

**BYLAWS**  
**OF SNAM S.p.A.**

**Section I - INCORPORATION AND PURPOSE OF THE COMPANY**

ARTICLE 1

1.1 The Company “**Snam S.p.A.**” is governed by these Bylaws. The company's name may be written in any font, either in lower or upper case.

ARTICLE 2

2.1 The corporate purpose shall be to exercise, directly or indirectly, in Italy and abroad, including through direct or indirect equity investments in companies, entities or enterprises, regulated activities involving transportation, dispatching, distribution, regasification and storage of hydrocarbons, as well as any other economic activity that is linked through whatever degree of importance to one or more of the activities mentioned above, including the production of hydrocarbons associated with activities for storage thereof, the storage of other gases, the activity of energy metering, as well as the management of organised gas markets; all in observance of the concessions provided for by law.

2.2 In order to carry out its purpose, the Company:

- may perform all operations deemed necessary or useful to pursue its company purpose; by way of example, it may carry out industrial, commercial, investment, real estate and financial operations, pertaining to assets and liabilities, as well as any activity that is related to the company purpose, including scientific and technical research and the acquisition of patents related to activities carried out, as well as operations for the study, design, construction, acquisition, management and execution of complex systems of transmission, infrastructure, viability, IT and telecommunications, with the exception of collection of public funds and the exercise of activities governed by financial intermediation regulations;
- shall carry out and oversee the technical, industrial and financial coordination of subsidiaries, also providing them with the necessary financial assistance and services;
- may carry out all activities related to environmental protection and reclamation, as well as the safeguarding of the environment;
- shall comply with equal treatment criteria towards customers, as well as transparency, impartiality and neutrality as it pertains to transmission and dispatch, in compliance with applicable legislative and regulatory provisions. In particular, the Company, in compliance with principles of cost-effectiveness, profitability and maximisation of shareholder investment, without prejudice to the confidentiality of corporate data, shall carry out its company purpose with the intent to promote competition, efficiency and adequate levels of quality in dispensing services. To this end:
  - the Company shall ensure the neutrality of management of infrastructure deemed essential for the development of a free energy market;
  - shall prevent discrimination in the access to commercially sensitive information;
  - shall prevent cross-transfer of resources among the different segments of the supply chain.

ARTICLE 3

3.1 The Company shall have its registered office at Piazza Santa Barbara 7, San Donato Milanese, Milan.

3.2 Secondary headquarters, branches, agencies, and representation offices in Italy and abroad may be set up and/or closed at any time.

## ARTICLE 4

4.1 The life of the Company is set to end on 31 December 2100 and may be extended, one or more times, by resolution of the Shareholders' Meeting.

### **Section II - SHARE CAPITAL OF THE COMPANY**

## ARTICLE 5

5.1 The share capital shall be 2,735,670,475.56 (two billion seven hundred thirty-five million six hundred seventy thousand four hundred seventy-five point fifty-six) euros, divided into 3,394,840,916 (three billion three hundred ninety-four million eight hundred forty thousand nine hundred sixteen) shares without nominal value.

5.2 The Shareholders' Meeting may resolve to increase the share capital, determining the terms, conditions and arrangements thereof. The share capital may be increased: by transfer in kind or of assets and with the issue of new shares, including special categories, to be assigned free of charge pursuant to art. 2349 of the Italian Civil Code.

## ARTICLE 6

6.1 The shares shall be registered and indivisible and each share shall grant the right to one vote.

6.2 In the event of joint share ownership, the rights of the joint owners shall be exercised by a common representative. Without prejudice to provisions regarding representation, legitimisation, and circulation of the shareholding for shares traded on regulated markets.

6.3 Payments on shares shall be required by the Board of Directors in a lump sum or in instalments. Interest on arrears in a measure equal to the legal rate shall be applied to late payments, without prejudice to the application of Article 2344 of the Italian Civil Code.

6.4 Withdrawal shall be permitted only in those cases contemplated by preemptory legislative regulations and, in any case, shall be excluded in the case of extension of incorporation, as well as introduction, amendment and removal of restrictions to circulation of shares.

6.5 Shareholder status, in and of itself, shall imply the unconditional adherence to the Bylaws.

6.6 For any corporate matter, the domicile of each shareholder, any other parties having the right to vote, directors and statutory auditors, as well as the body tasked with auditing, shall be that recorded on company registers or stated in communications made by the aforementioned individuals.

## ARTICLE 7

7.1 The Company, consistent with the law, may issue bonds, even convertible or with warrants and other debt securities.

### **Section III - SHAREHOLDERS' MEETINGS**

## ARTICLE 8

8.1 Shareholders' Meetings shall be either ordinary or extraordinary.

8.2 Ordinary Shareholders' Meetings shall be convened at least once per year for the approval of the financial statements within 180 days of the end of the fiscal year, since the Company is required to prepare consolidated financial statements.

8.3 Shareholders' Meetings shall be held in Italy.

## ARTICLE 9

9.1 The Shareholders' Meeting shall be convened by notice to be published in accordance within the terms and following the procedures set forth in current regulations. Shareholders' Meetings shall be held in a single call.

## ARTICLE 10

10.1 The right to speak during Shareholders' Meetings shall be governed by legal provisions, the Bylaws and the provisions contained in the call notice.

10.2 Law provisions shall govern the legitimisation of participation in Shareholders' Meetings. Those who have the right to vote may be represented by written proxy in accordance with the law; the proxy may be submitted by certified electronic mail. All relevant documentation shall be filed at the Company.

10.3 The Company shall make available to associations of shareholders who meet the requirements provided for in the relevant legislation, in accordance with terms and conditions agreed from time to time with their legal representatives, the facilities necessary for communication and work activities related to the collection of proxies of shareholders employed by the Company and its subsidiaries.

10.4 The Chairman of the Shareholders' Meeting shall confirm the validity of the proxies and the right to participate in the Meeting.

10.5 Shareholders' Meetings shall be governed by the relevant Regulations approved by the Ordinary Shareholders' Meeting of the Company.

## ARTICLE 11

11.1 The Shareholders' Meeting, legally convened and quorate, shall represent all shareholders. Its resolutions shall bind shareholders, even those who were not in attendance, abstained or dissented.

11.2 The Shareholders' Meeting shall be presided over by the Chairman of the Board of Directors or, in his/her absence or inability to attend, the person chosen by the majority of the shareholders in attendance.

11.3 The Shareholders' Meeting shall appoint the Secretary, who may also be a shareholder.

11.4 The minutes of ordinary Shareholders' Meetings shall be drafted by the Secretary and signed by the Secretary and the Chairman; the minutes of extraordinary Shareholders' Meetings shall be drafted by the notary and signed by the notary and the Chairman.

Copies of the minutes certified by the person who drafted them and the Chairman shall constitute official record with full validity under the law.

## ARTICLE 12

12.1 The validity of Shareholders' Meetings shall be established in accordance with the law.

12.2 The Ordinary Shareholders' Meeting shall authorise resolutions concerning disposal, contribution, leasing, usufruct and any other act of disposition, including those that apply to joint ventures, or subject to business restrictions or strategically relevant business units involving gas transportation or dispatching activity, without prejudice to the directors' responsibility for the actions carried out, pursuant to Article 2364 no. 5 of the Italian Civil Code. Resolutions in such matters shall be adopted by a favourable vote of shareholders representing at least three quarters of the capital present at the meeting.

12.3 For other matters within its powers, the ordinary Shareholders' Meeting shall decide with the majorities set by law.

12.4 The extraordinary Shareholders' Meeting shall resolve with a majority of at least three quarters of the capital present at the meeting.

12.5 The Board of Directors shall be required to discuss proposals concerning:

- mergers in the cases specified in articles 2505 and 2505-bis of the Italian Civil Code, also in the case of demergers;
- the opening, changing or closing of branches;
- the reduction in the share capital upon withdrawal of one or more shareholders;
- the adaptation of the Bylaws to legal provisions;
- the transfer of the registered office within Italy.

#### **Section IV - BOARD OF DIRECTORS**

##### ARTICLE 13

13.1 The Company shall be managed by a Board of Directors numbering no fewer than five and no more than nine members, with their number and term of office being established by the Shareholders' Meeting at the time of appointment.

13.2 The Directors may be appointed for a period not exceeding three fiscal years, their term in office shall expire on the date of the Shareholders' Meeting convened to approve the financial statements relating to the last fiscal year in which the Directors hold office, and may be re-elected.

13.3 The Board of Directors shall be appointed by the Shareholders' Meeting in compliance with the provisions of these Bylaws and with the aim of ensuring gender balance in the composition of the Board itself.

The Board of Directors shall be appointed on the basis of slates submitted by the shareholders, on which candidates must be listed by means of a progressive number.

The slates shall be deposited at the Company's registered offices no later than the twenty-fifth day preceding the date in which the Shareholders' Meeting shall convene to discuss the appointment of the members of the Board of Directors, and shall be made available to the public at least twenty-one days prior to the Shareholders' Meeting, in accordance with the terms and conditions provided for in the law and Consob's own regulations.

Each shareholder may submit or participate in the submission of and vote on a single slate in accordance with the terms set forth in the aforementioned legislative and regulatory provisions.

Each candidate may only submit his/her candidacy on one slate, under penalty of ineligibility.

Slates may only be presented by Shareholders who, alone or together with other Shareholders, represent at least 2% or are together the owners of such other stake in the capital as Consob may set in its regulations. Ownership of the minimum share necessary to submit slates shall be defined by taking account of shares that are registered to the shareholder on the day on which the slates are deposited with the Company.

In order to prove ownership of the number of shares necessary to submit slates, shareholders must produce the relevant certification issued in accordance with the law by qualified intermediaries within the deadline set for the publication of slates by the Company.

At least one director, if the Board is made up of no more than seven members, or at least three directors, if the Board is made up of more than seven members, must meet the requirements of independence laid down for statutory auditors of listed companies.

The slates shall expressly bear the names of candidates who meet the aforementioned requirement of independence.

At least one third (rounding up in the case of a decimal number) of the members of the Board of Directors must belong to the less represented gender.

Pursuant to the Decree of the President of the Council of Ministers of 25 May, 2012, containing the "Criteria, conditions and terms for the adoption of the model for the demerger of Snam S.p.A., in accordance with Article 15, of Law no. 27 of 24 March, 2012", the directors may not be appointed to offices in administrative or control bodies or in managerial positions at ENI S.p.A. and its subsidiaries, nor may they entertain any direct or indirect, professional or financial relationship with

the aforementioned companies.

Furthermore, all candidates must meet the requirements of integrity laid down in current legislation. In the slates that present three or more candidates, at least one third of the candidates (rounded up, in the case of a decimal figure, to the next whole number) must belong to the less represented gender, as also specified in the call notice for the Shareholders' Meeting.

At the time of deposit, each slate, under penalty of its inadmissibility, must be accompanied by the professional CV of each candidate, along with the declarations by which candidates accept their candidacy and, under their own responsibility, declare the non-existence of reasons for ineligibility and incompatibility, in addition to their ownership of the aforementioned requirements of integrity and independence.

The appointed directors must notify to the Company of their loss of the aforementioned requirements of independence and integrity, as well as the occurrence of causes for ineligibility and incompatibility, if any.

13.4 The Board of Directors shall periodically evaluate the independence and integrity of directors, and verify the non-existence of reasons for ineligibility and incompatibility. In the event that a director does not own or loses the declared and legally prescribed requirements of independence or integrity, or if reasons for ineligibility and incompatibility have materialized, the Board of Directors shall remove the director from office and replace him/her, or invite him/her to remedy the causes of incompatibility within a specified deadline, under penalty of removal from office.

13.5 The directors shall be elected as follows:

a) seven tenths of the directors to be elected shall be selected from the slate that obtains the majority of votes expressed by the shareholders (the "*Majority Slate*"), in the order in which they are listed on the slate, rounding down in the case of decimal number;

b) the remaining directors will be selected from the other slates (the "*Minority Slates*") that are in no way – directly or indirectly – connected to shareholders who have submitted or voted for the slate that received the majority of votes; to this end, votes obtained by the slates will be subsequently divided by one or two or three, depending on the progressive number of directors to be elected. The quotients thus obtained shall be progressively assigned to the candidates on each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged in a single decreasing ranking. Those who have obtained the highest quotients shall be elected. If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected any director or that has elected the smallest number of directors shall be elected. If none of such slates has yet elected a director or all of them have elected the same number of directors, the candidate from the slate that obtained the largest number of votes shall be elected. If the different slates have received the same number of votes and their candidates have been assigned the same quotients, a new vote shall be held by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes shall be elected;

b-bis) in the event that the Majority Slate does not contain a sufficient number of candidates to reach the number of directors to be elected pursuant to letter a) above, all candidates listed in said slate shall be appointed, based on their progressive order in said slate; in turn, after appointing the other directors from the Minority Slates, pursuant to letter b) above, for the number of positions established for these minority slates, which is three tenths of the total, the remaining directors shall be appointed, for the positions not covered by the Majority Slate, from the minority list that obtains the greatest number of votes among the Minority Slates (the "*First Minority Slate*") in relation to the capacity of said slate. In the event of insufficient capacity of said slate, the remaining directors shall be appointed, with the same procedures, from the following slate ("*Second Minority Slate*") or any subsequent slates, based on the number of votes and capacity of the slates themselves. Lastly, if the total number of candidates on the slates presented – in both the Majority Slate and Minority Slates – is lower than the number of the directors to be elected, the remaining directors shall be elected by the shareholders' meeting with the resolution approved in accordance with letter d) below;

c) if, following the application of the procedure described above, it is not possible to appoint the

minimum number of independent directors required by the Bylaws, then the quotient of the votes to attribute to each candidate on the slates is calculated by dividing the number of votes obtained by each slate by the number of the order of each one of the aforementioned candidates; candidates who do not meet the requirements of independence and have the lowest quotients among candidates from all slates are replaced, starting with the last candidate, by independent candidates listed on the same slate of the replaced candidate (following the order in which they are listed), or, alternatively by individuals meeting the requirements of independence, who have been appointed in accordance with the procedure described under letter d). In cases in which candidates from different slates have obtained the same quotient, the candidate to be replaced is the candidate of the slate from which the greatest number of directors is selected, or, subordinately, the candidate from the slate that has received the least number of votes, or, in case of equal number of votes, the candidate that has obtained less votes from the Shareholders' Meeting in a specific voting round;

c-bis) if the application of the procedure described under letters a), b) and b)-bis does not permit compliance with the Bylaws regulations on gender balance, the quotient of votes to be attributed to each candidate from the slates is calculated by dividing the number of votes obtained by each slate by the number of the order of each candidate; the candidate of the most represented gender who has the lowest quotient among the candidates from all the slates is replaced, without prejudice to the minimum number of independent directors, by the candidate representing the less represented gender (with the subsequent higher number of order) on the same slate as the replaced candidates, or, alternatively, by the individual appointed in accordance with the procedure described under letter d). In cases in which candidates from different slates have obtained the same minimum quotient, the candidate to be replaced shall be the candidate of the slate from which the greatest number of directors is selected, or, subordinately, the candidate from the slate that has received the least number of votes, or, in case of equal number of votes, the candidate that has obtained less votes by the Shareholders' Meeting in a specific voting round;

d) for the appointment of directors, who, for any reason, are not appointed in accordance with the procedures described above, the Shareholders' Meeting shall resolve by legal majority, in order to ensure that the composition of the Board of Directors is compliant with the law and the Bylaws.

Current peremptory legislative and regulatory provisions shall constitute, in any case, an exception to these policies.

13.6 The slate voting procedure shall be applied only in case of renewal of the entire Board of Directors.

13.7 The Shareholders' Meeting may change the number of Directors, including during its term, within the limitations laid down in subsection 1 of this Article, and shall make the respective appointments according to the procedures set out in Article 13.5 (d) above. The term of office of Directors appointed in this way shall expire with the term of those currently in office.

13.8 If in the course of the financial year one or more vacancies occur on the Board, the procedure specified in Art. 2386 of the Italian Civil Code shall be followed.

In any case, respect for the minimum number of independent directors and the presence of least one third (rounded up in the case of decimal number, to the next whole number) of the directors belonging to the less represented gender must be ensured.

If there is no longer a majority of directors, the entire Board of Directors shall resign, and a Shareholders' Meeting shall be convened in a timely manner by the Board of Directors for the reconstitution of the latter.

13.9 The Board of Directors may set up Committees from among its members having advisory and proposal-making functions on specific issues.

## ARTICLE 14

14.1 The Board of Directors, unless this duty has been previously fulfilled by the Shareholders' Meeting, appoints the Chairman from among its members; furthermore, it appoints the Secretary,

who may or may not be a director.

#### 14.2 The Chairman:

- shall represent the Company, pursuant to Article 19 of these Bylaws;
- shall preside over Shareholders' Meetings, exercising functions in accordance with the law and the regulations of the Shareholders' Meeting;
- shall convene and preside over the Board of Directors, prepare the agenda and coordinate activities thereof;
- shall ensure that all adequate information on issues listed on the agenda are provided to the directors.

### ARTICLE 15

15.1 The Board of Directors shall be convened by the Chairman – or, in his absence or impediment, by the Chief Executive Officer, or, finally, in his absence or impediment, by the eldest board member– whenever he deems suitable or when at least two Board members request a meeting of the Board in writing. The request must indicate the reasons for convening the Board. The Board of Directors shall meet in the location indicated in the call notice. The notice is usually sent at least five days before the meeting. The Board of Directors' meetings may be held via conference call or video conference, on the condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting shall be considered as having taken place where the Chairman of the meeting and the Secretary are located. The Board of Directors shall define additional terms and procedures for convening its meetings.

15.2 The meetings of the Board of Directors shall be chaired by the Chairman or in his absence or impediment, the Chief Executive Officer or, finally, in case of absence or inability to attend of the latter, by the eldest Board member present.

### ARTICLE 16

16.1 The Board of Directors shall be invested with the most extensive powers for the ordinary and extraordinary administration of the Company and, in particular, shall have the faculty to carry out all acts it deems appropriate for the implementation and achievement of the company purpose, excluding only the acts that the law or these Bylaws reserve to the Shareholders' Meeting. The Board of Directors shall delegate its duties to one or more of its members, determining the limits of the delegation in accordance with Art. 2381 of the Italian Civil Code and appointing the Chief Executive Officer. The Board of Directors may always give instructions to the Chief Executive Officer and advocate to itself any operations falling within the scope of the powers delegated, just as it may revoke the powers conferred at any time, proceeding, if revoking the powers conferred upon the Chief Executive Officer, simultaneously to appoint another Chief Executive Officer. The Board may also establish Committees, determining their powers and the number of members.

At the proposal of the Chairman, in agreement with the Chief Executive Officer, the Board may also confer powers for single acts or categories of acts on other members of the Board of Directors. Within the remit granted to them, the Chairman and Chief Executive Officer may confer mandates and powers to represent the company for single acts or categories of acts on employees of the Company and also on third parties.

16.2 The Board of Directors, as proposed by the Chief Executive Officer, in agreement with the Chairman, may nominate one or more General Managers, defining their powers, having checked they possess the integrity requisites prescribed by law. The same may not hold any office indicated in article 13.3 of these Bylaws. The Board of Directors shall periodically assess the integrity and existence of causes of incompatibility of the General Managers. Failure to meet the requirements shall result in the forfeiture of the office.

16.3 On the occasion of meetings and at least once every three months, the Chairman or any Directors

granted powers pursuant to this article of the Bylaws shall inform the Board of Directors and the Board of Statutory Auditors on the general trend of operations, including those of subsidiaries, on foreseeable developments, on operations with the most significant economic, financial and patrimonial impact, with special reference to operations in which directors have a personal or indirect interest and those which are affected by any party exercising management or coordination activities.

16.4 At the proposal of the Chief Executive Officer, in agreement with the Chairman, subject to the favourable opinion of the Board of Statutory Auditors, the Board of Directors shall appoint the Officer responsible for the preparation of financial reports, from those subjects who possess the professionalism requirements indicated below.

The Officer responsible for the preparation of financial reports must be chosen from among individuals who do not hold the offices indicated in art. 13.3 of these Bylaws and have carried out the following for at least three years:

- a) administration or control or management activities with listed companies on regulated markets of Italy or other European Union Member States or other OECD member countries with a share capital of no less than two million euros, or
- b) legal auditing of accounts at the companies indicated under letter a), or
- c) professional or university teaching activities (as professor) on financial or accounting matters, or
- d) managerial functions at public or private entities with competences in the financial, accounting or auditing sector.

The Board of Directors shall monitor to ensure that the Officer responsible for the preparation of financial reports has suitable powers and means by which to exercise the tasks attributed to him or her, and that current administrative and accounting procedures are respected.

## ARTICLE 17

17.1 The Board of Directors' meeting shall be legally constituted if the majority of Directors in office are in attendance.

17.2 Resolutions shall be adopted by majority vote cast by directors in attendance, and, in case of tie, the presiding individual shall cast the tie-breaking vote.

17.3 The minutes of Board meetings shall be drafted by the Secretary of the Board of Directors and signed by the Chairman of the meeting and the Secretary.

17.4 Copies of the minutes shall be certified by the Chairman of the meeting and the Secretary of the Board of Directors and have full validity under the law.

## ARTICLE 18

18.1 On an annual basis and for the entire term of office, the directors shall be compensated in an amount determined by the ordinary Shareholders' Meeting at the time of their appointment; the compensation amount determined in this way shall be valid until the Shareholders' Meeting resolves otherwise. The directors shall also be entitled to a refund of all expenses incurred in relation to the exercise of their office.

18.2 Directors vested with special offices shall receive compensation as determined by the Board of Directors, after consulting the Board of Statutory Auditors.

## ARTICLE 19

19.1 Both the Chairman and the Chief Executive Officer shall be entitled to represent the Company before any judicial or administrative authority and before third parties as well as to sign on behalf of the company.



## **Section V - BOARD OF STATUTORY AUDITORS**

### ARTICLE 20

20.1 The Board of Statutory Auditors shall comprise three standing auditors; in addition, three alternate auditors shall be appointed. The Shareholders' Meeting shall appoint the statutory auditors and determine their compensation. Statutory Auditors shall be chosen from those in possession of the requisites of integrity and professionalism laid down by applicable legislation, in particular by Decree no. 162 of 30 March 2000 of the Ministry of Justice.

For the purposes of the aforementioned decree, topics strictly under the purview of the Company shall be: commercial law, business administration and corporate finance.

For the same purpose, the engineering and geological sectors are under the direct purview of the Company.

20.2 The statutory auditors may be appointed to administrative and control bodies of other companies within the parameters set by Consob through its own regulations, with the exclusion of the offices indicated in Article 13.3 of these Bylaws.

20.3 The Board of Statutory Auditors shall be appointed by the Shareholders' Meeting on the basis of slates submitted by the shareholders, on which candidates shall be listed by means of a progressive number and in a number that shall not exceed the number of members of the body to be elected. One standing auditor and one alternate auditor must belong to the less represented gender.

For the deposit, submission and publication of slates, the procedures governed by the provisions of Article 13.3 of these Bylaws shall be applied.

Each shareholder may submit or participate in the submission of and vote a single slate in accordance with the terms set forth in the aforementioned legislative and regulatory provisions.

Slates may only be presented by Shareholders who, alone or together with other Shareholders, represent at least 2% or are together the owners of such other stake in the capital as Consob may set in its regulations.

Each candidate may only submit his/her candidacy on one slate, under penalty of ineligibility.

The slates shall be divided into two sections: one for candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor. At least the first candidate in each section must be enrolled in the register of external auditors and have worked on legal audits for a period of not less than three years.

The slates that, considering both sections, contain a number of candidates equal to or greater than three and compete for appointment to the majority of the members of the Board of Statutory Auditors, must include, in accordance also with the provisions set forth in the call notice for the Shareholders' Meeting, members of the less represented gender in the number stated in the first paragraph of this art. 20.3.

Two standing auditors and two alternate auditors shall be selected from the slate that receives the majority of votes. The other standing auditor and the other alternate auditor shall be appointed in accordance with provisions set forth in Article 13.5, letter b), to apply distinctly to each of the sections in which the other slates are articulated.

In the event that, *mutatis mutandis*, a similar situation should occur to that laid down in Article 13.5 b-bis) above, the procedures pursuant to the same letter b-bis) shall apply both for the standing auditors and alternate auditors, insofar as compatible with current regulations and with this Article.

The Shareholders' Meeting shall appoint as Chairman of the Board of Statutory Auditors the standing auditor elected in accordance with the provisions set forth in Article 13.5 letter b).

If the application of the procedure described above does not allow, as regards standing auditors, compliance with the gender division criterion set out in the first subsection of this art. 20.3, the quotient of votes to be attributed to each candidate from the standing auditor sections of the different slates, shall be calculated by dividing the number of votes obtained in each slate by the number of the order of each of the aforementioned candidates; the candidate of the most represented gender who

has the lowest quotient among candidates from all slates, shall be replaced by the candidate belonging to the least represented gender listed, with the subsequent highest order number, in the same standing auditor section of the slate of the replaced candidate, or, subordinately, in the alternate auditor section of the same slate of the replaced candidate (who, in this case, shall take over the position of the alternate candidate he/she replaces); otherwise, if this operation does not allow compliance with the gender division criterion set out in the first subsection of this art. 20.3, the candidate shall be replaced by the individual appointed by the Shareholders' Meeting with a legal majority, so that a Board of Statutory Auditors compliant with the law and the Bylaws can be constituted.

In cases in which candidates from different slates have obtained the same quotient, the candidate to be replaced shall be the candidate of the slate from which the greatest number of auditors is selected, or, subordinately, the candidate from the slate that has received the least number of votes, or, in case of equal number of votes, the candidate that has obtained less votes by the Shareholders' Meeting in a specific voting round.

For the appointment of standing auditors, who, for any reason, are not appointed in accordance with the procedures described above, the Shareholders' Meeting resolves by legal majority, in order to ensure that the composition of the Board of Statutory Auditors is compliant with the law and the Bylaws.

In the case of replacement of the statutory auditor selected from the minority slates, the office shall be held by the alternate auditor selected from such slates.

In the case of replacement of a statutory auditor selected from the slate that obtained the majority of votes, the office shall be held by the first alternate auditor from the same slate; if the replacement does not allow compliance with the gender division criterion set out in the first subsection of this art. 20.3, the office shall be held by the second alternate auditor selected from such slate.

The slate voting procedure shall be applied only in case of renewal of the entire Board of Statutory Auditors. Current peremptory legislative and regulatory provisions shall constitute, in any case, an exception to these policies.

20.4 Outgoing statutory auditors can be re-elected.

20.5 With prior notification to the Chairman of the Board of Directors, the Board of Statutory Auditors may convene a Shareholders' Meeting and meetings of the Board of Directors. The authority to convene meetings of the Board of Directors may be exercised individually by each member of the Board of Statutory Auditors; the authority to convene a Shareholders' Meeting must be exercised by at least two members of the Board of Statutory Auditors.

20.6 The Board of Statutory Auditors' meetings may be held also via conference call or video conference, on the condition that all participants are identifiable and can follow the discussion, examine, receive and transmit documents and participate in real time in the discussions. The meeting shall be considered as having taken place where the Chairman of the Board of Statutory Auditors and Secretary, if appointed, are located.

## **Section VI - FINANCIAL STATEMENTS, PROFITS AND DIVIDENDS**

### ARTICLE 21

21.1 A fiscal year runs from 1 January to 31 December of each year.

At the end of each fiscal year, the Board of Directors, in accordance with legislative provisions, shall draft the financial statements.

21.2 The net profit resulting from the approved financial statements will be allocated as follows:

- up to 5% to the legal reserve, until it reaches the limit required by the law;
- any remaining amount to shares, without prejudice to other resolutions made by the Shareholders' Meeting.

Dividends not claimed within the 5-year period elapsing from the day in which they can be claimed

shall be reverted to the Company.

The Board of Directors may resolve to pay interim dividends during the fiscal year.

### **Section VII - LIQUIDATION AND DISSOLUTION**

#### ARTICLE 22

22.1 Liquidation and dissolution of the Company shall be governed by legislative provisions.

### **Section VIII - GENERAL PROVISIONS**

#### ARTICLE 23

23.1 All matters not expressly laid down in nor otherwise governed by these Bylaws shall be governed by legislative provisions.

### **TRANSITIONAL CLAUSE**

#### ARTICLE 24

24.1 The composition of the Board of Statutory Auditors indicated in art. 20, characterised by the appointment of three standing auditors and three alternate auditors, and the further provisions referring to this composition, shall apply as of the first renewal of the control body after that appointed by the Shareholders' Meeting on 2 April 2019. Until such time the Board of Statutory Auditors shall be made up of three standing auditors and the number of alternate auditors appointed by the Shareholders' Meeting is two.