COMPANY INFORMATION SHEET

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Company Name (stock code): Ferretti S.p.A. (9638)

Stock Short Name: FERRETTI

This information sheet is provided for the purpose of giving information to the public about Ferretti 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 the context requires otherwise, capitalised terms used herein shall have the same meanings given to them in the Company's prospectus dated 22 March 2022 (the "**Prospectus**") and, if any, references to sections of the Prospectus shall be construed accordingly.

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 contained in this information sheet is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any information herein 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

Document Type	**Date**
A. Summary of Waivers and Exemptions Latest version	22 March 2022
B. Summary of Foreign Laws and Regulations Latest version	22 March 2022
C. By-laws of the Company Latest version	17 March 2022

Date of this information sheet: 30 March 2022

A. SUMMARY OF WAIVERS AND EXEMPTIONS

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the Companies (WUMP) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, except as otherwise permitted by the Stock Exchange at its discretion, an issuer must have a sufficient management presence in Hong Kong, normally meaning that at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Our Company is registered and headquartered in Italy, and has its principal business outside Hong Kong. Our Company does not, and in the foreseeable future, will not, have executive Directors ordinarily residing in Hong Kong in compliance with the requirements under Rule 8.12 of the Listing Rules. Currently, all the executive Director and senior management of our Company reside outside Hong Kong. Since the management and operation of our Group have been mainly under the supervision of the sole executive Director and senior management, our Company considers that it would be more effective and efficient for the executive Director to be based in a location where our Group's substantial business operations are located.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the conditions that, among other things, we adopt the following arrangements to maintain effective communication between us and the Stock Exchange:

(a) Our Company has appointed two Authorized Representatives with effect from the Listing Date pursuant to Rule 3.05 of the Listing Rules, namely, Mr. Alberto Galassi and Ms. Wong Hoi Ting, to serve as the principal channel of communications with the Stock Exchange on behalf of our Company. Our Company has also appointed Mr. Niccolò Pallesi (one of our company secretaries) as the alternate authorized representative to Mr. Alberto Galassi (the "**Alternate Authorized Representative**"). Our Company has provided the Stock Exchange with the contact details of the Authorized Representatives and the Alternate Authorized Representative, including office phone number, mobile phone number, fax number (where available), e-mail address and correspondence address. The Authorized Representatives and the Alternate Authorized Representative have all necessary means of contacting all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters;

(b) The Board will consist of, upon the Listing, one executive Director, four non-executive Directors and three independent non-executive Directors. We will ensure that all Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel

documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period of time when required. Our Company has provided the Stock Exchange with the contact details of each Director, including office phone number, mobile phone number, fax number (where available) and e-mail address;

(c) We have, in compliance with Rules 3A.19 of the Listing Rules, appointed Gram Capital Limited to act as our compliance advisor for a period of at least one year from the date of Listing until the date on which our Company has fully complied with Rule 13.46 of the Listing Rules in respect of our first financial year results after Listing. Our compliance advisor will, among other things, in addition to the Authorized Representatives and the Alternate Authorized Representative, act as an additional and alternative channel of communications for our Company with the Stock Exchange and be available to answer inquiries from the Stock Exchange. We will ensure that our compliance advisor has reasonable access to the Authorized Representatives and the Alternate Authorized Representative, Directors and other officers and will procure that such persons provide promptly our compliance advisor with such information and assistance as the compliance advisor may need or may reasonably request in connection with the performance of the compliance advisor's duties as set out in Chapter 3A of the Listing Rules; and

(d) We will also ensure that there are adequate and efficient means of communication among our Company, the Authorized Representatives, the Alternate Authorized Representative, the Directors, other officers and our compliance advisor, and will keep our compliance advisor fully informed of all communications and dealings between our Company and the Stock Exchange. We will inform the Stock Exchange as soon as practicable in respect of any change in the Authorized Representatives, the Alternate Authorized Representative and/or our compliance advisor in accordance with the Listing Rules.

WAIVER IN RELATION TO COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our Company must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience and is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of the Hong Kong Institute of Chartered Secretaries;

(b) a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further states that in assessing "relevant experience",

the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles he played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (WUMP) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

We have appointed Mr. Niccolò Pallesi ("Mr. Pallesi") and Ms. Wong Hoi Ting as the joint company secretaries of our Company. Mr. Pallesi joined our Company on May 4, 2020 as the General Counsel. Mr. Pallesi has gained extensive knowledge about and is therefore familiar with the operations and business of our Company through his holding of managerial functions of our Group. Mr. Pallesi has close working relationship with our Directors and other senior management of our Company to perform the functions of a company secretary and to take the necessary actions in an effective and efficient manner. In addition, Mr. Pallesi is more familiar with the relevant Italian laws and regulations than a professional company secretarial service provider in Hong Kong. Mr. Pallesi has been actively involved in and has worked as one of the officers-in-charge for the preparation of the proposed Listing, during the process of which he has gained familiarity with the Listing Rules, the Companies Ordinance, the Companies (WUMP) Ordinance and other applicable Hong Kong laws and regulations. He has also participated in the preparation of the corporate governance manuals of our Company and was responsible for the various Board meetings and shareholders' meetings in preparation for the proposed Listing. However, Mr. Pallesi may not fully possess the relevant experience as required by Rule 3.28 of the Listing Rules and given the important role of a company secretary in our corporate governance, our Company has made the following arrangements to enable Mr. Pallesi to discharge the functions as a joint company secretary of our Company:

(i) Mr. Pallesi will endeavor to attend further relevant training courses required by the Listing Rules and the relevant Hong Kong laws and regulations, including briefing on the latest amendments to the applicable Hong Kong laws and regulations and the Listing Rules organized by our Company's Hong Kong legal advisors on invitation basis and seminars organized by the Stock Exchange from time to time;

(ii) Mr. Pallesi also undertakes to take no less than 15 hours of relevant professional training in each financial year in accordance with the requirements of the Listing Rules;

(iii) Mr. Pallesi will work closely with Ms. Wong Hoi Ting to jointly discharge the duties and responsibilities as the joint company secretaries of our Company for an initial period of three years from the Listing Date, a period of which should be sufficient for Mr. Pallesi to acquire the relevant experience as required under the Listing Rules. Ms. Wong Hoi Ting is an assistant manager of TMF Hong Kong Limited and has over 8 years of working experience in company secretarial profession. She is an associate member of both The Hong

Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom; and

(iv) In addition, Mr. Pallesi will be assisted by (i) the compliance advisor of our Company for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date, particularly in relation to Hong Kong corporate governance practices and compliance issues; and (ii) the Hong Kong legal advisors of our Company, on matters concerning our Company's on-going compliance with the Listing Rules and the applicable laws and regulations.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. The waiver is valid for an initial period of three years from the Listing Date, which will be revoked immediately if Ms. Wong Hoi Ting ceases to provide assistance to Mr. Pallesi as a joint company secretary for the three-year period after the Listing or where there are material breaches of the Listing Rules by our Company.

WAIVER AND EXEMPTION IN RESPECT OF FINANCIAL STATEMENTS

Pursuant to Rule 4.04(1) of the Listing Rules and section 342(1)(b) in relation to paragraphs 27 of Part I and 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance, a prospectus is required to include, among other things, details of the financial results of our Company for the financial year immediately preceding the issue of this prospectus, being the year ended December 31, 2021.

Pursuant to Section 342A(1) of the Companies (WUMP) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from the compliance with the relevant requirements under the Companies (WUMP) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

The Accountants' Report set out in Appendix I to this prospectus only contains the audited financial results of our Company for the three years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, but does not include the financial results of our Company in respect of the full year immediately preceding the proposed date of issue of this prospectus, being the full year ended December 31, 2021.

Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption pursuant to section 342A(1) of the Companies (WUMP) Ordinance from strict compliance with section 342(1)(b) in relation to paragraphs 27 of Part I and 31 of Part II of the Third Schedule to Companies (WUMP) Ordinance, as the exemption will not prejudice the interests of the investing public and strict compliance with all of the above requirements would be unduly burdensome, for the following reasons:

(a) There would not be sufficient time for our Company and the reporting accountants to complete the audit work on the financial information for the full year ended December 31, 2021 for inclusion in this prospectus, which shall be issued on or before Tuesday, March 22, 2022. If the financial information is required to be audited up to December 31, 2021, our Company and the reporting accountants would have to undertake a considerable amount of work, costs and expenses to prepare, update and finalize the accountants' report and the relevant sections of this prospectus will also need to be updated to cover such additional period within a short period of time. This would involve additional time and costs since a substantial amount of work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2021 to be finalized within a short period of time;

(b) Our Company has included in this prospectus (i) the Accountants' Report covering the three years ended December 31, 2020 and the nine months ended September 30, 2021, (ii) the unaudited preliminary financial information of the Group for the year ended December 31, 2021 and a commentary on the results for the year, which has been agreed with the Group's reporting accountants, following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants, and such disclosure is no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules, and (iii) the information regarding the recent development of our Group subsequent to the Track Record Period and up to the Latest Practicable Date;

(c) In light of the aforesaid information included in this prospectus, our Company is of the view that we have already provided potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company, and all information that is necessary for the potential investors to make an informed assessment of the activities, assets and liabilities, financial position, management and prospect of our Company has been included in this prospectus. Our Directors believe that a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and the exemption from strict compliance with paragraphs 27 of Part I and 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance would not prejudice the interests of the investing public;

(d) The Sole Sponsor and our Directors confirmed that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change to our Company's financial and trading positions or prospects since September 30, 2021 and there is no event since September 30, 2021 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus and "Financial Information" in this prospectus and other parts of this prospectus;

(e) Our Company will not breach its By-laws or Italian laws and regulations regarding its obligation to publish annual results announcements if our Company does not publish its preliminary results announcement for the year ended December 31, 2021 in accordance with Rule 13.49(1) of the Listing Rules. Pursuant to the Note to Rule 13.49(1) of the Listing

Rules, our Company will publish an announcement after Listing and no later than March 31, 2022 stating that the relevant financial information has been included in this prospectus; and

(f) Our Company will comply with the requirements under Rule 13.46(2) of the Listing Rules in respect of publication of its annual report within the time prescribed. Our Company currently expects to issue its annual report for the year ended December 31, 2021 on or before April 30, 2022. In this regard, our Directors consider that our Shareholders, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the year ended December 31, 2021.

The Stock Exchange has granted the waiver from strict compliance with Rule 4.04(1) of the Listing Rules on the condition that:

(i) the Company lists on the Stock Exchange on or before March 31, 2022 and issues the prospectus on or before March 22, 2022;

(ii) the Company obtains a certificate of exemption from the SFC from strict compliance with requirements with paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance;

(iii) the prospectus includes the preliminary unaudited financial information for the year ended December 31, 2021 and a commentary on the results for the year will be included in the prospectus; and

(iv) the Company is not in breach of its constitutional documents or laws and regulations of Italy or other regulatory requirements regarding its obligation to publish preliminary results announcements.

The SFC has granted the certificate of exemption from strict compliance with section 342(1)(b) in relation to paragraphs 27 of Part I and 31 of Part II of the Third Schedule to Companies (WUMP) Ordinance on the condition that:

(i) this prospectus will be issued on or before March 22, 2022 and our Shares will be listed on or before March 31, 2022, i.e. three months after the latest financial year end; and

(ii) the particulars of the exemption are set out in this prospectus.

CONSENT IN RESPECT OF ALLOCATION OF OFFER SHARES TO CONNECTED CLIENTS OF CICC

Paragraph 5(1) of Appendix 6 to the Listing Rules provides that, without the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to "connected clients" of the lead broker or of any distributors.

Paragraph 13(7) of Appendix 6 to the Listing Rules states that "connected clients" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

For the purpose of the cornerstone investment, each of Hainan Free Trade Port Construction Investment Fund Co., Ltd. ("Hainan Free Trade Port Fund"), Sanya Development Holdings Co., Ltd. ("Sanya Development Holdings") and Hainan Financial Holdings Co., Ltd. ("Hainan Financial Holdings") have engaged Galaxy Jinhui Security Asset Management Corporation Limited ("Galaxy Jinhui"), an asset manager that is a qualified domestic institutional investor as approved by relevant PRC authorities ("QDII") to subscribe for and hold such Offer Shares on behalf of each of them. In addition, the fund manager of Hainan Free Trade Port Fund is Galaxy Capital Management Co., Ltd. ("Galaxy Capital"). As Galaxy Jinhui, Galaxy Capital and China International Capital Corporation Hong Kong Securities Limited ("CICC") (being the Sole Sponsor, the Sole Global Coordinator and one of the Joint Bookrunners) are members of a group of companies controlled by China Investment Co., Ltd., as a result, each of Galaxy Jinhui and Galaxy Capital is a "connected client" (the "**Connected Client**") of CICC.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit connected clients to participate as placees in the Global Offering, subject to the following conditions:

(i) any Shares to be allocated to and held by the Connected Client will be held for, and on behalf of, independent third parties;

(ii) each of the cornerstone investment agreements to be entered into with each of Hainan Free Trade Port Fund, Sanya Development Holdings and Hainan Financial Holdings will not contain any material terms which are more favourable than those in other cornerstone investment agreements by virtue of the relationship between CICC and the Connected Client;

(iii) CICC does not participate in the decision making process or relevant discussions as to whether the Connected Clients will be selected;

(iv) each of Hainan Free Trade Port Fund, Sanya Development Holdings and Hainan Financial Holdings has not received, and will not receive preferential treatment in the allocation as cornerstone investor by virtue of the Connected Client's relationship with CICC, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles as set out in HKEX-GL51-13;

(v) each of the Company, CICC and, to the best of the Joint Bookrunners' knowledge and belief, the Joint Bookrunners will provide the Hong Kong Stock Exchange written confirmations in accordance with HKEX-GL85-16; and

(vi) details of the allocation will be disclosed in this prospectus and the allotment results announcement.

WAIVER IN RELATION TO ALLOCATION OF SHARES TO CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER UNDER RULE 10.04 AND PARAGRAPH 5(2) OF APPENDIX 6 TO THE LISTING RULES AS CORNERSTONE INVESTOR

Rules 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the following conditions are fulfilled: (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides, among other matters, that unless with the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

According to HKEX-GL85-16, the Existing Shareholder Conditions (as defined therein) are not applicable to close associates of existing shareholders who are PRC governmental bodies under Rule 19A.04 if the existing shareholders have no direct influence over the allocation process, and the close associates (a) are genuine investors who operate independently of the PRC governmental bodies; and (b) have no access to material non-public information regarding an initial public offering and no influence over the allocation process of the initial public offering. The Stock Exchange will look into the relationship between the close associates and the listing applicant and will assess whether to recommend consent to them on a case-by-case basis.

Qingdao Haifa Holding Development Co., Ltd.* (青島海發控股發展有限公司) ("Haifa Holdings") has entered into a cornerstone investment agreement with us to subscribe for, as cornerstone investor, USD$19.5 million worth of Offer Shares at the Offer Price (equivalent to 6,099,900 Offer Shares, assuming an Offer Price of HK$25.03 (being the mid-point of the indicative Offer Price range)). For details, please refer to the section headed "Cornerstone Investors — The Cornerstone Investors — Qingdao Haifa Holding Development Co., Ltd." in this prospectus. Haifa Holding was established under the laws of the PRC and is indirect wholly-owned by the State-owned Assets Supervision & Administration Commission of Qingdao City ("Qingdao SASAC"). As an independent legal entity, Haifa Holding enjoys autonomous operation and has the right to independently decide its foreign investment activities pursuant to its internal procedures. As its controlling shareholder, Qingdao SASAC would supervise, review and provide approval for Haifa Holdings upon the occurrence of certain major corporate decisions such as mergers, bankruptcy and dissolution.

As at the Latest Practicable Date, SHIG, our indirect Controlling Shareholder, holds 86.055% equity interest in our Company. SHIG is owned as to 70% by Shandong SASAC, 20% by Shandong Guohui Investment Co., Ltd., a company wholly-owned by Shandong SASAC, and 10% by the Shandong Provincial Council for Social Security Fund. Since Shandong SASAC has certain supervisory power over Qingdao SASAC according to the central government administrative system, Haifa Holding is a close associate of Shandong SASAC, who is our Company's existing shareholder, pursuant to the Listing Rules.

Notwithstanding Shandong SASAC's indirect ownership in our Company, the control and influence asserted by Shandong SASAC or its fellow companies over the affairs or governance

of our Company are substantially limited and shall be differentiated from other state-owned enterprises listed on the Stock Exchange in certain aspects. We are an Italian company with global operations and has been independent from Shandong SASAC all along. Shandong SASAC has no direct influence over the day-to-day operations, management, and key personnel appointment and therefore the allocation process of the Offer Shares to Haifa Holding.

Since SHIG's acquisition of a controlling stake in our Company (through FIH) in 2012, we were engaged in several major corporate actions, all of which were conducted independently and did not require any approval from Shandong SASAC. These include, without limitation, (i) the acquisition of 75% interest in the Wally Trademark; and (ii) acquisition of land for shipyard expansion. No administrative filings were required to be made to Shandong SASAC in respect of the corporate actions conducted by our Company.

Furthermore, although Shandong SASAC administers and supervises Qingdao SASAC, the Provisional Regulations on the Supervision and Administration of State-owned Assets of Enterprises (企業國有資產監督管理暫行條例) issued by the State Council on 2 March 2019, Guidance and Supervision Rules on Supervision of Local SASAC (地方國有資產監督工作指導監督辦法》) issued by SASAC on 31 March 2011 and Provisional Regulations on the Supervision and Administration of State-owned Assets of Enterprises for Qingdao City 《(青島市企業國有資產監督管理暫行辦法》) issued by Qingdao SASAC on 16 March 2006 states that Shandong SASAC only provides guideline and supervision to Qingdao SASAC in respect of its compliance regime, in particular the formulation and improvement of regulations and protocols with respect to the management of the relevant enterprises, but does not participate in any decision making by Qingdao SASAC specific to enterprises it controls, including Haifa Holding's cornerstone investment. Haifa Holding is not obliged to follow instructions from Shandong SASAC in respect of its cornerstone investment.

In addition, Qingdao City has been granted the provincial level management authority over economic issues as set out in the Reply to the Implementation of Qingdao City as a Municipality Specifically Designated in the National Plan (國務院關於對青島市實行計劃單列的批覆) issued by the State Council of the PRC on 15 October 1986 ("MSD Reply"), which is equal to the level of such authority of Shandong Province, and Qingdao City's fiscal policy is directly linked to and supervised by the Central People's Government of the PRC notwithstanding Qingdao City is geographically located in Shandong Province. Qingdao City has been designated as a municipality specifically designated in the national plan by the State Council of the PRC (計劃單列市) pursuant to the MSD Reply and the administrative level for Qingdao City is sub-provincial administrative municipality (副省級城市) according to the Notice to the Opinions regarding Sub-provincial Administrative Municipality issued by State Commission Office for Public Sector Reform (中央機構編制委員會印發關於副省級市若干問題的意見的通知) on 19 February 1995. This empowers Qingdao City with a provincial level of economic management authority as it directly reports to the State Council (instead of Shandong Provincial People's Government) and its relevant ministries and commissions, such as submitting various economic development indicators and statistical economic plan of Qingdao City.

By virtue of the above, Haifa Holding enjoys autonomous operation and has the right to

independently decide its investment activities (including the cornerstone investment) pursuant to its internal procedures and board approval, provided key corporate transactions shall be reported and filed with the Qingdao SASAC within five days upon the board's approval as set out in the *Qingdao SASAC Authorization and Delegation Filing List (2019 Edition)* (青島市國資委授權放權備案清單(2019年版)).

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules, and its consent under Paragraph 5(2) of Appendix 6 to the Listing Rules to permit the allocation of Shares to Haifa Holding to subscribe for, and for us to place to it, Shares as cornerstone investor, subject to the following conditions:

(i) we operate independently from Shandong SASAC and Shandong SASAC does not have any direct influence over the day-to-day operations, management, and key personnel appointment of our Company. As such, Shandong SASAC has no direct influence over the allocation process of the Global Offering;

(ii) Haifa Holding is a genuine investor who operates independently of PRC governmental bodies;

(iii) Haifa Holding does not have access to material non-public information in respect of our Company or the Global Offering and has no influence over the allocation process of the Global Offering;

(iv) allocation to Haifa Holding will not affect our ability to satisfy the public float requirement;

(v) we have confirmed to the Hong Kong Stock Exchange that, (i) no preferential treatment has been, nor will be, given to Haifa Holding by virtue of its relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in HKEx-GL51-13; and (ii) the cornerstone investment agreement entered into between the Company and Haifa Holding does not contain any material terms which are more favourable to Haifa Holding than those in other cornerstone investment agreements;

(vi) based on the Company's confirmation above and the discussions with the Company and the Joint Bookrunners, the Sole Sponsor, to its best knowledge and belief, has no reason to believe that Haifa Holdings has received or will receive any preferential treatment in the allocation in the Global Offering as a cornerstone investor by virtue of its relationship with the Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in HKEx-GL51-13; and

(vii) details of the allocation will be disclosed in this prospectus and/or the allotment results announcement of the Company, including (i) the name of, the number of Shares allocated to, and the percentage of Offer Shares and/or total issued share capital taken up by Haifa Holding, and (ii) lock-up arrangement.

WAIVER IN RELATION TO ALLOCATION OF SHARES TO AN EXISTING SHAREHOLDER AND ITS CLOSE ASSOCIATES UNDER RULE 10.04 AND PARAGRAPH 5(2) OF APPENDIX 6 TO THE LISTING RULES

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the following conditions are fulfilled: (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides, among other matters, that unless with the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rule 10.04 of the Listing Rules are fulfilled.

Adtech, an existing Shareholder of the Company, is a company organized and existing under the laws of Switzerland. The principal business of Adtech is to provide technical consultancy and engineering services of all kinds, in particular for new technologies in the field of aerospace and electronics. As at the Latest Practicable Date, the ultimate beneficial owner of Adtech is Stiftung Internationale Kooperations-Unterstützung IKU, a holding foundation established in 2007 under the laws of Switzerland, the funds of which were injected by Mr. Julius G. Kiss, controlled by its foundation board and the competent supervisory authority. Stiftung Internationale Kooperations-Unterstützung IKU is a holding foundation in Switzerland and does not have any ultimate beneficial owner pursuant to the laws of Switzerland.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules, and its consent under Paragraph 5(2) of Appendix 6 to the Listing Rules to permit the Company to allocate Shares in the International Offering to Adtech and its close associates, subject to the following conditions:

(i) Adtech and/or its close associates, to whom our Company may allocate Shares in the Global Offering, is interested in less than 5% of the voting rights in our Company prior to Listing;

(ii) Adtech and/or its close associates are not core connected persons (as defined under the Listing Rules) of our Company or any close associate (as defined under the Listing Rules) of any such core connected person under the Listing Rules;

(iii) Adtech does not have the power to appoint directors of our Company and do not have other special rights in our Company;

(iv) allocation to Adtech and/or its associates will not affect our Company's ability to satisfy the public float requirement under Rule 8.08 of the Listing Rules;

(v) each of the Company, the Sole Sponsor and the Joint Bookrunners will provide the Hong Kong Stock Exchange written confirmations in accordance with HKEX-GL85-16; and

(vi) the relevant information in respect of the allocation to Adtech and/or its close associates will be disclosed in the allotment results announcement.

B. SUMMARY OF FOREIGN LAWS AND REGULATIONS

ITALIAN COMPANIES LAW

Set out below is a summary of certain provisions of the relevant Italian law in force as at the date of this prospectus 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 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 prospectus, which may be subject to change.

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 Civil Code.

Incorporation

Our Company is a joint-stock company (*società per azioni*) governed by the 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.

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).

Capital increases

As a general rule, new issues of ordinary shares are subject to the existing shareholders' option rights and each such shareholder is entitled to subscribe for shares on a pro rata basis. However, shareholders' option rights 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 audit company) 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.

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 Civil Code (*i.e.* €50,000). In this case, either the extraordinary shareholders' meeting resolves upon a capital increase to an amount not lower that the minimum requirement or the transformation of the company into another form of legal entity requiring a lower minimum capital, 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.

Dividends and distributions of profits

A company may proceed with a distribution of profits by means of a resolution adopted by the ordinary shareholders' meeting that approves the annual financial statements. 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 financial statements duly approved showing correspondent net profits.

Dividends in shares

The allotment of additional shares in lieu of dividends would be a capital increase and would require a resolution of the extraordinary shareholders' meeting.

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 on the basis of a report or a project to be drafted by them[1].

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

[1] Under Italian law there are a number of shareholders' meeting resolutions (such as financial statements approval, merger or demerger approval, capital increase reserved to third parties) that require specific preliminary activities of the board of directors (drafting a report/project or detailing the reason for the proposal). In such cases, a shareholders' meeting cannot be called upon request of the shareholders.

competent court any resolutions approved by the shareholders' meeting without their favourable vote if the resolutions are not adopted in compliance with applicable law or the by-laws and may seek annulment of the same. 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 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 as a result of resolutions not compliant with applicable law or the company's by-laws.

If there are serious reasons to believe that directors, infringing any of their duties, have committed serious irregularities in the management of the company which may harm the company (or one or more of its subsidiaries), shareholders representing at least 5% of the share capital and registered in the shareholders' ledger (or the lower percentage provided in the by-laws) are entitled to report the facts to the competent court, which can order an investigation into our company's management and take appropriate interim measures, including the dismissal of any or all of the directors and/or the statutory auditors and/or the appointment of a judicial commissioner.

Board of directors

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 chairman 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) examines the strategic, industrial and financial plans of the company; and (iii) examines, on the basis of the information received of the corporate bodies, the general performance of the company.

Directors shall act in an informed manner; each director can require that any delegated body refers 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.

Conflict of interests

A director must disclose to other directors and to the board of statutory auditors any interest that he has on his 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 has a concurrent interest, he 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 favour 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 as a result of his actions or omissions. The director is also liable for the damages which may be suffered by the company from the use for his own benefit or that of third persons of data, information or business opportunities obtained in connection with his appointment.

The board of directors must adopt internal rules 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.

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 chairman of the board of statutory auditors.

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 examines 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.

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.

Individual action of the shareholders and of third parties

Individual shareholders or third parties who have been directly damaged as a result 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.

Action for directors' liability brought by creditors

Directors are liable vis-à-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.

Board of statutory auditors

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 chairman 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.

Appointment, removal and replacement of statutory auditors

Statutory auditors are appointed for the first time in the by-laws and subsequently 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 chairman of the board of statutory auditors, the chairmanship 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.

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 or of the executive committee, forfeit their office.

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 take the complaint into account 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, without delay, the facts set forth in the complaint and submit its findings and possible recommendations to the shareholders' meeting.

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.

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.

Accounting and auditing requirements

The annual financial statements of the company must be audited by a certified and registered public accountant or an audit company (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, on the basis of 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 cause 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.

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 Civil Code. A shareholder's legal title to shares is evidenced by the registration of his 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.

Voting Rights

Generally, each shareholder is entitled to one vote for each share held by such shareholder at all shareholders' meeting of the company.

The by-laws may provide that certain share classes carry, no, limited, contingent or multiple (up to 3 votes per share) voting rights.

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.

Ordinary shareholders' meetings

An ordinary shareholders' meeting is called to resolve upon, inter alia: (i) approval of the financial statements; (ii) appointment or removal of the directors, appointment of the statutory auditors, and appointment of the 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 Auditor; (iv) purchase and disposal of own shares, (v) legal proceedings against directors or statutory auditors for violation of their fiduciary duties; and (vi) resolves on the authorizations, if any, required by the by-laws for carrying out certain transactions.

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 in the aggregate 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 companies having access to capital markets ("*mercato del capitale di rischio*") can provide the possibility of calls subsequent to the first one. In this case, the shareholders' meeting is held in a single call and the quorum requirement 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.

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 (a) 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 (b) 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 in the aggregate the portion of capital required, the extraordinary meeting must be called again. In the second call, the extraordinary meeting (a) 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 (b) 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 in the aggregate the portion of capital required, the extraordinary meeting must be called again. In the third call, the extraordinary meeting (a) 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 (a) adopts resolutions with the favourable vote of at least two-thirds of the represented share capital.

As to companies having access to capital markets, the shareholders' meetings are held in one call. However, the by-laws of companies having access to capital markets can provide the

possibility of calls subsequent to the first one. In this case, the shareholders' meeting is held in a single call and the quorum required for passing valid resolutions 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.

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, the same person cannot represent at a meeting more than 200 shareholders if the company has a capital higher than €25 million.

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 Civil Code[2], in companies having access to capital markets 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'

[2] The Civil Code provides some exceptions when a company purchases its own shares: (a) in connection with a resolution of the extraordinary shareholders meeting calling for a capital reduction for losses, (b) without any consideration, provided always the shares are fully paid-up, (c) in connection with a merger or demerger, or (d) in connection with an enforcement procedure.

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, pre-emption rights in connection with capital increases. 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.

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 distributable 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.

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 distributable 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 may be exceeded if 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.

The issuance of 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.

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 the law or 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.

Withdrawal right

The Civil Code provides a withdrawal right to shareholders who did not vote in favour 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.

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.

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.

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 cost.

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.

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.

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.

Pledge

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.

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 favour of the beneficiary of the pledge (*girata in garanzia*) on the certificate. In this case, the pledge becomes effective vis-à-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 need first to be withdrawn from the CCASS.

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.

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 pledgor 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 in case of share capital increase accrue to the pledgor.

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 courts 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.

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:

- **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 corporate 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 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 Civil Code. In particular, agreements relating to: (i) the exercise of voting rights in the company or its controlling entities, (ii) restrictions on the transfer of shares of the company or its controlling entities, (iii) the exercise, even jointly, of a dominant influence over the company or its controlling entities, 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 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 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 preemptive 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 Civil Code.

The Civil Code refers to agreements "in whatever form stipulated". Accordingly, even verbal agreements could possibly qualify as "shareholders' agreements" ("*patto parasociale*").

It will be the chairman of the board of directors to assess whether a certain agreement notified to the Company by certain contracting shareholders does fall within the legal concept of "shareholders' agreement" (*"patto parasociale*").

As to the disclosure, communication and declaration procedure, the 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 Chairman) 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*").

The Civil Code does not set forth a term for complying with the communication obligation to the Company. In this last regard, a benchmark reference is provided by the article 122 of the Legislative Decree no. 58/1998 — the Consolidated Financial Act (which, for the sake of clarity, will not apply to the Company upon Listing), providing a 5-day term starting from the conclusion of a "shareholder's agreement" ("*patto parasociale*") for contracting shareholders to communicate it. Compliance with this term would meet the rationale behind the relevant legislative rules mentioned above.

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).

There are no other consequences for failing to notify "shareholders' agreements" ("*patti parasociali*") for the Company and the relevant shareholders, aside from the fact that the shareholders shall be prohibited from exercising their voting rights as described in this prospectus.

- **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.

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:

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.

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.

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.

CORE SHAREHOLDERS PROTECTIONS STANDARDS

Our Company was incorporated in Italy and is subject to the Civil Code and other applicable laws and regulations in Italy. Set out below is a discussion on the core shareholder protection standards offered under the By-laws and the Italian laws and regulations that we consider material to our Shareholders and potential investors and as required under Appendix 3 to the Listing Rules.

Appointment of Directors

Paragraph 4(2) of Appendix 3 to the Listing Rules requires that any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment and shall then be eligible for re-election.

Paragraph 4(3) of Appendix 3 to the Listing Rules further requires that where not otherwise provided by law, the members in general meeting shall have the power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his term of office.

Under the Civil Code, directors are appointed by the ordinary shareholders' meeting and can be removed by an ordinary shareholders' meeting resolution at any time, save for the right of the removed director to claim compensation for damages in case of removal without just cause. If during a financial year one or more directors cease from the office for any reason, the remaining directors may resolve upon their substitution with the favourable opinion of the board of statutory auditors, provided that the majority of the directors is still composed by directors appointed by the ordinary shareholders' meeting. Except as otherwise provided by the by-laws or the shareholders' meeting, the so-appointed 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.

Article 11.1 of the By-laws grants the power to the shareholders in relation to appointment or removal of the directors at an ordinary shareholders' meeting, and Article 19.13 of the By-laws provides that if during the term of office, one or more directors should no longer hold office, action will be taken in compliance with the Civil Code. Furthermore, as allowed by the Civil Code, Article 19.13 provides that if, during the term of office, a majority of directors should cease to hold office, the whole board of directors will be considered to have ceased and the directors still in office or the board of statutory auditors shall promptly call an ordinary shareholders' meeting to appoint a new board of directors.

We believe that the aforementioned articles of By-laws and the Civil Code are in line with the shareholder protection standards under Paragraphs 4(2) and 4(3) of Appendix 3 to the Listing Rules.

Proceedings at General Meetings

Annual general meetings

Paragraph 14(1) of Appendix 3 to the Listing Rules requires that an issuer must hold a general meeting for each financial year as its annual general meeting. Generally, an issuer must hold its annual general meeting within six months after the end of its financial year.

Under Italian law, shareholders' general meetings are to be held at least once a year and each year no later than the 120th day following the closure of the reference financial year. The Civil Code allows companies' by-laws to set forth a longer term, in any case no longer than the 180th day following the closure of the reference financial year, to which companies may make recourse to the extent that they are required to draw up consolidated financial statements or when this is necessary for particular needs relating to the companies' structure and purpose.

Article 13.4 of the By-laws reports the above-mentioned provisions of Italian law, which we believe are in line with the requirements under Paragraph 14(1) of Appendix 3 to the Listing Rules.

Notice of general meetings

Paragraph 14(2) of Appendix 3 to the Listing Rules requires that an issuer must give its members reasonable written notice of its general meetings. "Reasonable written notice" normally means at least 21 days for an annual general meeting and at least 14 days for other general meetings. This is unless it can be demonstrated that reasonable written notice can be given in less time.

Under Italian law, a shareholders' general meeting is required to be called at least 15 days prior to the date of the meeting.

Article 14.3 of the By-laws further provides that in the event that the Shares are listed on the Stock Exchange, the notice of call must be published in accordance with the procedures provided by applicable Italian law at least twenty-one days before the date of the meeting.

Right to speak and vote at the general meeting

Paragraph 14(3) requires that members must have the right to speak and vote at a general meeting.

The Civil Code sets forth that each share confers on its holder the right to vote. Those entitled to vote have the right to intervene to the shareholders' meeting. Even though the Civil Code does not expressly set forth anything thereon, according to Italian Authors and courts judgments, the right to intervene also includes the right to speak (i.e., the right of a shareholder to express his own opinion participating in the possible debate).

Article 15.1 of the By-laws provides the shareholder the right to attend, speak and vote at shareholders' meetings.

Restrictions on voting right

Paragraphs 14(3) and 14(4) of Appendix 3 to the Listing Rules require that where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast

by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

In order to achieve an outcome substantially equivalent to that under Paragraphs 14(3) and 14(4) of Appendix 3 to the Listing Rules, Article 15.3 of the By-laws provides that where a shareholder is required by the applicable laws, regulations and listing rules of the place where our securities are listed to abstain from voting on a particular resolution, any vote cast by or on behalf of that shareholder in contravention of such requirement or restriction shall not be counted towards the resolution. For the avoidance of doubt, the shares held by such shareholders shall be counted for the purposes of the quorum of the meeting.

Rights to convene extraordinary general meeting and add resolutions

Paragraphs 14(5) of Appendix 3 to the Listing Rules requires that members holding a minority stake in the total number of issued shares must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the issuer.

The Civil Code provides that the board of directors — or the board of statutory auditors if the board of directors fails to do so — shall call a shareholder's 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.

Article 14.2 of the By-laws provides such right to convene a shareholders meeting with shareholders representing at least 5% of the share capital. In addition, Article 14.5 of the By-laws provides the right of shareholders representing at least one-fortieth of the share capital to add resolutions to a meeting agenda.

Variation of Rights

Paragraphs 15 of Appendix 3 to the Listing Rules requires that a super-majority vote of the issuer's members of the class to which the rights are attached shall be required to approve a change to those rights. A "super-majority vote" means at least three-fourths of the voting rights of the members holding shares in that class present and voting in person or by proxy at a separate general meeting of members of the class where the quorum for such meeting shall be holders of at least one third of the issued shares of the class. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a "super-majority vote" is deemed to be achieved.

Under Italian law, resolutions affecting the rights attached to a class of shares are to be passed also by the special meeting of the holders of the class of shares. To such special meetings, the quorum set forth for extraordinary shareholders' meetings apply. The extraordinary shareholders' meeting can adopt resolutions, in single call or in first, second or third call, with

the favourable vote of at least two-thirds of the represented share capital. As to quorum, according to our By-laws, the shareholders' meeting is held on one call, unless the board of directors establishes that the meeting has to be held on first call and, if necessary, on second call, as well as, possibly, on subsequent calls. In case the shareholders' meeting is held on one single call, the quorum of the meeting is one-fifth of the share capital; in case the notice of call provides for more subsequent possible calls, the quorum of the meeting is as follows: (i) one-half of the share capital on first call, (ii) one-third of the share capital on second call, (iii) one-fifth of the share capital on subsequent calls.

In order to comply with Paragraph 15 of Appendix 3 to the Listing Rules, article 6.4 of the By-laws provides that whenever the share capital of the Company is divided into different classes of shares, the resolutions affecting the rights of any of such classes of shares are to be passed also by the special general meeting of the holders of the shares of that class. To every such special general meeting all the provisions relating to extraordinary general meetings of the Company or to the proceedings thereat shall apply mutatis mutandis, except that, notwithstanding the foregoing, such special general meeting is duly held with the presence of shareholders representing at least one-third (1/3) of the issued share capital of that class (quorum for constitution), and adopts resolutions with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the special general meeting by the shareholders belonging to the interested class.

Amendment of Constitutional Documents

Paragraphs 16 of Appendix 3 to the Listing Rules requires that a super-majority vote of the issuer's members in a general meeting shall be required to approve changes to an issuer's constitutional documents, however framed. A "super-majority vote" means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a "super-majority vote" is deemed to be achieved.

For the adoption of resolutions concerning changes to companies' by-laws, the Civil Code sets forth the competence of the extraordinary shareholders' meeting. The extraordinary shareholders' meeting can adopt resolutions, in single call or in first, second or third call, with the favourable vote of at least two-thirds of the represented share capital. As to quorum, according to our By-laws, the shareholders' meeting is held on one call, unless the board of directors establishes that the meeting has to be held on first call and, if necessary, on second call, as well as, possibly, on subsequent calls. In case the shareholders' meeting is held on one single call, the quorum of the meeting is one-fifth of the share capital; in case the notice of call provides for more subsequent possible calls, the quorum of the meeting is as follows: (i) one-half of the share capital on first call, (ii) one-third of the share capital on second call, (iii) one-fifth of the share capital on subsequent calls.

In order to comply with paragraph 16 of Appendix 3 to the Listing Rules, article 17.2 of the By-laws provides that the resolutions concerning the amendments to the By-laws are adopted

with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the shareholders' meeting.

Appointment, Removal and Remuneration of Auditors

Paragraph 17 of Appendix 3 to the Listing Rules requires that the appointment, removal and remuneration of auditors must be approved by a majority of the issuer's members or other body that is independent of the board of directors.

As to auditors, Legislative Decree No. 39/2010 applies. This sets forth that it is the ordinary shareholders' meeting to be competent for resolving, based upon reasoned proposal by the board of statutory auditors, on the appointment and remuneration of the auditor. The ordinary shareholders' meeting may revoke the assignment given to the auditor for cause, having heard the opinion of the board of statutory auditors. The Legislative Decree No. 39/2010 specifies that a difference of opinion regarding an accounting treatment or audit procedures does not represent cause for revoking the assignment.

Article 11 of the By-laws sets out that the shareholders' meeting shall resolve, inter alia, on the appointment and removal of the auditor, as well as on its compensation.

Proxies and Corporate Representatives

Paragraph 18 of Appendix 3 to the Listing Rules requires that every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.

Under Italian law, any person entitled to vote at the shareholders' meeting can attend the meeting by proxy. The power of attorney shall be conferred in writing and the related documents shall be kept by our Company. The power of attorney cannot be conferred on our directors, members of our board of statutory auditors and our employees, and neither on our subsidiaries and each of their respective directors, members of the board of statutory auditors and employees.

Article 15.2 of the By-laws provides, in particular, that those entitled to vote may be represented by a proxy and, if the shareholder is a corporation, the power of attorney is conferred under the hand of an officer, attorney or other person duly authorized to sign the power of attorney.

HKSCC's Right to Appoint Proxies or Corporate Representatives

Paragraph 19 of Appendix 3 to the Listing Rules requires that HKSCC must be entitled to appoint proxies or corporate representatives to attend the issuer's general meetings and creditors meetings and those proxies or corporate representatives must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote.

Under Italian law, any person entitled to vote at the shareholders' meeting can attend the meeting by proxies, according with the limits already reported above. Article 33.2 of the By-laws provides that, if the holder of the Shares is a recognised Hong Kong clearing house, the latter (or its nominee(s)) is entitled to 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, and such person so authorised shall be entitled to exercise at the relevant shareholders' meeting the same rights and powers on behalf of the delegating party specified in such authorisation.

Inspection of Branch Register

Paragraph 20 of Appendix 3 to the Listing Rules requires that the branch register of members in Hong Kong shall be open for inspection by members but the issuer may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance.

The Civil Code provides that the shareholders have the right to inspect, inter alia, the shareholders' ledger and, at their own expense, to obtain extracts therefrom in accordance with Article 2422 of the Civil Code.

Article 6.10 of the By-laws provides that the shareholders are entitled to inspect the shareholders' register and to obtain, at their own expense, extracts therefrom in accordance with article 2422 of the Civil Code. With specific reference to the branch register of the Company kept in Hong Kong, Article 35 provides that this shall be open for inspection for at least two (2) hours on every business day by shareholders of the Company without charge. The branch register kept in Hong Kong may, after notice has been given by any electronic means in such manner as may be accepted by the Stock Exchange of Hong Kong to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

Voluntary Winding Up

Paragraph 21 of Appendix 3 to the Listing Rules requires that a super-majority vote of the issuer's members in a general meeting shall be required to approve a voluntary winding up of an issuer. A "super-majority vote" means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a "super-majority vote" is deemed to be achieved.

Similar to the changes to companies' by-laws, the voluntary winding up is subject to the extraordinary shareholders' meeting under the Civil Code. The extraordinary shareholders' meeting can adopt resolutions, in single call or in first, second or third call, with the favourable vote of at least two-thirds of the represented share capital. As to quorum, according to our By-laws, the shareholders' meeting is held on one call, unless the board of directors establishes that the meeting has to be held on first call and, if necessary, on second call, as well as, possibly, on subsequent calls. In case the shareholders' meeting is held on one single call, the quorum of the

meeting is one-fifth of the share capital; in case the notice of call provides for more subsequent possible calls, the quorum of the meeting is as follows: (i) one-half of the share capital on first call, (ii) one-third of the share capital on second call, (iii) one-fifth of the share capital on subsequent calls.

In order to comply with paragraph 21 of Appendix 3 to the Listing Rules, article 17.2 of the By-laws provides that the resolutions concerning the voluntary winding-up are adopted with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the shareholders' meeting.

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

General remarks

The following is a non-exhaustive summary of certain material Italian tax consequences for Shareholders holding and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase Shares or with regard to the taxation of the Company.

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and dealing in Shares (or exercising rights attached to them). The Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or affiliates and any other person or party involved in the Global Offering do not accept responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to Shares. No conclusions should be drawn with respect to issues not specifically addressed by this summary.

The following description of Italian tax law is based upon Italian law and regulations in effect and as interpreted by the Italian tax authorities on the date of this prospectus 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.

The Company intends to produce a tax booklet, that will provide the Italian tax framework relating the ownership of the shares.

As described below, the Italian tax regime applicable may vary depending upon whether the Hong Kong Stock Exchange is regarded as a 'regulated stock market' in accordance with Italian tax law. This summary assumes that the Shares will be listed on a regulated stock market according to Circular Letter no. 32/E, 23 December 2020. In fact by Circular Letter 32/E, 2020, the Italian Revenue Agency clarified that 'regulated markets' — understood as systems subject to regulation considered compliant to EU rules by the Supervisory Authority — include not only the regulated markets referred to in the Consolidated Law on Finance ('TUF') and markets of

countries belonging to the OECD (including EU and EEA countries), but also any other market regulated by an organisation and by operating rules which (i) ensure orderly trading, in terms of efficient execution of orders, (ii) "recognised" by competent Authorities and (iii) 'open to the public'. Hong Kong's stock markets is mentioned in the list of "regulated stock markets" released by 'Assogestioni' on 23 February 2013.

The interpretation issued by the Italian Revenue Agency on the definition of 'regulated stock market' appear to include into its scope the Hong Kong Stock Exchange.

We highlight that no specific indication on Hong Kong Stock Exchange has been released by Italian Revenue Agency.

Considering the mentioned Circular letter on this topic and the concerns related to the application, the Company recommends all Shareholders to consult their professional advisors.

Assuming that Hong Kong Stock Exchange qualifies as 'regulated stock market', the criterion to distinguish qualified holdings from non-qualified shareholding is the following:

- '*Qualified shareholding*' if it exceeds 2% of the voting rights or 5% of the capital or of the equity in case of securities traded in an Italian or foreign public regulated stock market;
- '*Non-qualified shareholding*' if it does not exceed 2% of the voting rights or 5% of the capital or of the equity in case of security traded in an Italian or foreign public regulated stock market.

Jurisdiction with which Italy has entered into double taxation conventions

The list of all jurisdiction with which Italy has entered into a double taxation convention is published on the Italian Ministry of Finance's official website (**https://www.finanze.gov.it/it/Fiscalita-dellUnione-europea-e-internazionale/convenzioni-e-accordi/convenzioni-per-evitare-le-doppie-imposizioni/**).

Double taxation convention between Italy and Hong Kong

The DTA (Double Taxation Agreement) 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 DTA provisions:

- the withholding tax rate applicable on dividends paid by the Company to an individual and corporate Shareholder resident in Hong Kong (who do not carry on business in Italy through

a permanent establishment situated therein) cannot exceed **10% of the gross amount of the dividend**[3] (art. 10);

- capital gains realized by individual and corporate Shareholders resident in Hong Kong from the sale of the Shares are taxable **only in Hong Kong** (art. 13, par. 5)

Dividend payments

General remark

Under Italian law, a withholding agent — such as the Company — must apply the correct withholding tax rate and it is subject to penalties if it fails to do so. Due to the inherent characteristics of the Hong Kong central clearing and settlement system ("**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. The Company is therefore not able to apply a rate of withholding tax on an individual basis to beneficial owners of Shares who hold through CCASS. As a consequence, the Company will, upon distribution, apply a withholding tax on the whole amount of the dividend payable to such beneficial owners at a rate equal to 26%, which is the ordinary rate for the dividend paid to non-Italian residents and the highest possible withholding tax rate under Italian law.

Subject to the provisions of any applicable double taxation convention, the rate of withholding tax may be reduced. Shareholders who have paid tax on the dividend in another jurisdiction may also 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.

Shareholders entitled to a reduced (or to zero) withholding tax may seek to recover the excess amount of tax paid through a refund procedure initiated with the Italian Revenue Agency.

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

In the case where the Offer Shares are held through HKSCC Nominees, under Hong Kong law the legal title over the Offer Shares is with HKSCC Nominees, whereas the beneficial title remains with the ultimate Shareholders. For Italian tax purposes the owner is in principle the legal owner but, if the legal ownership and the economic ownership of an asset (in the case at hand, the Offer Shares) clearly differ, for tax purposes the asset should be attributed to the economic owner.

In the case where the Shareholders were to be considered as the economic owners of the Offer Shares, such Offer Shares would have to be attributed to the Shareholders for tax purposes. It follows that, unless otherwise specified, references in this Prospect to the "Shareholder" or to

[3] However, due to the inherent characteristic of the 'CCASS', the Company is not able to ascertain the identity and the tax residency of the beneficial owners of Shares who hold their investments through CCASS Participants (unless they are Investor Participants) in CCASS, so the Company applies a withholding tax rate of 26% on dividend paid to the individual Shareholders irrespective of their tax residency (included individual Shareholders resident in Hong Kong who can claim a tax refund to the Italian Revenue Agency for withholding tax paid over conventional 10%).

the "taxpayer" shall include beneficial owners of Shares even if legal title is held through another entity e.g. a nominee Company such as HKSCC Nominees Limited.

In this case, it would be the Shareholders who/which would have to file a withholding tax refund claim directly with the Italian tax administration. Upon request from the Italian tax administration, evidence may have to be provided that the economic ownership is with the Shareholders and not with HKSCC Nominees.

Individual Shareholders

Shareholders resident in Italy

Dividends paid by the Company to individual Shareholders resident in Italy are subject to different tax treatment depending on the following circumstances:

- dividends paid to Italian resident individuals not engaged in business activity are subject to 26% final tax withheld at source in Italy. In this case, the holders are not required to report the dividends in their income tax returns;

- dividends paid to Italian resident individuals who hold the Shares in connection with a business activity ("**Sole Proprietors**") are not subject to any tax withheld at source in Italy; provided, that, in this case, the holders declare at the time of receipt that the profits collected are from holdings connected with their business activity. In this case, dividends must be reported in the income tax return, but these dividends are included in the holder's overall business income taxable in Italy for 58.14% of their amount in the case of distribution of dividends originated from profits generated in the years subsequent to the year running on December 31, 2016.

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 general rule. In this case, the Shareholders are not required to file the income tax return in Italy.

Subject to the provisions of any applicable double taxation convention, Shareholders entitled to a reduced (or to zero) withholding tax may seek to recover the excess amount of tax paid through a refund procedure initiated with the Italian Revenue Agency.

In particular, provided that conditions set by article 10 of the DTA are applicable, for dividends paid by the Company on or after January 1st, 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 tax convention, i.e. the two forms of juridical double taxation relief are alternatives.

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

Companies

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 fully taxable).

Italian resident Shareholders may claim a credit refund equal 100% of the Italian withholding tax levied. Shareholders should note that delays may be encountered in the process of obtaining a credit refund.

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 in principle subject to a 26% final withholding tax as a general rule. In this case, the Shareholders are not required to file the income tax return in Italy.

Subject to the provisions of any applicable double taxation convention, Shareholders entitled to a reduced (or to zero) withholding tax may seek to recover the excess amount of tax paid through a refund procedure initiated with the Italian Revenue Agency.

In particular, provided that conditions set by article 10 of the DTA 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 tax convention, 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" companies, which are in principle subject to a 1.2% withholding tax; in this case the 11/26th credit refund would not be applicable.[4]

[4] 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;

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

Credit refund procedure

Where double taxation convention is applicable, non-Italian resident Shareholder may claim a partial 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 Agency.

The same rules are provided for "white listed" Company Shareholders of European Union ("**EU**") or European Economic Area ("**EEA**") which are in principle subject to a 1.2% withholding tax or to a withholding exemption (provided that the requirements laid down in European Union Parent — Subsidiary Directive are met).

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.

A copy of the forms, along with the related instructions, are available at the following links:

https://www.agenziaentrate.gov.it/portale/documents/20143/345018/Provvedimento+10+luglio+2013+convenzione+modelli_TOTALE_Provvedimento+approvazione+modelli+del+Direttore_allegati_1_10_07_2013.pdf/c0ab2951-aa88-cbb6-9d5f-2d47e6793e9f

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 delays may be encountered in the process of obtaining a credit refund.

Where no double taxation convention 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.

Capital gains

— 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.

Individual Shareholders

Shareholders resident in Italy

Capital gains realized by individual Shareholders upon a disposal for consideration of Shares are subject to the following tax treatment:

- starting from January 1, 2019, capital gains realized 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%;
- 41.86% of capital gains realized through the sale of participation (qualifying for the "Participation exemption" regime described below) held in a business capacity are exempt from tax. The remaining 58.14% of the capital gains are taxable at progressive rates (which range from 23% for income up to €15,000.00 — to 43% for income exceeding €50,000.00);
- capital gains realized through the sale of a participation (not qualifying for the "Participation exemption" regime described below) held in a business capacity are fully (i.e. 100%) taxable at progressive rates (which range from 23% — for income up to €15,000.00 — to 43% — for income exceeding €50,000.00).

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:

- starting from January 1, 2019, capital gains realized 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%. A full exemption, as described below, applies in case of capital gains realized through the sale of a non-substantial participation in Italian companies listed on regulated stock-market;
- capital gains realized through the sale of a non-substantial participation in companies listed on regulated stock markets are not regarded as Italian-sourced income (i.e. they are not subject to tax in Italy). The interpretation issued by the Italian Revenue Agency on the definition of 'regulated stock market' appear to include into its scope the Hong Kong Stock Exchange. It follows that capital gains tax is only applicable for capital gains realized by non-Italian resident Shareholders through the sale of a substantial participation in the Company;
- please note that under the DTA entered in force between Italy and Hong Kong, in principle capital gains realized by individual Shareholders resident in Hong Kong from the sale of the Shares are taxable only in Hong Kong. **It follows that individual Shareholders**

resident in Hong Kong, that can benefit from the DTA, will not be subject to capital gains tax and will not be required to file a tax return in Italy for capital gains realized from the sale of the Shares.

A participation is considered to be 'substantial' 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).

On the assumption that the Hong Kong Stock Exchange is a regulated stock market for this purpose, the thresholds of 2% and 5% would apply before a participation is considered to be 'substantial'. For the purpose of this computation, all disposals of Shares that occurred within a 12-month period should be aggregated.

As mentioned before, the amount of tax due in Italy may be reduced or eliminated pursuant to any applicable double taxation convention.

Companies

Shareholders resident in Italy

According to the 'Participation exemption' regime, capital gains realized upon a disposal of the Shares of an Italian joint stock company by a corporate Shareholder resident in Italy are 95% exempted, provided that the following requirements are 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 subsidiary is resident in a 'white list' country; and

(d) the subsidiary carries on a commercial activity.

The last two conditions must have been met since the beginning of the third year preceding the year of the disposal and, in the case of Shares held in a holding company, they should be tested with reference to its subsidiaries.

Where one of these conditions above is not met, capital gains are fully taxable at the ordinary rate of 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).

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 companies listed on regulated stock markets are fully (i.e. 100%) subject to a 26% substitute tax;
- capital gains realized through the sale of a non-substantial participation in companies listed on regulated stock markets are not regarded as Italian-sourced income (i.e. they are not subject to tax in Italy). The interpretation issued by the Italian Revenue Agency on the definition of 'regulated stock market' appear to include into its scope the Hong Kong Stock Exchange. It follows that capital gains tax is only applicable for capital gains realized by non-Italian resident Shareholders through the sale of a substantial participation in the Company;
- please note that under the DTA entered in force between Italy and Hong Kong, in principle capital gains realized by corporate Shareholders resident in Hong Kong from the sale of the Shares are taxable only in Hong Kong. **It follows that corporate Shareholders resident in Hong Kong, that can benefit from the DTA, will not be subject to capital gains tax and will not be required to file a tax return in Italy for capital gains realized from the sale of the Shares.**

A participation is considered to be 'substantial' 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). On the assumption that the Hong Kong Stock Exchange is a regulated stock market for this purpose, the thresholds of 2% and 5% would apply before a participation is considered to be 'substantial'. For the purpose of this computation, all the disposals of Shares that occurred within a 12-month period should be aggregated.

The amount of tax due in Italy may be reduced or eliminated pursuant to any applicable double taxation convention.

Capital gains-Tax return

Where capital gains have been realized by a non-Italian resident Shareholder through the sale of a substantial participation in companies listed on regulated stock markets (according to the interpretations of Italian Revenue Agency, the Hong Kong Stock Exchange is a regulated stock market), the relevant shareholder is required to file a tax return in Italy.

With specific reference to exemptions from capital gains tax and tax return filing granted to Shareholders resident in Hong Kong in case of sale of the Shares, please refer to paragraph "Double taxation convention between Italy and Hong Kong". As mentioned above, provided that DTA between Italy and Hong Kong is applicable, Shareholders resident in Hong Kong will not be subject to capital gains tax and will not be required to

file a tax return in Italy for capital gains realized from the sale of the Shares.

Even if an investor holds Shares through an intermediary, it is nonetheless the investor, as beneficial owner, who has the obligation to eventually pay capital gains tax and to submit the tax return.

A specific tax return form ("*Modello Unico*") is issued for each tax period; hence, this form changes every year. The relevant form, containing guidelines for completing the tax return, can be downloaded from the Italian Revenue Agency website. Currently the form and its guidelines are not available in English.

The tax return form are usually published on Italian Revenue Agency website. In order to comply with the obligations imposed by Italian law, a non-Italian resident taxpayer (with no permanent establishment in Italy) must:

1. apply for an Italian Tax Identification Code ("*Codice Fiscale*");
2. fill in the proper tax return;
3. submit the tax return before the deadline;
4. pay the tax due within the deadline;
5. use one of the allowed methods of paying the tax.

How to obtain an Italian Tax Identification Code ("Codice Fiscale") and Special PIN Code

Italian Tax Identification Code ("*Codice Fiscale*")

Tax Identification Code (made up of 16 alphanumeric symbols — numbers and letters) is a means of identifying each natural or legal person for the purpose of managing his/her relationship with Italian public offices and administrations. In order to be valid, this code must be registered in the Tax Register under the domain of the Italian Revenue Agency ("*Agenzia delle Entrate*"). An Italian Tax Identification Code may be obtained through the local Italian Consulate. The Italian Revenue Agency has enabled local Italian consulates to print paper certificates of attribution of the Tax Identification Code. A non-Italian resident may, in special circumstances, also apply for a plastic-coated card containing the Tax Identification Code (which is delivered to the local Italian consulate and then, in turn, to the applicant). As an alternative, the Italian Tax Identification Code may be obtained through an Italian Chartered Tax Advisor.

The Italian Revenue Agency's website contains a special section in English for non-resident taxpayers which provides general information at the following link:

https://www.agenziaentrate.gov.it/portale/web/english/nse/individuals/tax-identification-number-for-foreign-citizens.

Special PIN Code

The Special PIN Code is a code assigned by the Italian Revenue Agency which allows, among other things, the tax return to be submitted online and the payment to be made online. Shareholders who are neither resident in Italy, nor Italian citizens, may request a Special PIN

Code online only if their tax domicile is in Italy (where the second part of the Special PIN Code will be delivered); or, if they are in an Italian national territory, they may contact the local Inland Revenue offices.

Taxpayers without a Special PIN Code may only submit a tax return in paper form or via an Italian authorized intermediary.

How to file the tax return

In this respect, please note that:

a) there are specific tax return forms for both non-Italian resident individuals (the "*MODELLO UNICO PERSONE FISICHE*") and non-Italian resident companies (the "*MODELLO UNICO ENTI NON COMMERCIALI ED EQUIPARATI*").

b) An updated version of the tax return forms is issued every year by the Italian Revenue Agency; the tax return form can be downloaded from the Italian Revenue Agency website. Guidelines for filling in the tax return are also available on the same website. Neither the tax return forms nor the relevant guidelines are currently available in English;

c) the tax return form can be completed:

   1. by the taxpayer, by filling in a printed paper version of the tax return form by hand;

   2. by the taxpayer, by filling in an electronic version of the tax return form using special software provided by the Italian Revenue Agency. In order to file a tax return electronically using this software, the taxpayer is first required to obtain a Special PIN Code from the Italian Revenue Agency. Guidelines on how to obtain the Special PIN Code are available on the Italian Revenue Agency website (in Italian only);

   3. by an Italian authorized intermediary (e.g. a Chartered Tax Advisor), upon instructions of the taxpayer.

The Italian Revenue Agency's website contains a special section in English for non-resident taxpayers which provides general information at the following link:

https://www.agenziaentrate.gov.it/portale/web/english/how-and-when-to-file-a-tax-return1

Deadlines for filing a tax return

The tax return can be filed:

1. Electronic submission: the taxpayer may file the tax return electronically by using the special software for filing and managing the tax return provided by the Italian Revenue Agency. In the case of electronic submission, the tax return must be filed by November 30th of the tax period following the one in which the capital gain is realized. For the electronic submission of the tax return, the taxpayer is first required to obtain a Special PIN Code from the Italian Revenue Agency; then, he needs to access the special page of the Italian Revenue Agency website dedicated to web services in order to prepare the electronic

file and submit it. Please note that taxpayers who are neither resident in Italy, nor Italian citizens, may request a Special PIN Code online only if their tax domicile is in Italy; or, if they are in an Italian national territory, they may contact the local Italian Revenue Agency; or

2. By post: the taxpayer may submit the tax return through a Post Office in Italy (i.e. by handing in the form in person at an Italian Post Office) or, by post from overseas. When posting from overseas, the completed tax return must be placed unfolded in an ordinary envelope. The envelope must be sent by registered post or by equivalent means from abroad clearly showing the date of dispatch. The envelope should be addressed to the following office of the Italian Revenue Agency: Agenzia delle Entrate Centro Operativo di Venezia via Giorgio De Marchi n. 16, 30175 Marghera (VE) Italy The envelope should bear a label with the following information: (i) the taxpayer's surname and first name; (ii) the taxpayer's Tax Identification Code; (iii) the label "Contiene dichiarazione Modello Unico Persone Fisiche" (Modello Unico Persone Fisiche form inside).

3. Via an Italian authorized intermediary: the tax return may be filed by an Italian authorized intermediary on behalf of the taxpayer.

The tax return must be filed by:

1. June 30th of the tax period following the one in which the capital gain is realized if the tax return is submitted through an Italian post office in Italy; or

2. November 30th of the tax period following the one in which the capital gain is realized if the tax return is submitted electronically, via the Revenue Agency's online services or through an authorised intermediary

The Shareholder may include in the tax return an overseas address for tax notification purposes. Based the interpretations issued by the Italian Revenue Agency, the tax period for non-Italian resident companies (who do not carry on business in Italy through a permanent establishment situated therein) coincides with the calendar year (i.e. from January 1st to December 31st).

Please note that all of the above deadlines may be subject to amendment from time to time. Updated information will be available on the Italian Revenue Agency's website at the link:

https://www.agenziaentrate.gov.it/portale/web/english/how-and-when-to-file-a-tax-return1.

Deadlines for the payment of capital gain tax

For both non-Italian resident individuals and for non-Italian resident companies, ordinarily, the payment must be made by June 30th (or within the following 30 days with an additional levy equal to 0.4% of the tax due) of the tax period following the one in which the capital gain is realized. Shareholders should note, therefore, that payment is due before the deadline for filing the tax return. Please note that these deadlines may be subject to amendment from time to time.

Methods of payment of capital gain tax

Payment of capital gains tax can be made as follows:

1. through the internet ("**F24 Online**", which is available to taxpayers who have already obtained a Special PIN Code and have a bank account with a bank authorized with the Italian Revenue Agency or post office (Poste Italiane Spa)). The procedures on how to obtain a Special PIN Code are summarized above. The list of bank authorized with the Italian Revenue Agency is available at the following link: **https://www.agenziaentrate.gov.it/portale/web/guest/schede/pagamenti/f24/elenco-banche-convenzionate-f24/elenco-banche-f24-xcodice**.

2. through an Italian bank via internet banking (for taxpayers who have a bank account in Italy with a bank that offers internet banking facilities enabling tax payments);

3. non-resident taxpayers can pay taxes by a wire transfer in Euro compliant with the standard of "SWIFT MT 103" and it has to indicate as a BIC code "BITAITRRENT". The transfer must be addressed to the IBAN code IT 15C 01000 03245 348 0 06 1034 0421 and in the space provided for indicating the "reason for the transfer" the following information shall be provided: — the taxpayer's Tax Identification Code; — the tax code "1100"; — the tax year to which the payment relates. Generally, IBAN codes and Tax codes do not change every year; however the Company recommends that all Shareholders should consult their professional advisors in order to verify possible IBAN and Tax codes changes. Payment by cheque is not permitted. In addition, please note that capital gains tax must be paid in Euro.

Recommendation to Shareholders and Penalties

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 the purpose of computing the amount of capital gains which are taxable, 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.

As stated in paragraphs here upon, where capital gains (if taxable in Italy) have been realized by a non-Italian resident shareholder through the sale of a substantial participation in companies listed on regulated stock markets, the relevant shareholder is required to file the income tax return in Italy.

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.

If a non-Italian resident taxpayer fails to submit the income tax return, the following penalties shall apply (in addition to any tax unpaid and interest accrued): (i) a penalty ranging

from 120% to 240% of the amount of taxes due (with a minimum penalty of Euro 250.00); or (ii) a penalty ranging from Euro 250.00 to Euro 1,000.00 if taxes are not due.

Omitted, insufficient or late payment of taxes declared in the income tax return is punishable by a penalty of 30% of the unpaid amount or the late payment amount.

Financial Transaction Tax on Transfer of shares

Taxable transaction

The Financial Transaction Tax applies to the transfer of the ownership (including the bare ownership) of:

- 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,

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

Transfer of the ownership

The FTT is due if the ownership of Shares (including the beneficial ownership) issued by Italian resident companies is transferred, regardless of their place of residence and the place where the contract is concluded, even in the case in which the registered shareholder is a trust company or — as it is reasonable assumed, in the lack of precise indications from the Italian Tax Authorities in this respect — a nominee company. Transfers made through intermediaries buying in their name but on behalf of another person shall be deemed to be transfers of property only with regard to the person on behalf of whom the transfer has been made.

Basing on the above mentioned principle, the Circular letter COM_2013_070 of Assofiduciaria, stated that are excluded from FTT scope the deposit/withdrawal of shares to Trust company.

In the same way in case of CCASS participant's deposit/withdrawal of shares no Financial Transaction Tax should be applicable because it is missing the transfer of shares' ownership; on the contrary in case of Electronic transfer within CCASS (Exchange Trade, e.g. normal buy/sell) or Transfer using transfer form with register shareholder change, FTT will be applicable because the ownership of the shares will be transferred.

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 Shares should be subject to 0.10% FTT tax rate. The Company recommends that all Shareholders should consult their professional advisors in order to confirm that the Hong Kong Stock Exchange can be considered (for regulatory perspective) in regular operation and authorized by a National Public Authority with State supervision.

In fact, Letter f) of paragraph 2 of article 1 of the ministerial decree dated February 21st, 2013 relating to the implementation of the FTT (the "**Ministerial Decree**") published by the Ministry of Economy and Finance in the gazette dated February, 28th 2013, defines the regulated markets and multilateral trading facilities as:

1. the markets and systems recognized pursuant to Directive 2004/39/EC of the European Parliament and of the Council of April, 21th 2004, relevant to the Economic European Area, as included in the list published in the specific section of the European Securities and Markets Authority's website (**https://www.esma.europa.eu/databases-library/registers-and-data**) for the purposes provided for in paragraph 2 of Article 13 of (EC) Regulation No 1287/2006 of the Commission, of August, 10th 2006, provided that they are established in States and territories included in the list referred to in the ministerial decree issued in accordance with Article 168-bis of the Italian CIT Code (i.e. the Presidential Decree n. 917, dated December 22nd, 1986, "**TUIR**");

2. in case of States to which the aforesaid provisions do not apply, regulated markets and multilateral trading facilities are considered those in regular operation and authorized by a National Public Authority with State supervision, including therein those recognized by Italian Supervisory Authority For The Investors' Protection (i.e. "**CONSOB**") pursuant to Article 67, paragraph 2, of TUF, provided that they are established in States and territories included in the list referred to in the above mentioned ministerial decree. The Hong Kong Stock Exchange appear to be considered (for regulatory perspective) in regular operation and authorized by a National Public Authority with State supervision.

Taxable value

The value of the transaction subject to FTT is determined on the basis of 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.

Who is liable to FTT

The FTT is due by the persons to which the ownership of Shares (including the beneficial ownership), other participating financial instruments issued by Italian resident companies and of securities representing equity investment is transferred, regardless of their place of residence and the place where the contract is concluded, even in the case in which the registered shareholder is a trust company or — as it is reasonable assumed, in the lack of precise indications from the Italian Tax Authorities in this respect — a nominee company like HKSCC Nominees Limited. Transfers made through intermediaries buying in their name but on behalf of another person shall be deemed to be transfers of property only with regard to the person on behalf of whom the transfer has been made. Generally, the payment is executed by the financial intermediary involved in the transaction. When no financial intermediaries — or other persons such as financial intermediaries qualified for providing collective asset or portfolio management services, trusts and notaries — are involved in the transfer of the Shares, payment are executed by the ultimate purchaser.

If there are more than one financial intermediary involved in the execution of the transaction, the obligation to pay the FTT falls on the intermediary that directly receives the transaction(s) order from the ultimate purchaser. In this latter case, if the purchaser or final counterparty of the order of execution is a financial intermediary or other person involved in the execution of the transaction(s) which is located in a country with which Italy has agreements in force for the purposes of the exchange of information or the assistance in the collection of tax credits (as identified in the specific Provisions dated March, 1,2013; March, 29, 2013; May 30, 2016, issued by the Director of the Italian Inland Revenue Office —Hong Kong is not included in such list), such person shall pay directly the FTT due.

If the financial intermediary or other person involved for any reason in the execution of the transaction(s) is located in a country with which Italy has no agreement in force for the purposes of the exchange of information or the assistance in the collection of tax credits, such person shall be considered for all effects as purchaser or final counterparty of the order of execution. In such a case, the net balance of the transactions regulated daily shall be calculated separately for each beneficial owner.

FTT Payment

FTT must be paid through the so called “F24” payment form using the payments code

released by the Italian Tax Authority with the resolution n. 62 dated October 10, 2013. Among others, the code to be used for the payment of the FTT due on the transfer of shares, other participating financial instruments and securities representing equity investment is "4058".

Non-residents who are not provided with an Italian bank account and are not in the condition to process payments through the F24 form, can process the FTT payment by wire transfer (in EURO) in favour of "Bilancio dello Stato — Capo 8 — Capitolo 1211", indicating the following information:

- Transfer of shares and others participating instruments

  Articolo: 1 BIC: BITAITRRENT IBAN: IT 83T 01000 03245 348 0 08 1211 01 IMPOSTA: IMPOSTA SULLE TRANSAZIONI DI AZIONI E DI ALTRI STRUMENTI PARTECIPATIVI DI CUI ALL'ARTICOLO 1, COMMA 491 DELLA LEGGE 24 DICEMBRE 2012, N. 228.

- Transfer of derivatives and transferable securities

  Articolo: 2 BIC: BITAITRRENT IBAN: IT 60U 01000 03245 348 0 08 1211 02 IMPOSTA: IMPOSTA SULLE TRANSAZIONI RELATIVE A DERIVATI SU EQUITY DI CUI ALL'ARTICOLO 1, COMMA 492 DELLA LEGGE 24 DICEMBRE 2012, N. 228.

- Transactions deemed to be "High-frequency Trading"

  Articolo: 3 BIC: BITAITRRENT IBAN: IT 37V 01000 03245 348 0 08 1211 03 IMPOSTA: IMPOSTA SULLE NEGOZIAZIONI AD ALTA FREQUENZA RELATIVE AD AZIONI E STRUMENTI PARTECIPATIVI DI CUI ALL'ARTICOLO 1, COMMA 495 DELLA LEGGE 24 DICEMBRE 2012, N. 228.

In the space provided for indicating the "reason for the transfer" should be provided the taxpayer's code, the payment code and the tax period to which the payment is referred. More information are available at the following link:

https://www.agenziaentrate.gov.it/portale/web/guest/schede/pagamenti/imposta-sulle-transazioni-finanziarie/non-residenti-imposta-transazioni-finanziarie/versamenti-intermediari

Exclusions and exception

With reference to transaction excluded or exempted from FTT, article 15 of FTT Ministerial Decree dated February, 28, 2013, includes a punctual description of the transactions excluded from the scope of the tax; article 16 of the mentioned FTT Ministerial Decree outlines the exemptions from FTT by drawing a distinction between transactions that shall be wholly exempt and transactions that shall be exempt only with respect to a single party to the transaction with the result that the counterparty may be liable to payment of the tax.

Among others, transfers of the ownership of shares traded on regulated markets or in multilateral trading facilities issued by the companies whose average market capitalization in the month of November of the year preceding the one in which they are carried out was lower than Euro 500 million are excluded from the scope of the FTT. In case of admission to trading on regulated markets or in multilateral trading facilities, the mentioned requirement is verified as

from the year following that for which it is possible to calculate an average market capitalization for the month of November; until this year, a capitalization lower than the 500 million capitalization limit is assumed.

According to article 15 of the mentioned FTT Ministerial Decree, FTT tax does not apply to entities that interpose themselves in a transaction if certain conditions occur. In particular, FTT is not applicable in case of financial intermediary interposed between two parties acting as a counterparty to both sides, purchasing on one hand, and selling on the other, securities or other financial instruments where for both operations price, total number and date of settlement of buying and selling transactions coincide, except the cases where the person to whom the financial intermediary transfers the title or the financial instruments does not fulfill its obligations.

FTT tax does not apply to purchases of securities or other financial instruments entered into systems interposing in the transactions for the purposes of clearing and collateral of said transactions. To that end, reference is made to the authorised or recognised entities under Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012. For those countries where the above regulation is not in force, reference is made to equivalent foreign systems which are authorized by a national public authority, provided that they are established in States and territories included in the list referred to in the Ministerial Decree issued in accordance with Article 168-bis of Tuir (Italian Income Tax Code). Hong Kong it is included in such list.

FTT Return

The persons obliged to pay the FTT shall annually comply with the tax return obligations for the transactions. It follows that, if no financial intermediary is involved, the ultimate purchaser is bound for filing such tax return. The persons obliged to pay the FTT are exempted from the obligation to file a tax return if the tax amount is lower than €50,00.

The deadline for the submission of the FTT return is the 31st of March. Non-resident persons submit the return:

1. through a permanent organisation in Italy as provided for by article 162 of the Consolidated Law on Income Tax (TUIR);
2. through an appointed tax representative chosen from among the categories set out in article 23 of Presidential Decree no. 600/1973 and representing the person concerned at the time the return is submitted;
3. directly, in the absence of a permanent organisation in Italy or a tax representative, after having applied for a tax code (unless already in possession of one).

The return may be sent:

1. directly, by persons authorised by the Revenue Agency;
2. through one of the following with authorisation to send the return:
    a. a company in the group, if the taxpayer submitting the return belongs to a group of companies (the controlling entity or company and the subsidiary companies are considered to belong to the group; public limited companies, limited share

partnerships and limited liability companies of whose capital 50% or more is owned in the form of stocks and shares by the controlling company or entity or through another subsidiary company are considered to be subsidiary companies);

b. one of the appointed persons set out in article 3, paragraph 3 of Presidential Decree no. 322/1998 and subsequent amendments and additions (professionals, trade associations, Tax Assistance Centres, other persons).

The intermediary authorised to submit the return electronically must issue the declarant, simultaneously with the receipt of the return or the acceptance of the instruction to prepare it, an undertaking to submit the data contained in it electronically to the Revenue Agency. The intermediary must also issue the declarant with a copy of the return containing the data submitted electronically on a form that is analogous to the official form together with a copy of the confirmation of receipt from the Revenue Agency. The documentation is deemed to have been submitted on the date on which the reception of the data on the part of the Revenue Agency is completed and proof that the return has been submitted is provided by the confirmation of reception issued by the Revenue Agency. The declarant must keep the documentation after signing the declaration confirming the data indicated.

More information are available to the following links:

https://www.agenziaentrate.gov.it/portale/documents/20143/254541/FTT+Istruzioni+english_Istruzioni_FTT_ING.pdf/1aa40836-ef62-d8bc-f18b-95efdc41edcc

https://www.agenziaentrate.gov.it/portale/schede/pagamenti/imposta+sulle+transazioni+finanziarie/modello+e+prospetti+imposta+transazioni+finanziarie

Recommendation to Shareholders and Penalties

In case of delayed, insufficient or omitted payment of the tax, penalties provided for in Article 13 of Legislative Decree No 471 of 18 December 1997 (penalty of 30% of the unpaid amount or the late payment amount) are applied exclusively against the persons having to comply with such obligation and also liable for the payment of the tax. In case of insufficient or omitted payment of the tax, the Tax Administration has the authority to recover the tax and the relevant interests also against the taxpayer concerned.

As regards the breaches concerning the tax return, its contents and the instrumental requirements as of Article 19, paragraph 5, the penalties set forth in Legislative Decree No 471 of 18 December 1997 on the valued added tax shall apply. It follows that in such cases will be applicable: (i) a penalty ranging from 120% to 240% of the amount of taxes due (with a minimum of Euro 250.00) if FTT are due; (ii) a penalty ranging from Euro 250.00 to Euro 2,000.00 if FTT are not due. The penalty is applied against the persons having to comply with the FTT tax return.

Shareholders are recommended to consult their independent advisors with respect to the application of FTT.

Registration tax and stamp duty

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 an Italian court).

The sale of Shares is exempt from Italian stamp duty.

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

Inheritance and Gift Tax

Subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfers of assets and rights (including shares) (i) by reason of death or donations by Italian residents, even if the transferred assets are held outside Italy and (ii) by reason of death or donations by non-Italian residents, but limited to transferred assets located in Italy (which are presumed by law to include shares of Italian resident companies).

Subject to certain exceptions, transfers of assets and rights (including the Shares) on death or by gift are generally subject to inheritance and gift tax:

- at a rate of 4% in case of transfers made to the spouse or relatives in direct line, on the portion of the global net value of the transferred assets, if any, exceeding, for each beneficiary, Euro 1,000,000.00;
- at a rate of 6% in case of transfers made to relatives to the fourth degree or relatives-in-law to the third degree (in the case of transfers to brothers or sisters, the 6% rate is applicable) only on the portion of the global net value of the transferred assets, if any, exceeding, for each beneficiary, Euro 100,000.00; and
- at the rate of 8% in any other case.

If the beneficiary of any such transfer is an individual with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance or gift tax is applied only on the value of the asset transferred in excess of Euro 1,500,000.00 at the rates illustrated above, depending on the relationship existing between the deceased or donor and the beneficiary.

Tax Monitoring Obligations

Individuals, non-commercial entities and certain partnership 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 Italian shareholders to consult an advisor who specializes in tax compliance issues to check if they are required to report in their yearly income tax return, for tax monitoring purposes, the amount of the Shares.

BY-LAWS

TITLE I
COMPANY NAME — CORPORATE PURPOSE — DURATION — REGISTERED OFFICE — DOMICILE

Art. 1. COMPANY NAME

1.1. A joint-stock company with the corporate name of "Ferretti S.p.A." is hereby incorporated (the "**Company**").

Art. 2. CORPORATE PURPOSE

2.1. The Company's main corporate purpose is as follows:

(a) the production, on its own or for third parties, modification, repair, refurbishment and assembly of new and used, civil and military, carry-over vessels, boats and ships in general, and of parts, pieces, components or accessories thereof;

(b) the production, on its own or for third parties, of models and moulds for the production of civil and military carry-over vessels and boats and ships in general, and of parts, pieces, components or accessories thereof;

(c) trade in permitted form, either on its own or on behalf of third parties and by commission, in civil and military carry-over vessels, boats and ships in general, spare parts, engines and any other component, part and accessory thereof, sporting nautical and related articles, and fuels and lubricants, as well as the agency and the representation, with or without storage, of the articles or products themselves;

(d) the installation and operation of repair and assistance workshops for civil and military carry-over vessels, boats and ships in general;

(e) the rental and leasing of carry-over vessels in general;

(f) the production, trade, purchase, sale, exchange, rental and leasing of immovable and movable properties that may in any case be related to or may affect — even in the future — the Company's business and the management of the said properties in any form whatsoever;

(g) towing and demolition of civil and military carry-over vessels, boats and ships in general, and of parts thereof, and various services; provision of services in the maritime field; mooring and unmooring; supply of provisions on board and their transport; assistance and consultancy for landing and boarding operations; maintenance and construction of port infrastructures; lashing and de-lashing, hauling and marine lifting; transport of passengers and goods; surveillance, guarding and fire-fighting assistance;

(h) sea transport of goods and passengers; boat services in port and coastal waters; purchase, sale, rental and leasing of ships and boats used for the sea transport of goods and/or passengers or for any other service, including pleasure boating; management of ships, berths, maritime stations and facilities in any manner connected with tourist activities; land transport of passengers and/or goods with own and/or third party vehicles, with or without driver; installation and repair of technical, electrical, hydraulic and water systems on board of ships and in the civil and industrial fields; loading and unloading of goods and their transport by land and sea;

(i) earthwork with related masonry and reinforced concrete works of current type, demolitions; renovation and construction of civil buildings (refurbishment and painting of facades, restoration and construction of roofs, external and internal masonry works complete with all installations), industrial buildings, monuments complete with related installations and works, as well as masonry and civil works in general relating to complexes for the production and distribution of energy; restoration of monumental buildings; special reinforced concrete works; thermal, ventilation, air-conditioning, hygienic and sanitary facilities; installation and supply of metal, wood, plastic and stone products, as well as the supply of thermal and acoustic insulation, fire prevention, painting, plastering and waterproofing (also special) works; road construction and paving, signalling and road safety works; construction of jetties, docks, quays, dredging works; construction of dams; steelwork; heating and air-conditioning systems powered by liquid, aeriform or gaseous fluid of any nature or kind; water-sanitary systems

as well as those for the transport, treatment, use, storage and consumption of water from the point of delivery of the water supplied by the distribution entity; installations for the transport and use of gas in liquid or aeriform form from the point of delivery of the gaseous fuel supplied by the distributor entity; fire protection installations; installation and repair of technical, electrical, hydraulic, water systems on board of ships and in the industrial field, installation of electrical, civil systems in accordance with Law no. 46 of 5 March 1990, article 1; purchase, management, rental and sale of civil and industrial buildings.

2.2. The Company may grant third parties the right to use and exploit, in any form, including the recourse to merchandising, of rights on trademarks and/or industrial and intellectual property rights owned by the Company.

2.3. The Company may also carry out, provided that this is connected with, and it is secondary to, its main corporate purpose, and in any case in compliance with the applicable statutory and regulatory provisions:

(a) publishing activity (with the exclusion of newspapers) and therefore the production of, and trade in, editorial products in general and precisely paper products, including books, or products on computer media intended for publication or, in any case, for the dissemination of information to the public by any means, including electronic, or through radio or television broadcasting, with the exclusion of discographic or cinematographic products;

(b) the sale of its own editorial products and of those of other publishers and of all the products referred to in the preceding paragraphs; this may also take place through wholesale trade, the management of retail outlets, telematics networks and by correspondence.

2.4. The Company may also carry out:

(a) production and post-production activities on products, programmes and editorial news to be broadcast by the media, including radio and television;

(b) commercial, industrial or ancillary services activities complementary to publishing activities and in any case always in compliance with the applicable statutory and regulatory provisions.

2.5. The Company may also take care of, manage and organise the system of individual financing, including in the form of guarantees or security, also in favour of third parties, and the technical, administrative, financial, strategic and operational coordination of the companies or entities in which the Company holds interests, including through centralised treasury transactions and the provision of services, or it may in turn avail itself of the same services rendered by participating or controlling companies or entities.

2.6. The Company may acquire in Italy and/or abroad, directly or indirectly, shareholdings and/or interests in other companies and/or entities having a similar corporate purpose to that of the Company, as well as manage and dispose of the shareholdings and/or interests themselves, and it may provide guarantees and/or security for its own obligations or those of third parties.

2.7. The Company may also undertake any industrial, commercial and financial transactions (provided that these are not vis-à-vis the public) concerning movable and immovable properties necessary or useful for the achievement of the corporate purpose (including guarantees and security, also in favour of third parties, and the provision of loans and guarantees, including mortgage loans) with the express exclusion of any reserved activity under the law in compliance with the rules applicable to companies with shares listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange of Hong Kong**") referred to in article 30 of these by-laws.

2.8. All the aforementioned activities shall be carried out within the limits of and in compliance with the statutory provisions in force and, in particular, the investment activities exercised vis-à-vis the public qualified by the law in place as reserved financial activity are excluded.

Art. 3. DURATION

3.1. The duration of the Company is established until 31 (thirty-one) December 2100.

3.2. The duration of the Company may be extended one or more times by a resolution of the shareholders' meeting, including during liquidation.

Art. 4. REGISTERED OFFICE

4.1. The registered office of the Company is in Cattolica (Rimini), 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. It is the duty of the shareholders, the directors, the statutory auditors and of the external auditor to communicate these data and any subsequent changes to them.

TITLE II
SHARE CAPITAL AND SHARES — BONDS — ALLOCATED ASSETS — LOANS FROM SHAREHOLDERS — RIGHT TO WITHDRAW

Art. 6. SHARE CAPITAL AND SHARES

6.1. The share capital is Euro 250,734,954.00 fully paid up, represented by no. 250,734,954 ordinary shares, without indication of the par value. The shares are represented by share certificates. The shares of the Company shall be subject to the dematerialisation regime pursuant to articles 83-bis and following of Legislative Decree no. 58/1998 in case this is required under the applicable laws and regulations.

If the shares of the Company become subject to a compulsory dematerialisation regime, all the share certificates will have to be delivered to the Company or to the persons indicated by the Company (such as, without limitation, the person who may have been trusted with the maintenance of the Hong Kong Branch Register, as defined below) in order to carry out the necessary formalities (which will require, among other things, the opening of a securities account with a bank or an authorised intermediary). In this case, the rights pertaining to the shares may be exercised only after the dematerialisation of the relevant certificates and in accordance with the applicable special law.

6.2. The shares will be registered and every share entitles the relevant holder to one vote.

6.3. The Company may create other classes of shares pursuant to the legislation in force. Each share of the same class shall carry the same rights. The shareholders' meeting may also resolve to issue equity and non-interest bearing financial instruments, convertible or not convertible into shares, warrants and other financial instruments, in compliance with the legislation in force.

6.4. Whenever the share capital of the Company is divided into different classes of shares, the resolutions affecting the rights of any of such classes of shares are to be passed also by the special general meeting of the holders of the shares of that class. To every such special general meeting all the provisions relating to extraordinary general meetings of the Company or to the proceedings thereat shall apply mutatis mutandis, except that, notwithstanding the foregoing, such special general meeting is duly held with the presence of shareholders representing at least one-third (1/3) of the issued share capital of that class (quorum for constitution), and adopts resolutions with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the special general meeting by the shareholders belonging to the interested class.

6.5. The allocation of profits and/or profit reserves to employees of the Company or of its subsidiaries is allowed in the manners and forms provided by the law, by issuing, up to the amount corresponding to such profits, shares to be assigned individually to the employees, pursuant to the first paragraph of article 2349 of the Italian Civil Code, establishing rules on the form, method of transfer and rights of the shareholders. The extraordinary shareholders' meeting may also resolve to assign to the employees of the Company or of its subsidiaries financial instruments, other than shares, provided with patrimonial or administrative rights, excluding the voting right at the shareholders' general meeting, establishing rules on the conditions for exercising the rights granted, the possibility of transfer and any causes of forfeiture or redemption.

6.6. The fact of being a holder of one or more shares in the Company constitutes, in itself, adherence to these by-laws.

6.7. The provisions contained in articles 31 and 32 of these by-laws, applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong, shall apply.

6.8. The Company holds, in compliance with the applicable law, the shareholders' register, either in paper or electronically, in accordance with the provisions of article 2215-bis of the Italian Civil Code and the laws and regulations in force ("**Principal Shareholders' Register**").

6.9. If the shares are listed on the Stock Exchange of Hong Kong, the Company shall establish and maintain a branch register of members in Hong Kong ("**Hong Kong Branch Register**", together with the Principal Shareholders' Register, the "**Shareholders' Register**") in accordance with the Hong Kong laws, rules and regulations, also through the appointment of a third party service provider authorized to provide transfer services in relation to the shares listed on the Stock Exchange of Hong Kong. As long as the Hong Kong Branch Register is established, the registration of transfers in the Hong Kong Branch Register constitutes a prerequisite for the regularity and validity of the subsequent corresponding entries in the Principal Shareholders'

Register, without prejudice to the legal nature and relevance of the latter pursuant to Italian law.

6.10. The shareholders are entitled to inspect the Shareholders' Register and to obtain, at their own expense, extracts thereof in accordance with article 2422 of the Italian Civil Code. With specific reference to the Hong Kong Branch Register, article 35 of these by-laws shall also apply.

6.11. The share capital can also be increased by means of contributions in kind or of receivables, in compliance with the current legislation and the provisions of these by-laws.

6.12. Subject to compliance with applicable laws and regulations, the shareholders' meeting may resolve on share capital increases against payment and with limitation and/or exclusion of option rights pursuant to article 2441 of the Italian Civil Code.

6.13. Without prejudice to the other cases of exclusion or limitation of the option right provided for in the legislation and regulations from time to time in force, in the event of trading of the shares on the Stock Exchange of Hong Kong and/or a regulated market of a country of the European Union, the resolutions to increase the share capital may exclude the option rights up to 10% (ten per cent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares, this is confirmed in a report by an auditor or audit company and the issue is in compliance with applicable laws and regulations.

6.14. The extraordinary shareholders' meeting may assign to the board of directors, pursuant to the applicable laws and regulations, the power to increase the share capital, in one or more occasions.

6.15. On 14 March 2022, the extraordinary shareholders' meeting resolved to increase the share capital, with the exclusion of the option right, by issuing a maximum of 96,117,000 ordinary shares, in order to serve the trading of the ordinary shares on the Stock Exchange of Hong Kong.

Art. 7. BONDS

7.1. The Company may issue convertible and non-convertible bonds within the limits established under article 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 article 2447-bis (*patrimoni destinati ad uno specifico affare*) and the following provisions of the Italian Civil Code.

Art. 9. LOANS FROM SHAREHOLDERS

9.1. The Company may acquire from the shareholders loans for consideration or free of charge, with or without obligation of repayment, in compliance with the regulations applicable to them or receive payments without obligation of repayment. Upon request of the administrative body of the Company, the shareholders may grant loans with obligation of reimbursement, both interest-bearing and non-interest-bearing, provided that the same do not constitute collection of savings from the public according to the law.

Art. 10. RIGHT TO WITHDRAW

10.1. The right to withdraw (*diritto di recesso*) from the Company shall be governed by the Italian Civil Code. Shareholders who do not take part in the approval of resolutions concerning the extension of the Company's duration and the introduction, amendment or removal of restrictions on the transfer of shares shall not have the right to withdraw.

10.2. The terms and procedures for exercising such right and the process for reimbursing the shareholdings are governed by the relative provisions of law.

10.3. The liquidation value of the shares is determined in accordance with article 2437-ter of the Italian Civil Code. In case of trading on the Stock Exchange of Hong Kong, article 33 of these by-laws shall also apply.

TITLE III
SHAREHOLDERS' MEETING

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) appointment and removal of the directors, election of the statutory auditors and their chairman, as well as 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 limits set forth by article 2357, first paragraph, of the Italian Civil Code, and, in any case, as long as the Company's shares are listed on the Stock Exchange of Hong Kong, within the limits provided for by the laws and regulations applicable to the companies whose shares are listed thereon;

(f) the approval of the regulations for the conduct of shareholders' meetings;

(g) any other matters reserved to them by the applicable laws and regulations, as well as any authorization required under these by-laws or by the 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 voluntary winding up of the Company;

(c) the appointment and replacement of liquidators and the determination of their powers;

(d) the issue of convertible bonds; and

(e) any other matters reserved to shareholders in an extraordinary shareholders' meeting by the applicable laws and regulations.

Art. 13. LOCATION AND FREQUENCY OF THE SHAREHOLDERS' MEETINGS

13.1. The ordinary and extraordinary shareholders' meetings are normally held in the municipality where the registered office of the Company is located, except if the board of directors decides on a different location provided that it is in Italy or in a country of the European Union, the United Kingdom of Great Britain and North Ireland or in a country of the Enlarged China (People' Republic of China, Hong Kong, Macao and Taiwan).

13.2. Attendance to the shareholders' meetings may also take place via telecommunications means, provided that this is provided for in the notice of call, in accordance with the procedures established by the notice itself.

13.3. The shareholders' meeting shall be deemed to have been held at the place indicated in the notice of call, where the person taking the minutes may also be present to enable the minutes to be drawn up and signed.

13.4. The ordinary shareholders' general meetings must be convened at least once a year for the approval of the financial statements, within 120 (one hundred and twenty) days after the end of the financial year, or within 180 (one hundred and eighty) days 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 necessary for particular needs relating to the structure and purpose of the Company.

Art. 14. CALL OF THE SHAREHOLDERS' MEETING

14.1. The shareholders' meeting shall be convened by the board of directors whenever it deems it necessary or appropriate and in the cases provided for by the legislation in force.

14.2. A shareholders' meeting may also be called when requested by shareholders representing at least one tenth of the share capital or, if the shares are listed on the Stock Exchange of Hong Kong and/or a regulated market of a country of the European Union, one-twentieth of the share capital, provided that 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 article 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 are convened by means of a notice of call specifying the information required by laws and regulations.

14.4. The notice of call must be published in accordance with the procedures provided by applicable Italian law and listing rules of the Stock Exchange of Hong Kong at least twenty-one days before the date of the meeting (or the longer term provided for pursuant to the applicable provisions of law) on the Company's website in Italian, English and Chinese languages, and/or, in Italian language only, in at least one of the following newspapers: "Il Sole 24Ore", "Italia Oggi", "MF Milano Finanza"; or, in the Official Journal of the Italian Republic ("Gazzetta Ufficiale della Repubblica Italiana"). In the event that the shares are listed on the Stock Exchange of Hong Kong, the provisions under article 34 of these by-laws will apply.

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, speak and vote at shareholders' meetings shall be determined pursuant to law and these by-laws. In case the share are listed on the Stock Exchange of Hong Kong, the provisions provided for by article 33 herein below shall apply.

15.2. Those entitled to vote may be represented by a proxy. The power of attorney must be conferred in writing by the appointer or an attorney authorized in writing by the appointer, or, if the appointer is a corporation, under the hand of an officer, attorney or other person duly authorized to sign the power of attorney. If the parties entitled to vote act on behalf of their clients or, in any case, on behalf of third parties, they may indicate as representatives the parties on whose behalf they act or one or more third parties designated by such parties.

15.3. If a shareholder is required by the applicable laws, regulations and listing rules of the place where the securities of the Company are listed to abstain from voting on a particular resolution, any vote cast by or on behalf of that shareholder in contravention of such requirement or restriction shall not be counted towards the resolution. For the avoidance of doubt, the shares held by such shareholders shall be counted for the purposes of the quorum of the meeting.

15.4. If the shares of the Company are listed on a market that provides for the separation of legal and beneficial ownership such as the Stock of Exchange of Hong Kong, the exercise of the rights of the shareholders will be permitted, subject to the authorisation of the legal owner, to the beneficial owners to the maximum extent permitted by the applicable legislation.

Art. 16. CHAIRMAN AND PROCEEDINGS OF THE MEETING

16.1. The shareholders' meeting shall be chaired, in order, by the chairman of the board of directors, the deputy chairman or the chief executive officer, if appointed; in the event of the absence or impediment of the above persons, the shareholders' meeting shall elect the chairman of the meeting by a majority of the votes of those present. The chairman is assisted by a secretary, who may or may not be a shareholder, appointed by the meeting, and, when deemed appropriate, by one or more scrutineers. Where required by law or by the will of the chairman of the meeting, the functions of secretary shall be performed by a notary public.

16.2. In any event the minutes will be drawn up in accordance with article 2375 of the Italian Civil Code.

16.3. The chairman 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 ascertain the identity and legitimacy of those present 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. The conduct of the shareholders' meeting is ruled by the relevant regulation approved by the ordinary shareholders' meeting, to the extent this is adopted.

16.5. If the shares are traded on the Stock of Exchange of Hong Kong, any shareholders' agreements must be notified to the Company and represented at the opening of each meeting, pursuant to the law.

Art. 17. VALIDITY OF RESOLUTIONS

17.1. The shareholder's meeting, both ordinary and extraordinary, is held in one call, unless the board of directors establishes in the notice of call that the meeting has to be held in first call and, if necessary, in second call, as well as, possibly, in subsequent calls, except that, notwithstanding the foregoing, in case of requests to a call a shareholders' meeting submitted pursuant to paragraph 14.2 above, the board of directors shall convene that shareholders' meeting solely and exclusively in one call.

17.2. The quorum for any ordinary and extraordinary shareholders' meetings shall be those provided under the Italian Civil Code, except that, notwithstanding the foregoing, the resolutions concerning the voluntary winding-up of the Company and/or the amendments to these by-laws are adopted with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the shareholders' meeting.

17.3. Voting in the shareholders' meetings shall be by open ballot (*scrutinio palese*). The chairman 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
MANAGEMENT — REPRESENTATION — CONTROL

Art. 18. BOARD OF DIRECTORS

18.1. The Company is managed by a board of directors vested with all powers for ordinary and extraordinary management, excluding those powers (including those of authorisation) that are peremptorily reserved, by the law or by these by-laws, to the shareholders' meeting.

18.2. Resolutions on the following matters shall also fall within the competence of the board of directors, without prejudice to the concurrent competence of the extraordinary shareholders' meeting:

— merger and proportional demerger (*fusione per incorporazione e scissione proporzionale*) of companies in which the Company owns shares or interests representing at least 90% (ninety per cent) of the share capital;

— establishment and winding-up of branch offices;

— indication of which directors shall be given the power to act as the legal representatives of the Company;

— reduction of the share capital in the event of shareholder's withdrawal (*recess del socio*);

— amendment to the by-laws to reflect changes required under Italian laws;

— transfer of the Company's registered office within Italy.

Art. 19. ELECTION AND REPLACEMENT OF THE BOARD OF DIRECTORS

19.1. The Board of directors shall consist of 7 to 11 members. The shareholders' meeting will determine the number of directors within these limits. The number of members of the board of directors is established by the shareholders' meeting within such limits. The directors are appointed by the shareholders' general meeting for a period of up to 3 (three) financial years. This term lapses on the date of the shareholders' meeting called to approve the financial statements relating to the last financial year of their office. The directors may be reappointed.

19.2. Each director must satisfy the requirements for his/her eligibility, proficiency and integrity in accordance with applicable laws. A number of directors, representing at least one third of the members of the board of directors, in any event not less than 3 (three), must satisfy the independence requirements set forth by the laws and regulations applicable to the Company, including, in case of trading of the shares on the Stock Exchange of Hong Kong, the laws and regulations applicable to companies whose shares are listed on the Stock Exchange of Hong Kong in relation to the independence of directors. The composition of the board of directors must also comply with the minimum requirements, if any, envisaged by the law and regulations in force from time to time with regard to gender balance.

19.3. Any person who, alone or together with others, represents at least 3% (three per cent) of the share capital (or the lower threshold provided for pursuant to law) may propose one or more candidates, up to 11 (eleven), by filing a notice of nomination in writing with the Company at its registered office within the 7th (seventh) day preceding the date of the shareholders' meeting convened for resolving upon the appointment of the directors.

19.4. Together with the nomination mentioned in paragraph 19.3 above, the proposing person(s) are also required, under penalty of inadmissibility, to file: (a) the list of the proposing person(s) or the Beneficial Owner(s) acting as proposing person(s), as the case may be, specifying the number of shares of the Company held by each of them, accompanied by evidence attesting compliance with the minimum threshold required under paragraph 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 (*requisiti di onorabilità, professionalità e indipendenza*).

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 paragraph 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.

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 paragraph 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 3 (three) candidates 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 paragraph 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 the 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 above mentioned independence and integrity requirements (*requisiti di onorabilità, professionalità e indipendenza*) or if any situations of ineligibility or incompatibility have arisen.

19.11. The board of directors shall periodically evaluate the independence and integrity of the directors. If a director does not meet or no longer meets the requirements of independence or integrity prescribed by the law, or if there are grounds for ineligibility or incompatibility, such director ceases from office. The loss, by a director, of the independence requirements set out by the law and/or the regulations in force from time to time does not represent a reason for ceasing from office, provided that the minimum number of members set out in the applicable law and regulations, still holding the said independence requirements, remain in office.

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 paragraph 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 article 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 directors in office or the board of statutory auditors must promptly call a shareholder's meeting to appoint a new board of directors.

Art. 20. THE CHAIRMAN OF THE BOARD OF DIRECTORS

20.1. If the shareholders' meeting has not appointed a chairman, the board of directors will elect one among its members.

20.2. The board of directors, at the chairman's proposal, is to appoint a secretary.

20.3. The board of directors can appoint a deputy chairman with the power to deputise for the chairman in his/her absence.

20.4. The chairman of the board of directors or, when it is impossible for the chairman, 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.

Art. 21. DELEGATED BODIES

21.1. The board of directors may delegate — within the limits established by article 2381 of the Italian Civil Code and by these by-laws — part of its powers 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 (*comitato esecutivo*) which must include some but not all of the members of the board of directors, as well as the chairman and any directors with delegated powers. When resolving on the appointment 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 every six months, pursuant to the fifth paragraph of article 2381 of the Italian Civil Code, on the general operation of the Company and its foreseeable evolution, as well as on the most relevant transactions carried out by the Company and its subsidiaries.

21.5. The board of directors may appoint general managers (*direttori generali*) and attorneys, determining their powers.

21.6. The board of directors may set up committees from among its members to which it shall assign investigative, advisory and propositional functions on specific matters, establishing their purpose, composition and operational procedures.

Art. 22. BOARD OF DIRECTORS' MEETINGS AND RESOLUTIONS

22.1. The board of directors shall meet at the place indicated in the notice of call in the municipality where the Company has its registered office or elsewhere (provided, however, that the meeting is held in a country of the European Union, in the United Kingdom of Great Britain and Northern Ireland or in a country of the Enlarged China (People's Republic of China, Hong Kong, Macao and Taiwan)), as often as deemed necessary by the chairman, the board of statutory auditors or at least two directors.

22.2. Board of directors' meetings may also be held by audio or video conference provided that:

— where required by the law, the chairman and the secretary, if appointed, shall be present in the same place;

— the chairman of the meeting is allowed to ascertain the identity and legitimacy of the participants, to regulate the proceedings of the meeting, record and proclaim the results of the vote;

— the person taking the minutes is allowed to adequately perceive the events being recorded;

— all the participants are allowed to take part in the discussion and in the simultaneous vote in real time, with the possibility to receive and transmit documentation in real time.

22.3. The meeting shall be deemed to have been held at the place indicated in the notice of call where the person taking the minutes must also be present to enable the minutes to be drawn up and signed.

22.4. A meeting of the board of directors will be called at least 3 (three) 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, telefax, e-mail or equivalent means. The notice period is 24 (twenty-four) 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 (including his/her close associates has a material interest) and, in that case, he/she shall abstain from voting on the resolutions concerning the transaction itself.

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. The meetings of the board of directors shall be chaired by the chairman, and in the event of his absence or impediment, by the deputy chairman. If there is more than one deputy chairman, the oldest in age chairs the meeting. Failing this, the chairman is taken by another director appointed by the board of directors.

Art. 23. POWER TO REPRESENT THE COMPANY

23.1. The power to legally represent the Company is vested with the chairman of the board of directors.

23.2. The power to legally represent the Company shall also be vested with the directors with delegated powers within the limits of their attributions.

Art. 24. REMUNERATION OF DIRECTORS

24.1. The members of the board of directors are entitled to the remuneration determined by the shareholders' meeting and to reimbursement of expenses incurred in the performance of their duties.

24.2. The remuneration of directors granted with special powers shall be established by the board of directors, after having heard the opinion of the board of statutory auditors; such remuneration may consist of a fixed and a variable component, linked to the achievement of certain targets, and/or it may consist (i) of the right to subscribe to shares or other financial instruments of the Company at a given price, including future issues, and/or (ii) of the allotment of shares (stock grant).

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 (*collegio sindacale*) shall supervise the compliance with all applicable laws, regulations, 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 elects a board of statutory auditors comprising 3 (three) effective statutory auditors and 2 (two) alternate statutory auditors, appoints the chairman of the board of statutory auditors and determines the remuneration of the statutory auditors for their entire term of office. All statutory auditors must meet the requirements of the legislation and regulations in force.

25.3. Any person who, alone or together with others, represents at least 3% (three per cent) of the share capital of the Company (or the lower threshold provided for pursuant to law) may propose one or more candidates, up to 3 (three) effective statutory auditors and 2 (two) alternate statutory auditors, by filing the name of such candidates with the Company at its registered office within the 7th (seventh) day preceding the date of the shareholders' meeting convened for resolving upon the appointment of the statutory auditors. At least one candidate of the statutory auditors and one candidate of the alternate auditors must be a chartered accountant (*revisore legale iscritto nel registro*) and have carried out audit activities for no less than three years.

25.4. When submitting their application(s), those entitled to do so must, on pain of inadmissibility, also submit: (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 paragraph 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 basis.

25.6. The 3 (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 2 (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 chairman 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 paragraph 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 notice of call, 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 audit company. The appointment and replacement of the office, the duties, powers, responsibilities and the procedures to determine remunerations of the audit company are set forth under the applicable laws.

TITLE V
FINANCIAL YEAR — FINANCIAL STATEMENTS AND PROFIT

Art. 27. FINANCIAL YEAR

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

Art. 28. FINANCIAL STATEMENTS AND PROFITS

28.1. At the end of each financial year, the board of directors shall draw up 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 communicated to every shareholder in accordance with the applicable laws and regulations at least 21 (twenty-one) days before the date of the relevant shareholders' meeting to approve such financial statements.

28.2. In the event that the shares are listed on the Stock Exchange of Hong Kong, the board of directors shall prepare other periodic financial reports required by the Hong Kong rules and make them available to the public in the form and at the time specified in the same rules.

28.3. The net profit shown by the financial statements, duly approved, after deducting 5% (five per cent) for the legal reserve, until the latter has reached one fifth of the share capital, is allocated to shareholders as a dividend or set aside as a reserve, as decided by the ordinary shareholders' meeting.

28.4. The board of directors may, in the course of the financial year, if the legal requirements are met, distribute interim dividends to shareholders under the conditions and limits set forth by the law.

28.5. The shareholders' meeting, whether ordinary or extraordinary depending on the competence, may at any time resolve upon the distribution to the shareholders of the reserves resulting from the financial statements or formed by contributions, so far as they are available according to the applicable rules, in cash or in kind, as well as on the allocation to the shareholders of shares, financial instruments or other rights towards the Company.

28.6. The payment of dividends or interim dividends and further distributions or allotments to shareholders shall be made on the terms and in the manner determined by the shareholders' meeting or the board of directors, according to competence, in compliance with the law.

28.7. Right to dividends not collected within five years of the day on which they become payable will be forfeited in favour of the Company and those dividends will be allocated to reserves.

TITLE VI

Art. 29. DISSOLUTION AND LIQUIDATION

29.1. In the event of the dissolution of the Company, the shareholders' meeting shall determine the manner of liquidation and appoint one or more liquidators and fix their powers and remuneration.

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

If the shares are listed on the Stock Exchange of Hong Kong, the rules for companies with shares listed on the Stock Exchange of Hong Kong set forth under this Title VII shall apply.

Art. 30. LOANS TO DIRECTORS

30.1. Except as would be permitted by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as in force from time to time, if the Company were a company incorporated in Hong Kong, and except as permitted under the Italian Civil Code, the Company shall not directly or indirectly:

(a) make a loan to a director or his close associates or a director of any holding company of the Company or a body corporate controlled by such a director;

(b) enter into any guarantee or provide any security in connection with a loan made by any person to a director or a body corporate controlled by such a director; or

(c) if any one or more of the directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

Paragraph 30.1 shall only have effect for so long as the shares of the Company are listed on the Stock Exchange of Hong Kong.

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 2 (two) months after allotment (or within such other period as the terms of issue shall provide) one certificate for all his/her shares of any one class or several certificates each for one or more of his/her shares of such class upon payment for every certificate 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 in accordance with the applicable laws, regulations and listing rules of the place where the securities of the Company are listed. A shareholder who has transferred part of the shares comprised in his/her holding shall be entitled to a certificate for the balance.

31.2. No share shall be issued in bearer form.

Art. 32. TRANSFER OF SHARES. PROXIES

32.1. In the event that the shares are listed on the Stock Exchange of Hong Kong, the procedures for transfers of shares traded thereon from time to time shall also apply. Unless otherwise provided by laws, administrative regulations and listing rules of the place where the securities of the Company are listed, the shares of the Company that have been fully paid for shall not be subject to any restrictions in respect of the right of assignment and can be transferred freely. In the case of a transfer to joint holders, except in case of transfers mortis causa, the number of joint holders to whom the shares is to be transferred does not exceed four.

32.2. All transfers of shares registered on the Hong Kong Branch Register 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.

32.3. The board of directors is authorized and entitled to establish procedures, by appointing a third-party provider or otherwise, for the identification of the persons who — as a consequence of the registration on the Hong Kong Branch Register pursuant to applicable regulations of a single depository entity of the shares (the "**Holder of Record**"), as designated by the company responsible for the centralized management — hold indirect ownership of the shares (the "**Beneficial Owners**") and are therefore entitled to indirectly exercise the corporate rights pertaining to them in accordance with article 33 of these by-laws.

32.4. The instrument constituting a proxy and (if required by the board of directors) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time fixed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.

Art. 33. ENTITLEMENT TO SHAREHOLDERS' RIGHTS

33.1. All persons resulting as legal owners of the shares, and as such registered in both the Principal Shareholders' Register and the Hong Kong Branch Register, are entitled on their own right, by virtue of such registration, to exercise all corporate rights in the manner provided for by applicable law and these by-laws.

All Beneficial Owners, not resulting as legal owners of the shares neither on the Hong Kong Branch Register nor the Principal Shareholders' Register, lacking a legitimacy in their own name, may exercise all corporate rights, including attendance and voting at shareholders' meetings, (a) collectively, through the Holder of Record recorded in both the Principal Shareholders' Register and the Hong Kong Branch Register or a person specifically appointed by such Holder of Record, or (b) individually, either through the Holder of Record or a person specifically appointed by such Holder of Record, or on its own subject to appropriate authorization and/or delegation by the Holder of Record, in compliance with all applicable statutory and regulatory provisions.

It is understood that the exercise of corporate rights by the Beneficial Owners, in the name of the Holder of Record, both collectively and individually, does not entail any obligation to update the Hong Kong Branch Register and the Principal Shareholders' Register.

33.2. If the holder of the shares (or other financial instruments issued by the Company) registered as legal owner of the shares in both the Principal Shareholders' Register and the Hong Kong Branch Register is 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), 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.

33.3. The entitlement to exercise corporate rights is assessed according to the entries in the Principal Shareholders' Register and the Hong Kong Branch Register as at the dates fixed by the board of directors for:

i. determining the shareholders entitled to receive payment of dividends, other distributions or assignments of rights, including the Beneficial Owners entitled to receive payment of dividends, other distributions or assignments of rights to the shares held by the Holder of Record. Such date may be fixed at the same time as, before or after the date on which such dividend payment, distribution or allotment is resolved upon, paid or made;

ii. determining the shareholders entitled to receive the materials relating to the ordinary and extraordinary shareholders' meetings of the Company and to cast their votes at such meetings, provided that, in the latter case, the said relevant date shall not be more than two working days before the date of the relevant shareholders' meeting.

33.4. A shareholder entitled to more than one vote shall not be obligated to use all its votes and/or cast all the votes he/she/it is entitled to in the same way. The "diverging vote" ("*voto divergente*") is valid and legitimate.

33.5. For the purposes of the valid exercise of the right of withdrawal in accordance with article 10 of these by-laws, the Beneficial Owners who exercise the right of withdrawal directly or through the Holder of Record, pursuant to what set forth in paragraph 33.1 above, must prove that they were Beneficial Owners at the time of the adoption of the resolutions from which the right of withdrawal arises and did not vote in favor of such resolution.

33.6. For the purposes of the valid exercise of the right to challenge the shareholders' meeting resolutions in accordance with article 2377 of the Italian Civil Code, the Beneficial Owners will be able to challenge resolutions, directly or through the Holder of Record, pursuant to what set forth in paragraph 33.1 above, only by proving that they were Beneficial Owners of the shares at the time of the adoption of the relevant resolutions and did not vote in favor of such resolutions.

Art. 34. SERVICE OF NOTICES AND OTHER DOCUMENTS

34.1. In addition to the principle set forth under article 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 Principal Shareholders' Register (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 shall be carried toward the joint holders or the common representative, being deemed in the latter case, for all purposes, 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 delivered;

(c) if sent by electronic communication, it shall be deemed to have been served on the day following that on which it was sent; conclusive evidence that the notice or document has been sent or delivered is written proof that the address provided to the Company by the shareholder concerned for the purpose of electronic communication has been used;

(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;

(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. Without prejudice to paragraph 34.2, for the purpose of computing the time limits specified in each notice, reference shall be made to clear days, i.e. neither the day on which the notice is served or deemed to be served nor the final day shall be taken into account.

34.4. All notices and documents sent or delivered to a shareholder in accordance with the provisions of these by-laws, notwithstanding that the shareholder is dead, bankrupt or any other event has occurred, and whether or not the Company has knowledge of the death bankruptcy or any other event affecting the shareholder — shall be deemed to have been duly served or delivered in respect of each share held by the shareholder either alone or jointly, unless the name of the shareholder concerned, at the time of service of the notice or document, has been removed from the Principal Shareholders' Register (or from the Hong Kong Branch Register). Such notice or delivery shall for all purposes be deemed sufficient in respect of all persons having (alone or jointly with others) any interest in any share.

34.5. As per the notice of call under article 14 of these by-laws, 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 forth under article 34.

Art. 35. RIGHT OF INSPECTION OF THE HONG KONG BRANCH REGISTER

35.1. The Hong Kong Branch Register shall be open for inspection for at least two (2) hours on every business day by shareholders of the Company without charge. The Hong Kong Branch Register may, after notice has been given by any electronic means in such manner as may be accepted by the Stock Exchange of Hong Kong to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

TITLE VIII
FINAL PROVISIONS

Art. 36. SERVICE OF NOTICE

36.1. Without prejudice to the provisions set forth under article 34 above, any communication set forth under the Italian law in force shall be made in accordance therewith.

Art. 37. CANCELLATION OF SHARES CERTIFICATES

37.1. 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:

(a) notify the Company of the loss or misappropriation of the share certificates; and

(b) 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/she 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. 38. JURISDICTION

38.1. Any controversy brought by, against and/or among the shareholders, the Company, the directors, the liquidators and/or the statutory auditors deriving from, or relating to these by-laws, which are mandatorily governed by the Italian laws to be heard before the courts in Italy (e.g., liquidation, dissolution etc.) and/or any other matters (e.g., controversy concerning the determination of the liquidation price in case of withdrawal rights and the request of relief orders in case of irregularities in the management of the Company pursuant to article 2409 of the Italian Civil Code, etc.) mandatorily governed by Italian laws, shall be exclusively submitted to the Italian jurisdiction and to the courts of the place where the Company's registered office is located.

38.2. Without prejudice to the preceding paragraph 38.1, any controversy involving the Company, its directors and/or liquidators, the shareholders or other persons acting in the interest of or on behalf of the Company deriving from Hong Kong laws and related and applicable implementing rules and regulations may be submitted, to the extent permitted by the applicable laws of Italy and Hong Kong, to the non-exclusive jurisdiction of the courts of Hong Kong.

Art. 39. APPLICABLE LAW

39.1. The Company is subject to the rules provided for by the Civil Code with regard to joint stock companies (*società per azioni*) and to all the legislative and regulatory provisions applicable to joint stock companies (*società per azioni*).

39.2. If the Company's shares are traded on the Stock Exchange of Hong Kong, the provisions of the Italian Civil Code concerning companies with shares listed on regulated markets shall also apply, pursuant to art. 2325-bis of the Italian Civil Code.

39.3. This is without prejudice to the applicability of the provisions set out in Legislative Decree no. 58/1998 and in other relevant laws in case of trading of the shares on a regulated market of a country of the European Union.

39.4. Any reference in these by-laws to applicable law shall, unless otherwise specified, be construed as referring to Italian law and, if applicable, Hong Kong law and market regulations applicable to the Company by virtue of the listing of its shares on the Stock Exchange of Hong Kong.