

**A R T I C L E S O F A S S O C I A T I O N**

**of**

**"B U L G A R I S.p.A. "**

**Art.1**

01. A joint-stock company has been established called:

**"B U L G A R I S.p.A. "**

**Art.2**

01. The object of the Company is:

a) the assumption of stakes in other Companies or Bodies both in Italy and abroad and, only with regard to Companies controlled and/or associated pursuant to art. 2359 of the Italian Civil Code, with the exclusion of exercising business with the public and also the provision of consumer credit within the sphere of its own Shareholders, the exercise of the following activities:

- granting of loans under any form;
- operations in foreign exchange;
- services involving the collection, payment and transfer of funds;
- acquisition, possession, management and/or disinvestment of public and/or private securities;
- technical, financial and administrative coordination of the Companies in which it has stakes.

b) The provision of administrative, technical, financial

and commercial services and any other service considered necessary and useful for achieving the corporate object of the controlled and/or associated companies.

c) The conceiving, design, creation, production and marketing of jewellery, gold and silver jewellery, precious and semi-precious stones, articles manufactured with precious metals, watches, perfumes, cosmetics, smokers' articles, articles for writing, stationery, leather goods, clothes and accessories for personal use, furnishing articles.

d) The commercial exploitation of all industrial and intellectual property rights connected to the activity and to the products indicated sub c), including therein the granting to third parties of licences for the use of such rights and, in particular, of the BULGARI name and brand under any form.

e) The carrying out in Italy and abroad of the activity of agent, distributor and/or grantee of products similar to or the same as those indicated sub c).

02. All in the most extensive manner, without limitations, reserves or exceptions of any sort, on its own behalf and/or on behalf of third parties, both in Italy and abroad.

03. With the purpose of achieving the corporate object, the Company may carry out all immovable, movable, commercial and, non-exclusively or non-prevalently, and in any case with the exclusive purpose of achieving the above-mentioned object - financial operations (including the granting of endorsements,

sureties and other personal and/or real guarantees also in favour of third parties and for third party obligations), of any kind and nature, that can achieve such a purpose directly or indirectly.

All with full observance of the prescriptions and preclusions prescribed and established by applicable *pro-tempore* legal provisions.

#### **Art. 3**

01. The Company has its registered office in Rome.

02. The Board of Directors is responsible for:

- transferring the registered office to a new address in the same Municipality,
- transferring the registered office to another Municipality within Italy,
- establishing, transferring and/or closing down secondary offices, divisions, branches, subsidiaries, agencies, administrative offices, commercial offices and/or representation offices and local units however they may be called in the whole of Italy and abroad.

#### **Art.4**

01. For all relations with the Company, the Shareholders' domicile shall be understood, for all legal purposes, to be the one resulting from the Shareholders' register.

#### **Art.5**

01. The duration of the Company is fixed until the 31 December

2100 and may be extended with a deliberation of the Shareholders' Meeting.

#### **Art.6**

01. The share capital is Euro 21,020,549.20 (twenty one million twenty thousand five hundred and fortynine/20), represented by 300,293,560 (three hundred million nine hundred and ninety three thousand five hundred and sixty) ordinary shares with a face value of Euro 0.07 (zero point zero seven) each.

02. The shares are de-materialised and are issued into the centralised management system pursuant to the relevant applicable legal provisions.

03. Share capital may be increased, with a deliberation of the Shareholders' Meeting, also through the allotment of assets in kind and/or credits and also with the issue of new shares having different rights from those of the shares already issued.

#### **Art.7**

01. The shares can be transferred freely with observance of the relevant applicable legal provisions.

#### **Art.8**

01. The Company can issue registered bonds and/or bearer bonds, also convertible into own shares and/or into shares or stakes in third-party companies, with observance of applicable *pro-tempore* legal provisions.

02. The functional responsibility for issuing obligations is assumed by the Board of Directors or the Shareholders Meeting

pursuant to the provisions of articles 2410 and 2420 bis of the Italian Civil Code.

03. The issue of bonds non-convertible into shares guaranteed by mortgage on corporate real estate is reserved to the Shareholders' Meeting.

04. The proxy pursuant to art. 2420 ter of the Italian Civil Code is allowed to the Board of Directors with the limits indicated in such a provision.

#### **Art.9**

01. The Meeting is convened at the corporate headquarters or elsewhere, as long as it is in Italy, Switzerland or Holland.

02. The call notice must be published in the Office Journal of the Italian Republic, or, alternatively, in the daily newspaper "MF (Milano Finanza)", within the deadline established by law. In the call notice the days for any ordinary Shareholders Meetings in second call and in further calls can also be established, and for any extraordinary Shareholders Meetings in second call, third call and in further calls if the quorum prescribed for the above-mentioned ordinary and extraordinary Meetings in first call is not reached.

03. However, the Meeting is also valid when the whole share capital is present and the majority of the members of the ad-

ministrative and control bodies participates.

04. Shareholders entitled to vote who have lodged the appropriate certification issued according to applicable law by the intermediary appointed to keep the accounts at least two working days before the day fixed for the meeting in first call at the registered headquarters, at the offices of the Company and/or at the credit Institutes indicated in the call notice may take part in the Meeting. Filing in the way indicated above is valid, if set out in the certification, not only for meetings in first call, but also for any subsequent meetings called by means of the same notice.

05. The Meeting is ordinary and extraordinary.

06. The ordinary Meeting for approval of the financial statements is called at least once a year, within one hundred and twenty days of closure of the corporate financial year or also, when special requirements relating to the structure and object of the Company make it necessary, within one hundred and eighty days of closure itself.

07. The extraordinary Meeting is called for the relevant deliberations in the cases prescribed by law.

#### **Art.10**

01. The Meeting is chaired by the Chairman of the Board of Directors or, if he is absent or unable to attend, by the Vice Chairman or, if he is absent or unable to attend, by the person nominated by the majority of Shareholders present.

02. The Chairman of the Meeting is assisted by the Secretary of the Board of Directors, or, if he is not present, by the Secretary appointed by him and by the Meeting for the purpose or by a Notary in the case of an extraordinary Meeting.

**Art.11**

01. Ordinary Meetings are legitimately established and deliberate with the majorities prescribed by articles 2368 and 2369 of the Italian Civil Code.

02. Extraordinary Meetings, both in first and in second and third call, deliberate legitimately with the vote of Shareholders representing more than half of the share capital.

**Art. 12**

01. The Company is administered by a Board of Directors composed of a variable number of Shareholders who do not necessarily have to be Shareholders, according to that deliberated by the Ordinary Shareholders Meetings, from a minimum of three to a maximum of nine.

02. The Ordinary Shareholders Meeting is responsible for nominating Board Members on the basis of the lists presented by shareholders, in which candidates are listed with a progressive number. Only shareholders who, on their own behalf or by proxy, alone or in a group, are holders, all together, of shares with the right to vote representing at least 2.5 percent of the share capital having the right to vote in the ordinary meeting, or another percentage established at the maxi-

imum amount allowed by legal provisions, regulations or decrees, are entitled to present the lists. In order to prove that they are authorised to present lists, shareholders must present and/or send to the Company's Headquarters, at least 2 working days before the day established for the meeting in first call, a copy of the documentation proving ownership of the number of required shares. In allocating the board members to be elected, lists that have not received a percentage of votes equal to at least half of that required by the articles of association for their presentation, shall not be taken into consideration. Each Shareholder, as well as Shareholders that have jointly presented a list, may not present, even through another person or Trust, more than one list, nor may they vote for different lists. Each candidate may present himself in only one list under penalty of non-eligibility. The presented lists must be filed at the Company headquarters at least fifteen days before the date fixed for the meeting in first call and shall indicate the board members in possession of the independence requisites established by law. It must be possible to prove that such lists have been filed by a special receipt signed and issued by an officer of the Company appointed for the purpose. Together with each list, within the deadline indicated above, declarations must be filed with which the individual candidates accept their own candidature and certify, under their own responsibility, that no causes for ineligibil-

ity or incompatibility exist and that they possess the requisites prescribed by applicable provisions for the office. With the declarations, a curriculum vitae shall be filed for each candidate regarding the personal and professional characteristics with possible indication that they are suitable to qualify as independent pursuant to law.

Lists that do not observe the clauses above will be considered as not presented.

The following shall be elected: from the list that obtains the highest number of votes, in the progressive order with which they appear in the list itself, all the board members to be elected except for one who will be selected, from those in possession of the independence requisites prescribed by law, from the list presented by Shareholders who are not even indirectly associated with the Shareholders who have presented or voted the list that obtained the highest number of votes, and which will have obtained the highest number of votes after the first.

If two or more lists have the same number of votes, the whole meeting will proceed with voting again, on the candidates indicated in such lists. The candidates who obtain the simple majority of votes shall be elected.

If only one list is presented, the candidates from such a list who obtain the legal majority shall be elected.

Board members in possession of the independence requisites

prescribed by law, are selected, in the minimum number prescribed by law, from the list that obtains the highest number of votes after the first, until the number of the candidates to be elected from such a list has been reached and, for the remainder, or if no candidates possess independence requisites in such a list, from the list that obtains the highest number of votes.

The independent Board Member, who after nomination, loses the legally prescribed independence requisites, must notify the Board of Directors immediately and, in any case, shall fall from office.

The previous clauses concerning the election of board members shall not apply if no list has been presented within the deadlines and according to the procedures indicated above. For the nomination of board members due to circumstances other than renewal of the whole Board of Directors, the meeting deliberates with the legal majorities and without observing the procedure prescribed above.

03. Board Members remain in office for the maximum period of three corporate years, established each and every time by the Ordinary Shareholders Meeting at the time of and during their nomination. They fall from office on the date of the Meeting called to approve the financial statements relating to the last financial year of their office. They may be re-elected.

**Art.13**

01. If the Ordinary Shareholders Meeting has failed to do so, The Board of Directors elects the Chairman and Vice Chairman and one Secretary, the latter not necessarily a Shareholder or Board Member, from its members.

#### **Art.14**

01. The Board of Directors meets in the corporate headquarters or elsewhere, even abroad, every time the Chairman, Vice Chairman or any Managing Director consider it appropriate, or when at least two Board Members or the Board of Auditors request it.

02. Sessions of the Board of Directors shall be held in the place designated in the call notice, to be sent by registered letter at least five days before the date fixed for the meeting itself, or, in the case of urgency, by telegram or telex or fax at least two days before. Notice of the meeting is given, within the same deadline and with the same procedures, to the Auditors pursuant to art. 2405 of the Italian Civil Code.

03. The possibility that meetings of the Board of Directors may be held by video or tele-conference is allowed, as long as all the participants can be identified and are allowed to follow the discussion and participate in real time in discussing the topics on the agenda; if these requirements are satisfied, the Board of Directors is considered to be held in the place where the Chairman is located and also where the Meeting's

Secretary is, in order to allow the minutes to be drafted and signed in the relevant register.

04. In order for the deliberations passed by the Board of Directors to be valid, the majority of Board Members in office must be present.

05. Deliberations are passed with the absolute majority of those present and shall be registered in minutes signed by the Chairman of the meeting and by the Secretary appointed by him who does not necessarily have to be a Board Member.

#### **Art. 15**

01. Where it considers it necessary, the Board of Directors elects, from its own members, a Managing Director, delegating him, individually and separately from other Board Members, all or part of its own functions and establishing his powers, possible spheres or sectors of competence and remuneration, notwithstanding the limits pursuant to art.2381 of the Italian Civil Code.

02. Where it considers it necessary, the Board of Directors may delegate its own functions to an executive Committee and/or to one or more consultation Committees or to one or more of its members, individually and/or separately and/or with other Board Members.

03. The offices of Chairman or Vice Chairman of the Board of Directors and Managing Director may be held at the same time.

04. The appointed bodies report to the Board of Directors and

the Board of Auditors, at least every three months, on the general performance of management and on its foreseeable development and also on the most significant operations in terms of size or characteristics, carried out by the Company and its subsidiaries.

05. Functions pursuant to paragraph four of art. 2381 of the Italian Civil Code may not be delegated.

06. The Board of Directors may nominate a General Manager and/or one or more Directors, establishing their spheres or sectors of competence and relevant functions, granting the relevant powers with the right of signature within the sphere of the same and establishing their remuneration.

07. Subject to the obligatory opinion of the Board of Auditors, the Board of Directors nominates the Executive appointed to draft corporate accounting documents, in compliance with legal provisions and applicable regulations, granting him adequate powers and means to exercise the duties assigned to him. Executives of the company that have specific competence gained through working experiences in positions of adequate responsibility may assume the position of Executive appointed to draft corporate accounting documents.

#### **Art.16**

01. The Board of Directors is invested with all the widest and unlimited powers for the ordinary and extraordinary administration and management of the Company, with the exclusion and

exception of none, meaning by this that everything that is not explicitly reserved by law to the exclusive competence of the Shareholders' Meeting falls within the competence of the Board of Directors, without limitations, reservations or exceptions of any sort.

02. In addition to that indicated in art.3, paragraph 2, the Board of Directors is qualified to deliberate about the adjustment of the corporate Articles of Association to the provisions pursuant to art.2365 of the Italian Civil Code.

03. During its meetings and, in any case, at least quarterly, the Board shall report to the Board of Auditors, also through the Chairman of the Board of Directors and/or the Managing Director, concerning the business carried out and the most significant economic, financial and equity-related operations carried out by the Company or by its subsidiaries; in particular, they shall refer about operations in which they have an interest, on their own behalf or on behalf of third parties or that are influenced by the subject that carries out the management and coordination activity.

04. When particular requirements or reasons of urgency make it necessary, the above-mentioned communication may also be made in writing to the Chairman of the Board of Auditors by the Chairman of the Board of Directors and/or by the Managing Director.

05. If none of the members of the Board of Auditors is present

at the Board of Directors meeting, the latter, also via the Chairman of the Board of Directors or the Managing Director, shall report in writing to the Chairman of the Board of Auditors on what has been indicated in the previous paragraph.

06. The Chairman of the Board of Directors and if he is absent or unable to attend, the Vice Chairman of the same Board are responsible for representing the Company before third parties and at legal proceedings and may also sign on behalf of the company.

07. If nominated and within the sphere of the powers granted to him, individually and separately with respect to other Board Members and with the powers of company administration and management delegated to him, the Managing Director is also responsible for representing the Company before third parties and at legal proceedings and may also sign on behalf of the company.

08. The Chairman of the Board of Administration, the Vice Chairman of the Board itself, and any Managing Director, within the sphere of the powers to which they are entitled respectively, may nominate Proxies who do not have to be Shareholders or Board Members for individual business and/or groups of business, including banking transactions of any kind and nature within allowed limits, establishing their powers and any remunerations on each separate occasion.

01. The Board of Auditors shall be composed of three statutory members and two acting auditors.

02. The Board of Auditors is nominated on the basis of lists presented by the Shareholders, in which candidates are listed with a progressive number and in any case in a number that does not exceed the members of the body to be elected. The list is composed of two sections: one for the candidates for the office of statutory Auditor and the other for candidates for the office of acting Auditor. Only Shareholders who, on their own behalf or by proxy, alone or in a group, are holders, all together, of shares with the right to vote representing at least 3 percent of the share capital having the right to vote in the ordinary meeting, or another minimum percentage established at the maximum amount allowed by legal provisions, regulations or decrees, are entitled to present the lists. Every Shareholder as well as Shareholders who have jointly presented a list or who belong to the same Group or subscribe to a Shareholders' agreement having the Company's shares as object, may not present, even through another person or Trust, more than one list, nor may they vote for different lists. Each candidate may present himself in only one list under penalty of non-eligibility. The presented lists must be filed at the Company headquarters at least fifteen days before the date fixed for the meeting in first call or another minimum deadline prescribed by legal provisions, regulations or decrees.

It must be possible to prove that such lists have been filed by a special receipt signed and issued by an officer of the Company appointed for the purpose. Together with each list, within the deadline indicated above, declarations must be filed with which the individual candidates accept their own candidature and certify, under their own responsibility, that no causes for ineligibility or incompatibility exist and that they possess the requisites prescribed by applicable provisions and the Articles of Association for the respective offices. Lists that do not observe the clauses above will be considered as not presented.

The following shall be elected: from the list that obtains the highest number of votes, in the progressive order with which they appear in the list itself, two statutory and one acting members: the third statutory member and Chairman of the Board of Auditors, and one acting Auditor shall respectively be the first candidate of the statutory Auditors section and the first candidate of the acting Auditors section selected from the list presented by Shareholders that are not even indirectly associated with the Shareholders that have presented or voted for the list that had the highest number of votes, that will have the highest number of votes after the first one.

If only one list has been presented, the first three candidates in progressive order that obtain the legal majority will be elected as statutory Auditors and the fourth and fifth will

be voted as acting Auditors. In this case, the first candidate on the only filed list shall be the Chairman of the Board of Auditors.

If two or more lists obtain the same number of votes, the whole meeting will vote again on the candidates indicated in such lists and the candidates that obtain the simple majority of votes shall be elected.

If the requisites necessary according to legal provisions or the Articles of Association are not satisfied, the Auditor shall fall from office.

The previous clauses concerning the election of Auditors will not apply if no list is presented within the deadlines and with the procedures indicated above.

In all the above-mentioned cases, the Meeting deliberates with the majorities required by the law.

03. Anyone who does not satisfy legal requirements may not assume the office of Auditor and, if elected, shall fall from office.

If the office of statutory Auditor is assumed subsequent to taking-over as an acting member from a statutory member who has given up his office before it expires, the accumulation of the office exceeding the limit indicated above shall not result in the Auditor falling from office only for the period up to the following meeting when it will be necessary to integrate the Board of Auditors pursuant to art. 2401 of the Ital-

ian Civil Code.

Offices as auditors in possible Companies controlled by the Company shall not be calculated as offices for the purposes of the ban on accumulation mentioned above.

**Art.18**

01. The corporate financial year ends as at 31 December of each year and, on closure of each financial year, the Administrative Body shall draft the financial statements and the profit and loss account accompanied by the annual report.

**Art.19**

01. 5% (five percent) of the net profits resulting from the financial statements shall be allocated to the legal reserve until this reaches one fifth of the share capital.

02. The remainder shall go to shares, unless the Meeting deliberates withdrawals for extraordinary reserves or for other purposes, or orders to carry all or part of the profits for-

ward to subsequent financial years.

**Art.20**

01. Any uncollected dividends shall be allocated in favour of the reserve fund after five years have elapsed from the day on which they became collectible.

**Art.21**

01. If the Company should be wound up for any reason, liquidation provisions and nomination of the liquidator or liquidators shall be established by the Shareholders Meeting in observance of legal provisions.

**Art.22**

01. Any disputes that should arise in relations among the Company, Shareholders and members of the corporate bodies, shall be subject to the jurisdiction of the Court of Rome.

**Art.23**

01. Anything not explicitly covered by these Articles of Association shall be governed by the relevant applicable legal provisions.

Signed Paolo Bulgari

Signed Alfredo Maria Becchetti Notary