

Repertory No. 13.234 - Collection No. 3480

**MINUTES OF THE BOARD OF DIRECTORS  
ITALIAN REPUBLIC**

On September 13<sup>th</sup> (thirteenth) 2004 (two thousand and four) at 11.35 (eleven thirty-five) a.m. in Milan, at the house located in 16/18 Via Durini

Before me, *Renata Mariella*, Notary Public in Milan, registered with the Register of Notaries of Milan, without the assistance of witnesses since the Appearing Party renounced to their presence with my consent,

- Mr. **COLLEONI Gastone**, born in Verona on October 26<sup>th</sup> 1947, entrepreneur, for his office domiciled in Milan, 16/18 via Durini, appeared.

Said appearing Party, whose identity I, Notary Public, am certain of, who states he acts in his capacity as Chairman of the Board of Directors and in the interest of the listed joint-stock company:

**“ALERION INDUSTRIES - S.p.A.”**

whose registered office is located in Milan, 16/18 via Durini, fully-paid capital stock of €148,041,689.75, registered with the Register of Companies of Milan under the number: 02996890584,

requests me to ascertain, as to the part concerning point no. 1 of the agenda of the Board of Directors called upon notice sent to all the parties entitled pursuant to the by-laws, on September 7<sup>th</sup> 2004, in these days and this location to discuss and resolve on the following

**agenda**

1. Increase of the company's capital stock pursuant to the article no. 2443 of the civil code, servicing the issue of free and non-transferable warrants, to be valid upon the proxy granted by the Extraordinary Meeting dated December 20<sup>th</sup> 2002; concerning and following resolutions.

**OMISSIS**

I agree with the above request and acknowledge that as far as the point no. 1 of the agenda is concerned, the board proceeds as follows.

The Appearing Party takes the chair pursuant to the By-laws, and he ascertains and acknowledges that:

- apart from the appearing party, the following Directors are present: Mr. Carlo Mazzi, Mr. Giulio Antonello, Mr. Fabio Bonati, Mr. Ignazio Bonomi Deleuse, Mr. Michelangelo Canova, Mr. Alessandro Crosti, Mr. Valerio Fiorentino, Mr. Andrea Novarese, Mr. Emanuele Rossini and Mr. Dante Siano

- the following Statutory Auditors are present: Mr. Mario Bonamigo (Chairman), Mr. Luciano Doveri and Mr. Pietro Mandirola;

- The other Directors have duly justified their absence.

The Chairman, therefore, declares that the meeting is validly constituted.

Proceeding to the first point, the Chairman reminds those present that the shareholders' extraordinary meeting dated on December 20<sup>th</sup> 2002 (reported in the minutes of the same date repertory no. 42337 Mr. Gennaro Mariconda, Notary Public registered in Rome on December 23<sup>rd</sup> 2002), pursuant to the article no. 2443 of the civil code, delegated the Board of Directors with the faculty:

- to issue free non-transferable warrants in favour of directors, employees, and long-term co-operators of the Group, and increase the capital stock, in one or more amounts excluding the stock option pursuant to the article no. 2441, paragraph fifth of the civil code, within the term of December 31<sup>st</sup> 2006, up to a maximum amount of nominal €37,000,000.00, by issuing a maximum no. 100,000,000 of ordinary shares serving the exercise of said warrants, it being understood that these capital increases will be divisible. Therefore the subscriptions of new shares following the exercise of allotted warrants will be valid and effective, also in case the total subscription of the capital increases resolved by the Board of Directors is underscribed;

- to draw up the warrant regulation;

- to prepare and approve the Plan Regulation, by establishing terms, formalities, characteristics and conditions to allot the warrants to directors, employees, and long-term co-operators of the Group, and pricing the share issue in compliance with the law.

After reminding the aims and requirements that the Company means to achieve via the proposed transaction, the Chairman explains the reasons leading to execute the meeting decision, reminding the most important data of the Explanatory Report, drawn up when necessary, also pursuant to the article no. 2441, sixth paragraph of the civil code, which is hereby attached under "A".

In particular, the transaction belongs to an Incentive Plan for directors, employees, and long-term or assimilated co-operators of the Group, and it provides the free allotment of warrants valid to subscribe new shares of the Company, in the ratio of no. 1 share/ each owned warrant.

As to this, the Chairman illustrates the characteristics and discipline of the warrants, including the exercise terms and formalities, which are summarized in the Regulation hereby attached under "B".

As to the beneficiaries of the warrant allotment and, therefore, of the issuing shares, the Chairman proposes that the Director Mr. Michelangelo Canova and he are granted, in a divisible way, with the proxy to identify the Beneficiaries among persons who fill important roles, and to allot them the warrants according to the instructions of the Remuneration Committee.

Proceeding with the price of the warrant exercise and, therefore, of the issuing share subscription, the Chairman proposes to establish said price, in compliance with the criteria established by the meeting of December 20<sup>th</sup> 2002 and the law, to the extent equal to the arithmetical mean of the prices of the Company's shares in the last month preceding today's date, to be meant as the warrant allotment date, or rather amounting to €0.477 per single warrant, of which €0.37 as nominal amount and €0.107 as surcharge.

Considering that today's quotations have not finished yet, the reference time range goes from Friday September 10<sup>th</sup> 2004 (the day preceding the security dealing) to the same day of the previous solar month.

The Chairman reminds those present that in pricing the warrant exercise, the Board shall identify Alerion's capital valorization criteria, which suitably consider the features of the corporate business. In identifying these criteria, it is necessary to adopt the most prudential and suitable criteria to keep the ratio between the capital stock and the Company's own means unchanged.

The Board agrees on the fact that – also on the basis of the prevailing business doctrine – the property method seems to be the most suitable one to express a realistic and objective evaluation of the company's capital in compliance with the law provisions to protect the capital stock integrity and the shareholders' and other stakeholders' interests.

The Chairman observes how the developed evaluations, based on the application of the property method, show the adequacy of the warrant exercise price, as determined above.

This adequacy was also confirmed by the evaluations of external qualified experts appointed in case of need.

The above-mentioned unit price of share issue, says the Chairman, is compared with the value per share determined on the basis of the civil and consolidated net worth of the Group as at December 31<sup>st</sup> 2003 (respectively amounting to 153,764 thousands of euros and to 153,010 thousands of euros) and as at June 30<sup>th</sup> 2004 (respectively amounting to 154,254 thousands of euros and to 155,130 thousands of euros) illustrated below:

- as at December 31<sup>st</sup> 2003 (values per share)

civil net accounting balance sheet, €0.384;

consolidated net accounting balance sheet, €0.382;

- as at June 30<sup>th</sup> 2004 (values per share)

civil net accounting balance sheet, €0.386;

consolidated net accounting balance sheet, €0.388.

Finally, also considering the quotation trend of Alerion's shares, which, in the last six months, registered a stock exchange price mean amounting to €0.473, and, in the last month, a mean amounting to €0.477, the issue price of €0.477 per share mentioned above seems to be definitely suitable.

Furthermore, the Chairman reminds that the adequacy of the criteria determining the identified share subscription price was assessed by the company in charge of the Company's accounting auditing, Reconta Ernst & Young S.p.A., which, pursuant to what provided for by the article no. 2441, paragraph sixth of the civil code and no. 158 of the Finance Consolidation Act, expressed an adequacy opinion that is distributed to those present and attached to these minutes under "C".

Mr. Mario Bonamigo, Chairman of the Board of Auditors, in the name of the whole Board, ascertains that the current capital stock is fully subscribed, paid and existent.

The Board, after what is mentioned above, and a wide discussion, and the positive opinion of the Remuneration and Stock Options Plan Committees, unanimously

**resolves**

**1.)** to issue no. 21,000,000 (twenty-one million) free and non-transferable warrants valid to subscribe ordinary shares of the company in the ratio of no. 1 (one) share of nominal value amounting to €0.37 (zero point thirty-seven) each for every no. 1 (one) owned warrant to be allotted to directors, employees and long-term co-operators (including the usual consultants of the Group), who fill important roles, granting the Chairman and the Director Mr. Michelangelo Canova with the proxy to identify them and allot them the warrants, according to the Remuneration Committee instructions.

Said warrants are ruled by the Regulation that is hereby attached under "B";

**2.)** to increase the capital stock, in a divisible way, pursuant to the article no. 2441, paragraph fifth of the civil code for a maximum of nominal €7,770,000 (seven million seven hundred and seventy thousand) by issuing a maximum number of nominal no. 21,000,000 (twenty-one million) ordinary shares of the nominal value of €0.37 (zero point thirty-seven) each, servicing no. 21,000,000 (twenty-one million) of free non-transferable warrants as in the above session **1.**), at a subscription price of €0.477 (zero point forty-seven) per each share, equal to the arithmetical mean of the share prices of the last month preceding today's date;

**3.)** to determine that the execution of the capital increase might also take place in more tranches and, in any case, within the final term of December 31<sup>st</sup> (thirty-first) 2011 (two thousand and eleven), also establishing that, owing to the divisibility of

the capital increase resolved above, the subscription of new shares further to the exercise of the allotted warrants, will be valid and effective also in case the capital increase is underscribed;

4.) to grant the Chairman, Mr. Gastone Colleoni, and the Director Mr. Michelangelo Canova, in a divisible way, with the proxy to execute all what is resolved above and, therefore, to immediately proceed to the warrant allotment, starting all the transactions that are deemed necessary and/or useful and/or suitable including the sending of the allotment communications, reporting to the Board in the first useful meeting;

5.) to amend the article no. 5 (five) of the corporate by-laws adding a new paragraph of the following contents:

“The Board of Directors dated September 13th 2004 to execute the proxy it was granted with by the extraordinary meeting of December 20<sup>th</sup> 2002 resolved to increase the capital stock, in a divisible way, pursuant to the article no. 2441, paragraph fifth, of the civil code, of a maximum amount of nominal € 7,770,000.00 (seven million seven hundred and seventy thousand dot zero zero) by issuing maximum nominal 21,000,000 (twenty-one million) ordinary shares of the nominal value of €0.37 (zero dot thirty-seven) each, servicing no. 21,000,000 (twenty-one million) non-transferable warrants valid to subscribe ordinary shares, freely allotted to specific directors, employees and long-term co-operators, including the usual consultants of the Group. The resolved capital increase will be executed within December 31<sup>st</sup> (thirty-first) 2011 (Two thousand and eleven) and, once this term is over, the capital stock will be meant as increased of an amount equal to the subscriptions gathered at that date”;

6.) to grant the Chairman and the Director, Mr. Valerio Fiorentino, in a divisible way, all the widest powers to amend the text of these minutes if necessary to the registration with the Register of Companies, and to its filing, in compliance with law, regarding the capital increase.

Since the first point on the agenda has been discussed, the Board proceeds with dealing the others points on the agenda, which recording I, notary public, am released from.

It is 11.55 (eleven and fifty-five a.m.).

The Chairman gives me, notary public, also in order to file it at the Register of the Companies, the new text of the corporate by-laws as resulting from the amendment resolved above, which I hereby attach under "D".

I have read these minutes to the appearing party, who approves and signs them together with me, omitting to read the attachments, by his express will.

These minutes consist of three sheets of paper typewritten by a person of my trust and completed in hand by me for a total of eleven pages and the twelfth one so far.

Signed Gastone Colleoni

Signed Renata Mariella – Notary Public

### **Attachment “A ” to the repertory no. 13.234/3480**

### **EXPLANATORY REPORT OF THE DIRECTORS FOR THE BOARD OF DIRECTORS DATED SEPTEMBER 13TH 2004**

### **Capital increase pursuant to the article no. 2443 of the civil code, servicing the issue of free and non-transferable warrants, to be valid on the proxy granted by the extraordinary meeting dated December 20th 2002**

The Shareholders’ Extraordinary Meeting dated December 20th 2002 (recorded in the minutes of the same date repertory no. 42337, Gennaro Mariconda Notary Public registered in Rome on December 23rd 2002), pursuant to the article no. 2443 of the civil code, had granted the Board of Directors with the faculty:

- to issue free and non-transferable warrants in favor of directors, employees, and long-term co-operators of the Group, and to increase the capital, in one or more amounts, excluding the stock option pursuant to the article no. 2441, paragraph fifth, of the civil code, within the term of December 31<sup>st</sup> 2006, up to a maximum amount of nominal € 37,000,000.00, by issuing maximum 100,000,000 ordinary shares servicing the exercise of said warrants, it being understood that these capital increases will be divisible. Therefore, the subscriptions of new shares further to the exercise of the allotted warrants will be valid and effective also in case the capital increases resolved by the Board of Directors are underscribed;

- to draw up the warrant regulation;
- to prepare and approve the Plan Regulation, by fixing terms, formalities, characteristics and conditions of the warrant allotment to directors, employees, and long-term co-operators of the Group, and to price the share issue in compliance with the law.

Now we mean to give execution to the proxy mentioned above, by means of an incentive plan in favor of some key persons inside the company

### **Reasons of the Plan**

As already explained to the shareholders during the above-mentioned extraordinary meeting, it was deemed fundamental to refocus the intervention areas of the Company and execute the strategic lines of the new industrial plan, to become integrated with IBI Group, which has specific and credible professional skills necessary to:

- understand the opportunities that the market offers;
- identify projects and handle solutions, by defining the value growth plan;
- achieve the planned solutions and identify and/or support and/or replace the direction in the ordinary and extraordinary management.
- get access to the capital markets, as well as the strategic financial vision suitable to the market time.

Through this transaction we mean to adopt an effective incentive and fidelity device for directors, employees and long-term co-operators of the Group, who are important to the Group's success, since they fill roles more directly responsible for the corporate results; all this is into line with the shareholding plans, whose procedure is widespread in the national and international experience.

The free allotment of non transferable warrants valid to subscribe Alerion's ordinary new shares was the most suitable way to achieve the above-mentioned aims.

### **Plan's addressees**

More specifically, the plan is addressed to directors, employees and long-term co-operators of the Group: in this respect, considering the amendments introduced by the Law no. 30/2003 concerning the long-term co-operation, the Group's consultants who have usual or similar consulting relationships with the Group are part of the above class.

The following are the name of the persons who currently fill a key role inside Alerion Group:

- Antonello Giulio,
- Caporale Federico,
- Colleoni Gastone,
- Fiorentino Valerio,
- Garofano Giuseppe,
- Rossini Emanuele,
- Tabacci Simone.

Therefore, the option allotment might happen at different times, during the Plan term. The Remuneration Committee will approve the quantities allotted to the single beneficiaries. Shares allotted to beneficiaries, who will have exercised the option, will have regular enjoyment and, therefore, it will be equal to the one of the Company's ordinary shares circulating at the date of their issue.

### **Share Subscription price**

As to the warrant exercise price and, therefore, of the Share subscription, in compliance with the criteria established by the Meeting dated December 20<sup>th</sup>, it is proposed to fix said price equal to the arithmetical mean of the company's business prices in the last month preceding the date of September 13<sup>th</sup> 2004, to be meant as the warrant allotment date, that is €0.477 per warrant (of which €0.37 as nominal value and €0.107 as surcharge).

Considering the fact that the Board of Directors will be held on September 13<sup>th</sup> 2004 under pending negotiations, the reference time range goes from Friday, September 10<sup>th</sup> 2004 (the day preceding the security negotiation) until the same day of the previous solar month.

When establishing the warrant exercise price, it is necessary to identify Alerion's capital valorization criteria that suitably consider the typical features of the corporate business.

Once identified these criteria, it is necessary to adopt the most prudential and suitable ones to keep the ratio between the company's capital stock and means unchanged.

Also on the basis of the prevailing business doctrine support, the property method seems to be the most suitable one to represent a realistic and objective valorization of the company's capital, in observance of the law provisions protecting the capital stock integrity and the shareholders' and other stakeholders' interests.

The developed evaluations, based on the application of the property method, show the adequacy of the warrant exercise price, as established above.

This adequacy is also confirmed by the evaluations of external qualified experts appointed in case of need.

The above-mentioned share issue unit price is compared with the value per share determined on the basis of the Group's civil and consolidated net worth as at 31.12.2003 (respectively amounting to €000 153,764 and €000 153,010) and as at 30.06.2004 (respectively amounting to €000 154,254 and €000 155,130) illustrated below:

as at 31.12.2003 (values per share)

civil net accounting balance sheet, €0.384;

consolidated net accounting balance sheet, €0.382 as at 30.06.2004 (values per share)

civil net accounting balance sheet, €0.386;

consolidated net accounting balance sheet, €0.388.

Finally, also considering Alerion's share quotation trend in the last six months, which, in the last six months, registered a stock exchange price mean equal to Euro 0.473 per share and, in the last month, an arithmetical mean equal to Euro 0.477, the above-mentioned issue price of Euro 0.477 per share seems definitely suitable.

Therefore, the value of Euro 0.477 (corresponding to an issue price of nominal Euro 0.37 plus Euro 0.107 as surcharge) represents the issue minimum price.

This price seems suitable, according to the analysis and evaluations developed so far, also considering that it is higher than either the net worth per share of the company and the group as at December 31<sup>st</sup> 2003 and as at June 30<sup>th</sup> 2004; the quotation mean registered in the last six months, and the evaluations based on the application of the property method also confirmed by external qualified experts appointed in case of need.

The adequacy of the above-identified criteria to price the share subscription will be assessed by the company in charge of the accounting auditing of the Company, which, pursuant to what provided for by the articles nos. 2441, paragraph sixth of the civil code and 158 of the Finance Consolidation Act, will issue an adequacy opinion.

#### **Plan formalities and conditions**

The Plan formalities and conditions as well as the warrants contents to be issued, are defined and ruled in the attached regulation, which provides what follows.

The plan lasts until December 31<sup>st</sup> 2011 and provides that the Beneficiaries can exercise the warrants starting from January 1<sup>st</sup> 2007.

Each warrant gives right to subscribe a share issued by the Company.

Warrants will lapse and will not be exercised beyond the term of December 31<sup>st</sup> 2011 and –in general - in case the relationship with the Company is broken; there will be exceptions to these general principles under particular circumstances.

As a matter of fact, it is provided that the Beneficiary's death gives his heirs the possibility to immediately exercise the warrants.

Furthermore in case of termination of the relationship with the Beneficiary because of reasons non-depending on the Beneficiary's will, all the warrants may be immediately exercised; the right of exercise will lapse in case of termination of the relationship with the Beneficiary depending on the dismissal/withdrawal of the company with which the Beneficiary has business relationships, for cause or justified reason, or rather in case of the Beneficiary's withdrawal/disagreed resignations; finally, the Board of Directors may adopt specific solutions, in particular cases of termination of the relationship with the Beneficiary.

The warrants are also ruled in case of Take-Over Bids and extraordinary corporate transactions, suitable to really or nominally influence the Company's capital: capital increases or reductions, mergers and de-mergers, etc.

The warrant exercise may be suspended in case of specific and particular needs such as the financial statements approval, the half-year and quarterly reports, the dividend distribution, capital transactions that preliminarily and specifically define the number of shares composing the capital stock, transactions implying capital variations, important variations to the profit and loss account and balance sheet structure of the Company. These suspensions will not be longer than the maximum term of three months and the Beneficiaries will be immediately informed about the starting date and duration of the suspension period, and the restoration of the exercise right.

Pursuant to the article no. 2441, paragraph 5<sup>th</sup>, the capital increase will be executed for a maximum amount of nominal €7,770,000 by issuing a maximum number of nominal 21,000,000 ordinary shares of the nominal value of € 0.37 each, servicing no. 21,000,000 non-transferable warrants valid to subscribe ordinary shares, freely allotted to directors, employees and long-term co-operators, including the usual consultants of the Group, among the key roles as defined above.

Said increase will be divisible and, therefore, the subscription of new shares further to the allotted warrants exercise will be valid and effective also in case the resolved capital increase is undersubscribed; therefore, the capital will be increased of an amount equal to the subscriptions gather at the final term of December 31<sup>st</sup> 2011.

Shares will have regular enjoyment, as well as the ones circulating at the time of the exercise  
Alerion Industries S.p.A.

The Board of Directors

Attached: Warrant Regulation

**Attached "B" to repertory no. 13.234/3480**

## **Warrant Regulation**

### **"Alerion Industries 2004 – 2011"**

#### **Article 1 (Regulation contents)**

This Regulation governs the exercise formalities of the Warrants valid to subscribe new shares of Alerion Industries S.p.A. (hereinafter also referred to as the "Company") allotted to employees, directors and long-term co-operators (or similar professionals, such as usual consultants, hereinafter referred to as the "Beneficiaries") of the Company and the Group linking up with the same (hereinafter also referred to as "Group") to execute the resolution of the Company's extraordinary meeting held on December 20th 2002 and the resolution of the Board of Directors held on September 13th 2004.

#### **Article 2 (Warrant Characteristics)**

**2.1** I Warrants are neither transferable nor securitized. The Warrant tenure and their allotment date are confirmed by the letter in which the Company acknowledges the Beneficiary's Warrant Allotment (the "Allotment Letter").

**2.2** Each Warrant entitles the Beneficiary to subscribe no. 1 new share of the Company under the conditions and formalities described below.

**2.3** The allotted Warrants cannot be object of arrangements between living persons either they are for a money consideration or free of charge. They can only be transferred in consequence of the Beneficiary's death - "*mortis causa*". Any breach to this prohibition automatically implies the termination of the Warrants and the immediate lapse of any right and/or claim.

**Article 3 (Exercise expiry)**

**3.1** The Beneficiaries may exercise their warrants in one or more amounts, starting from January 1st 2007 ("**Maturity Period**").

**3.2** The Warrants may be exercised, in total or in part, within the final term of December 31st 2011 (hereinafter the "**Final Term**").

**3.3** The Warrants may not be exercised:

a) during the thirty days preceding the date in which the Board of Directors is called to approve the rough balance, the half-year and quarterly reports;

b) during the period from the date of the Board of Directors resolving to call a Meeting, up to the day in which said Meeting is held, or if the dividend or interim dividend distribution is resolved, after the exercise date of the relevant right.

**3.4** The Warrants that are not exercised within the Final Term, will automatically lapse.

**Article 4 (Advanced exercise)**

**4.1** In case a Take-over Bid is launched on all or part of the Company's shares, either it is a voluntary or compulsory Bid, before the Maturity Period, the Beneficiary will be entitled to exercise all his Warrants in advance, although they have not matured yet according to what provided for by the session no. 3.1, before the date of publication of the relevant bid document pursuant to the article no. 38 of Consob Regulation no. 11971/1999, also if the bid period includes one the periods in which the Warrant exercise is suspended – pursuant to the article no. 3.3., letters a) and b) above.

**Article 5 (Exercise formalities)**

**5.1** Warrants will be exercised by means of registered letter sent to the Company, as described in the following article no. 12, completed with the irrevocable order of transfer corresponding to the subscription price, the indication of the number of Warrants that the Beneficiary means to exercise, and the account number where he desires the shares coming from the warrant exercise, must be deposited (the "**Exercise Communication**").

**5.2** In all respects, the Warrants will be meant as exercised when the Exercise Communication is sent, as at the date of the registered letter postmark.

**5.3** Shares recovered from the Warrants exercised will be issued within 3 stock-exchange days starting from the receipt of the exercise communication, except possible delays non-depending from the Company.

**5.4** The Company and every Beneficiary will agree upon exercise formalities – different from those provided for by the previous article no. 5.1 – also in order to avoid Beneficiaries' immediate outgoings.

**Article 6 (Exercise price)**

**6.1** The exercise price will amount to Euro 0.477, as also stated in the letter in which the Company acknowledges the Beneficiary' warrant allotment.

**Article 7 (Beneficiary's death and disability, and particular cases of termination)**

**7.1** In case of the Beneficiary's death and disability, all the Beneficiary's Warrants may be immediately exercised by his heirs until the Final term.

**7.2** In case of termination of the business relationship, the mandate or the long-term co-operation (or the assimilated relationship) between the Group and the Beneficiary due to reasons different from those mentioned in the following article 8, the Beneficiary may immediately exercise all his Warrants so long as it occurs within the Final Term.

**Article 8 (Termination of business relationship, the mandate or the long-term co-operation)**

**8.1** In case of termination of the business relationship, the mandate or the long-term co-operation (or the assimilated relationship) between the Group and the Beneficiary due to the Beneficiary's resignations/withdrawals agreed with the relevant company of the Group, the latter may exercise the Warrants, if matured, within the Final Term, as at the date in which the resignations/withdrawals are disclosed – pursuant to the article no. 3.1.

**8.2** In the previous article cases, the Warrants may be exercised according to the formalities provided for by the previous articles.

**8.3** The Beneficiary's exercise right will lapse in case of termination of the business relationship, the mandate or the long-term co-operation, (or the assimilated relationship) between the Group and the Beneficiary due to (i) the company's dismissal/withdrawal for cause or justified reason or (ii) the Beneficiary's resignations/withdrawals that were not agreed with the relevant company of the Group.

**8.4** Nevertheless, the Board of Directors will be entitled to adopt, notwithstanding the previous paragraphs and so long as the reasons are justified, solutions in favour of the Beneficiary in order to deal with and resolve particular cases of termination.

#### **Article 9 (Extraordinary transactions on the capital)**

**9.1** In case of a stock splitdown or split, a capital increase or reduction, a merger or demerger or any other extraordinary transaction that influences the Company's capital, the Warrant exercise price will vary according to the criteria recommended by the Financial Analyst Italian Association, if enforceable, it being understood that in no case said price will be lower than the share nominal value.

#### **Article 10 (Suspension of the Warrant exercise)**

**10.1** It being understood what provided for by the previous article no. 3.3, the Company is entitled to temporarily suspend the Warrant exercise in case of special and particular needs such as, by way of a non-exhaustive example, the meeting's approval of the financial statements, the dividend distribution, capital transactions requiring the preliminary and precise number of shares composing the capital stock, transactions implying capital variations, and important variations to the profit and loss account and balance sheet structure of the Company. These suspensions shall never be longer than three months.

**10.2** The Company's suspension shall be communicated to the Beneficiaries at least five days before the starting date of the suspension. This communication shall also include the duration of the suspension period.

The Company shall inform the Beneficiaries about the occurred restoration of the Warrant exercise right.

#### **Article 11 (Share enjoyment)**

**11.1** The Company's shares, which are issued further to the Warrant exercise, will have regular enjoyment, as well as the ones circulating at the time of the exercise.

#### **Article 12 (Communications and terms)**

**12.1** Any communication provided for by this Regulation will occur in writing, by a registered letter with return receipt, hand or telegram, to be sent to the following addresses:

- if to the Company, to Milan, 16/18 Via Durini, fax: 02.778890.282 kind attn. of the Corporate Secretary's office;

- if to the Beneficiary, to his office or department in case the Beneficiary is an employee, in all the other cases, to the Beneficiary's domicile that he will kindly communicate to the Company at the same time of the allotment, or rather, if failing, to the Company's registered office.

**12.2** This Regulation includes peremptory terms. Whether the term occurs on a non-working day, said term is postponed to the following working day.

#### **Article 13 (Enforceable law and arbitration clause)**

**13.1** This Regulation is ruled by the Italian Law.

**13.2** Any dispute deriving from this Regulation will be submitted to the decision, as per customary law, by an arbitrator appointed by the Presiding Judge of the Court of Milan – within thirty days from the request made by the most diligent party.

Attachment "C " to the repertory no. 13.234/3480

**Attachment “D” to repertory no. 13.234/3480**

**Attachment “D” to REPERTORY no. 18094/5674**

## **BY-LAWS**

### **NAME – REGISTERED OFFICE**

**ART.1)** A Joint Stock Company named Alerion Industries abbreviated Alerion S.p.A is hereby incorporated. Said Joint Stock Company is ruled by the following By-Laws.

**ART.2)** The registered office of the company is in Milan.

The Board of Directors may set up and close offices and representative agencies in Italy and abroad.

### **DURATION**

**ART.3)** The duration of the company is until December 31<sup>st</sup> 2050 and by resolution of the Meeting of the shareholders it might be extended or dissolved in advance.

### **PURPOSE**

**ART.4)** The purposes for which the company is incorporated are:

- Acquisition of participating and non-participating interests in Italian and foreign companies and the management of the above-mentioned interests.
- Investments involving movable and real property.
- Assistance, technical management and financial assistance to the companies said Joint Stock Company participates in;
  - Financial transactions, at short or long term including loans, provisions of guarantees, exchange and non-exchange guarantees in its own interest or in that of the companies it directly or indirectly participates in excluding, in any case, the procurement of the public savings. The company may carry out all bank, industrial and commercial transactions and those including movable and real properties necessary to achieve the corporate purpose.

**ART. 5)** The corporate capital amounts to €148,041,689.75 (One hundred forty-eight million forty-one thousand six hundred eighty-nine and seventy-five) and is made up of 400,112,675 (four hundred million one hundred twelve thousand six hundred and seventy-five) shares with the value of €0.37 each. The shares may be fully paid-up either through money and goods contributions under the articles 2343 and 2440 of the Italian Civil Code.

The share capital may be further increased even with the issue of shares carrying rights other than those carried by shares already issued.

Under resolution of December 20<sup>th</sup> 2002 the Board of Directors has the power to issue free and non-transferable warrants to Directors, employees and long-term co-operators of the Group, pursuant to the article 2443 of the civil code, and it has the power to increase the corporate capital to be paid once or more times and excluding the stock right under article 2441, 5<sup>th</sup> paragraph of the Italian Civil Code, within December 31<sup>st</sup> 2006, reaching a maximum nominal value of €37.000.000,00, issuing a maximum of 100.000.000 of ordinary shares servicing the above-mentioned warrants.

On December 20<sup>th</sup> 2002, the Extraordinary Meeting resolved to assign the power, valid for a maximum period of five years from the date of said resolution, of increasing the corporate capital to be paid once or more times, for a maximum nominal amount of € 111,000,000.00, issuing a maximum of 300,000,000 new shares of the nominal value of €0.37 each. Each share may be offered in option to the shareholders at an effective price of issue not less than the nominal value to be calculated deeming the arithmetical mean of the official prices of the ordinary shares of Fincasa S.p.A., calculated on a time period deemed significant by the Board of Directors, taking into consideration the procedure and the amounts deemed immediately before the date of the beginning of the acceptance period and the possibility to lodge the increase; or as a partial or total alternative, in compliance with article 2420 ter of the Italian Civil Code, the Board of Directors has the power, valid for 5 years from the date of said resolution, to issue convertible bond issues, increasing the capital, servicing the same bond issue conversion, up to the maximum nominal value of € 111,000,000.00, establishing the formalities, terms, conditions and relative settlement.

The Board of Directors of September 13<sup>th</sup> 2004, to enforce the proxy received from the Extraordinary Meeting of December 20<sup>th</sup> 2002, resolved to increase the capital stock in a divisible way, pursuant to the article 2441, paragraph fifth of the civil code, for a maximum nominal value of € 21,000,000 (twenty-one million) of ordinary shares having nominal value of € 7,770,000.00 (seven million seven hundred and seventy thousand dot zero zero) each, servicing no. 21,000,000 (twenty-one million) non-transferable warrants, valid for the subscription of ordinary shares, freely allocated to specific directors, employees and long-term co-operators, including the usual consultants of the Group. Said resolved capital increase shall be executed within December 31<sup>st</sup> (thirty-first) 2011 (two thousand and eleven) and, once this term has expired, the capital stock will be meant as increased of an amount equal to the subscriptions gathered at this date.

**ART. 6)** The shares are nominal, all this is set forth by the laws in force according to the term and formalities established by the same laws; otherwise, when fully paid-up, the shares may be both registered and bearer shares.

Every share is indivisible and gives right to one vote.

The case of joint ownership is governed by law.

Shares are freely transferable.

## **BONDS**

**ART. 7)** The company can issue bearer or registered bonds in compliance with the law provisions, submitting to the Meeting the settlement of the allotment and expiry formalities.

The Extraordinary Meeting can resolve the issue of bonds that are convertible in shares under the formalities, terms and conditions mentioned in the article no. 2420/bis of the Civil Code.

## **SHAREHOLDERS' MEETINGS**

**ART.8)** A legally called and validly constituted Shareholders' Meeting represents all shareholders and, its resolutions, adopted pursuant to the law and these By-laws, bind all Shareholders, even if absent or in disagreement.

**ART. 9)** The Meeting is called by the Board of Directors in charge, also outside the registered office so long as it is in Italy, and it is called pursuant to the formalities provided for by the law.

**ART. 10)** Shareholders' Meeting may be ordinary or extraordinary. The ordinary Meeting approves financial statements, appoints directors, auditors and the Chairman of the Board of Auditors, establishes the directors' and auditors' remuneration, whether it is not established in the articles of incorporation, and resolves on the other company management matters that the articles of incorporation or the directors reserved to its authority, as well as it resolves on the directors' and auditors' responsibilities.

The Ordinary Meeting must be called at least once a year within four months and, in case of specific needs, considering the holding feature of the company, within six months from the closure of the financial year.

The Ordinary Meeting must be called once a year at least, within 120 days from the closure of the financial year, and within 180 days in case the company is bound to draw up the consolidated financial statements and in case of specific needs relevant to the company's structure and purpose. Directors shall notify the reasons of such extension in the report provided for by the article 2428 of the civil code.

Unless otherwise set forth by the law and rules on the matter, the Board of Directors calls the Meeting within thirty days from the request when as many shareholders as those representing 10% of the capital stock expressed in ordinary shares request it. The request of the meeting shall be sent to the Chairman of the Board of Directors by registered letter and shall include the items on the agenda to be discussed and the list of names of the Shareholders requiring the meeting, enclosing the proper certificates of the share ownership as at the date of the above-mentioned request, in compliance with the law and regulations in force.

The Meeting may be called by the Board of Auditors, previously informing the Chairman of the Board of Directors, when said power is enforced by two members of said Board.

**ART.11)** Meetings may be attended by the shareholders owing the specific certifications issued by the authorized intermediaries, according to the rules in force. The shareholders may be represented by another person at the Meeting, in compliance with the article 2372 of the Civil Code.

**ART. 12)** Meetings are chaired by the Chairman of the Board of Directors, and in his/her absence the person designed by the majority of the attendant Shareholders will take the chair. The chairman

is assisted by a Secretary, who needs not be a shareholder, appointed by the Meeting: Secretary's assistance is not deemed necessary when the minutes of the Meeting are drawn up by a Notary Public, under law cases or when the Chairman deems this necessary.

If deemed advisable the Chairman of the Meeting appoints two tellers among the Auditors and the Shareholders attending the meeting.

The minutes of the Meeting signed by the Chairman, Secretary and tellers, if appointed, give full evidence that the meeting was held.

**ART. 13)** The Chairman of the meeting verifies the deposit timeliness and proxy regularity, and, in general, he ascertains the shareholders' right to attend and express their vote, he assesses if the Meeting has the legal number and it is validly constituted; he superintends and rules the discussions and the correct proceeding of the meeting works; he proclaims the voting results and sums up in the minutes all the statements that the shareholders required if necessary.

The Meeting resolutions must appear in the special minutes, drawn up in compliance with the article 2375 of the civil code, signed by the Chairman and the Secretary or the Notary Public.

**ART. 14)** Upon first notice of call, the Ordinary Meeting is validly constituted with the presence of as many shareholders as the ones representing at least half the capital stock, in person or by proxy. It resolves with the favorable vote of the absolute majority.

Upon second notice of call, the Ordinary Meeting is validly constituted and resolves on the agenda items, whatever the capital part the attending shareholders represent.

## **BOARD OF DIRECTORS**

**ART. 15)** The company is managed by a Board of Directors composed of seven to nineteen members, who need not to be Shareholders, in office for the period fixed in their document of appointment, and, however, not longer than three years. Their office expires at the date of the meeting called to approve the financial statement relevant to the last financial year of their appointment, and they may be reappointed.

Directors must have the requisites provided for by the law and regulations on the matter.

Before appointing them the Meeting decides their number and the duration of their office. When the determined number of the Directors is less than the maximum provided, the Meeting may increase said number during the period in office of the Board of Directors. The new Directors so appointed shall vacate the office with those in charge at the moment of their appointment. If during the financial year a vacancy of one or more Directors occurs, substitutes shall be appointed in compliance with the law. Nevertheless the Meeting may resolve to reduce the number of the Board members to the number of the Directors in office concerning the period of the remaining duration of their appointment.

If a vacancy of the majority of the Directors occurs due to dismissals or other reasons, the entire Board is vacated. In such event the Directors still in office will urgently call a Meeting to appoint the new Board.

The Board will be in office until the Meeting resolves its renewal; until that moment the Board of Directors may only carry out actions of ordinary business.

**ART. 16)** If not already appointed by a Shareholders' Meeting, the Board of Directors shall appoint a Chairman from among its members; the Board of Directors may appoint one or more Deputy Chairpersons.

The Board of Directors, in compliance with the law, may delegate its specific functions to one or more members or General Managers, establishing the limits of their power and the signature and representative powers. The Board of Directors designates an Executive Committee from among its members, constituted of three to seven members, establishing the specific functions, duration, powers and the working rules.

The board of Directors may also appoint other committees, among which the committees provided for by the codes of conduct drawn up by the companies managing the regulated markets, committees with strategic or specific functions, delegating their authorities, except those reserved by the law, and establishing their powers, duties, number of members and working rules.

The Board of Directors may also appoint an Honorary President, who need not to be a member of said Board.

The Board of Directors may also appoint a Secretary, who may be chosen among people not connected to the company and to the Board, and it establishes the duration of his/her office.

If the Chairman is absent, he/she will be substituted by one of the Deputy Chairman or the Senior Director. If the secretary is absent the Board will appoint the substitute at each Meeting.

**ART. 17)** The Board of Directors shall be convened any time the Chairman, or whoever is acting in his/her place, deems it advisable; or upon written request submitted to the Chairman by two Directors or two Auditors at least.

Directors and Auditors are called by the Chairman, or upon his delegation by another Director or the Secretary, at the Company's registered office or elsewhere indicated in the notice of call sent by registered letter, telegram, facsimile or e-mail at least three days before the Meeting; in case of urgency, Meetings may be convened by telegram, facsimile or e-mail sent at least the day before the meeting, indicating day, time and place of the meeting, as well as the items on the agenda; the Chairman provides so that directors receive proper information on the matters to be treated, privacy obligations permitting.

Failing said formalities, the Meeting is validly constituted with the presence of all the Directors in office and all the effective members of the Board of Auditors in office.

The presence of the majority of the Directors in office is necessary to resolve validly. The relative resolutions are validly adopted by the majority of the votes of those present at the Meeting and in the event of a parity of votes, the vote of the Chairman shall prevail. The Minutes of the Meeting of the Board shall be drawn up in the special Book of the Company and shall be signed by the Chairman and the Secretary. The Meetings of the Board of Directors may be held by videoconference or telephone conference, provided that the identity of the persons in attendance may be ascertained and that they may follow and take part in the discussion of the items on the agenda in real time. If the above conditions are met, the Meeting shall be deemed held in the place where the Chairman is present and where the Secretary must also be present in order to draw up and sign the minutes in the relevant Book.

**ART. 18)** The Board of Directors is granted any and all powers to manage the company, with the exception of what the law expressly reserves to the Meeting.

In observance of what provided for by the article 2436 of the civil code, the Board of Directors is also granted to resolve upon:

- mergers in the cases provided for by the articles nos. 2505 and 2505-bis also as a rider, for de-mergers, by the article 2506-ter according to formalities and terms provided therein;
- the set up or suppression of secondary offices;
- the indication of the directors representing the company;
- the reduction of the capital stock in case of a shareholder's withdrawal;
- the adaptation of the by-laws to normative provisions;
- a countrywide transfer of the company's registered office.

**ART. 19)** The Chairman of the Board of Directors represents the company before third parties and the Court, and the company signature, and, in case of his/her absence or impediment, the Deputy Chairman shall act in his/her name. The Directors may represent the company within the limits of their proxy, as well as the General Managers may represent it within the limits of their specific functions.

Directors, even with no proxy, may sign for the company, and represent the company before third parties only concerning the execution of the Board of Directors' resolutions, which they are specifically responsible of. Persons legitimated by the legal representation may grant employees and/or third parties the power to represent the Company for single deeds or categories of deeds.

**ART. 20)** The Board of Directors and Board of Auditors, via the Chairman or directors having specific powers, are opportunely informed about the management general state and its possible evolution, and the most important economic, financial and estate transactions performed by the Company or its subsidiaries, with particular attention to those transactions in which we have an interest of our own, or on behalf of third parties, or which have been influenced by possible individuals who fill their role of managing or co-ordinating the company.

Information are usually disclosed during the Board's meetings, and, in any case, at least every quarter by other means, as long as they are suitable.

## **BOARD OF AUDITORS**

**ART 21)** The Board of Auditors is composed of three statutory and two alternate members, appointed and working pursuant to law.

In addition to the cases set forth by the law, those Statutory Auditors in office in more than five Italian companies listed in the Italian regulated markets may not be appointed as Auditor and, if they are appointed, they shall vacate the office. The appointment of the Auditors is carried out on the basis of lists presented by the Shareholders in compliance with the procedures in the following paragraphs, in order to guarantee the minority with the appointment of a Statutory Auditor and a Deputy Auditor.

The lists contain a number of candidates not higher than the number of the members to be elected. Each person may be proposed as candidate only in one list, at risk of ineligibility.

Those Shareholders that, alone or together with other shareholders, hold voting shares representing at least 5% (five per cent) of the corporate capital with the voting right at the Ordinary Meeting, have the right to present the lists. Each shareholder, not even via a third person or trustee company, may neither present more than one list nor vote different lists.

The lists, signed by those presenting them, shall be deposited at the company's registered office at least five days before the date of the first call of the Meeting. In order to prove the entitlement of the number of shares necessary to present the lists, the shareholders shall contextually present copy of the certificates issued by authorised intermediaries at the registered office, in compliance with the law and provisions in force.

Together with each list, within the time limit of the deposit of the same, the declarations of the candidates accepting their candidature and ascertaining, under their own responsibility, the inexistence of ineligibility and incompatibility causes and the existence of the requirements set forth by the rules in force in order to hold the office of Auditor, shall be deposited at the registered office of the company.

The office of Statutory Auditors shall be filled by the first two candidates obtaining the highest number of votes and the first candidate of the list resulting second for number of votes.

The office of Deputy Auditors shall be filled by the first temporary Candidate of the list obtaining the highest number of votes and the first candidate of the list resulting second for number of votes. At a parity of votes among two or more lists, senior candidates will fill the office of the Auditors, up to the availability of the office to be assigned.

The first candidate of the list with the highest number of votes shall be the Chairman of the Board of Auditors.

If only a list is proposed, the Statutory Auditors and deputy candidates in the same list shall be appointed.

If a vacancy of the Auditor occurs, the deputy auditor of the same list of the Auditor to be substituted will fill the office.

If, for any reasons, the Chairman shall be substituted, the other Auditor appointed from the list that obtained the highest number of votes will act as Chairman. The Meeting called to reintegrate the Board, in compliance with the law, will follow the representative principle of the minority.

The members of the Board of Auditors attend the Meetings and those of the Board of Directors and the Executive Committee, if established.

The Auditors are appointed for three financial years and may be reappointed.

The meeting appointing the Auditors and the Chairman of the Board of Auditors determines their fees.

The Board of Auditors shall be convened every 90 days at least. The meetings of the Board of Auditors may be also held by videoconference or telephone conference, provided that the identity of those in attendance may be ascertained and they may follow and take part in the discussion of the items dealt with in real time. If these requirements are met, the Board of Auditors is deemed held at the registered office, where at least one Auditor must be present.

## **FINANCIAL YEAR AND FINANCIAL STATEMENTS**

**ART. 22)** The financial year ends on December 31<sup>st</sup> of each year. At the end of every financial year the Board of Directors draws up the financial statements, within the time limits, and in compliance with the law, enclosing a report concerning the state of the company management, to be approved by the Meeting.

**ART. 23)** 5% (five per cent) of the financial statements net profits is deducted, to be allocated to the legal reserve (or ordinary) fund until the above-mentioned reserve attains one fifth of the corporate capital.

The remaining part is divided as follows:

- 95% (ninety-five per cent) is distributed to the Shareholders according to the owned shares, subject to different provisions decided by the meeting.

The unpaid dividends will be statute-barred, in favour of the reserve fund, after five years upon the day they became collectible.

## **COMPANY DISSOLUTION AND LIQUIDATION**

**ART. 24)** In case of dissolution of the company, the rules of liquidation, the appointment, the powers and the fees of the liquidator or liquidators shall be determined by the Meeting in compliance with the provisions set forth by the law.

## **FINAL CLAUSE**

**ART. 25)** Any matter that is not dealt with in these By-laws shall be governed by the provisions of law and the Italian Civil Code.

Signed by Amedeo Brunello

Signed by Piergaetano Marchetti Public Notary