

It is hereby incorporated a stock corporation under the name of:

ARTICLES OF INCORPORATION / BY-LAWS

Company's Name – Shareholders - Registered Office – Duration – Purpose

Article 1

It is hereby incorporated a stock corporation under the name of:
"EUROTECH S.p.A."

Article 2

1. The company has its registered office in Amaro (Udine), Italy
2. The Company may set up subsidiaries, branches or offices and agencies, in Italy or abroad.

Article 3

1. The duration of the company is fixed up to December 31 2050 and may be extended as per resolution of the extraordinary Shareholders' Meeting
2. In case of resolution for the extension of the company's duration, also Shareholders who did not approve such resolution shall not have the right of withdrawal.

Article 4

1. The company's business purpose is the following:
 - a. Any activity of research, development and production of prototypes in small and large series concerning information technology, industrial automation and electronic and electromechanical applications in general as well as sectors connected or complementary to those mentioned above;
 - b. The creation, study, planning, realization, production as well as the assembly, wholesale and retail of any kind of electronic and non- electronic systems and equipments, simple and complex, however connected to information technology, industrial automation and any other electronic and electromechanical applications in general for industrial, professional, civil, military, aerospace and automobile use;
 - c. The planning, production and marketing of any kind of components and accessories for the functioning of the equipments mentioned in point b;
 - d. The development and marketing of the software related to the products mentioned in points a, b and c;
 - e. Consulting, assistance and organization of the companies or whoever interested in the use of the aforementioned products;
 - f. Theoretical and practical training of its own personnel and that of the companies interested in the use of the products and services rendered by the Company and the complete carrying-out of all the technical and administrative paperwork and

procedures in order to approve patent and register trademarks, to safeguard them according to the above mentioned points.

In order to obtain the business purpose, the Company may perform all trading, real estate and financial operations deemed useful by the administrative body, excluding any financial transaction with the public.

Share Capital

Article 5

1. The share capital is of Euro 8,878,946 and it is divided in 35,515,784 shares.

The extraordinary Shareholders' Meeting of June 5, 2006 resolved to grant the Board of Directors, pursuant to Art. 2443 of the Civil Code, the power to increase the share capital, in one or more steps by payment and through splitting shares, within one year from the date of the resolution for a total amount of Euro 110,000,000.00, including a possible share-premium, through issuance of ordinary shares to be offered as preemptive rights to right holders. It is at the total discretion of the Board of Directors to lay down, from time to time and in compliance with the rules mentioned above the formalities, terms and conditions of the capital increase, among which the issuing price of the new shares including a possible share-premium.

Consequently, the Board of Directors is delegated to determine from time to time the number of ordinary shares to be issued and the relative increase as well as to determine the formalities of issuance in compliance with the applicable law and regulations.

The Board of Directors of June 22, 2006 – implementing the delegation granted by the administrative body and after resolution of the Shareholders' Extraordinary Meeting dated June 5, 2005, recorded and drawn up by the Notary Public Cosimo Cavallo of San Daniele del Friuli, Italy, Registration No. 51471/9540 – resolved to increase the share capital by payment, also in various tranches for a maximum nominal value of Euro 3,957,872, through issuance of a maximum of 15,831,488 new ordinary shares with no nominal value, having the same characteristics of those already issued, with regular dividend-right and share-premium. Each share shall be issued at the total price of Euro 6.90 of which Euro 0.25 is the accounting par value and Euro 6.65 is the share-premium to be offered as preemptive right to Shareholders at a ratio of 17 new shares for every 20 shares held.

The increase was entirely subscribed and its amount is shown in the first paragraph of this article.

2. The ordinary shares are nominal and grant their holders equal rights.

2-bis Without prejudice to other law provisions, pursuant to Art. 2441, paragraph 4 of the Civil Code, the resolution to increase share capital, resolved by majority as per Articles 2368 and 2369 of the Civil Code, may exclude preemptive rights for 10% of the preexisting share capital, providing that the issuing price corresponds to the market value of the shares and this is confirmed in a proper report of the company in charge of auditing.

3. In case of resolution for the creation or cancellation of constraints in the circulation of the shares, also Shareholders who did not approve such resolution shall not have the right of withdrawal.
4. Shares are represented by share certificates pursuant to Article 2354 of the Civil Code, but in case of admission of the Company's shares to the trading on a regulated market, the special laws concerning being negotiated or to-be negotiated financial instruments on the regulated markets shall be applied.

Shareholders' Meeting

Article 6

1. The shareholders' Meeting is ordinary or extraordinary according to law and may be convened at a place different than the Company's registered office as shown in the notice of call, provided that such place is in Italy.
2. The ordinary or extraordinary Shareholders' Meeting may be held using connections by means of audio or video signals, with participants from different places, adjoining or far away, provided that the collective decision procedure, the good faith principles and the fair treatment of the shareholders are respected. In particular, the conditions required for the validity of the Shareholders' Meeting by means of video or teleconference are the following:
 - The Chairman shall be granted, also in his/her title, to ascertain the identity and the right of those present to take part in the meeting, to oversee the proceedings and to ascertain the outcome of the voting
 - The person in charge of the Minutes shall properly perceive the ongoing events in order to record them in the Minutes
 - The participants shall be granted to take part in the discussion and to the simultaneous voting on the agenda
 - The places connected by means of audio or video signals shall be indicated in the notice of call (save for meetings convened pursuant to Article 2366, paragraph 4 of the Civil Code). Participants may take part from those places and the meeting shall be considered as held at the site where the Chairman and the person in charge of the Minutes are located.
 - The participants connected remotely shall have at their disposal the same documentation sent to the participants present at the site where the meeting is held.
3. The ordinary Shareholders' Meeting for the approval of the Financial Statement shall be convened within 120 days from the closing of the fiscal year, or rather, in the cases provided for by article 2364, paragraph 2 of the Civil Code within 180 days from the closing of the fiscal year.

4. The extraordinary Shareholders' Meeting is convened in all cases provided for by law.

Article 7

1. Both the ordinary and extraordinary Shareholders' Meetings are convened according to law with notice of call published in the Official Gazette of the Republic of Italy or in the newspaper "Finanza e Mercati". The notice of call shall contain the date, hour and place of the first or possibly the second or third call as well as the scheduled agenda, without prejudice to any other fulfillment required by the law in force.
2. The agenda of the Shareholders' Meeting is laid down by the person having the powers to call the meeting according to law and the By-laws or if so requested by Shareholders on the basis of the subjects to be discussed as shown in the agenda itself.
3. In lack of a notice of call, the Shareholders' Meeting is duly constituted and may validly resolve when the entire share capital is represented and the majority of the Directors in office and Statutory Auditors are present.

Article 8

1. Shareholders with voting rights are entitled to attend the Shareholders' Meeting. In case of admission of the Company's shares to the trading on the Italian regulated market, however, Shareholders, for whom the intermediary in charge of the relative accounts issued the proper notice two working days prior the Meeting, shall have the right to intervene to the Meeting, pursuant to Article 2370, paragraph 2 of the Civil Code.

Article 9

1. Any ordinary share grants the right to one vote.
2. Shareholders entitled to attend the Meeting, representing themselves or other Shareholders, may arrange to be represented by written proxy to intervene and vote according to law.

Article 10

1. The Chairman of the Shareholders' Meeting is the Chairman of the Board of Directors or, in case this is absent, the Chairman is the sole Vice Chairman or, in case more Vice Chairmen exist, the Chairman is the oldest in office present, and in case of equal seniority in office, the oldest of age. If both the Chairman and the sole Vice Chairman, or rather all Vice Chairmen are absent or prevented, the Shareholders' Meeting is chaired by a Director or by a Shareholder, appointed by vote of the majority of the people present.
2. The Chairman of the Meeting shall ascertain the identity and the legitimation of those present, verify that the meeting is duly constituted and the presence of the necessary Shareholders to resolve validly, oversee the execution of the meeting, set forth the voting procedures and ascertain the outcome of the voting.

The Chairman is assisted by a Secretary appointed by the Shareholders' Meeting by vote of the majority of the members present
In addition to the cases provided for by law, when the Chairman deems it appropriate, a Notary Public appointed by the Chairman may be called to act as Secretary.

Article 11

1. The laws in force and the By-laws are applied to duly constitute the Meeting, both ordinary and extraordinary, and to resolve. The course of the Meeting is regulated, in addition, by law and the By-laws, by the specific Regulations of the Meeting, approved, if necessary, by the Shareholders' Meeting.

Article 12

1. All resolutions, including those regarding the appointments to Company's offices, are taken by open vote.

Article 13

1. The Minutes of the Shareholders' Meeting are drawn up according to law and are approved and signed by the Chairman of the Meeting and by the Secretary or rather the Notary Public if the latter is in charge of transcription.

Board of Directors

Article 14

1. The Company is managed by a Board of Directors made of a minimum of 5 (five) to a maximum of 11 (eleven) members. The ordinary Shareholders' Meeting determines such number when they are appointed. If the number of Directors is lower than the maximum provided for, the Shareholders' Meeting may increase such number during the period of office of the Board of Directors.
2. Directors shall have all the requisites provided by law and by other applicable provisions. The members of the Board of Directors stay in office for three fiscal years, their mandate ends on the date of the meeting for the approval of the Fiscal Statements related to the last fiscal year covered by their term of office and are eligible for re-appointment. Directors shall have all the requisites provided by the provisional law in force. A minimum number of Directors, corresponding to the minimum set forth by law, shall have the requisites of independence in compliance with Article 148, paragraph 3 of the Legislative Decree No. 58/1998. Failure to comply with such requisites causes the office of Director to come to an end. If a Director fails to comply with the requisite of independence as defined above, this shall not imply the end of his/her office if the minimum number of Directors has such requisite as set forth by the law in force.
3. The appointment of the Board of Directors shall be carried out on the basis of lists presented by the Shareholders as follows, where candidates shall be listed in progressive order.
The lists presented by Shareholders, signed by who present them, shall be deposited at the registered office of the Company, at disposal of whoever requests them at least fifteen days prior to the date of the first call of the Shareholders'

Meeting and shall be subject to other forms of publicity set forth by law. Each Shareholder, Shareholders who signed a parasocial agreement pursuant to Article 122 of the Legislative Decree No. 58/1998 and the controlling party, holding companies or subsidiaries may not present or be involved in the presentation of more than one list, not even through a third party or fiduciary company, neither may they present different lists and each candidate may be a candidate in one list only, under penalty of ineligibility, in compliance with Article 93 of Legislative Decree No. 58/1998. Nominations and votes in violation of such ban shall be matched to no list. Only Shareholders who, alone or together with other presenting Shareholders, hold a total of shares with voting right for at least 2.5% of the Company's share capital having voting right in the Shareholders' Meeting, or rather representing the different percentage possibly laid down by laws or regulations, shall have the right to present lists.

The following shall be deposited together with each list in compliance with the terms indicated above: (i) the proper certificate issued by an intermediary qualified according to law, proving the ownership and the number of owned shares necessary to present lists; (ii) statements where the single candidates accept their nomination and declare on their own responsibility the inexistence of causes of ineligibility and incompatibility as well as the existence of the requisites required for the respective offices; (iii) a curriculum vitae showing the personal and professional characteristics of each candidate indicating, if needed, the eligibility to qualify as independent.

The lists presented disregarding the aforementioned rules shall be considered as not presented.

The appointment of the Board of Directors shall be carried out as follows:

- a) Directors shall be chosen from the list of Directors to be elected that obtained the most Shareholders' votes, in the same progressive order according to the list, except for one Director;
- b) the remaining Director is chosen from the minority list that obtained the most Shareholders' votes, which shall not be somehow connected, even indirectly, with the Shareholders who presented or voted the list mentioned in point a). If the minority list mentioned in point b) did not obtain a percentage of votes at least equal to the half of the one required for the presentation of the lists, as per Article 14.3 herein, all Directors to be appointed shall be chosen from the list as per point a).

If the appointment of Directors having the independency requisites for Statutory Auditors, pursuant to Article 148, paragraph 3 of the Legislative Decree No 58/1998, equal to a minimum number requested by law in relation to the number of Directors, is not ensured within the candidates elected with the proceedings mentioned above, the non-independent candidate elected as last in progressive order in the list that obtained the most votes, as per letter a) of the last paragraph, shall be replaced by the first independent candidate not elected from the same list according to the progressive order. On the contrary, if this is not possible, the non-independent candidate shall be replaced by the first independent candidate not elected from the other lists according the progressive order on the basis of the number of votes obtained by each one. This procedure shall be followed until the Board of Directors

results to be made of a number of members having the requisites set forth by Article 148, paragraph 3 of the Legislative Decree No. 58/1998, equal to the minimum required by law. Lastly, if such procedure does not ensure the aforementioned result, the replacement shall be done with resolution taken by relative majority after having presented candidates with the above mentioned requisites.

In case only one list is presented or if no list is presented, the Shareholders' Meeting resolves with majority as provided by law without applying the aforementioned proceeding.

4. If one or more Directors leave office during the fiscal year, provided that the majority is duly constituted by the Directors appointed by the Shareholders' Meeting, the following steps shall be taken pursuant to Article 2386 of the Civil Code:

a) the Board of Directors replaces the resigning Director with a person from the same list and the Shareholders' Meeting resolves with majority as provided by law according to the same criteria;

b) if no candidates still to be elected in the same list remain, or rather candidates not having the required requisites are available, or however when for whatever reason it is not possible to comply with what set forth in point a), the Board of Directors provides for the replacement and so does the Shareholders' Meeting at a later time, voting with majority as provided by law without voting from the list.

In any case the Board of Directors and the Shareholder's Meeting shall appoint the Director in order to ensure the presence of independent Directors for the minimum number required by the provisional law in force.

If the majority of Directors appointed by the Shareholders' Meeting is not constituted due to resignation or other reasons, the Directors still in office shall call the Shareholders' Meeting so that the missing Directors are replaced.

Article 15

1. The Board of Directors – if the Shareholders' Meeting did not already provided for – shall elect its Chairman among its own members. Moreover, it may elect one or more Vice Chairmen who remain in office for three fiscal years. Their office comes to an end for expiration at the date of the Shareholders' Meeting convened for the approval of the Fiscal Statements of the last fiscal year of their appointment. The Board of Directors also appoints a Secretary, who may also be chosen outside the members of the Board.

Article 16

1. The Chairman – or whoever takes his/her place, pursuant to paragraph 7 of this article – convenes the Board of Directors by means of letter of notice to be sent, also by fax or other proper means of communication, to the domicile of each Director and Statutory Auditor.

2. The notice shall contain the agenda, date, hour and place of the meeting and the other places where it is possible to attend the meeting from using connections by

means of audio or video signals, and shall be sent to the domicile of each Director and Statutory Auditor at least five days prior to the day scheduled for the meeting. In case of urgency, the Board of Directors may be convened by means of telegram, telefax, electronic mail or other telematic transmission at least 24 hours prior to the scheduled date of the meeting.

3. The Chairman oversees the proceedings of the Board of Directors and ensures that the proper information on the agenda is provided to all Members of the Board.
4. The Board of Directors is convened at the registered office or elsewhere in Italy, every time that the Chairman – or whoever takes his/her place pursuant to paragraph 7 of this article – deems it necessary, or rather when it is requested by the Chief Executive Officer, if appointed, or by at least three Directors, without prejudice to any other power of convocation granted by law.
5. It is possible for participants to take part in the meeting of the Board of Directors remotely by means of audio or video signals (videoconference or teleconference). In such case all participants shall be identified and all participants shall however have the possibility to intervene and express their opinion in real time as well as receive, transmit and examine the documentation unknown at a prior time; furthermore, the contextual examination, interventions and resolutions shall be ensured. The Directors and Statutory Auditors connected by means of audio or video signals shall be able to have at their disposal the same documentation sent to the participants present at the site where the meeting is held. The meeting of the Board of Directors shall be considered held at the site where the Chairman and the Secretary are located, who shall operate jointly therein.
6. Meetings convened differently from what stated above shall be considered valid, provided that all Directors and the members of the Board of Auditors attend.
7. The Board of Directors meetings shall be chaired by the Chairman or, in case this is absent, the Chairman is the sole Vice Chairman or, in case more Vice Chairmen exist, the Chairman is the oldest in office present, and in case of equal seniority in office, the oldest of age.

If both Chairman and the sole Vice Chairman, or rather of all Vice Chairmen are absent or prevented, the meeting is chaired by the oldest Director in compliance with the aforesaid criteria.

If the Secretary is absent or prevented, the Board of Directors appoints who shall take his/her place.

Article 17

1. The resolutions of the Board of directors are valid when the majority of the Directors are present and expressed a favorable vote.
2. Resolutions are taken by vote of the majority, excluding abstained vote.
3. Voting shall take place by open vote.

Article 18

1. Resolution of the Board of Directors shall be recorded in the Minutes to be transcribed in a proper book, signed by the Chairman and the Secretary.

Article 19

1. The Board of Directors is granted with all powers to manage the Company and for such purpose may resolve to carry out all those deeds considered necessary or useful to obtain the company's purpose, without prejudice to what reserved by law and by the By-laws approved by the Shareholders' Meeting.
In addition, the Board of Directors is empowered to resolve the resolutions concerning the following, pursuant to Art. 2436 of the Civil Code:
 - The so-called simplified mergers or spin-offs, in compliance with Articles 2505, 2505-bis and 2506-ter, last paragraph of the Civil Code;
 - Set up or closing of subsidiaries
 - Transfer of the registered office within the Italian territory
 - Indication of which Directors are granted with agency
 - Decrease of the share capital due to withdrawal
 - Adjustments of the By-laws according to law, provided that said resolutions may be taken also by the extraordinary Shareholders' Meeting.
2. The Board of Directors may delegate its own powers and competences to the Executive Committee – within the limits provided by law and by the By-laws –.
Moreover, it may appoint one or more Chief Executive Officers to whom delegate said powers and competences to them within the same limits.
3. the Executive Committee, the Chief Executive Officer or Officers, if appointed, are expected to report *properly and timely* to the Board of Directors and the Board of Auditors at least on a quarterly basis on the exercise of the delegated powers and the activity carried out on the general ongoing management and on the expected developments as well as on the operations considered as most relevant for their dimension and characteristics carried out by the Company and by its subsidiaries.
4. The Board of Directors, after having heard the Board of Auditors' mandatory opinion, appoints and revokes the Officer in charge of the accounting documents, pursuant to Article 154-bis of the Legislative Decree No. 58/1998, and determines his/her fees. The officer in charge of the Company's accounting documents shall have, in addition to the requisites of reliability set forth by law in force for those who carry out administration and management functions, the requisites of professionalism characterized by a specific competence in administration and accounting. Such experience is to be ascertained by the Board of Directors and shall be achieved thanks to work experiences involving a relevant responsibility for an adequate period of time.

Article 20

1. Directors have the right to receive the refund of the expenses borne in reason of their office. They also have the right to receive an annual fee determined by the Shareholders' Meeting that appoints them, which shall not vary until resolved differently by the same Shareholders' Meeting.

2. The Board of Directors, after having heard the Board of Auditors' opinion, sets forth the fees due to the Chairman, Vice Chairmen or Chairmen, Chief Executive Officers and the members of the Executive Committee.
3. Alternatively, the Shareholders' Meeting may determine a global fee for all Directors, including those appointed for particular offices, to be split according to the resolution taken by the Board of Directors after having heard the Board of Auditors' opinion.

Executive Committee

Article 21

1. The Board of Directors may appoint an Executive Committee, after having previously determined its duration and number of members. In such number the Chairmen, the Vice Chairman or Chairmen, if more than one and if appointed, are included as members by right.
2. The Secretary of the Committee is the same of the Board of Directors, without prejudice to different resolutions of the Committee itself.

Article 22

1. It is possible for participants to take part in the meeting of the Executive Committee remotely by means of audio or video signals (videoconference or teleconference) as provided for by Article 16, paragraph 5.
Directors and Statutory Auditors connected by means of audio or video signals shall be able to have at their disposal the same documentation sent to the participants present at the site where the meeting is held.
2. The formalities regarding the call and the operation of the Executive Committee – in matters not provided for by law or by this By-laws – are laid down by a proper Regulation approved by the Board of Directors.

Article 23

1. The Executive Committee's resolutions are considered valid when the majority of its members in office are present. Resolutions are taken by (absolute) majority of voters, excluding abstained vote and in the event of parity of votes the Chairman shall have the casting vote.

Article 24

1. Resolutions of the Executive Committee shall be registered in The Minutes of the meeting and signed by the Chairman and by the Secretary.

Agency

Article 25

1. The agency of the Company with third parties and in Court as well as the Company signature lies within the competence of the Chairman and, in case this is absent or prevented, also temporarily, of the Vice Chairman or any of the Vice Chairmen, in the order laid out by Article 16, paragraph 7. The agency lies within the competence

of the Chief Executive Officer or Officers, if appointed, within the limits of the delegated powers.

2. The signature of the deputy before third parties is evidence of absence or prevention of the replaced Officer.
3. The Board of Directors may, if necessary, appoint agents unrelated to the Company to carry out determined deeds.

Boards of Auditors

Article 26

1. The Board of Auditors is made of three Statutory Auditors and two Deputy Auditors and they remain in office for three fiscal years. Their mandate ends on the date of the meeting for the approval of the Fiscal Statements related to the last fiscal year covered by their term of office and are eligible for re-appointment. Auditors shall have the requisites, also concerning the plurality of offices, as set forth by law and by the other applicable provisions.

In case of admission of the Company's shares to the trading on the Italian regulated market and pursuant to Article 1, paragraph 3 of the Decree of the Ministry of Justice No. 162 dated March 30, 2000, the following activities shall be considered as strictly connected to the Company's activity: the research, development, production, marketing of software, systems and equipment concerning information technology, electronics and electro-mechanics.

2. The appointment of the Board of Auditors shall be carried out on the basis of lists presented by the Shareholders, where candidates shall be listed in progressive order. The list shall be made of two sections: one of candidates for Statutory Auditors and the other of candidates for Deputy Auditors.

Only Shareholders who, alone or together with other presenting Shareholders, hold shares with voting right for a total of at least 2 (two)% of the company's share capital having voting right in the Shareholders' Meeting, or rather represent a different percentage possibly laid down by laws or regulations, shall have the right to present the lists.

Each Shareholder as well as Shareholders who signed a parasocial agreement pursuant to Article 122 of the Legislative Decree No. 58/1998 may not present or be involved in the presentation of more than one list, not even through a third party of fiduciary company, neither may they vote different lists. Each candidate may be in one list only under, penalty of ineligibility.

Candidates without requisites set forth by the applicable law or pursuant to the cases shown in Article 148, paragraph 2 of the Legislative Decree No. 58/98 may not be included in the lists (without prejudice to any other cause for ineligibility or end of office). Outgoing auditors are re-eligible.

The lists presented shall be deposited at the registered office of the Company at least fifteen days prior to the date of the first call of the Shareholders' Meeting and this shall be mentioned in the notice of call, without prejudice to other forms of publicity set forth by law and temporary provisions in force. In case only one list is deposited at the deadline for presentation, or rather only lists presented by Shareholders having relevant connections according to the provisional law in force,

other lists may be presented until the fifth day after such date; in such case the minimum threshold set forth for the presentation of lists is reduced to the half.

The list shall contain the following information;

- a) information on the Shareholders who presented the lists, indicating the percentage of shareholding totally owned and a certificate proving the ownership issued by an intermediary qualified according to law;
 - b) a statement made by Shareholders who do not hold, also jointly, a controlling or a relative majority shareholding, certifying the absence of connections as set forth by the law and regulations in force;
 - c) exhaustive information on the personal characteristics of the candidates as well as a statement made by the same certifying to have all the requisites laid down by law and their acceptance of the nomination as well as the list of the administration and controlling offices possibly held in other companies.
- The non-compliant list shall be considered as not presented.

The appointment of the Auditors shall be carried out as follows:

1. Two Statutory and one Deputy Auditors shall be chosen from the list that obtained the most Shareholders' votes, in progressive order according to the same list;
2. A statutory Auditor, who shall be the Chairman and a Deputy Auditor are chosen in progressive order according to the same list, from the second list that obtained the most votes and that shall not be somehow connected, even indirectly, with the Shareholders who presented or voted the list that obtained the most Shareholders' votes.

In case of parity of votes among two or more lists the oldest candidates shall be elected.

Auditors' office comes to an end for expiration in the cases provided for by law and if the required requisites by this By-laws no longer exist.

In case an Auditor is replaced the Deputy Auditor from the same list takes office. It is understood that the Chairman of the Board of Auditors shall be the minority Auditor.

The Shareholders' Meeting appoints the Statutory or Deputy Auditors, who are necessary to complete the Board of Auditors as follows: if an Auditor from the majority list is to be replaced the appointment takes place with a relative majority voting with no tie to any list; if, on the contrary, Auditors from the minority list are to be replaced, the Shareholders' Meeting shall vote with a relative majority among the candidates indicated in the list to which the Auditors to be replace belong.

If the application of such procedures did not allow, for whatever reason, the replacement of the Auditors chosen by the minority, the Shareholders' Meeting shall vote with a relative majority. However, during the ascertainment of this last voting, the following votes shall not be considered:

- votes of Shareholders who communicated, according to law, to hold the relative majority of votes to be exercised in the Meeting, thanks to a parasocial agreement, also indirectly or jointly with other Shareholders, pursuant to Article 122 of the Legislative decree No. 58/1998.

- votes of controlling, controlled or subject to regular control by the same.
- The aforementioned rules in matter of election of Auditors do not apply for Shareholders' Meeting for which only one list is presented or voted. In such cases the Shareholders' Meeting resolves with relative majority.

Article 27

1. The Board of Directors carries out the functions granted by law and by other applicable regulations. In case of admission of the company's shares to the trading on the Italian regulated market, the Board of Directors also exercises any other duty and power set forth by special laws, with particular reference to the information due to the same, the obligation of Auditors to report on a quarterly basis pursuant to Article 150 of the Legislative Decree No. 58 dated February 24, 1998, shall be fulfilled with a written report.
2. The meetings of the Board of Auditors may also be held in video or teleconference, provided that:
 - a. The Chairman and the person in charge of the Minutes are in the same place where the meeting is convened;
 - b. All participants shall be identified and shall have the possibility to follow the discussion, receive, transmit and view the documentation, intervene verbally and in real time on all subjects. If these requisites exist, the Board of Auditors meeting shall be considered as held at the site where the Chairman and the person in charge of the Minutes are located.
3. The controlling activity is exercised, by a qualified auditing company pursuant to the applicable law.

Financial Statements, dividends and Reserves

Article 28

1. The fiscal year ends on December 31 of each year.
2. At the end of each fiscal year, the Board of Directors draws up the Financial Statements in compliance with law and other applicable provisions.

Article 29

1. Net ascertained profits, resulting from the Financial Statements and deducted of the quota to be allocated as legal reserve up to the limit set forth by law, are allocated as per what resolved by the Shareholders' Meeting. In particular, the Meeting may resolve to create or increase other reserves.

Dissolution – Liquidation General Provisions

Article 30

1. The Company liquidation and what not expressly provided for by this By-laws are regulated by the applicable law.
This By-laws is the last one updated following the full subscription of the share capital increased according to the resolution of the Shareholders' Meeting of July 21, 2005, registered with deed by the Notary Public Filippo Zabban in Milan at Reg. No. 50197/7061.

Amaro, (Udine), Italy December 28, 2007
THE CHAIRMAN OF THE BOARD OF DIRECTORS
(Roberto Siagri)