auditors shall consider the complaint in its report to the shareholders' meeting.

If the complaint is submitted by shareholders representing one-fiftieth of the company's share capital, the board of statutory auditors shall investigate, immediately, the facts set forth in the complaint and submit its findings and possible recommendations to the shareholders' meeting.

(e) Compensation

The annual compensation of statutory auditors, if not established in the by-laws, shall be specified by the shareholders' meeting at the time of their appointment for the entire duration of their office.

(f) Liability of statutory auditors

The statutory auditors shall discharge their duties with the professionalism and diligence required by the nature of their office. They are liable for the truth of their statements, and shall keep secret the facts and documents of which they have knowledge by reason of their office.

They are jointly and severally liable with the directors for acts and omissions of the latter, when the damage for the company would not have occurred if they had exercised vigilance in compliance with the duties of their office.

The action for liability against the statutory auditors is regulated, to the extent compatible, by the provisions applicable to liability action against the directors.

A.8. Accounting and auditing requirements

The annual financial statements of the company must be audited by a certified and registered public accountant or an auditing firm (the “**Auditor**”). The annual financial statements and the Auditor's report are submitted to, and approved by, the annual general shareholders' meeting of the company.

The Auditor is appointed every three years by the general shareholders' meeting of the company, based on a proposal of the board of statutory auditors. Removal of the Auditor before the term's expiration is resolved upon by the general shareholders' meeting of the company only for specific causes (listed under Ministerial Decree 261/2012), taking into account the written observation submitted by the auditor / auditing firm to the company (if present) and after consultation with the board of statutory auditors. For the avoidance of doubt, a difference of opinion concerning the application of accounting principles or the procedure carried out does not represent a ground for removal for cause.

The same shareholders' meeting called for the removal of the Auditor shall appoint a new Auditor.

In the case of resignation of the Auditor or mutual agreement to terminate its office, the Auditor shall carry out its activities until a new Auditor has been appointed and, in any case, for a maximum period of six months.

The remuneration of the Auditor is resolved upon by the general shareholders' meeting of the company.

A.9. Register of shareholders

A register of the shareholders shall be maintained at the registered office of the company. Shareholders may examine the register of shareholders free of charge and make copies at their own expenses in accordance with article 2422 of the Italian Civil Code. A shareholder's legal title to shares is evidenced by the

registration of his/her name on the register of shareholders. Italian law allows companies to keep the registers of the shareholders electronically.

According to Italian law, the notice of call has to be published on at least a daily newspaper or, in case of discontinuation of the publication or objective impediment, on the Official Journal of the Italian Republic. The by-laws may also provide for additional requirements, such as the publication of the notice on the website of the company.

A.10. Voting Rights

As a general rule and save for any different provision of the By-laws, each shareholder is entitled to one vote for each share held by such shareholder at all (ordinary and extraordinary) shareholders' meeting of the company.

A.11. Shareholders' meeting resolutions

Shareholders' meetings are either ordinary or extraordinary and under Italian law, there is no distinction between ordinary resolutions and special resolutions. Both ordinary and extraordinary shareholders' meetings are usually called by the board of directors, but Italian law – in particular circumstances – expressly provides that a shareholders' meeting may be called in a different manner.

The notice of call must contain at least the indication of the date, time and venue of the meeting, together with the list of items to be discussed.

Any persons entitled to vote can attend shareholders meetings.

The by-laws of companies whose shares are not dematerialized may (but are not required to) require the prior deposit of the shares at the registered office of the company or with the banks indicated in the notice of call of the relevant meeting, fixing the term within which the deposit has to take place and eventually contemplating that the shares may not be withdrawn prior to the meeting. Such term cannot be longer than two business days for companies whose shares are widely spread among the public.

(a) Ordinary shareholders' meetings

An ordinary shareholders' meeting is called to resolve upon, inter alia: (i) approval of the annual financial statements; (ii) appointment or removal of the directors, appointment of the statutory auditors, and appointment of the auditing firm/Auditor; (iii) the amount of the compensation for directors and statutory auditors (unless such amounts are already set forth in the by-laws), as well as the compensation of the auditing firm/Auditor; (iv) purchase and disposal of own shares; and (v) legal proceedings against directors or statutory auditors for violation of their fiduciary duties.

An ordinary shareholders' meeting must be convened at least once a year within 120 days from the end of the financial year; the by-laws can increase such term up to 180 days when the company is required to draw up consolidated financial statements or when this is necessary for particular needs concerning the structure and purpose of the company.

The notice calling the ordinary shareholders meeting can specify a second call for the case in which the attendance on first call does not meet the minimum quorum requirement set forth by Italian law. In particular, in the first call, the ordinary shareholders' meeting (a) is duly held with the presence of shareholders representing at least one-half of the company's share capital, and (b) adopts resolutions with the favourable vote of the majority of the represented share capital or the higher quorum set out in the by-laws; in the second call, the ordinary meeting, regardless of the amount of share capital represented at the meeting, adopts resolutions with the favourable vote of the majority of the represented share capital. There is no minimum quorum requirement.

The by-laws may provide for higher quorums in the second call, except for approval of the financial statements and appointment and revocation of the corporate bodies.

If the notice calling the ordinary shareholders' meeting does not foresee a second call and shareholders present at the first call do not represent taken together at least one-half of the company's share capital, the meeting must be called again.

As to companies having access to capital markets (*mercato del capitale di rischio*), the shareholders' meetings are held in one call. However, the by-laws of company having access to the capital markets (*mercato del capitale di rischio*) can provide the possibility of calls subsequent to the first one. In case the shareholders' meeting is held in a single call, the quorum requirement applicable to the single call is the same as that applicable to ordinary shareholders meeting held on second call. Accordingly, the shareholders' meeting adopts resolutions with the favourable vote of the majority of the represented share capital, regardless of the amount of share capital present at the meeting, that is, there is no minimum quorum requirement. On the other hand, in the first call, the ordinary shareholders' meeting is duly held with the presence of shareholders representing at least one-half of the company's share capital and the ordinary shareholders' meeting adopts resolutions with the favourable vote of the majority of the represented share capital.

(b) Extraordinary shareholders' meetings

An extraordinary shareholders' meeting is called to resolve upon, inter alia, (i) any amendment of the by-laws, (ii) appointment or removal of liquidators, (iii) capital increases and reductions, (iv) mergers and demergers, and (v) any other matter expressly provided by the law.

The notice calling the extraordinary shareholders' meeting can specify a second call (and a third one for companies having access to capital markets) for the case in which the attendance on prior call does not meet the minimum requirement set forth by Italian law. In particular, in the first call, the extraordinary shareholders' meeting (1) is duly held with the presence of shareholders representing at least one-half of the company's share capital or the higher quorum set out in the by-laws, and (2) adopts resolutions with the favourable vote of at least two-thirds of the represented share capital. If the shareholders present at the first call do not

represent taken together the portion of capital required, the extraordinary meeting must be called again. In the second call, the extraordinary meeting (1) is duly held with the presence of shareholders representing at least one-third of the company's share capital or the higher quorum set out in the by-laws, and (2) adopts resolutions with the favourable vote of at least two-thirds of the represented share capital. If the shareholders present at the second call do not represent taken together the portion of capital required, the extraordinary meeting must be called again. In the third call, the extraordinary meeting (1) is duly held with the presence of shareholders representing at least one-fifth of the company's share capital or the higher quorum set out in the by-laws, and (2) adopts resolutions with the favourable vote of at least two-thirds of the represented share capital.

As to companies having access to capital markets (*mercato del capitale di rischio*), the shareholders' meetings are held in one call. However, the by-laws of companies having access to capital markets (*mercato del capitale di rischio*) can provide the possibility of calls subsequent to the first one. In case the shareholders' meeting is held in a single call, the quorum required for passing valid resolutions applicable to the single call are those applicable to extraordinary shareholders' meeting held on third call. Accordingly, the shareholders' meeting (a) is duly held with the presence of shareholders representing at least one-fifth of the company's share capital, and (b) adopts resolutions with the favourable vote of at least two-thirds of the represented share capital. On the other hand, in the first and second call, the extraordinary shareholders' meeting is duly held with the presence of shareholders representing at least, respectively, one-half and one-third of the company's share capital and the extraordinary shareholders' meeting, both in the first and in the second call, adopts resolutions with the favourable vote of at least two-thirds of the represented capital.

A.12. Proxies

Any person entitled to vote at the shareholders' meeting can attend the meeting by proxy. The proxy shall be conferred in writing and the related documents shall be kept by the company.

For companies having access to capital markets (*mercato del capitale di rischio*) a proxy may be granted only for a single meeting, but it is also valid for subsequent calls, unless the proxy is granted as a general power of attorney or is granted by a company, association, foundation or other collective entity or institution to one of its employees.

A proxy cannot be issued with a blank for the name of the attorney and may always be revoked irrespective of any agreement to the contrary. The attorney may be substituted only by another person expressly indicated in the proxy.

If the proxy is granted to a company, association, foundation or other collective entity or institution, such entities may delegate only one of their employees or consultants as the proxy. A corporation may execute a form of proxy under the hand of a duly authorized officer.

A proxy cannot be granted to members of the board of directors or to statutory auditors or to employees of the company and neither to any of its subsidiaries and each of their respective directors, members of the board of statutory auditors and employees.

For companies having access to capital markets ("*mercato del capitale di rischio*"), the same person cannot represent at a meeting more than 200 shareholders if the company has a capital higher than € 25 million.

A.13. Power of the company to purchase its own shares

A company may purchase its own shares (and hold them in treasury), provided they are fully paid up for an amount not exceeding the distributable profits and distributable reserves resulting from the last annual financial statements duly approved at the relevant shareholders' meeting. Save as expressly provided by the Italian Civil Code, in companies having access to capital markets (*mercato del capitale di rischio*) the par value of the treasury shares owned by the company (plus the par value of the shares of the company owned by its subsidiaries, if any) shall not exceed 20% of the issued share capital of the company. The purchase of own shares must be authorized by the ordinary shareholders' meeting which determines the terms and conditions at which the shares can be purchased, indicating in particular the maximum number of shares to be purchased, the period – not exceeding 18 months – for which the authorization is granted, the minimum price and the maximum price at which the shares can be purchased. Shares purchased and held by the company may only be resold pursuant to a shareholders' meeting resolution which determines the relevant terms and conditions. Shares that are not acquired in compliance with the principles set forth above must be sold within one year.

The shares purchased by the company are not entitled to dividends or, save as otherwise resolved upon by the ordinary shareholders' meeting, option rights (*diritto di opzione*) in connection with capital increases and the above-mentioned rights attached to the treasury shares are allocated proportionally to the other shares. These shares do not carry a right to vote but are nevertheless computed in the share capital for purposes of calculating the quorum requirements at shareholder meetings.

A company is required to create a corresponding reserve in its financial statements for an amount equal to the book value of its own shares held from time to time.

Such reserve is not available for distribution, unless such shares are resold to third parties or cancelled.

A.14. Financial assistance by a company to purchase or underwrite its own shares

A company shall not directly, or indirectly, provide financial assistance for the purchase or underwriting of its own shares unless the following procedure is met:

- (i) a report is prepared by the board of directors highlighting, both from a

legal and economic standpoint, the terms and conditions of the transaction, evidencing the purposes which justify the specific interest that the transaction carries for the company, the risks that could affect the liquidity and ability of the company to repay its debts, as well the acquisition price. The directors shall also certify that the transaction is carried out at market terms and conditions (having particular regard to the guarantees and the interest rate applied) and that the credit has been duly evaluated. The report has to be filed with the registered office of the company during the 30 days before the date fixed for the shareholders' meeting; and

(ii) the transaction is approved by the extraordinary shareholders' meeting.

In case of financial assistance for the purchase of its treasury shares, together with the transaction, the extraordinary shareholders' meeting authorizes directors to sell such treasury shares. The purchase price shall be at least equal to the weighted average price of the shares during the six months before the issue of the shareholders' meeting notice.

In case of financial assistance for the purchase of its own shares by single directors of the company or its controlling entity or by the controlling entity, or to the third parties acting on behalf of such persons, the directors' report shall also certify that the financial assistance is in the best interests of the company.

The aggregate amount of the proceeds used and the aggregate amount of the guarantees granted for the acquisition of its own shares shall not exceed the amount of the distributable profits and of the available reserves as resulting from the last financial statements duly approved by the relevant shareholders' meeting. The aggregate amount of the proceeds used to pay and the aggregate amount of the guarantees granted shall be recorded as non-distributable reserve in the balance sheet liabilities.

A company cannot either directly or indirectly accept its own shares as security.

If the treasury shares acquired not in compliance with the principles set forth above are not sold within one year, they shall be promptly cancelled and the share capital shall be reduced accordingly by the shareholders' meeting; if the shareholders' meeting does not proceed, directors and statutory auditors shall apply to the court to proceed to share capital reduction by court order.

A.15. Bonds

A company may issue bearer or registered bonds for an aggregate amount not exceeding two times the aggregate of its share capital, legal reserves and available reserves contained in the latest financial statements duly approved by the shareholders. The board of statutory auditors will certify compliance with this limit.

The limit referred to above shall not apply to, inter alia, (i) the bonds issued in excess of such limit are reserved to professional investors, which are under the supervisory control of regulatory authorities. If such bonds are subsequently

distributed, the transferor remains liable for the solvency of the company towards any purchasers who are non-professional investors; (ii) the bonds guaranteed by a first degree mortgage on real estate assets owned by the company is not subject to the limitation referred to above and does not fall within the relevant computation for the amount up to two-thirds of the value of the mortgaged assets; (iii) the convertibles bonds; and (iv) the bonds admitted to listing on regulated markets and multilateral trading facilities.

Guarantees issued by the company for bonds of other Italian or foreign companies are included within the computation of the limit referred to above.

Unless provided otherwise by law or by the by-laws, the issuance of bonds is resolved upon by the board of directors; the minutes of the relevant meeting are drafted by a notary and are deposited and registered with the relevant companies' register.

A.16. Withdrawal right

The Italian Civil Code provides a withdrawal right to shareholders who did not take part (i.e., being absent, abstaining or voting against) in the approval of the following resolutions adopted in the company's shareholders meeting:

- (i) changes in the corporate purpose of the company when the change effects a significant alteration to the activities of the company;
- (ii) transformation of the company (e.g., from a joint-stock company into a limited liability company);
- (iii) transfer abroad of the company's registered office;
- (iv) revocation of the proposed winding-up of the company;
- (v) removal of one or more of the grounds for withdrawal contemplated in the by-laws;
- (vi) changes to the criteria for determining the value of the shares in the event of a withdrawal;
- (vii) amendments to the by-laws concerning the voting or participation rights; and
- (viii) any decision resulting on the delisting of the company's shares.

Unless the by -laws of the company provide otherwise, shareholders who did not vote in favor of the following resolutions may also be entitled to a withdrawal right:

- (i) extension of the duration of the company;
- (ii) introduction or removal of the restrictions on transfer of shares.

Our By-laws specifically exclude the right to withdraw in the circumstances set out in paragraph (i) and (ii) above.

Any agreement aimed at excluding or rendering more burdensome the exercise

of the withdrawal right in the circumstances referred to in the paragraphs above is void as a matter of Italian law.

(a) Terms and modalities of the exercise

The withdrawal right is exercised by withdrawing shareholders by sending a registered letter within 15 days after the date on which the relevant resolution is registered in the register of enterprises, providing details of the withdrawing shareholders and their address for communications relating to the proceeding and of the number and category of shares for which the withdrawal right is exercised. If the circumstance that gives rise to the withdrawal right is not a shareholders' meeting resolution, the withdrawal right must be exercised within 30 days after the date in which the withdrawing shareholder becomes aware of it.

The shares for which the withdrawal right has been exercised cannot be transferred.

The withdrawal right cannot be exercised – and if exercised becomes ineffective – if, within the following 90 days, the company revokes the resolution from which the withdrawal right arises or if shareholders approved the liquidation of the company.

(b) Determination of the value of the withdrawn shares

The value of the withdrawn shares is determined by making exclusive reference to the arithmetic average of the closing prices registered on regulated markets during the six months preceding the publication or receipt of the notice calling the meeting, the resolutions of which justify the withdrawal right. The by-laws of the company may provide for different criteria for the determination of the value of the withdrawn shares.

Shareholders are entitled to be informed of the determination of the value of the withdrawn shares during the 15 days preceding the shareholders' meeting, the resolutions of which justify the withdrawal right; each shareholder is entitled to review the valuation and to obtain a copy of it at his/her cost.

(c) Procedure for the liquidation of the withdrawn shares

The directors of the company have to offer the withdrawn shares to the other shareholders who have a right to acquire a number of such shares proportional to their equity interest in the company. The offer of option is filed with the register of enterprises within 15 days of the final determination of the liquidation value. A term of not less than 30 days from the filing of the offer must be given for the exercise of the option right. Shareholders who exercise their option right, if they make a concurrent request, have a pre-emptive right for the purchase of the withdrawn shares for which no option has been exercised.

If the shareholders do not purchase the withdrawn shares so offered, in whole or in part, directors may place them with third parties through an offer on regulated markets. In the event that any withdrawn share is not placed within 180 days from

the communication of the withdrawal right, such withdrawn shares are reimbursed by means of a purchase by the company utilizing the reserves available even in derogation to the limit set forth for the purchase of its own shares. Alternatively, if the company does not have profits and available reserves, an extraordinary shareholders' meeting shall be promptly convened in order to resolve upon the reduction of share capital or the liquidation of the company.

A.17. Take-overs

The Italian law on take-over bids implementing the EU Directive 2004/25/CE only applies to takeover bids for the securities of Italian companies, where all or some of those securities are admitted to trading on a regulated market of an EU Member State. Accordingly, neither EU Directive 2004/25/CE nor any other rules, regulations, laws or directives in the EU or Italy concerning takeover bids apply to our Company. However, the Hong Kong Code on Takeovers and Mergers will apply to take-over bids relating to our Company.

A.18. Liquidation

A company may be wound up upon the occurrence of any one of the following events: (i) expiration of the term set out in the by-laws; (ii) achievement of the corporate purpose or impossibility to achieve it, unless an extraordinary shareholders' meeting promptly resolves upon an appropriate amendment to the company by-laws; (iii) impossible running of the shareholders' meeting or constant inactivity of the shareholders' meeting (including consistent failure to hold the shareholders' meeting and the constant inability to pass resolutions); (iv) reduction of the share capital below the minimum amount prescribed by law, namely, € 50,000, unless the extraordinary shareholders' meeting promptly resolves upon the transformation of the company into another form of legal entity requiring a lower minimum capital; (v) impossibility to carry out the reimbursement of the shares, when such reimbursement is required in the context of the withdrawal procedure of one or more shareholders; (vi) a specific shareholders' meeting resolution to wind up the company; or (vii) any other situation provided by the by-laws or by law.

As soon as the board of directors becomes aware of the occurrence of a situation requiring the liquidation of the company, it shall call an extraordinary shareholders' meeting to resolve upon (i) the number of liquidators to be appointed and, if more than one liquidator is appointed, the rules that will govern the liquidation committee; (ii) the appointment of the liquidators specifying which among them have the power to represent the company; (iii) the procedures to be adopted to proceed with the winding up and all other relevant and subsequent resolutions. Such procedures can also specify the way in which the liquidators, after satisfaction of the claims of all other creditors, can divide the remaining assets among shareholders.

Until the appointment of the liquidators is recorded in the register of enterprises and the delivery to them of the corporate records, the company's directors remain liable for the day-by-day management and they shall be responsible for

maintaining the company's assets maintenance.

Under Italian law, and subject to satisfaction of the claims of all other creditors, shareholders are entitled to a distribution of the remaining liquidated assets in proportion to the number of shares they own on the total number of the issued and outstanding shares.

A company is dissolved and cancelled from the register of enterprises upon approval of the final liquidation statement as prepared by the liquidators.

Once a company is dissolved, creditors who have not been satisfied during the liquidation procedure can claim reimbursement from (i) shareholders within the limit of the liquidation proceeds received by them, and (ii) the liquidators if the non-payment was due to their improper behaviour.

A.19. Pledge

(a) Overview

The pledge on shares of an Italian joint-stock company may be granted by the shareholder with a procedure depending whether:

- (i) the shares are represented by certificates issued by the company; or
- (ii) the shares have been dematerialized.

(b) Shares represented by certificates

A pledge on shares represented by certificates may be created by carrying out one of the following procedures:

- (i) registration of the pledge both on the certificate and on the shareholders' register; or
- (ii) endorsement in favor of the beneficiary of the pledge ("*girata in garanzia*") on the certificate. In this case, the pledge becomes effective vis-a-vis the company only after registration on the shareholders' register.

Once the pledge is created in compliance with the procedures set forth under points (i) and (ii) above, the certificates must be delivered to the pledgee or to a third party appointed as custodian of the certificates. Share certificates which are deposited with the Hong Kong central clearing and settlement system ("**CCASS**") need first to be withdrawn from CCASS..

(c) Dematerialized shares

In case of dematerialized shares, a pledge may be created by means of registration of the pledged shares in a special bank account held by the relevant financial intermediary.

(d) Economic and administrative rights attached to the shares

Unless otherwise agreed by the parties in the contractual documentation relating to the pledge, voting rights are granted to the pledgee, while the other

administrative rights (e.g. the right to challenge resolutions of the shareholders' meeting) are granted both to the pledger and the pledgee.

As regards economic rights, the pledgee has title to the distribution of profits (unless otherwise agreed with the shareholder) and to the distribution upon winding up of the company. Option rights (*diritto di opzione*) in case of share capital increase accrue to the pledgor.

B. ENFORCEMENT OF JUDGMENTS AGAINST THE COMPANY, ITS DIRECTORS OR ITS MAJOR SHAREHOLDER

Under Italian law, there is nothing, which would prevent the enforcement of judgments passed by a court in Hong Kong against persons or entities having Italian nationality or domiciled or resident in Italy. Any judgment obtained from a court of competent jurisdiction in Hong Kong in proceedings brought by a shareholder of our Company against our Company, our Directors or our major shareholder will be recognized and enforced in Italy, in accordance with and subject to the requirements set forth in article 64 of Italian Law No. 218 of 1995 relating to the recognition and enforcement of foreign judgments. Under this article, any such judgment will be recognized (without any special procedure being required) unless: (a) the court that gave it did not have jurisdiction over the case according to the principles of Italian law on jurisdiction; (b) the defendant was not served with the document that instituted the proceedings in accordance with the law governing the proceedings (i.e., Hong Kong law), or the fundamental rules of due process were violated; (c) the parties did not appear in the proceedings but the default of appearance was not duly declared in accordance with the law governing the proceedings; (d) the judgment is still subject to appeal; (e) the judgment is irreconcilable with a judgment given by an Italian court which has become *res judicata*; (f) at the time recognition is sought, other proceedings involving the same cause of action are pending between the same parties before an Italian court, if the Italian court was first seized; or (g) the effects of the judgment are contrary to the Italian public policy. The judgment is not subject to review as to its substance. If recognition is disputed or enforcement is necessary, the interested party may request the competent court in Italy to ascertain that the requirements for recognition are met, whereupon the judgment can be enforced in the same manner as a judgment given by an Italian court.

C. CERTAIN DISCLOSURE OF INTEREST AND OTHER SHAREHOLDING REQUIREMENTS UNDER ITALIAN LAW DO NOT APPLY TO OUR SHAREHOLDERS

The following requirements do not apply to our shareholders:

a. Disclosure of interest requirements.

Disclosure of interest requirements only apply to Italian issuers of securities which are listed and admitted to trading on a regulated market in an EU Member State within the meaning of Directive 2004/39/EC. Since our Company is not listed in Italy or in any other EU Member State, the EU or Italian rules, regulation, laws and directives imposing requirements on investors after listing only on the Hong

Kong Stock Exchange would not apply to our Company. Under Italian companies' law, there is no further requirement of disclosure of interest for the shareholders of a company, unless expressly provided by the by-laws. However, notwithstanding the foregoing the Italian Civil Code requires disclosure of agreements entered into among shareholders of a company, such as our Company, having access to capital markets ("*società che fanno ricorso al mercato del capitale di rischio*") within the meaning of the Italian Civil Code as better detailed below (the so called "shareholders agreements" – "*patti parasociali*"). In particular, the shareholders agreements have to be (a) communicated to the company to which they refer (b) declared at the inception of each shareholders meeting. In the absence of this latter form of disclosure, the shareholders participating to the undisclosed shareholders agreement are prevented from exercising their voting rights.

The Italian Civil Code does not provide for a definition of shareholders' agreements but identifies certain agreements to which the relevant legislative rules apply. More specifically, article 2341-bis of the Italian Civil Code, entitled "shareholders' agreements" (*patti parasociali*) expressly refers to those agreements governing the shareholding structure and/or governance of the Company that:

- (i) "concern the exercise of voting rights in the company or its controlling entities"; in other words, these are agreements under which the contracting shareholders agree in advance how to vote in the shareholders' meetings;
- (ii) "restrict the transfer of shares of the company or of its controlling entities"; these include any agreements that may affect the general principle of free transferability of shares (e.g., private agreements among certain shareholders concerning pre-emptive rights, an absolute prohibition of transfer, or making the transfer subject to the approval of one or more of the contracting shareholders);
- (iii) "have as object or as effect the exercise, even jointly, of a dominant influence over the company or its controlling entities"; this is a residual concept aiming at capturing all those agreements which could entail as effect, potentially or in fact, a dominant influence on the Company or its controlling companies (e.g., agreements under which the contracting shareholders undertake to agree certain managerial decisions and to make sure the directors execute them).

Based on the foregoing, it follows that, if an agreement entered into between certain Company's shareholders with respect to their shares in the Company does not possess the features set out above would not qualify as "shareholders' agreement" (*patto parasociale*) and would not trigger any related disclosure requirement. As a way of example, a mere promise made by a shareholder to pledge his/her shares in the Company in favor of another shareholder would fall out the scope of article 2341-bis of the Italian Civil Code.

The Italian Civil Code refers to agreements “in whatever form stipulated”. Accordingly, even verbal agreements could possibly qualify as “shareholders’ agreements” (*patti parasociali*).

As to the disclosure, communication and declaration procedure, the Italian Civil Code does not provide any details in relation thereto. That said, a prudent approach suggests to communicate the shareholders’ agreements to the Company (i.e., to the board of directors, in the person of its Chairperson) in its entirety (rather than a mere extract thereof), also in light of the rationale of the relevant legislative rules, aiming at making all the non-contracting shareholders aware of the existence as well as the content of “shareholders’ agreements” (*patti parasociali*).

As to the declaration to be made at the inception of each shareholders’ meeting, this is a verbal declaration concerning the existence of a certain shareholders’ meeting (previously communicated to the Company) as well as its content. The declaration is to be recorded in the minutes of the shareholder’s meeting, which are then registered with the competent register of enterprises.

Shareholders’ agreements entered into by Beneficial Owners would be deemed relevant for the purposes of the provisions summarized above (including disclosure requirements).

b. Restrictions on ownership of interests in an Italian *società per azioni*

There are no particular share ownership restrictions for a joint-stock company (*società per azioni*) under Italian corporate law. Shares in a joint-stock company (*società per azioni*) are freely transferrable, subject to the provisions of its by-laws or other contractual obligations entered into by shareholders.

D. AMENDMENTS TO THE BY-LAWS

Set out below is a summary of the material differences between shareholders protection regimes in Italy and Hong Kong. Our By-laws have been amended in respect of certain specific matters with a view to affording our Company’s shareholders a level of protection in respect of those matters substantially comparable with the protection provided under Hong Kong law for shareholders of a Hong Kong incorporated company. The major amendments made for this purpose are summarized below:

a. Appointment of Directors required to be voted on individually

Under Hong Kong law, a public company is prohibited from appointing two or more directors by the passage of a single resolution at a general meeting unless the company has first passed a motion approving a multiple appointment. If such motion is passed without any vote being cast against it, the resolution may be put to the general meeting regarding the multiple appointments. Under Italian law, no distinction is made between the appointment of a single director or multiple directors. Our By-laws have been amended to provide that the appointment of the directors by shareholders’ resolutions shall be voted on individually to reflect

the position under Hong Kong law.

b. Declaration of interests by directors

Under Hong Kong law, when a company proposes to put a resolution to a general meeting of the company, the notice of the meeting must be accompanied by a statement that (among other things) discloses any material interest of any director in the matter which is the subject of the resolution. There is no requirement under Italian law to include a disclosure of any director's conflict of interest in such a notice. Our By-laws have been amended to include a requirement to disclose any director's conflict of interest in notices of general meetings.

c. Prohibition of loans to directors

Under Hong Kong law, there is a general prohibition against the making of loans to or the provision of guarantees or other security for the benefit of directors of public companies or persons related to them, unless falling within certain exemptions specified under Hong Kong law. Italian law does not expressly provide for any such limitations. Provisions have been included in our By-laws to impose prohibitions against such transactions with Directors similar to that under Hong Kong law.

E. SUMMARY OF MAIN ITALIAN TAX ASPECTS RELEVANT TO SHAREHOLDERS OF THE COMPANY

E.1. General remarks

The following is a non-exhaustive summary of certain material Italian tax consequences for shareholders holding and disposing of our Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, hold or dispose (or, generally, to deal with) Shares.

Prospective purchasers should consult their own tax advisors as to the applicable tax consequences, including Italian tax consequences, of the purchase, ownership and disposal of our Shares based on their particular circumstances. No conclusions or decisions should be drawn based on the sole information included herein.

The following description of Italian tax law is based upon Italian law and regulations in place and as interpreted by the Italian tax authorities on the date of the information sheet and is subject to any amendments in law (or in interpretation) that may be introduced later, whether or not on a retroactive basis. It is not intended to be, nor should it be construed to be, legal or tax advice.

E.2. Double Taxation Conventions

The following is a list of all jurisdictions with which Italy has entered into a double taxation convention (each, a "State") (list published on the Ministry of Economy and Finance's official website – <https://www.finanze.gov.it/it/Fiscalita-dellUnione-europea-e-internazionale/convenzioni-e-accordi/convenzioni-per-evitare-le-doppie-imposizioni/>).

The Company recommends that all shareholders should consult their professional advisors in order to check whether new double taxation conventions (“**DTCs**”) have been signed and have entered into force between Italy and other countries or existing DTCs have been amended or repealed.

DTCs may limit the ability of Italy to tax income sourced in Italy, such as dividends and capital gains, arising out of an investment in shares in an Italian company, realized by non-Italian resident beneficial owners of such shares.

In general, the DTCs do not settle procedural questions and each State is free to use the procedure provided in its domestic law in order to apply the limits provided by the DTC unless a specific procedure is agreed between the two States. A State can therefore levy tax at a lower rate in accordance with the relevant provisions of the DTC, subject to possible prior verification that the taxpayer is entitled to benefit from the DTC, or it can impose the tax provided for under its domestic law and subsequently refund the part of that tax that exceeds the amount it is entitled to levy under the provisions of the DTC.

(a) DTC between Italy and Hong Kong

The DTC between the Government of the Italian Republic and the Government of the Hong Kong Special Administrative Region of the People’s Republic of China has entered into force on August 10, 2015.

Under DTC provisions:

- the withholding tax rate applicable on dividends paid by the Company to an individual and corporate shareholder resident in Hong Kong and who qualifies as the beneficial owner of the dividend (who do not carry on business in Italy through a permanent establishment situated therein) cannot exceed 10% of the gross amount of the dividend; and
- capital gains realized by individual and corporate shareholders resident in Hong Kong from the sale of the Shares are taxable only in Hong Kong.

E.3. Withholding Tax on Dividend Distributions

In principle, dividends paid by the Company are subject to Italian withholding taxes (which can be reduced up to nil according to a DTC) unless the relevant recipient falls in one of the categories of Shareholders that can benefit from exclusions or exemptions to withholding taxes – see below for details.

Due to the inherent characteristics of CCASS, the Company is not able to ascertain the identity, and consequently the tax residence, of the beneficial owners of Shares who hold their investments in CCASS.

Regardless of any applicable DTC, the Company is therefore not able to apply a rate of withholding tax on an individual basis to beneficial owners of the Shares who hold through CCASS.

In addition, CCASS does not have the capacity to attribute to each CCASS participant (and, accordingly, to each beneficial owner of the Shares) its respective share of distributed profits with the purpose of enabling the Company to apply the correct withholding tax rate (if any).

Therefore, the Company will, upon distribution, apply a withholding tax overall amount of the dividend payable to such beneficial owners at a rate of 26%, which is the ordinary rate of withholding tax applicable to dividends paid to non-Italian residents.

Shareholders entitled to benefit from a reduced (or no) withholding tax rate may seek to recover the excess amount of tax paid through a refund procedure initiated with the Italian Revenue Agency.

Shareholders should note that significant delays might be encountered in the process of obtaining a credit refund.

(a) Tax regime applicable to individual Shareholders

(i) Individual shareholders resident in Italy

As from January 1st, 2018, dividends paid by the Company to individual shareholders, who do not hold the participation in a business capacity and are resident in Italy, are generally subject to a final withholding tax at a rate of 26%, irrespective whether the participation is a “substantial” or a “non-substantial” participation.

However, dividends paid on a “substantial” participation deliberated from January 1, 2018 to December 31, 2022 (but referred to profits earned before January 1, 2018), are subject to a transitional tax treatment¹.

A participation – other than a participation through preferred shares (*azioni di risparmio*) – is considered to be “substantial” (for dividends and capital gains purposes) when it entitles the holder to (i) more than 2% of the voting rights or more than 5% of the capital in companies listed on regulated stock markets (according to Italian law), or (ii) more than 20% of the voting rights or more than 25% of the capital in other companies, including companies listed on non-regulated stock markets (according to Italian law).

For ascertaining whether a sale of either a “substantial” or “non-substantial” participation occurred (*i.e.*, for the computation of the percentage threshold), all disposals of shares that occurred within a 12-month period should be aggregated.

On the assumption, based on the general guidance provided by the Italian

¹ Starting from January 1, 2018 - under provision set by Law dated December 27, 2017 No. 205 article 1, from paragraph 999 to 1006 -, also dividends paid on a substantial participation not held in a business capacity are subject to a final withholding tax at a rate of 26%.

Please consider the transitional period of the new provision according to which, dividends paid on a substantial participation not held in a business capacity and deliberated from January 1st, 2018 to December 31st, 2022 (but referred to profits earned before January 1st, 2018), are subjected to previous tax treatment [*i.e.* 41.86% of dividends paid on a substantial participation not held in a business capacity, are exempt from tax (60% in the case of dividends paid out of profits of 2007 or previous years, and 50.28% in case of dividends paid out of profits from 2008 to 2016). The remaining 58.14% of the dividends (40% in the case of dividends paid out of profits of 2007 or previous years and 49.72% (in case of dividends paid out of profits from 2008 to 2016) is taxable at progressive rates which range from 23% (for income up to €15,000) to 43% (for income exceeding €50,000)].

Revenue Agency in respect of the definition of “regulated market” (Circular letter 23 December 2020, No. 23), that the Hong Kong Stock Exchange is regarded as a regulated stock market for this purpose, the thresholds of 2% and 5% would apply before a participation is considered to be “substantial”. It is worth mentioning that no official and published documents of the Italian Revenue Agency expressly confirming that the Hong Kong Stock Exchange falls into the definition of regulated stock market.

Since the Company has currently issued only ordinary Shares, based on the assumption above, in order to meet the relevant threshold for determining if a participation is “substantial” or “non-substantial” it is sufficient that the participation is of more than 2% of voting rights in the Company.

(ii) Individual shareholders not resident in Italy

Dividends paid by the Company to non-Italian resident individual shareholders (who do not carry on business in Italy through a permanent establishment situated therein) are subject to a 26% final withholding tax as a rule.

Subject to the provisions of any applicable DTC, the rate of withholding tax may be reduced or eliminated (however, the comments above about the interplay with the inherent characteristics of the CCASS must be considered).

If conditions set by article 10 of the DTC are applicable, for dividends paid by the Company on or after January 1, 2016, Hong Kong resident individual Shareholders may claim a credit refund equal to the difference between the tax withheld and 10% of the gross amount of the dividends.

Alternatively, non-Italian resident shareholders may claim a credit refund equal to the lower of 11/26th of the Italian withholding tax levied and the foreign tax actually paid on the dividend in their country of residence. However, this credit refund cannot be enjoyed where a Shareholder seeks relief from double taxation based on an applicable DTC, *i.e.* the two forms of juridical double taxation relief are alternatives.

(b) Tax regime applicable to corporate Shareholders

(i) Corporate shareholders resident in Italy

In general, 95% of dividends paid by the Company to corporate shareholders resident in Italy should be exempted from tax (the same rules apply to companies adopting IAS/IFRS, except for dividends paid on shareholdings classified as “held for trading” that are taxable).

No withholding tax is levied upon distribution.

The same tax regime applies to dividends paid by the Company to a non-Italian resident corporate shareholder where the Shares are held through a permanent establishment in Italy of such shareholder (*i.e.*, Shares are effectively connected to the permanent establishment).

(ii) Corporate shareholders not resident in Italy

Dividends paid by the Company to non-Italian resident corporate shareholders (who do not carry on business in Italy through a permanent establishment situated therein) are subject to a 26% final withholding tax as a rule.

Subject to the provisions of any applicable DTC, the rate of withholding tax may be reduced or eliminated (however, the comments above about the interplay with the inherent characteristics of the CCASS must be considered).

If conditions set by article 10 of the DTC are applicable, for dividends paid by the Company on or after January 1, 2016, Hong Kong resident corporate shareholders may claim a credit refund equal to the difference between the tax withheld and 10% of the gross amount of the dividends.

Alternatively, non-Italian resident corporate shareholders may claim a credit refund equal to the lower of 11/26th of the Italian withholding tax levied and the foreign tax actually paid on the dividend in their country of residence. However, this credit refund cannot be enjoyed where a shareholder seeks relief from double taxation based on an applicable DTC, *i.e.* the two forms of juridical double taxation relief are alternatives.

Special rules apply, among others, for dividends paid to European Union (“EU”) or European Economic Area (“EEA”) “white listed” companies², which are subject to a 1.2% withholding tax; in this case, the 11/26th credit refund would not be applicable³.

(c) Credit refund procedure

Where no DTC is applicable, non-Italian resident shareholders may claim a partial refund equal to the lower of 11/26th of the Italian withholding tax levied and the foreign tax actually paid on the dividend in their country of residence. However, if the dividend is not subject to final taxation in shareholder’s country of residence, the non-Italian resident shareholder will not be entitled to receive any credit refund.

In order to be entitled to the credit refund, the non-Italian resident shareholder must (i) provide evidence of being resident for tax purposes in its home jurisdiction, by way of a certificate issued by the relevant tax authority in that jurisdiction and (ii) demonstrate that a final tax on the same dividend has been paid, by means of proper documentation issued by the above mentioned tax authority.

Where a DTC is applicable, non-Italian resident Shareholder may claim a partial

² “White listed” companies are those companies resident in EEA jurisdictions which allow an adequate exchange of information with Italy.

³ Furthermore, following the implementation of the 2011/96/EU European Union Parent-Subsidiary Directive (the “**Directive**”) of November 30th, 2011 (as amended by 2015/121/EU directive), a withholding exemption applies if the corporate shareholder meets the following requirements:

- it is resident for tax purposes in an EU Member State;
- it is incorporated in one of the forms listed in the Annex to the Directive;
- it is subject to one of the taxes listed in the Annex to the Directive, without benefiting from an exemption, unless temporarily or territorially limited; and
- it holds at least 10% of the capital of the subsidiary for at least one uninterrupted year.

The parent-subsidiary regime is not available in the case of transactions falling within the scope of the so called “abuse of law” rule, which is aimed at disowning non-economic transactions that carry undue tax advantages.

or full refund of the Italian withholding tax levied. For the request of the credit refund, official forms have been issued by the Italian Revenue Agency⁴.

A credit refund request, if any, must be filed with the Italian Revenue Agency by the shareholder not later than 48 months following the date on which the tax on the dividend is finally paid by the shareholder in its home jurisdiction.

Shareholders should note that significant delays might be encountered in the process of obtaining a credit refund.

E.4. Capital Gains Tax

(a) Tax regime applicable to individual shareholders

(i) Individual shareholders resident in Italy

Starting from January 1st 2019 capital gains realized by Italian resident individual shareholders through the sale both of a substantial and a non-substantial participation not held in a business capacity are fully (*i.e.* 100%) subject to a substitute tax of 26%.

(ii) Individual shareholders not resident in Italy

Capital gains realized by non-Italian resident individual shareholders (who do not carry on business in Italy through a permanent establishment situated therein) on sales of shares are subject to the following tax treatment:

- capital gains realized through the sale both of a substantial and a non-substantial participation not held in a business capacity are, as a general rule, fully (*i.e.*, 100%) subject to a 26% substitute tax;
- however, capital gains realized through the sale of a non-substantial participation in Italian companies listed on regulated stock markets (according to the general guidance provided by the Italian Revenue Agency) are not regarded as Italian-sourced income. On the assumption, that the Hong Kong Stock Exchange is regarded as a regulated stock market for this purpose, capital gains relating to non-substantial participations in the Company are not subject to tax in Italy.

The amount of tax due in Italy (if any) may be reduced or eliminated pursuant to any applicable DTC.

(b) Tax regime applicable to corporate shareholders

(i) Corporate shareholders resident in Italy

According to the “participation exemption” regime, capital gains realized upon a disposal of shares in an Italian joint stock company by a corporate shareholder resident in Italy are 95% exempted, provided that the following requirements are

⁴ A copy of the forms, along with the related instructions, are available on the Italian Revenue Agency’s website.

met:

- a) the participation has been held continuously from the first day of the 12th month prior to that of the disposal;
- b) the participation was classified as a fixed financial asset in the first balance sheet closed after the acquisition (in the case of companies adopting IAS/IFRS, shareholdings are deemed to be fixed financial assets if they are not held for trading);
- c) the participation relates to a company which is resident in a country other than low-tax countries; and
- d) the participation relates to a company, which carries on a commercial activity. This requirement, however, does not apply to a company listed on a regulated stock market.

At the time of disposal of the shares, the requirement under:

- letter c) must have uninterruptedly been met as of the first period of possession. However, for shares held for more than five tax periods, and in the case of no intra-group sales, the requirement under letter c) must have uninterruptedly been met as of the fifth tax period prior to the tax period of the disposal; and
- letter d) must have uninterruptedly been met at least as of the beginning of the third tax period before the sale.

In the case of shares held in a holding company, the requirements under letter c) and d) should be, basically, tested with reference to its subsidiaries (“look-through approach”) representing the majority of the current value of the assets of such holding company.

Where one of these conditions above is not met, capital gains are, generally, fully subject to corporate income tax, ordinarily levied at 24%.

The same tax regime applies to capital gains realized by a non-Italian resident corporate shareholder upon a disposal of shares held through a permanent establishment in Italy (*i.e.* shares are effectively connected with the permanent establishment).

(ii) Corporate shareholders not resident in Italy

Capital gains realized by non-Italian resident corporate shareholders (who do not carry on business in Italy through a permanent establishment situated therein) on sales of Shares are subject to the following tax treatment:

- capital gains realized through the sale of a substantial participation in Italian companies listed on regulated stock markets are, as a general rule, fully (*i.e.* 100%) subject to a 26% substitute tax;
- however, capital gains realized through the sale of a non-substantial participation in Italian companies listed on regulated stock markets

(according to the general guidance provided by the Italian Revenue Agency) are not regarded as Italian-sourced income. On the assumption, that the Hong Kong Stock Exchange is regarded as a regulated stock market for this purpose, capital gains relating to non-substantial participations in the Company are not subject to tax in Italy.

The amount of tax due in Italy (if any) may be reduced or eliminated pursuant to any applicable DTC.

(c) Procedure for payment of capital gains tax

The following is a summary of the requirements for non-Italian resident shareholders with regard to capital gains taxable in Italy that are realized through the sale of a substantial participation in the Company.

For Italian tax purposes, capital gains on shares issued by Italian-resident companies (such as the Company) are, as a general rule, deemed to be sourced in Italy and, consequently, taxable in Italy.

For ascertaining whether a sale of either a “substantial” or “non-substantial” participation occurred, basically, all disposals of the Shares that occurred within a 12-month period should be aggregated.

The Italian Revenue Agency’s website contains a special section in English for non-resident taxpayers, which provides general information.

We recommend that shareholders who are liable to tax in Italy for capital gains realized through the sale of a participation in the Company should consult an advisor who specializes in tax compliance issues for non-Italian resident taxpayers to double check – among others – the capital gain computation, the deadline and methods for the payment.

E.5. Tax Return

Where capital gains have been realized by a non-Italian resident shareholder through the sale of a substantial participation in any kind of company⁵, the relevant shareholder is required to file a tax return in Italy, unless the capital gain is not taxable in Italy pursuant to the applicable DTC.

We recommend that shareholders who are liable to file a tax return in Italy for capital gains realized through the sale of a participation in the Company consult an advisor who specializes in tax compliance issues for non-Italian resident taxpayers.

E.6. Financial Transaction Tax on Transfer of Shares

(a) Taxable transactions

The transfer of the ownership (including the bare ownership) of:

⁵ /e., companies not listed, listed on a non-regulated stock market or listed on a regulated stock market.

- shares and other participating financial instruments issued by companies resident in Italy and securities representing equity investments regardless of the place of residence of the issuer;
- financial derivatives and transferable securities, provided that the underlying or reference value consists for more than 50% of the market value of the instruments referred to the said shares (and other financial instruments);
- transactions executed on the Italian financial market deemed to be “High-frequency Trading” referred to the said shares (and other financial instruments), financial derivatives and transferable securities, are subject to Financial Transaction Tax (“FTT”).

In the following paragraphs is commented only the impact of the FTT on the transfer of the ownership of the Shares.

(b) Tax rate

The FTT ordinary tax rates are:

- 0.10%, for transfers of shares, other participating financial instruments issued by Italian resident companies and securities representing equity investment, executed in regulated stock markets or through multilateral trading facilities;
- 0.20% for all other taxable transfers.

Based on the specific FTT regulations, on the assumption that the Hong Kong Stock Exchange is considered a regulated stock market for FTT purposes, the transfer of Prada’s Shares should be subject to 0.10% FTT tax rate. The Company recommends that all shareholders consult their professional advisors in order to confirm that the Hong Kong Stock Exchange can be considered (for regulatory perspective) a regulated stock market or a multilateral trading in regular operation and authorized by a National Public Authority with State supervision.

(c) Taxable value

The value of the transaction subject to FTT is determined based on the net balance of the transactions regulated daily, calculated for each liable person with reference to the number of Shares traded on the same day and relating to the same financial instrument.

The FTT base is the number of Shares resulting from the algebraic positive sum of the final net balances multiplied by the weighted average price of the purchases made on a particular day.

We recommend that shareholders who are liable to tax in Italy for FTT purpose should consult an advisor who specializes in tax compliance issues to double check – among others – the FTT computation, the deadline and methods for the payment.

E.7. Other Tax/Duties

(a) Registration tax, stamp duty and wealth tax

Transfers of Shares based on contracts executed in Italy before a Notary Public are subject to a lump-sum registration tax of €200.00. This tax is also payable in “case of use” in Italy (e.g., where a contract executed abroad or with different formalities is presented to an Italian registration office or, in certain cases, to an Italian court).

The sale of Shares is exempt from Italian stamp duty; in principle, there is no applicable wealth tax to non-tax residents in Italy (unless specific circumstances occur).

We recommend that shareholders who are liable to tax in Italy consult an advisor who specializes in tax compliance issue.

E.8. Tax Monitoring Obligations

Individuals, non-commercial entities and trusts, and certain partnerships resident in Italy for tax purposes are required to report in their yearly income tax return, for tax monitoring purposes, the amount of securities and financial instruments (including the Shares) held abroad during a tax year, from which income taxable in Italy may be derived.

In relation to the Shares, such reporting obligation shall not apply if the Shares are not held abroad and, in any case, if the Shares are deposited with an Italian financial intermediary that intervenes in the collection of the relevant income and the intermediary applied the due withholding or substitute tax on any income derived from such Shares.

We recommend that shareholders who are liable to tax in Italy should consult an advisor who specializes in tax compliance issue.

3. BY-LAWS OF THE COMPANY

TITLE I

COMPANY NAME — PURPOSE —DURATION —REGISTERED OFFICE

ART 1. COMPANY NAME

1.1 A joint stock company has been incorporated under the name:

“PRADA S.p.A.”

ART. 2. PURPOSES

2.1 The Company’s main purposes will be the following activities:

- (a) the manufacture and wholesale, retail and mail order sale of leather goods, clothing, ready-to-wear, footwear and accessories of any kind and nature, including, without limitation, sporting goods, toiletries, cosmetics, perfumes, eyewear in general and optical instruments, jewellery and costume jewellery, faux design jewellery intended for the person and the house, watchmaking, trophies, household furnishings, household goods in general including mirrors, picture frames, chinaware and glassware, stationery, catalogues, magazines and publications in general, and gift items;
- (b) the study, design, planning and creation of original solutions for collections of leather goods, clothing, ready-to-wear, footwear and accessories, including, without limitation, sporting goods, toiletries, cosmetics, perfumes, eyewear in general and optical instruments, jewellery and costume jewellery, faux design jewellery intended for the person and the house, watchmaking, trophies, household furnishings, household goods in general including mirrors, picture frames, chinaware and glassware, stationery, catalogues, magazines and publications in general, gift items, as well as, without limitation, any product that may be related and/or complementary to fashion and/or connected with the art and style business in general;
- (c) the purchase, use and transfer, under any form whatsoever, of Italian and foreign trademarks; the provision of services and assistance for the best exploitation of the Company’s and third parties’ trademarks, licenses and patents;
- (d) the provision of business support services in connection with procurement and sales and the management of showrooms, marketing, advertising and public relations services, technical-commercial services, relating to the planning, construction and refurbishment of commercial and industrial premises, technical services related to the design, construction and installation of shop windows and exhibition stand prototypes, the direct and indirect management

of services relating to sports, cultural and artistic activities in general, services relating to the organisation of exhibitions and conventions, including on a turn-key basis, the direct or indirect management of catering services, services related to administrative management, personnel management, technical, IT, data research and data processing services, as well as all other activities functionally connected to the stated purposes, including the acquisition and concession of franchises.

- 2.2 The Company may also carry out, in the interest of its subsidiaries or affiliates, any activity connected with or incidental to its activities or those of the subsidiaries or affiliates. To this end the Company may, in particular:
- coordinate the managerial resources of its subsidiaries or affiliates, including through suitable training initiatives;
 - coordinate the administrative and financial operations of its subsidiaries or affiliates, as well as perform all appropriate operations in their favour, including the provision of financing;
 - provide other services in favour of its subsidiaries or affiliates in areas of specific business interest.
- 2.3 The Company may also carry out operations involving financial, movables, real estate and commercial transactions considered to be necessary by the board of directors or useful for the achievement of the Company's purposes; the Company may acquire, manage and dispose of shareholdings or interests in companies and enterprises of any kind, with similar or connected purposes and grant to third parties endorsements, suretyships and other guarantees, including security, as long as they are useful or necessary for the achievement of the Company's purposes, without prejudice to the provisions applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong as provided for by art. 30 of these by-laws.
- 2.4 The activities mentioned above shall be carried out within the limits and in accordance with the law applicable from time to time and, in particular, investment activities exercised *vis-à-vis* the public as well as the activities in general reserved by law to professional members enrolled in specific registers are excluded.

ART.3 DURATION

- 3.1 The duration of the Company is until 31 January 2100.
- 3.2 The duration of the Company may be extended one or more times by a resolution of the shareholders' meeting.

ART.4 REGISTERED OFFICE

- 4.1 The registered office of the Company will be in Milan, Italy.

- 4.2 The Company may open, change or close, establish or wind up branch offices, subsidiaries, representative offices, agencies and offices in general, in Italy and abroad.

ART.5 DOMICILE

- 5.1 For the purposes of their relations with the Company, the domicile of all shareholders, directors, statutory auditors and the external auditor will be the location of their address as it appears in the Company's books, without prejudice to the rules on notices applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong as provided for by art. 34, as well as provided for by art. 35 of these by-laws.

TITLE II

STOCK CAPITAL AND SHARES - BONDS - ALLOCATED ASSETS - LOANS - RIGHT TO WITHDRAW

ART. 6 STOCK CAPITAL AND SHARES

- 6.1 The stock capital of the Company is EUR 255,882,400 (two hundred fifty five million eight hundred eighty-two thousand and four hundred) fully paid-up, represented by 2,558,824,000 (two billion five hundred fifty eight million eight hundred twenty four thousand) ordinary shares each with a nominal value of EUR 0.10 (ten cents).
- 6.2 The shares will be registered and every share entitles the holder to one vote.
- 6.3 The fact of being a shareholder in itself constitutes the agreement of each shareholder to be bound by these by-laws.
- 6.4 The provisions contained in art. 31 and 32 of these by-laws, applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong, shall apply.

ART.7 BONDS

- 7.1 The Company may issue convertible and non-convertible bonds within the limits established under Section 2412 of the Italian Civil Code.

ART.8 ALLOCATED ASSETS

- 8.1 The Company may allocate certain assets to a specific business transaction pursuant to Sections 2447-*bis* and the following provisions of the Italian Civil Code.

ART.9 LOANS FROM SHAREHOLDERS

- 9.1 The Company may obtain interest-bearing or non-interest bearing loans from its shareholders, with or without a repayment obligation, in compliance with applicable laws and regulations.

ART.10 RIGHT TO WITHDRAW

- 10.1 The right to withdraw from the Company shall be regulated by the Italian Civil Code. The right to withdraw cannot be exercised by shareholders who do not vote in favour of resolutions that are passed regarding: (i) the extension of the Company's duration, or (ii) the introduction or removal of any burden relating to the circulation of the shares.

TITLE III

SHAREHOLDERS' MEETINGS

ART.11 AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

- 11.1 The shareholders in an ordinary shareholders' meeting will resolve on matters that are reserved to them under applicable laws and regulations and these by-laws. In particular, the shareholders in an ordinary shareholders' meeting shall resolve on the following matters:
- (a) approval of the financial statements and the distribution of profits;
 - (b) election and removal of the directors, election of the statutory auditors and their chairperson and, whenever required, of the external auditor;
 - (c) compensation of directors and statutory auditors, as well as of the external auditor;
 - (d) determination of the liability of directors and statutory auditors;
 - (e) the purchase of the Company's shares within the limit set forth by Section 2357, first paragraph, of the Italian Civil Code and, in any case, within the limits provided for by the laws and regulations applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong;
 - (f) the approval of the regulations for the conduct of shareholders' meetings;
 - (g) any other matters reserved to them by applicable laws and regulations, as well as any authorization required under these by-laws or by applicable laws and regulations for the performance of directors' actions.

ART.12 AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- 12.1 The shareholders in an extraordinary shareholders' meeting will resolve on the following matters:
- (a) any amendment to these by-laws;
 - (b) the appointment and replacement of liquidators and the determination of their powers; and
 - (c) any other matters reserved to shareholders in an extraordinary shareholders' meeting by applicable laws and regulations.

ART.13 LOCATION AND FREQUENCY OF THE SHAREHOLDERS' MEETING

- 13.1 The ordinary and extraordinary shareholders' general meetings will normally be held in the municipality where the registered office of the Company is located, except as otherwise resolved by the board of directors, provided always that such shareholders' general meeting will be held in Italy, or in a country where the Company, directly or indirectly through its subsidiaries or affiliates, carries out its business activities
- 13.2 Shareholders may also attend the general meeting remotely, through audio or video connection, provided that the collegial method and the principles of good faith and equality of treatment of the shareholders are respected. In this case, it is necessary that:
- the chairperson of the shareholders' general meeting is able to ascertain the identity and legitimacy of the attendees;
 - the chairperson of the shareholders' general meeting is able to regulate the conduct of the meeting, to ascertain and announce the results of the voting;
 - the person taking minutes is able to adequately hear the events of the shareholders' general meeting being recorded;
 - all attendees are able to participate in real time in the discussion and in the simultaneous voting, with the possibility to read, receive and send documents in real time.
- 13.3 The shareholder's general meeting shall be considered to have been validly held in the place specified in the notice of call, if indicated, where the person taking minutes shall also be present for drafting and taking the minutes.

- 13.4 The ordinary shareholders' general meetings must be convened at least once a year for the approval of the financial statements, within one hundred and twenty days (120) after the end of the financial year, or within one hundred and eighty days (180) after the end of the financial year if the Company is required to draw up consolidated financial statements or, in any case, when it is required by the particular circumstances relating to the structure and purpose of the Company. No more than 15 months shall elapse in any case between the date of one such ordinary shareholders' general meeting and the next.

ART.14 CALL OF THE SHAREHOLDERS' MEETING

- 14.1 An ordinary general shareholders' meeting may be called by the board of directors whenever it deems it appropriate and in the circumstances specified by applicable laws and regulations.
- 14.2 A shareholders' meeting may also be called when requested by shareholders representing at least one-twentieth of the share capital, provided the request mentions the item or items to be discussed at the meeting and save for the limits set out in the last paragraph of Section 2367 of the Italian Civil Code. If there is an unjustified delay in calling the meeting, action will be taken by the board of statutory auditors.
- 14.3 The shareholders' meetings is convened by means of a notice of call specifying, in addition to the information required by laws and regulations, all information relating to any interest held by any of the directors on their behalf, or on behalf of third parties, specifying the effects that this resolution might have on them as shareholders of the Company and whether these effects differ from those that might affect all other shareholders.
- 14.4 The notice of call must be published in accordance with the procedures provided by applicable Italian law at least thirty days before the date of the meeting on the Company's website and by an extract in at least one of the following newspapers: "Il Sole 24Ore", "Italia Oggi", "MF Milano Finanza".
- 14.5 Shareholders who, individually or jointly, own or control at least one-fortieth of the share capital may request, within ten days as of the publication of the notice of call pursuant to paragraph 14.4 above, additions to the list of items on the agenda setting out the proposed additions. Requests must be submitted in writing. Additions to the agenda submitted pursuant to this paragraph shall be disclosed according to applicable laws. Additions to the agenda cannot be made for matters which, in accordance with law, the shareholders' meeting should resolve upon only after a proposal by the board of directors or on the basis of a project or report prepared by the directors, other than the report relating to items included in the agenda.

ART.15 RIGHTS RELATING TO THE SHARES

- 15.1 The right to attend and to vote at shareholders' meetings shall be determined in

pursuance of these by-laws, expressly including the provisions applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong as provided for by art. 33 herein below and, when not expressly provided for, by applicable law in force from time to time.

- 15.2 Any person who is entitled to vote at the shareholders' meeting can be represented by a proxy or representative. If any person recorded as legal owner of any shares acts as a registered trustee, on behalf of his/her customers, or in any case on behalf of third parties, the person in question may indicate others on whose behalf he/she acts, or one or more third parties indicated by such customer, as their proxies or representatives.
- 15.3 Where any shareholder is required by applicable laws and regulations to abstain from voting on any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. On the contrary, nothing shall prevent such shareholder from counting in the quorum at the relevant ordinary or extraordinary shareholders' meeting.
- 15.4 If the shares of the Company are listed on a market which provides for the distinction between legal ownership and beneficial ownership, the exercise of the rights pertaining to the shareholders will be permitted, with the prior authorisation of the legal owner, to the beneficial owners to the fullest extent allowed by the applicable regulations.

ART.16 CHAIRPERSON AND SECRETARY OF THE MEETING

- 16.1 Shareholders' meetings shall be presided over by the chairperson of the board of directors or, in his/her absence, by the deputy chairperson or by the chief executive officer, if one is appointed. In the absence of the persons mentioned above, the shareholders' meeting shall appoint, with the majority of the capital represented, the person who will act as chairperson of the shareholders' meeting. The chairperson of the shareholders' meeting will be assisted by a secretary, appointed by the shareholders' meeting, who does not need to be a shareholder, and, if required, by one or more scrutineers. If required by the applicable law or by the chairperson of the shareholders' meeting a notary public will attend and draft the minutes.
- 16.2 In any event the minutes will be drawn up in accordance with Section 2375 of the Italian Civil Code.
- 16.3 The chairperson of the meeting, who can also avail himself of assistants, (i) will confirm the right to attend, also by proxy, of those present; (ii) will ascertain that the meeting is properly held and is entitled to consider the resolutions; (iii) will supervise and direct the meeting, also by deciding the order of items on the agenda that have to be discussed; (iv) will direct the discussions and decide the manner of voting; (v) and will ascertain and proclaim the results of the voting.

- 16.4 Conduct of the shareholders' meeting is ruled by the relevant regulation approved by the ordinary shareholders' meeting.

ART. 17 DETERMINATION OF THE QUORUM

- 17.1 The ordinary and the extraordinary shareholders' meeting is normally held in one call, unless the board of directors, for a specific meeting, resolves to provide a date for the second and the third call, with disclosure in the notice of call.
- 17.2 Without prejudice to the provisions set forth by Title VII of these by-laws, the quorum for an ordinary and extraordinary shareholders' meeting is provided under the Italian Civil Code.
- 17.3 Voting by secret ballot is not allowed. The chairperson will determine which of the following procedures shall be adopted: (i) ballot; or (ii) electronic voting system. Voting by a show of hands is not permitted.

TITLE IV

ADMINISTRATION - REPRESENTATION - CONTROL

ART.18 BOARD OF DIRECTORS

- 18.1 The Company is managed by a board of directors vested with full powers for the ordinary and extraordinary management without any exception whatsoever and, in particular, has the power to perform all acts it deems advisable for the implementation and achievement of the corporate purposes set out above, except for the acts reserved by law or by the by-laws for a shareholders' meeting.
- 18.2 The directors are not bound to comply with the non-competition obligations under Section 2390 of the Italian Civil Code.

ART.19 ELECTION AND REPLACEMENT OF THE BOARD OF DIRECTORS

- 19.1 The Company is managed by a board of directors consisting of no fewer than nine and no more than eleven members. The shareholders' meeting will determine the number of directors within these limits. The directors are appointed by the shareholders' general meeting for a period of up to three financial years. This term lapses on the date of the shareholders' meeting called to approve the financial statements for the last year of their office. They may be reappointed.
- 19.2 Each director must satisfy the requirements for his/her eligibility, proficiency and integrity in accordance with applicable laws. At least three directors, or the higher number required by the applicable laws and regulations, if any, must satisfy the independence requirements set forth by the laws and regulations

applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong in relation to the independence of directors.

- 19.3 Any person who, alone or together with others, represents at least 1% of the share capital may propose one or more candidates, up to eleven, by filing the name of such candidates with the Company at its registered office at least twenty-five days prior to the date of the shareholders' meeting called to resolved upon their appointment on the first or single call. The details of the candidates are to be published in accordance with the applicable Italian regulations and the laws and regulations applicable from time to time to companies whose shares are listed on the Stock Exchange of Hong Kong.
- 19.4 Together with the nomination mentioned in Art. 19.3 above, the proposing person(s) are also required, on penalty of inadmissibility, to file: (a) the list of the proposing person(s), specifying the number of shares of the Company held by each of them, accompanied by evidence attesting compliance with the minimum threshold required under Art. 19.3, (b) the *curriculum vitae* of each candidate, (c) confirmations from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a director and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements.
- 19.5 If the number of candidates satisfying the independence requirements pursuant to the previous paragraphs is lower than the minimum number set out under Art. 19.2., the board of directors shall submit to the shareholders' meeting a sufficient number of candidates that satisfy the abovementioned characteristics in order to reach the minimum number provided under Art. 19.2.
- 19.6 The directors shall be appointed as follows:
- (a) the shareholders' meeting first determines the number of directors;
 - (b) a vote shall be taken in respect of every single candidate presented pursuant to the articles above.
- 19.7 The candidates are to be divided into two slates: the first one will list candidates who comply with the independence requirements set out under Art. 19.2 above in numerical order according to the number of votes received by each of them ("**Slate A**"); the second one will list the other candidates in numerical order according to the number of votes received by each of them ("**Slate B**").
- 19.8 The first three candidates - or the higher number required in order to satisfy the minimum threshold set out under Art. 19.2 - in Slate A and the first candidates listed in Slate B in the number necessary to reach the number of directors set forth by the shareholders' meeting pursuant to Art. 19.6(a) above will be appointed.

- 19.9 Directors for any reason not appointed pursuant to the aforementioned procedure will be appointed by the shareholders' meeting, with the majorities prescribed by the law, in such a way as to ensure that the composition of the board of directors complies with applicable laws and regulations and the by-laws.
- 19.10 The appointed directors must communicate to the Company if they have lost any of the abovementioned independence and integrity requirements or if any situations of ineligibility or incompatibility have arisen.
- 19.11 The board of directors will periodically evaluate the independence and integrity of its members. If the integrity or independence requirements set forth by the legislation are not satisfied or are no longer applicable to a director or if situations of ineligibility or incompatibility have arisen, the board of directors will declare the director's disqualification and resolve upon his/her substitution or shall invite him/her to rectify the situation of incompatibility within the term set by the board of directors itself, on penalty of his/her disqualification.
- 19.12 The shareholders' meeting may, even during the board of directors' term of office, change the number of members of the board of directors, always within the limits set forth under Art. 19.1, and make the related appointments. The mandates of directors so elected will expire at the same time as those of the directors who are already serving.
- 19.13 If during the term of office one or more directors should no longer hold office, action will be taken in compliance with Section 2386 of the Italian Civil Code. If a majority of directors should cease to hold office, the whole board of directors will be considered to have resigned and the board must promptly call a shareholders' meeting to appoint a new board of directors.

**ART.20 THE CHAIRPERSON OF THE BOARD OF DIRECTORS –
THE HONORARY CHAIRPERSON**

- 20.1 If the shareholders' meeting has not appointed a chairperson, the board of directors will elect one among its members.
- 20.2 The board of directors, at the chairperson's proposal, is to appoint a secretary.
- 20.3 The board of directors can appoint a deputy chairperson with the power to deputise for the chairperson in his/her absence.
- 20.4 The chairperson of the board of directors or, when it is impossible for the chairperson, whoever acts in his/her place will call the meetings of the board of directors, establish the agenda, coordinate the meeting and ensure that all directors are fully acquainted with the items on the agenda.
- 20.5 The Board of Directors may appoint a chairperson with honorary functions, referred to as "Honorary Chairperson", selected among personalities of great

prestige, who have contributed to the success and growth of the Company. The Honorary Chairperson shall have no management powers as well as no relevance outside the Company; however, the Honorary Chairperson may: i) represent the Company on the basis of powers of attorney issued by the competent corporate bodies, ii) receive a reimbursement of the expenses incurred in connection with the performance of his/her functions.

The Honorary Chairperson is entitled, but is not obliged, to attend both the board of directors' meetings and the shareholders' general meetings.

The Honorary Chairperson only has the function of advising and supporting these bodies in the decision-making process.

The term of office of the Honorary Chairperson is determined at the time of his/her appointment and he/she shall be re-elected. The Honorary Chairperson shall not be a member of the Board of Directors.

ART.21 DELEGATED BODIES

- 21.1 The board of directors may delegate - within the limits established by Section 2381 of the Italian Civil Code and by these by-laws - part of its authorities to one or more of its members, and determine their powers and related remuneration.
- 21.2 The board of directors may also establish an executive committee which must include some but not all of the members of the board of directors as well as the chairperson and any directors with delegated powers. When resolving on the creation of an executive committee, the board of directors may determine the purposes and manner of exercise of the delegated authorities.
- 21.3 The board of directors shall nevertheless retain the power to supervise and perform directly any transactions falling within its delegated powers, as well as retaining the power to revoke any delegated bodies.
- 21.4 The delegated bodies shall report to the board of directors and the board of statutory auditors at least once every six months.
- 21.5 In addition, decisions concerning the following matters are reserved for the competence of the board of directors, which cannot delegate such powers:
- merger and proportional demerger (*scissione proporzionale*) of companies in which the Company owns shares or holdings that represent at least 90 percent of share capital;
 - establishment and winding-up of branch offices;
 - indication of which directors shall be given the power to act as the legal representative of the Company;
 - reduction of the share capital in the event of exercise of withdrawal rights by one or more shareholders;

- amendment of the by-laws to reflect changes that need to be made under Italian laws; and
- transfer of the Company's registered office within Italy.

21.6 The board of directors may appoint general managers and determine their powers.

21.7 The board of directors may establish committees to consult and make proposals on specific subjects.

ART. 22 BOARD OF DIRECTORS' MEETINGS AND RESOLUTIONS

22.1 The board of directors will meet in the place indicated in the meeting notice, in the municipality where the registered office of the Company is located or where the Company, directly or indirectly through its subsidiaries or affiliates, carries out its business activities. The board of directors will meet each time the chairperson, the board of statutory auditors or at least one-third of the directors deem it necessary.

22.2 The board of directors may also meet through audio or video connection, provided that the collegial method and the principles of good faith are respected. In this case, it is necessary that:

- the chairperson of the board of directors is able to ascertain the identity and legitimacy of the attendees;
- the chairperson of the board of directors is able to regulate the conduct of the meeting;
- the person taking minutes is able to adequately hear the events of the meeting of the board of directors being recorded;
- all attendees are able to participate in real time in the discussion and in the simultaneous voting, with the possibility to read, receive and send documents in real time.

22.3 The meeting of the board of directors shall be considered to have been validly held in the place specified in the notice of call, if indicated, where the person taking minutes shall also be present.

22.4 A meeting of the board of directors will be called at least five days before the date established for the meeting by notice of call to be sent to each director and to the statutory auditors by registered mail or e-mail. The notice period is 24 hours in cases of urgency.

22.5 A meeting of the board of directors shall be validly held if the majority of the directors in office are present and can pass resolutions with the favourable vote of the majority of those present. Where a director abstains from voting or has declared to have a conflict, he/she will not be counted in determining the quorum required for approval of the relevant resolution.

22.6 Voting by proxy at board meetings is not allowed. A director must inform the

other directors and the board of statutory auditors if he/she has any conflict of interest either on his/her own behalf or as a result of his/her connections with third persons in a specific transaction of the Company and, in that case, he/she shall abstain from voting.

- 22.7 A meeting of the board of directors will be validly held, even if not formally called, whenever all directors in office and all members of the board of statutory auditors are present.
- 22.8 Board meetings shall be chaired by the chairperson or, if the latter is absent, by the deputy chairperson (if appointed). If the latter is also absent, the board meetings are to be chaired by the oldest executive director or, if no executive director is present, by any director designated by the other attending directors.

ART. 23 POWER TO REPRESENT THE COMPANY

- 23.1 The power legally to represent the Company is vested with the chairperson of the board of directors.
- 23.2 The power legally to represent the Company shall also be vested with those directors who have been duly authorised by the board of directors, within the limits of the delegated authorities.

ART. 24 REMUNERATION OF DIRECTORS

- 24.1 The directors are entitled to be reimbursed for the costs sustained by reason of their office and to receive remuneration established by the shareholders' meeting.
- 24.2 The remuneration of directors vested with special authorities shall be established by the board of directors, after having heard the opinion of the board of statutory auditors.
- 24.3 The shareholders' meeting may allocate an aggregate sum for the remuneration of all directors, including those vested with special authorities.

ART. 25 BOARD OF STATUTORY AUDITORS

- 25.1 The board of statutory auditors shall supervise compliance with all applicable laws, regulations and these by-laws and with the correct management principles and, specifically, it shall ensure that the organisation, administrative and accounting structure adopted by the Company is adequate and appropriate and actually functions.
- 25.2 The ordinary shareholders' meeting is to elect a board of statutory auditors comprising three statutory and two alternate statutory auditors, appoints the chairperson of the board of statutory auditors and determines the remuneration of the statutory auditors for their entire term of office.

- 25.3 Any person who, alone or together with others, represents at least 1% of the share capital of the Company may propose one or more candidates, up to three statutory and two alternate auditors, by filing the name of such candidates at the registered office of the Company at least twenty-five days prior to the date of the shareholders' meeting called to resolved upon their appointment on first or single call. At least one candidate of the statutory auditors and one candidate of the alternate auditors must be a chartered accountant and have carried out audit activities for no less than three years. The names of the candidates are to be published in accordance with the applicable law in force from time to time.
- 25.4 Together with the nomination mentioned in the article above, the proposing person(s) are also required, on penalty of inadmissibility, to file: (a) the list of the proposing person(s), specifying the number of shares of the Company held by each of them, accompanied by evidence attesting compliance with the minimum threshold requested by Art. 25.3; (b) the *curriculum vitae* of each candidate, (c) confirmation from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a statutory auditor and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements; (d) the list of the offices as a member of the board of directors or the board of statutory auditors held by the candidate auditor in other companies.
- 25.5 The candidates shall be divided into two slates: the first (“**Slate C**”) containing the names of those candidates for appointment as effective auditors and the second (“**Slate D**”) containing the names of those candidates for appointment as alternate auditors. Every single name submitted is to be voted on separately.
- 25.6 The three candidates drawn out from Slate C who receive the majority of votes expressed by the shareholders will be elected as effective auditors and the two candidates drawn out from Slate D that receive the majority of votes expressed by the shareholders will be elected as alternate auditors. The candidate drawn out from Slate C who receives the majority of votes expressed by the shareholders will be elected as chairperson. If two or more candidates receive the same number of votes, the chairperson will be appointed by the shareholders' meeting, in a separate vote.
- 25.7 Auditors for any reason not appointed pursuant to the aforementioned procedure will be appointed by the ordinary shareholders' meeting with the majorities prescribed by applicable Italian law, in such a way as to ensure that the composition of the board of statutory auditors complies with the applicable legislation and these by-laws.
- 25.8 A meeting of the board of statutory auditors will be validly held if those present are located in different places, wherever situated, connected by audio/visual means, in accordance with provisions of art. 22.2 herein above, as if also applied to the Board of Statutory Auditors. The meeting is considered validly held in the place specified in the meeting notice, if indicated.

ART. 26 THE EXTERNAL AUDITOR

- 26.1 The accounting audit of the Company is to be carried out by a certified and registered public accountant or auditing firm. The appointment and replacement of the office, the duties, powers, responsibilities and the procedures to determine remunerations of the auditing firm are set forth under applicable laws.

TITLE V

FINANCIAL YEAR - YEAR-END ACCOUNTS

ART. 27 FINANCIAL YEAR

- 27.1 The financial year of the Company will close on 31 December of each year.

ART. 28 YEAR-END ACCOUNTS AND PROFITS

- 28.1 At the end of each financial year, the board of directors shall see to the preparation of the Company's financial statements in compliance with Italian law. A copy of the Company's financial statements, including the directors' report, balance sheet and profit and loss account shall be made available and sent by post to every shareholder in accordance with applicable laws and regulations at least twenty one days before the date of the relevant shareholders' meeting to approve those financial statements.
- 28.2 The year-end net profits, after the deduction of a sum representing not less than five percent (5%) shall be set aside as a statutory reserve until the amount of the statutory reserve is equal to one-fifth of the company capital, will be allocated among the shareholders in proportion to their respective shareholdings, unless the shareholders' meeting decides to set aside additional provisions as extraordinary reserves.
- 28.3 Dividends not collected within five years of the day on which they become payable will be proscribed in favour of the Company and allocated to reserves.

TITLE VI

DISSOLUTION AND LIQUIDATION

ART. 29 DISSOLUTION AND LIQUIDATION

- 29.1 In the event the Company is wound up, the shareholders' meeting will resolve the manner of its liquidation, appoint one or more liquidators and determine their powers and remuneration.

TITLE VII

SPECIFIC PROVISIONS RELATING TO THE COMPANY WHILST ITS SHARES ARE LISTED ON THE STOCK EXCHANGE OF HONG KONG

As long as the shares of the Company are listed on the Stock Exchange of Hong Kong, the provisions set forth under this Title VII shall apply.

ART. 30 LOANS TO DIRECTORS

- 30.1 In addition to applicable Italian laws in relation to loans and other forms of financial assistance to directors and other persons, the Company may not, directly or indirectly:
- (i) make a loan or quasi-loan to, or enter into a credit transaction with, a director of the Company or a director of the Company's holding company;
 - (ii) enter into a guarantee or provide any security to a third party in connection with a loan, quasi-loan or a credit transaction made, or entered into, by any person to a director of the Company or a director of the Company's holding company; or
 - (iii) enter into any transaction described in paragraphs (i) or (ii) above with any company controlled by a director of the Company or a director of the Company's holding company or in which a director of the Company or a director of the Company's holding company exercises or controls the exercise of 30% or more of the voting rights.
- 30.2 The Company is not prohibited by Art. 30.1 from:
- (i) entering into any transaction to provide any of its directors with funds to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him properly to perform his duties as an officer of the Company, provided that:
 - (a) the transaction in question is entered into with the prior approval of the ordinary shareholders' meeting at which the purpose of the expenditure incurred or to be incurred by the director concerned and the amount of the transaction are disclosed; or
 - (b) in case the prior approval of the ordinary shareholders' meeting is not given, the transaction is entered into on the condition that, if the approval is not so given by the next following shareholders' meeting, any liability falling on any person in connection with the transaction shall be discharged within six months from the conclusion of that meeting;
 - (ii) entering into any transaction:

- (a) for the purpose of facilitating the purchase of the whole or part of any residential premises, together with any land, for use as the only or main residence of a director of the Company;
- (b) for the purpose of improving any such residential premises or land;
- (c) in substitution for any transaction entered into by any person for the benefit of a director of the Company and falling within paragraphs (a) or (b) above,

provided that:

- (I) the Company ordinarily enters into transactions of that description for its employees on terms no less favorable than those on which the transaction in question is entered into;
 - (II) the amount of the transaction does not exceed 80 per cent of the value of the residential premises, or the part thereof, in question and any land to be so occupied and enjoyed, as stated in a valuation report that complies with paragraph (III);
 - (III) the valuation report is made and signed by a professionally qualified valuation surveyor, who is subject to the discipline of a professional body, not earlier than three months prior to the date on which the transaction is entered into; and
 - (IV) the transaction is secured by a legal mortgage on the land comprising the residential premises, or the part thereof, in question and any land to be occupied and enjoyed therewith;
- (iii) leasing or hiring premises or leasing land to a director of the Company on terms not more favorable than the terms it is reasonable to expect the Company to have offered, if the premises leased or hired or the land had been leased on the open market, to a person who is unconnected with the Company.

30.3 The references in Art. 30.1 above to a director shall include references to:

- (i) the spouse or any child or step-child of such director;
- (ii) the trustee of any trust, the beneficiaries of which include the director, his spouse, or any of his children or step-children or the terms of which confer a power on the trustees that may be exercised for the benefit of the director, his spouse or any of his children or step-children.

ART. 31 CERTIFICATES

31.1 Every person whose name is entered as a shareholder in the Hong Kong branch register shall be entitled, without payment, to receive within two

months after allotment (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class or several certificates each for one or more of his shares of such class upon payment for every certificate after the first of such reasonable out of pocket expenses as the board of directors may from time to time decide. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee which shall be an amount not exceeding the relevant maximum amount as the Stock Exchange of Hong Kong may from time to time determine provided that the Board may at any time determine a lower amount for such fee. A shareholder who has transferred part of the shares comprised in his holding shall be entitled to a certificate for the balance at the aforesaid fee payable by the transferor to the Company in respect thereof.

- 31.2 If the shares of the Company become subject to a compulsory dematerialisation system, the share certificates shall be given to the Company or to any delegated person (such as the Company's share registrar), in order to comply with the necessary requirements (which will require, *inter alia*, the opening of a securities account at a bank or with an authorised intermediary). In such case, any right relating or attaching to the shares can be carried out only after the dematerialisation of the relevant certificates.
- 31.3 No share shall be issued to bearer.

ART. 32 TRANSFER OF SHARES

- 32.1 As far as the transfer of the shares being traded on the Stock Exchange of Hong Kong is concerned, the procedures for transfers of shares traded thereon from time to time shall apply.
- 32.2 All transfers of shares registered on the Hong Kong branch register of shareholders shall be effected by transfer in writing in the usual or common form or in such other form as the board of directors may accept, provided that it shall always be in such a form as prescribed by the Stock Exchange of Hong Kong and complying with paragraph 31.1 above, and may be under hand or, if the transferor or transferee is a clearing house (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the board of directors may approve from time to time within the limits set forth by applicable laws and regulations.

ART.33 ENTITLEMENT TO SHAREHOLDERS' RIGHTS

- 33.1 The board of directors may fix any date as the record date for:
- (a) determining the shareholders entitled to receive any dividend, distribution,

allotment or issue and such record date may be on, before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made;

(b) determining the shareholders entitled to receive notice of and to vote at any shareholders' meeting of the Company, provided that, in the case of voting, such record date is not more than two business days before the date of such shareholders' meeting.

- 33.2 If a clearing house recognised according to laws and regulations applicable pursuant to the listing of the shares on the Stock Exchange of Hong Kong (or one or more nominee(s) of such clearing house) is a shareholder of the Company (or holder of the warrants issued), the clearing house (or its nominee(s)) may authorise one or more persons to act as its proxy(ies) or representative(s) at any ordinary or extraordinary meeting (or other meeting relating to financial instruments when issued) of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number of shares (or financial instruments) in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise at the relevant shareholders' meeting the same rights and powers on behalf of the delegating party (being the clearing house (or its nominee(s)) as if such person (or its nominee(s)) were an individual shareholder of the Company holding the number of shares (or financial instruments) specified in such authorisation.

ART.34 SERVICE OF NOTICES AND OTHER DOCUMENTS

- 34.1 In addition to the principle set forth under Art. 35 serving of notices will be performed as follows. Any notice or other document may, to the extent permitted by and in accordance with applicable law, be served on, or delivered to any shareholder by the Company either personally or by sending it by post in a prepaid letter addressed to a shareholder at his/her registered address as it appears in the shareholders' register of the Company (or in the Hong Kong branch register) or by delivering it to, or by leaving it at, this registered address or, in the case of any notice, by publishing it by way of advertisement in one or more newspapers, by sending it as an electronic communication to the shareholder at the address he/she may have provided the Company for written correspondence, by publishing it on a computer network (including a website) or by any other means authorised in writing by the shareholder. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 34.2 Any notice or other document given or issued by or on behalf of the Company:
- a) if sent by post, shall be deemed to have been served or delivered on the day after the day when it was posted (in the case of a shareholder with a registered address in Hong Kong), and on the second day after the day when it

was posted (in the case of a shareholder with a registered address outside Hong Kong) and in proving this service or delivery it will be sufficient to prove that the notice or document was properly addressed, stamped and put in the post;

b) if not sent by post but left by the Company at the registered address of a shareholder, it will be deemed to have been served or delivered on the day it was left;

c) if sent as an electronic communication, it will be deemed to have been served on the day following that on which it was sent; proof that the address provided by the shareholder in relation to the Company in writing for the purposes of electronic communications was used to send the electronic communication containing the notice or document will be conclusive evidence that the notice or document was served or delivered;

d) if published on a computer network, it will be deemed to have been served on the day on which the notice of the publication is served on, or delivered to the shareholder concerned or where no notice of such publication is required by law to be served on, or delivered to the shareholder concerned, the day on which the notice or document first appears on the computer network concerned; and

e) if served, sent or delivered by any other means authorised in writing by the shareholder concerned, it will be deemed to have been served, received, or delivered when the Company has carried out the action it has been authorised to take for that purpose.

34.3 Except as specified under Art. 34.2 any notice shall be exclusive of the day on which it is served or deemed served and of the day for which it is given.

34.4 Any notice or other document delivered or sent to any shareholder in pursuance of these by-laws shall, notwithstanding that the shareholder is not deceased or bankrupt, or that any other event has occurred, and whether the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such a shareholder as sole or joint holder unless his name, at the time of the service or delivery of the notice or document, has been removed from the shareholders' register of the Company (or from the Hong Kong branch register) as the holder of the share and this service or delivery will be for all purposes be deemed as a sufficient service or delivery of such notice or document on all interested persons (whether jointly with, or as claiming through or under him) in the share.

34.5 As per the notice of call under Art. 14, within the same terms provided therein the notice of call must: (i) be published on the website of the Stock Exchange of Hong Kong; and (ii) be provided to the shareholders following the procedures set out in Art. 34.

TITLE VIII

FINAL PROVISIONS

ART.35 SERVICE OF NOTICE

- 35.1 Without prejudice of the provisions set forth under Art. 34 above, any communication set forth under applicable Italian law shall be performed in accordance with such regulation.

ART. 36 CANCELLATION OF SHARES CERTIFICATES

- 36.1 If a share certificate is stolen, lost or destroyed, it may be replaced according to the procedure set forth by the Italian Civil Code according to which, *inter alia*, the shareholder shall:

- (i) serve a notice on the Company that the certificate is stolen, lost or destroyed;
- (ii) petition the president of the Court of the place where the Company has its registered office with the request for the replacement of the share certificates. Where the president of the Court accepts reasons for the replacement of the share certificate he will issue a decree by means of which the shareholder may obtain, provided that in the meantime no objection is filed by another claimant, the issuance of a share certificate replacing the one stolen, lost or destroyed.

ART. 37 JURISDICTION

- 37.1 Any controversy that may arise in connection with, or relating to, the construction, application or performance of these by-laws shall be exclusively submitted to the courts of the place where the Company's legal seat is located.

ART. 38 APPLICABLE LAWS

- 38.1 Any reference to applicable laws and regulations contained in the by-laws is made to the relevant applicable Italian laws and regulations as well as to the relevant laws and regulations applicable pursuant to the listing of the Company's shares on the Stock Exchange of Hong Kong.
- 38.2 Any matter not expressly covered hereby shall be regulated by the provisions of the Italian Civil Code and of the special laws applicable thereto as well as by the laws and regulations applicable as a consequence of the listing, if any, of the Company's shares on the Stock Exchange of Hong Kong.

Milan, 27/05/2021