



**BY-LAWS
Dada S.p.A.**

**SECTION I
NAME - REGISTERED OFFICES - CORPORATE SCOPE - DURATION**

**Article 1
Company**

A limited liability company is hereby constituted in Florence under the name of:
Dada Limited Company with shares.

**Article 2
Registered offices**

The registered office of the company is at Florence.
The board of directors have the right to open or close – at any place – branches, subsidiaries, representative offices, agencies, deposits, and engage in any other activity considered necessary in order to achieve the corporate objectives.

**Article 3
Corporate scope**

The company has the corporate objective of:

- the realisation and sale of software for computers;
- the realisation of video with real and highlight images;
- the provision of text and script writing for video products;
- the realisation of sound effects, sound tracks and original music for video products;
- the digital assembly of videos;
- the study and realisation of coordinated images;
- the realisation of two and three dimensional designs and digital photomontage;
- the planning of interfaces;
- the adjustment of images;
- the design and realisation of cd-roms and hypertext;
- the preparation of video installations;
- the preparation of scenes for shows;
- the realisation and sale of high technological content systems and services in the multimedia communication sectors, including cd-roms and video promotions;
- the sale of equipment, electronic components, processors, software, registration equipment and sound and visual reproduction;
- the realisation of training courses in relation to the know-how acquired from the technological and commercial experiences of the Company.

In addition, the Company has the purpose to utilise all commercial opportunities offered by the internet and in particular:

- the supply of long distance services through internet connection;
- the realisation and sale of connection systems to the internet and to other networks;



- the production and sale of advertising space on the internet and also through other media;
- the realisation of portals for access to the world wide web;
- the provision of hosting and housing services;
- the activity of internet broadcasting, intended as the supply of content and the provision of images, ideas, text, sounds, on the internet;
- E-commerce, intended as electronic commerce and in any case the exchange of services economically valuable on the internet.

Finally, the Company has the purpose of fully availing of the commercial opportunities from the liberalisation of the telecommunications market and in particular:

- the provision of all services up to now reserved to the public operators of fixed and mobile telephones;
- the carrying out of its own call centre activities.

The company can, in addition, in a non prevalent manner, and in relation to those not offered to the general public, take holdings in other companies and enterprises, in accordance with article 2361 of the civil code and excluding in all cases the placement of securities:

- undertake any financial, industrial, commercial, or investment operations that has a function strictly related to the carrying out of the corporate purpose, with the express exclusion of any activities reserved by law to particular groups;
- provide sureties, endorsements and secured guarantees for obligations of third parties.

Article 4

Domicile of the shareholders

As far as the Company is concerned and for all effects of law, each Shareholder shall be deemed to have elected domicile at the address recorded in the Shareholders' Register.

Article 5

Duration

The duration of the Company is until December 31, 2050 and may be extended.

SECTION II

SHARE CAPITAL - SHAREHOLDINGS

Article 6

Share capital

The share capital of the company is Euro 2,755,711.73, divided in 16,210,069 shares of a nominal value of Euro 0.17 each.

Share capital increases can be made through Board of Director's resolutions based on specific delegated powers attributed to them by the Extraordinary Shareholders' Meeting in accordance with article 2443 of the civil code.

On April 28, 2005, the Shareholders' Meeting passed a resolution to delegate to the Board of Directors in accordance with articles 2443 and 2441, paragraph 8, of the civil code, for a maximum period of 5 years from the date of the resolution, the powers to make a paid-in share capital increase for a maximum amount of Euro 79,922.95, through the issue, including through several tranches and each of them considered separable in accordance with article 2439 of the civil code, of new ordinary shares of a



nominal value of Euro 0.17, to service a stock options plan to be offered to the employees of the company Dada S.p.a. and to the employees of subsidiary companies; at the expiry of the subscription period of the last tranches (however within the date of April 28, 2010 inclusive), the share capital will be increased by the additional amount subscribed.

On December 30, 2005, the Shareholders' Meeting passed a resolution to delegate to the Board of Directors, in accordance with articles 2443 and 2441, paragraph 6, of the civil code, for a maximum period of 5 years from the date of the resolution, the powers to make of a paid-in share capital increase for a maximum amount of Euro 136,000 through the issue, including through several tranches and each of them considered separable in accordance with article 2439 of the civil code, of new ordinary shares of a nominal value of Euro 0.17 to service a stock options plan to be offered to the Directors with specific appointments and/or those with management and/or general direction responsibilities and/or Divisional managers within Dada S.p.A. and/or its subsidiary companies;

on the expiry of the term fixed for the subscription of the last tranches (a term not beyond December 31, 2012), the share capital will be increased by an amount equal to the subscriptions paid-in.

The Board of Directors on February 3, 2006, in partial implementation of the delegated powers received by the Extraordinary Shareholders' Meeting of December 30, 2005 (reserving the faculty to further increase the share capital within the limits and the provisions of the delegated powers received by the same Shareholders' Meeting of December 30, 2005), passed a resolution to increase the share capital for a maximum amount of Euro 119,119, divided into 700,700 ordinary shares of a nominal value of Euro 0.17 each.

this increase can be subscribed until December 31, 2012 (inclusive);

for this increase, there are no option rights in accordance with article 2441, paragraphs 5 and 6, of the civil code given the resolutions already made by the Extraordinary Shareholders' Meeting of the company on December 30, 2005;

the resolution to increase the share capital was passed in order to service the stock option plan for the Directors with specific appointments and/or general directors and/or general and divisional managers of Dada S.p.A. and/or of the subsidiary companies in accordance with the above-mentioned Shareholders' Meeting of December 30, 2005; this plan will be implemented through the free allocation to the beneficiaries of option rights to the subscription of the above-mentioned ordinary shares at a nominal value of Euro 0.17 for the stated share capital increase of Euro 119,119.

this share capital increase will be applied in accordance with the provisions of the Regulations attached to the Board of Directors resolution dated February 3, 2006, which includes the period, the conditions and the procedures for subscription;

this increase can be subscribed separately in accordance with article 2439, paragraph 2, of the civil code and after the final date established for this increase; the share capital will increase for a corresponding amount to the subscriptions at the end of the period.

In conformity with the provisions of the resolution for the delegation, each amount relating to the subscription must be paid in full at the moment of the subscription, relating to both the nominal and share premium amount, expressly noting that no loans or other financial subsidies and/or guarantees will be granted for the purposes of the subscription of shares in exercise of the option right.

The Board of Directors on March 16, 2006, in partial implementation of the delegated powers received by the Extraordinary Shareholders' Meeting of April 28, 2005 (reserving the faculty to further increase the share capital within the limits and the provisions of the delegated powers received by the Shareholders' Meeting of April 28, 2005), passed a resolution to increase the share capital in three amounts:



I) for a maximum amount of Euro 1870.68 through the issue of 11,004 ordinary shares of a nominal value of Euro 0.17 each;

this increase can be subscribed from January 18, 2007 (inclusive) until February 7, 2007 (exclusive);

the share capital increase resolved can only take place from January 18, 2007.

II) for a maximum amount of Euro 1870.68 through the issue of 11,004 ordinary shares of a nominal value of Euro 0.17 each;

this increase can be subscribed from January 18, 2008 (inclusive) until February 7, 2008 (exclusive);

the share capital increase resolved can only take place from January 18, 2008;

III) for a maximum amount of Euro 1868.64 through the issue of 10,992 ordinary shares of a nominal value of Euro 0.17 each;

this increase can be subscribed from January 18, 2009 (inclusive) until February 7, 2009 (exclusive);

the share capital increase resolved can only take place from January 18, 2009;

for these increases, there are no option rights in accordance with article 2441, paragraph 8, of the civil code given the resolutions already made by the Extraordinary Shareholders' Meeting of the company on April 28, 2005,

these share capital increase resolutions are passed in order to service the stock option plans in favour of the employees of the company Dada S.p.A. and the employees of the subsidiary companies in accordance with the above-mentioned Shareholders' Meeting of April 28, 2005; this plan will be implemented through the free allocation to the beneficiaries of option rights to the subscription of the above-mentioned ordinary shares at a nominal value of Euro 0.17 for share capital increases respectively of Euro 1870.68 for the first and the second and Euro 1868.64 for the third;

all three share capital increases will be applied in accordance with the provisions of the Regulations approved by the Board of Directors resolution dated March 16, 2006, which includes details of the beneficiaries of the option rights, and the procedures for subscription;

each increase can be subscribed separately in accordance with article 2439, paragraph 2, of the civil code and after the final date established for each increase; the share capital will increase for a corresponding amount to the subscriptions at the end of the period.

In conformity with the provisions of the resolution for the delegation, each amount relating to the subscription must be paid in full at the moment of the subscription, relating to both the nominal and share premium amount, expressly noting that no loans or other financial subsidies will be granted for the purposes of the subscription of the shares in exercise of the option right.

The Board of Directors on July 28, 2006, in partial implementation of the delegated powers received by the Extraordinary Shareholders' Meeting of December 30, 2005 (reserving the faculty to further increase the share capital within the limits and the provisions of the delegated powers received by the Shareholders' Meeting of December 30, 2005), passed a resolution to increase the share capital for a maximum amount of Euro 9,350 through the issue of 55,000 ordinary shares of a nominal value of Euro 0.17 each.

this increase can be subscribed until December 31, 2012 (inclusive);

for this increase, there are no option rights in accordance with article 2441, paragraphs 5 and 6, of the civil code, given the resolutions already made by the Extraordinary Shareholders' Meeting of the company on December 30, 2005;

the resolution to increase the share capital was passed in order to service the stock option plan for the Directors with specific appointments and/or general directors and/or general and divisional managers of Dada S.p.A. and/or of the subsidiary companies in accordance with the above-mentioned Shareholders' Meeting of December 30, 2005; this plan will be implemented through the free allocation to the



beneficiaries of option rights to the subscription of the above-mentioned ordinary shares at a nominal value of Euro 0.17 for share capital increases of Euro 9,350.

this share capital increase will be applied in accordance with the provisions of the Regulations attached to the Board of Directors resolution dated July 28, 2006, which includes the period, the conditions and the procedures for subscription;

this increase can be subscribed separately in accordance with article 2439, paragraph 2, of the civil code and after the final date established for this increase; the share capital will increase for a corresponding amount to the subscriptions at the end of the period.

In conformity with the provisions of the resolution for the delegation, each amount relating to the subscription must be paid in full at the moment of the subscription, relating to both the nominal and share premium amount, expressly noting that no loans or other financial subsidies and/or guarantees will be granted for the purposes of the subscription of the shares in exercise of the option right.

The Board of Directors on May 11, 2007, in partial implementation of the delegated powers received by the Extraordinary Shareholders' Meeting of December 30, 2005 (reserving the faculty to further increase the share capital within the limits and the provisions of the delegated powers received by the Shareholders' Meeting of December 30, 2005), passed a resolution to increase the share capital for a maximum amount of Euro 4,250 through the issue of 25,000 ordinary shares of a nominal value of Euro 0.17 each.

this increase can be subscribed until December 31, 2012 (inclusive);

for this increase there are no option rights in accordance with article 2441, paragraphs 5 and 6, of the civil code, given the resolutions already made by the Extraordinary Shareholders' Meeting of the company on December 30, 2005;

the resolution to increase the share capital was passed in order to service the stock option plan for the Directors with specific appointments and/or general directors and/or general and divisional managers of Dada S.p.A. and/or of the subsidiary companies in accordance with the above-mentioned Shareholders' Meeting of December 30, 2005; this plan will be implemented through the free allocation to the beneficiaries of option rights to the subscription of the above-mentioned ordinary shares at a nominal value of Euro 0.17 for a share capital increase of Euro 4,250.

this share capital increase will be applied in accordance with the provisions of the Regulations approved by the Board of Directors resolution dated February 12, 2007, which includes the period, the conditions and the procedures for subscription;

this increase can be subscribed separately in accordance with article 2439, paragraph 2, of the civil code and after the final date established for the increase; the share capital will increase for a corresponding amount to the subscriptions at the end of the period.

In conformity with the provisions of the resolution for the delegation, each amount relating to the subscription must be paid in full at the moment of the subscription, for both the nominal and share premium amount, expressly noting that no loans or other financial subsidies and/or guarantees will be granted for the purposes of the subscription of the shares in exercise of the option right.

In accordance with article 2441, paragraph 4 of the civil code, the option right can be excluded within the limit of 10% of the pre-existing share capital provided the conditions indicated in the regulations are respected.

Article 7 Share

The shares are indivisible and freely transferable.



Every share has the right to one vote.

The shares are nominative and, if fully paid, as permitted by law, can be to the bearer.

The conversion from one type to another is permitted at the expense of the shareholder.

The Company can issue shares (of special categories) and financial instruments in favour of employees of the Company and subsidiary companies in accordance with the provisions of article 2349 of the civil code.

In the case that, for any reason, a share or the rights to the shares belongs to more than one person, the rights of the owners must be exercised by a common representative.

Article 8

Category of shares

In addition to the ordinary shares, which attribute equal rights to the shareholders, categories of shares having different rights, including the division of losses, may be created.

Article 9

Payment of the shares

Shares shall be paid for in one or more instalments, as may be required by the Board of Directors.

It is the liability of the shareholders who are late in paying to pay an annual interest rate of 3 percentage points above the official discount rate, in accordance with article 2344 of the civil code.

Article 10

Bonds and financial instruments

The Company can issue bonds to the bearer or they may be nominative, including convertible in accordance with law, determining the conditions relating to the placement.

The Company can also issue, in accordance with the provisions of law, financial instruments that both attribute voting rights and those that do not attribute voting rights.

SECTION III SHAREHOLDERS' MEETING

Article 11

Shareholders' Meetings

The Shareholders' Meeting, constituted legally, represents all of the shareholders and its resolutions, made in conformity with the law and the By-Laws, binds all shareholders, even if absent or dissenting. The ordinary Shareholders' Meeting must be called at least once a year, within 120 days from the end of the year end, or within 180 days where required by particular circumstances relating to the structure and business of the company.

The Shareholders' Meeting is also called in the cases provided for by law including when the Board of Directors considers it appropriate, or on the request of shareholders that represent at least one tenth of the share capital represented by ordinary shares, that have indicated in the request the matters on the



agenda, as well as the Board of Statutory Auditors in accordance with the provisions of article 24 of the present By-laws.

Article 12

Place of Shareholders' Meeting

The Shareholders' Meeting is held at the registered office of the Company or in another location indicated in the convocation notice, provided this is in Italy.

Article 13

Notice to the Shareholders' Meeting

The Shareholders' Meeting is called, by the Board of Directors, in compliance with the relevant regulations, through the publication of a notice in the Gazzetta Ufficiale della Repubblica or in the daily newspaper "Corriere della Sera".

The notice must contain the indication of the day, time and location of the meeting, and the agenda for the meeting.

A single notice can contain the dates of the first, second and third convocations.

Article 14

Participation at Shareholders' Meetings

The participation at the Shareholders' Meetings is regulated by the provisions of law and current regulations on the matter. For participation at the Shareholders' Meetings, the shareholder must deposit at the registered office of the company, in accordance with the procedures established in the convocation notice, at least two days prior to the date fixed for the first convocation, specific communication given in accordance with the current regulations to the intermediary appointed holding the securities.

The shareholder having the right to participate at the Shareholders' Meeting, subject to the provisions for proxies contained in Legislative Decree No. 58/98, can be represented, through written proxy, by any person that is not one of the parties mentioned in article 2372 of the civil code.

It shall be the responsibility of the chairman of a shareholders' meeting to verify the validity of the proxies and, in general, the right to participate in the meeting and the exercising of the vote.

When this occurs, the validity of the constitution of the Shareholder's Meeting cannot be invalidated due to the fact that some of the attendees have abandoned the meeting.

Article 15

Chairmanship of the meeting

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his absence or impediment, by the Vice-Chairman; in their absence, by the person designated by the majority of the votes of the shareholders present.

The Shareholders' Meeting nominates, including among non shareholders a secretary and, where considered necessary, two tellers.

The Chairman of the Shareholders' Meeting manages and regulates the discussions establishing any limits on the duration of each intervention, as well as determining the procedures and the order of the voting, all in respect of the regulations that, prepared by the Board of Directors and approved by the



Shareholders' Meeting, governs the correct functioning of the ordinary and Extraordinary Shareholders' Meetings.

Article 16
Minutes

The resolutions of the Shareholders' Meetings must be recorded in minutes, signed by the Chairman, by the secretary - and where existing - by the tellers and must be recorded in a special register. In the cases required by law, and when the Chairman of the Shareholders' Meeting considers it appropriate, the minutes are prepared by a notary. The assistance of the secretary is not necessary when the minutes are prepared by a notary.

Article 17
Shareholders' Meeting

The ordinary Shareholders' Meeting, in first convocation, is correctly constituted with the presence of shareholders that represent at least half of the share capital; resolutions are passed by absolute majority. In second convocation, the ordinary Shareholders' Meeting passes resolutions with absolute majority, on the matters that were on the agenda in the first convocation, whatever the percentage of share capital represented by the shareholders present. For the appointment of the Board of Statutory Auditors, the provisions of article 24 of the present By-laws must be observed. Voting by mail, in accordance with the provisions of law and regulatory norms, is permitted.

Article 18
Extraordinary Shareholder Meeting

The Extraordinary Shareholders' Meetings are correctly constituted, in first and in second convocation, with the participation of shareholders that represent the percentage of share capital indicated respectively in articles 2368, second paragraph and 2369 third paragraph of the civil code. In the third convocation, the Shareholders' Meeting is correctly constituted with the presence of shareholders that represent at least one fifth of the share capital. They deliberate, both in first, second and third convocation, with the favourable vote of at least two thirds of the share capital represented in the Shareholders' Meeting. Voting by mail, in accordance with the provisions of law and regulations, is permitted.

SECTION IV
ADMINISTRATION

Article 19
Board of Directors

The company shall be administered by a Board of Directors, composed of a minimum of 3 and maximum of 15 members, appointed, including among non shareholders, by the Shareholders' Meeting that from time to time determine the number. The members of the Board of Directors are appointed for a period of three years and their mandate expires at the date of the Shareholders' Meeting that approves the financial statements relating to the



last year of their appointment, or the period from time to time determined by the Shareholders' Meeting in accordance with the provisions of article 2383, paragraph 2 of the civil code;

The Directors must possess the requisites required by the current legal regulations in force and by the by-laws of the company and are re-electable.

The number of independent directors must be in accordance with the requirements of article 148, paragraph 3 of Legislative Decree No. 58 of 1998.

The Board of Directors is appointed by the Shareholders' Meeting on the basis of slates in which the candidates must be listed by means of progressive number.

Each candidate can be presented on only one slate - at the risk of being declared ineligible.

Each slate must contain, individually identified, a number of independent candidates pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by current regulations.

Shareholders may present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations.

Each shareholder cannot contribute to the presentation of, or present, through other persons with voting rights or trust companies, more than one slate. Shareholders belonging to the same group, who are pursuant to article 93 of Legislative Decree No. 58/98 subject to control or joint control, even if the control is by a physical person, and the shareholders of a shareholding agreement on the shares of the Company, may not present or vote with others presenting more than one slate or vote on other slates. Slates presented in violation of the preceding regulations are deemed as having not been presented and votes cast in favour of such slates are not attributed to any slate.

The slates, together with the curriculum vitae of the candidates containing professional and personal details and the shareholders that presented them, or their mandate, with information on their respective identity and the total holding certified by copies of the certificates issued by the authorised intermediary, must be filed at the registered office at least 15 days before the date of the Shareholders' Meeting in first call.

On the presentation of the slates, the declarations that the candidates accept their nomination and a declaration under their own responsibility must be filed:

- 1) of the inexistence of causes of ineligibility and incompatibility, as well as the existence of the qualifications required by current regulations;
- 2) whether the candidates are independence pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998.

Slates presented in violation of the above rule are considered null.

The procedure for electing the directors shall be as follows:

- a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;
- b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) or with the shareholders that presented or voted this slate, the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates.

Where a minimum number of independent directors are not elected pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998 required by law in relation to the total minimum number of directors,



the non-independent candidates elected last in progressive order of the slate which had the highest number of votes, of the previous letter a), will be replaced by the first candidate, according to the respective progressive order, non elected independent director of the same slate or, where, for any reason, this is not sufficient, from the slates which have obtained the next highest number of votes, commencing with that at letter b) above and continuing through a decreasing order of the number of votes obtained. Where this procedure does not ensure an outcome, the Shareholders' Meeting will elect in accordance with the majority by law, the independent directors.

In the case where two or more slates have obtained the same number of votes, a new ballot takes place. If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority, all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or integrated by the Shareholders' Meeting by statutory majority.

In relation to that established in the preceding paragraph, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

If during the year one or more vacancies occur on the Board, the Board replaces them in accordance with the provisions of article 2386 of the Civil Code, with approval from the Board of Statutory Auditors, as follows:

a) the Board of Directors appoints the replacements from the same slate to which the directors resigning belonged and the Shareholders' Meeting makes resolutions, in accordance with statutory majority, respecting this criteria;

(b) when the above-mentioned slate does not contain candidates not previously elected or candidates with the necessary requisites, or when for whatever reason that stated in letter a) cannot be complied with, the Board of Directors makes the replacement in accordance with statutory majority, without the voting of slates.

The Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

The above regulations are subject to any further amendments to the law and regulations.

Article 20

Functioning of the Board of Directors

A - Chairman

The Board of Directors shall elect one of its members as Chairman, if not nominated by the Shareholders' Meeting, and may elect a Vice Chairman, who shall replace the Chairman in the event of his absence or impediment.

The Chairman coordinates the activities of the Board of Directors and directs the meetings of the board.

B - Meetings

The Board of Directors is convened at the registered office of the company or in another location provided this is in Italy, by the Chairman, either on his initiative or following the written request made by



the majority of the Directors in office or by prior communication by the Chairman of the same Board, by the Board of Statutory Auditors or of each Auditor, even individually, through notice sent by registered letter, fax, telegram, electronic mail or delivered by hand at least 8 days before the date fixed for the meeting. In cases of urgency, the period may be shorter but not less than 2 (two) days.

All the members of the Board of Directors, with reasonable notice of the date of the meeting, except in cases of necessity and urgency, must be provided with all the documentation and information necessary to permit the Corporate Boards to express in an informed manner on the matters on the agenda.

The Board can however validly pass resolution even without formal convocation, where all of its members and all of the Statutory Auditors in office are present.

The meetings of the Board of Directors are presided over by the Chairman or, in his absence or impediment, by the Vice-Chairman or where neither is present, by the Director designated by the Board.

The holding of the meetings of the Board of Directors by video or teleconference is permitted on condition that all of the participants can be identified and that they can follow the discussions and intervene in real time in relation to the subject matters under discussion. The receiving, viewing and broadcasting of documents is also permitted. The Board meeting is considered held in the place where the Chairman and Secretary of the meeting are present.

The Board of Directors meets periodically and at least on a quarterly basis, inform the Board of Statutory Auditors on the activities undertaken and on the most important economic and financial operations carried out by the Company or by subsidiary Companies, and report on any operations with potential conflict of interest or that are affected by any person that exercises management or coordination activities.

The meetings of the Board of Directors must enable the overall direction provided in relation to the delegated powers from the Board of Directors to the Executive Committee, if constituted, to the Delegated Directors, of the activities assigned to the General Managers and to the single Special Procurers.

C – Resolutions

The resolutions of the Board of Directors shall be validly passed when at least half the members in office are present.

Resolutions shall be adopted by a majority of the votes present; in the case of a tie, the vote of the person chairing the meeting shall be decisive.

D – Minutes

The Resolutions of the Board of Directors must be recorded in minutes that, recorded in special registers in accordance with law are signed by the person who presides over the meeting and the secretary nominates from time to time, including persons who are not Directors.

E – Delegated powers

The Board of Directors may delegate any of its powers to an Executive Committee and/or to one or more Directors determining the limits of the powers. The composition and the procedures for the functioning of the Executive Committee will be established by the Board of Directors on its constitution. The powers indicated in article 2381 of the Civil Code cannot be delegated nor those that are not permitted by current legislation. The office of Chairman and Vice Chairman are cumulative with that of



Managing Director. The Executive Committee and the Directors with delegated powers report to the Board of Directors, not beyond the following meeting, in relation to the most important economic and financial operations made by the company.

In particular, they report on operations in potential conflict of interest or on those of an atypical or unusual nature compared to the normal operations of the company. The same information must be provided to the Board of Statutory Auditors.

In addition to the powers not delegated by law, the following powers are delegated to the Board of Directors:

- the determination of the general operational guidelines;
- the remuneration of the directors appointed to carry out particular duties, where this has not been already decided by the Shareholders' Meeting, the division of the total remuneration to the individual members of the Board of Directors and of the Executive Committee;
- the creation of committees and commissions determining their duties, responsibilities and functioning, including with the purpose of modelling the corporate governance in accordance with that established in the self regulation code of listed companies ;
- approval of transactions that have a significant economic, equity and financial impact, with particular reference to related party transactions.

The administrative body can, in addition, nominate general directors determining their duties and powers and can also nominate procurers for single deeds or category of deeds.

F – Information to the Shareholders' Meeting

The Board reports to the shareholders in the Shareholders' Meeting on all of the activities carried out by the Board, the Executive Committee and the Managing Directors in relation to their respective delegated powers.

Article 21

Remuneration

The Directors are reimbursed for the expenses incurred in their office and the Shareholders' Meeting can decide on their remuneration, profit participation and stipulate for them integrative assurance policies for the duration of their office.

Article 22

Powers of the Board of Directors

The Board of Directors shall have the widest powers for the ordinary and extraordinary administration of the Company and thus have the authority to take all actions it deems necessary in order to carry out and achieve the corporate purpose, except actions that the law and these by-laws reserve to Shareholders' Meeting.

In accordance with article 2365 the Board of Directors are attributed, except where otherwise provided for by article 2420 ter and 2443, the decisions concerning:

- a) merger in the cases provided for by articles 2505 and 2505 bis of the Civil Code and spin-off of business divisions as per article 2506 ter of the Civil Code;
- b) the opening and closing of secondary offices;
- c) the reduction of the share capital in the case of return of shares by shareholders;
- d) modifying the company by-laws in compliance with law;



e) the transfer of the registered office in the national territory.

Article 23

Legal representation of the Company

The Company is represented by the Chairman of the Board of Directors without limitations and the members of the Board of Directors with delegated powers within the limits of those powers.

Article 24

Executive responsible for the preparation of the corporate accounting documents

The appointment of the executive responsible for the preparation of corporate accounting documents pursuant to article 154 of Legislative Decree No. 58/98 is made by the Board of Directors with prior obligatory consultation of the Board of Statutory Auditors, and must be a person with professional competence in administration and finance based on an experience covered through managerial positions in administrative/accounting and/or finance and/or control performed within the Company and/or in other companies.

The Board of Directors may establish the duration of the appointment and may, also with the prior obligatory but non-binding consultation of the Board of Statutory Auditors, revoke the appointment of the executive responsible for the preparation of the corporate accounting documents, or reconfirm the appointment.

SECTION V

CONTROL OF THE COMPANY

Article 25

Board of Statutory Auditors

The company is supervised by a Board of Statutory Auditors that is composed of three standing members one of whom is Chairman and two alternative members appointed by the Shareholders' Meeting.

The statutory auditors remain in office for 3 (three) years and may be re-elected. The Statutory Auditors must possess the relevant requisites established by law and by the relevant regulations, also with regard to the holding of multiple offices.

Statutory Auditors may not be elected if they are ineligible by law.

The requisites as per article 1, paragraph 2, letter b) and c), and paragraph 3 of the Ministerial Decree No. 162 of March 30, 2000 requires professional experience matured relating to:

- (i) the sector of telecommunications or internet operators;
- (ii) legal, economic, financial and technical matters relating to the above sectors at (i).

In accordance with article 20 concerning the convening of the Board of Directors, the Board of Statutory Auditors may call a Shareholders' Meeting or a meeting of the executive committee, upon written notice to the Chairman of the Board of Directors.

This power to call a meeting may also be exercised by at least two members of the Board of Statutory Auditors. For the appointment of the members of the Board of Statutory Auditors, the following procedures must be followed.

The appointment of the Board of Statutory Auditors is completed through the voting of slates by the shareholders. Every slate must include the names of one or more candidates, not above the number of



members to be elected, numbered progressively and indicating whether the candidature is for the office of standing auditor or alternate auditor.

Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital with voting rights at an ordinary shareholders' meeting of at least the amount necessary to appoint the Board of Directors in accordance with law and regulations or the relevant By-laws.

Each candidate can be presented on only one slate - at the risk of being declared ineligible.

Each shareholder cannot contribute to the presentation of or present, through other persons with voting rights or trust companies, more than one slate. Shareholders belonging to the same group, those parties pursuant to article 93 of Legislative Decree No. 58/98, who are subject to the control or joint control, even if the control is by a physical person, and the shareholders of a shareholding agreement on the shares of the Company may not present or vote with others presenting more than one slate or vote on other slates. Slates presented in violation of the preceding regulations are deemed as having not been presented and votes cast in favour of such slates are not attributed to any slate.

The slates, together with the curriculum vitae of the candidates containing professional and personal details and the list of offices held in other companies and the shareholders that presented them, or their mandate, with information on their respective identity and the total holding certified by copies of the certificates issued by the authorised intermediary, and whether they have a controlling interest, must be filed at the registered office at least 15 days before the date of the Shareholders' Meeting in first call.

On the presentation of the slates, the declarations that the candidates accept their nomination and a declaration under their own responsibility must be filed:

1. of the inexistence of causes of ineligibility and incompatibility, as well as the existence of the qualifications required by current regulations;
2. whether the candidates are independence pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998.

Slates presented in violation of the above rule are considered null.

The procedure for electing Statutory Auditors shall be as follows:

- a) from the slate which obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order, 2 standing members and 1 alternate member;
- b) from the slate that obtained the second largest number of votes, and that are not related in any manner in accordance with law, even indirectly, with the slate in the previous letter a), based on the progressive numbering of the slate, the remaining standing members, from which the chairman of the Board of Statutory Auditors is elected and the other alternate member.

For the purposes of the appointment of the statutory auditors as per letter b) in the previous paragraph, in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

In the case where two or more slates have obtained the same highest number of votes, a ballot takes place.

Where only one slate is presented, all candidates on this slate are elected with the votes of those representing a majority of the share capital at the Shareholders' Meeting.

Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by the majority vote of the share capital represented at the Shareholder' Meeting.

In the latter case, the Chairman of the Board of Statutory Auditors is the first on the slate presented or the person nominated by the shareholders' meeting where no slate was presented.

Where his/her legal requisites no longer exist, the statutory auditor must leave office.



In the case of the substitution of a standing auditor, an alternate auditor is taken from the same slate as the auditor leaving office.

The Chairman of the Board of Statutory Auditors will be the candidate elected by the minority shareholders.

When the Shareholders' Meeting has to appoint auditors and/or alternates to bring the board up to full complement, it proceeds as follows: if auditors elected from the majority slate are to be replaced, the appointment is made with the favourable votes of a relative majority without being tied to a slate; if instead auditors elected from the minority slate are to be replaced, the Shareholders' Meeting replaces them with the favourable votes of a relative majority, choosing where possible from among the candidates on the slate from which the auditor to be replaced was elected or, if not possible, from the minority slate which achieved the second highest number of votes.

Where the application of these procedures does not permit, for any reason, the replacement of the statutory auditors elected by the minority, the Shareholders' Meeting votes in accordance with the relative majority; however, the results of this latter vote will not include the votes of shareholders that, according to the communications received pursuant to current regulations, hold, even indirectly or together with other shareholders through a shareholder agreement, the majority of the votes exercisable in the Shareholders' Meeting, as well as the shareholders that control, are controlled or are subject to joint control as well as the shareholders that are related as per the current regulations. The above regulations are subject to any further amendments to the law and regulations."

The holding of meetings of the Board of Statutory Auditors by video or teleconference is permitted on condition that all laws are respected and that the participants can be identified and that they can follow the discussions and intervene in real time in relation to the subject matters under discussion and permits the receiving, viewing and broadcasting of documents. If all the above-mentioned conditions are complied with, the meeting shall be deemed to have been held in the place where the Chairman and Secretary are present.

SECTION VI ACCOUNTS AND PROFITS

Article 26

Financial year – Financial statements

The accounting period shall end on December 31 of every year.

At the end of each year the Board of Directors prepares, in conformity with law, the financial statements for the year and the consolidated financial statements which will contain all the documentation required by law.

Article 27

Profits

The net profit for the year is divided as follows:

- a) 5% (five percent) to the legal reserve, until it has reached one fifth of the share capital;
- b) the remaining, except where otherwise deliberated by the Shareholders' Meeting, will be divided by the shareholders in proportion to the shares held.

The right to dividends not collected within five years from the day they become payable shall be forfeited to the Company.

SECTION VII



GENERAL PROVISIONS

Article 28

Winding up and liquidation

If it be decided to wind up the Company, the Shareholders' Meeting shall decide the manner in which it is to be liquidated and appoint one or more liquidators, defining their powers and remuneration.

Article 29

Matters not covered

For all the matters not specifically indicated in the present by-laws, the provisions of the civil code and other current legislation apply.

Article 30

Disputes

Any disputes that should arise between the shareholders, or between the shareholders and the company, the directors, the statutory auditors and/or the Liquidators or the directors and the statutory auditors and/or the Liquidators, in relation to the validity, effectiveness, interpretation of the present by-laws, of the incorporation deed and, in general, any matters relating to the corporate affairs of the company and by law are not imperatively applicable by other courts, will be subject to the jurisdiction where the company has its registered office.