



**Illustrative Report by the Board of Directors of Biesse S.p.A. on the proposed modification to the Company Statute as per point one on the Agenda for the Special Meeting of Shareholders convened for 30<sup>th</sup> April 2007 at the first time of asking and for 2<sup>nd</sup> May 2007 at the second time of asking.**

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Dear Shareholders,

The Board of Directors of the company has called you to a Special Meeting of Shareholders to subject for your approval the proposed modification to the current Statute, also in order to adapt to Law No. 262 of 28<sup>th</sup> December 2005 (Law on Savings) and subsequent modifications and additions.

In particular, the following is proposed:

- (i) modification of articles 16) (Management); 19 bis) (Board of Auditors); 24) (General Provisions) and
- (ii) the introduction of a new art. 19 ter) (Director responsible for drawing up company accounting documents).

This report, drawn up in accordance with Art. 72 of Consob regulations 11971/1999 and subsequent modifications in compliance with Annex 3A and art. 3 of Ministerial Decree (Justice) No. 437/1998, presents you with the proposals for adaptation of the company statute to comply with new legal requirements. The following gives a detailed illustration of the proposed modifications to the statute, with the text of the current statute presented side-by-side with the proposed text for easier reading, and with all changes shown in red.

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<p style="text-align: center;"><b>Current text</b></p> <p style="text-align: center;"><b>STATUTE</b></p>	<p style="text-align: center;"><b>Proposed text</b></p> <p style="text-align: center;"><b>STATUTE</b></p>
<p>of the limited Company named “<b>BIESSE S.p.A.</b>”</p> <p><b>NAME - OBJECT - PARTNERSHIP CAPITAL - DURATION - SHARES</b></p> <p>1) A Limited Company is hereby founded under the name “BIESSE S.p.A.” with registered headquarters in Pesaro. The headquarters can be transferred to any other address in the same town upon simple decision by the Board of Directors that is also responsible for notifying the subsequent changes to the Company Registrar.</p> <p>The Board of Directors’ decision must be approved by the shareholders during their first ordinary meeting.</p> <p>When meeting in special assembly the Shareholders may decide to transfer the company’s headquarters to another town in Italy or abroad.</p> <p>Furthermore the Board of Directors may decide to set up or close down any secondary headquarters, branches, subsidiaries, agencies and representative offices, both in Italy and abroad.</p> <p>2) The Company aim is the manufacture and sale, on its own behalf and/or on behalf of third parties, of machine tools in general, of woodworking machines or parts of woodworking machines and derivatives thereof, as well as the manufacture and sale, on its own behalf and/or on behalf of third parties of industrial machinery, or parts thereof, used to process all types of materials, among which glass, marble, metal, alloys, similar derivatives and plastics. The Company aim is also to develop and sell, also on behalf of third parties, software, precision components and, in general, technology for machinery to process wood, glass, marble, metal and the like, and to provide assistance and maintenance services for customers.</p> <p>The Company may take on interests and shareholdings in other companies, bodies, consortiums, associations and enterprises, both Italian and foreign, with company aims similar to, the same as or connected with its own, for investment purposes also, and may provide real or personal security both for its own bonds and for those of third parties, and in particular fiduciary bonds.</p> <p>The Company may also carry out, both on its own account and on behalf of third parties, all the commercial, industrial and financial, real estate and asset operations considered necessary or of use by the management, provided that said operations are accessory and instrumental to the company aim, with the exception of those activities that are reserved</p>	<p>of the limited Company named “<b>BIESSE S.p.A.</b>”</p> <p><b>NAME - OBJECT - PARTNERSHIP CAPITAL - DURATION - SHARES</b></p> <p>1) A Limited Company is hereby founded under the name “BIESSE S.p.A.” with registered headquarters in Pesaro. The headquarters can be transferred to any other address in the same town upon simple decision by the Board of Directors that is also responsible for notifying the subsequent changes to the Company Registrar.</p> <p>The Board of Directors’ decision must be approved by the shareholders during their first ordinary meeting.</p> <p>When meeting in special assembly the Shareholders may decide to transfer the company’s headquarters to another town in Italy or abroad.</p> <p>Furthermore the Board of Directors may decide to set up or close down any secondary headquarters, branches, subsidiaries, agencies and representative offices, both in Italy and abroad.</p> <p>2) The Company aim is the manufacture and sale, on its own behalf and/or on behalf of third parties, of machine tools in general, of woodworking machines or parts of woodworking machines and derivatives thereof, as well as the manufacture and sale, on its own behalf and/or on behalf of third parties of industrial machinery, or parts thereof, used to process all types of materials, among which glass, marble, metal, alloys, similar derivatives and plastics. The Company aim is also to develop and sell, also on behalf of third parties, software, precision components and, in general, technology for machinery to process wood, glass, marble, metal and the like, and to provide assistance and maintenance services for customers.</p> <p>The Company may take on interests and shareholdings in other companies, bodies, consortiums, associations and enterprises, both Italian and foreign, with company aims similar to, the same as or connected with its own, for investment purposes also, and may provide real or personal security both for its own bonds and for those of third parties, and in particular fiduciary bonds.</p> <p>The Company may also carry out, both on its own account and on behalf of third parties, all the commercial, industrial and financial, real estate and asset operations considered necessary or of use by the management, provided that said operations are accessory and instrumental to the company aim, with the exception of those activities that are reserved</p>

<p>by law. The Company may be financed by its partners, within the limits and in the manners foreseen by current legislation. The extent of said financing does not necessarily have to be proportionate to the shareholding owned. Unless otherwise specified, the financing provided will be non-profit-bearing.</p> <p>3) The duration of the Company is to extend until 31 December 2075 subject to extension or advance dissolution.</p> <p>4) The Company Capital amounts to Euro 27,393,042 (twenty seven million, three hundred and ninety three thousand and forty two) divided into No. 27,393,042 (twenty seven million, three hundred and ninety three thousand and forty two) ordinary shares with a nominal value of 1 Euro each. Shares can be transferred freely provided transfers take place in compliance with current law on the matter.</p> <p>5) The Company may issue bearer bonds or registered bonds, including bonds convertible into shares, warrant shares and warrants, in compliance with legal requirements, delegating the decision on how they are to be positioned and extinguished to the Meeting of Shareholders.</p> <p>The Company may also issue, in compliance with current regulations, other categories of shares, including those that do not involve the right to vote, and financial instruments.</p> <p>6) The shares are registered shares. Shares are indivisible, and each share gives the right to one vote.</p> <p>7) An option on the newly issued ordinary shares will be offered to Shareholders in proportion to the number of shares they already hold, according to the terms and methods set down in art. 2441 of the Italian civil code and in current legislation.</p> <p><b>SHAREHOLDERS' MEETING</b></p> <p>8) The Shareholders' Meeting when legally convened, represents the totality of Shareholders, and any motions voted thereby in conformity with law and with the Statute will be considered binding for all Partners, even if they are absent or not in agreement.</p> <p>9) The Shareholders' Meeting may be convened outside the Company Headquarters on national Italian territory.</p> <p>10) The Shareholders' Meeting is called by means of an official notification indicating the date, time and place of the meeting, and a list of the questions to be discussed.</p> <p>As per Art. 2366, paragraph 2, of the Italian Civil Code, the notification must be published in the Official Gazette of the Italian Republic or on the financial newspaper "Il Sole 24</p>	<p>by law. The Company may be financed by its partners, within the limits and in the manners foreseen by current legislation. The extent of said financing does not necessarily have to be proportionate to the shareholding owned. Unless otherwise specified, the financing provided will be non-profit-bearing.</p> <p>3) The duration of the Company is to extend until 31 December 2075 subject to extension or advance dissolution.</p> <p>4) The Company Capital amounts to Euro 27,393,042 (twenty seven million, three hundred and ninety three thousand and forty two) divided into No. 27,393,042 (twenty seven million, three hundred and ninety three thousand and forty two) ordinary shares with a nominal value of 1 Euro each. Shares can be transferred freely provided transfers take place in compliance with current law on the matter.</p> <p>5) The Company may issue bearer bonds or registered bonds, including bonds convertible into shares, warrant shares and warrants, in compliance with legal requirements, delegating the decision on how they are to be positioned and extinguished to the Meeting of Shareholders.</p> <p>The Company may also issue, in compliance with current regulations, other categories of shares, including those that do not involve the right to vote, and financial instruments.</p> <p>6) The shares are registered shares. Shares are indivisible, and each share gives the right to one vote.</p> <p>7) An option on the newly issued ordinary shares will be offered to Shareholders in proportion to the number of shares they already hold, according to the terms and methods set down in art. 2441 of the Italian civil code and in current legislation.</p> <p><b>SHAREHOLDERS' MEETING</b></p> <p>8) The Shareholders' Meeting when legally convened, represents the totality of Shareholders, and any motions voted thereby in conformity with law and with the Statute will be considered binding for all Partners, even if they are absent or not in agreement.</p> <p>9) The Shareholders' Meeting may be convened outside the Company Headquarters on national Italian territory.</p> <p>10) The Shareholders' Meeting is called by means of an official notification indicating the date, time and place of the meeting, and a list of the questions to be discussed.</p> <p>As per Art. 2366, paragraph 2, of the Italian Civil Code, the notification must be published in the Official Gazette of the Italian Republic or on the financial newspaper "Il Sole 24</p>
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<p>ore” or on the Italian Daily “Il Corriere della Sera” within the terms and in the manner required by law.</p> <p>The notification may also contain indications of the date, the time and the place of a possible second or third calling, as foreseen by law.</p> <p>Unless otherwise foreseen by law, the Board of Directors must call the shareholders' meeting within thirty days of receiving a request to that effect, provided said request be presented by a number of Shareholders representing at least 10% (ten percent) of the company capital expressed in ordinary shares.</p> <p>The request must be sent to the President of the Board of Directors by registered mail, and must contain an analytical index of the questions to be set down on the agenda and a detailed list of the Shareholders making the request, also enclosing suitable certificates attesting the shares owned by each of said shareholders on the date that said communication is sent. According to the questions to be dealt with, the Board of Directors may evaluate whether or not to apply art. 2367 paragraph 3 of the Italian Civil Code.</p> <p>11) The right to speak during the Shareholders' Meeting is regulated by law and by applicable regulations. Postal votes are not accepted when voting at the Shareholders' Meeting.</p> <p>Without prejudice to legal provisions on the subject of proxy authorisations, a Shareholder with the right to speak during the Shareholders' Meeting may issue a written proxy statement and be represented by another person.</p> <p>12) The Shareholders' Meeting can be Ordinary and Special.</p> <p>The Ordinary Meeting will be called by the Board of Directors - without prejudice to the authority granted to the Board of Auditors and the members thereof, as foreseen by law - at least once a year, within one hundred and twenty (120) days of the end of the financial year. Should legal requirements apply or particular circumstances require it, the Ordinary Meeting of Shareholders may be called within 180 days of the end of the financial year; in this case the managers will indicate the reasons for this extension of terms in the Management report, as per art. 2428 c.c..</p> <p>The Shareholders' Meetings, both ordinary and special, are validly constituted and entitled to vote on the basis of the majorities and other requirements for validity set down by current legislation on this subject.</p> <p>13) The Meeting is chaired by the President of the Board of Directors, or - should he be absent or prevented from doing so – by a Managing Director or by the most Senior Board Member, who will nominate a secretary, not necessarily a partner, to draw up the minutes of the meeting. During Special Meetings, and in those cases in which the Managing</p>	<p>ore” or on the Italian Daily “Il Corriere della Sera” within the terms and in the manner required by law.</p> <p>The notification may also contain indications of the date, the time and the place of a possible second or third calling, as foreseen by law.</p> <p>Unless otherwise foreseen by law, the Board of Directors must call the shareholders' meeting within thirty days of receiving a request to that effect, provided said request be presented by a number of Shareholders representing at least 10% (ten percent) of the company capital expressed in ordinary shares.</p> <p>The request must be sent to the President of the Board of Directors by registered mail, and must contain an analytical index of the questions to be set down on the agenda and a detailed list of the Shareholders making the request, also enclosing suitable certificates attesting the shares owned by each of said shareholders on the date that said communication is sent. 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<p>Body considers it advisable, the minutes will be drawn up by a Notary.</p> <p>14) Meetings in which the whole of the company capital is present or represented, as well as the entire Board of Directors, jointly with the Board of Auditors, are likewise valid. For full Meetings to be valid it is also necessary for each of those attending, at the request of the Chairman of the Meeting, to state that they are adequately informed regarding the questions on the agenda.</p> <p>15) The decisions passed by the Meeting must be confirmed in the Minutes, signed by the Chairman and the Secretary or by a Notary.</p> <p><b>MANAGEMENT</b></p> <p>16) The Company is managed by a Board of Directors made up of from 2 to 15 members, who are not necessarily partners.</p>	<p>Body considers it advisable, the minutes will be drawn up by a Notary.</p> <p>14) Meetings in which the whole of the company capital is present or represented, as well as the entire Board of Directors, jointly with the Board of Auditors, are likewise valid. For full Meetings to be valid it is also necessary for each of those attending, at the request of the Chairman of the Meeting, to state that they are adequately informed regarding the questions on the agenda.</p> <p>15) The decisions passed by the Meeting must be confirmed in the Minutes, signed by the Chairman and the Secretary or by a Notary.</p> <p><b>MANAGEMENT</b></p> <p>16) The Company is managed by a Board of Directors made up of from 2 to 15 members, who are not necessarily partners.</p> <p><u>The Board of Directors is nominated by the Meeting of Shareholders based on lists presented by the Shareholders in which a number of candidates not exceeding the number to be nominated must be indicated and which are listed using a progressive number.</u>  <u>Each candidate may only be on one list. Failure to comply will mean ineligibility.</u></p> <p><u>Only those Shareholders who, either alone or together with other Shareholders, represent at least 2.5% (two point five percent) of the partnership capital are entitled to present lists.</u></p> <p><u>No shareholder may present or participate in the presentation, either in person or through a fiduciary, of more than one list.</u>  <u>Shareholders who form part of a voting syndicate may present or participate in the presentation of one list only.</u></p> <p><u>If this rule is broken, the vote of the Shareholder in question will not be taken into account for any of the lists presented.</u></p> <p><u>Each Shareholder may vote for one list only.</u></p> <p><u>The lists of candidates, accompanied by full information on the personal and professional characteristics of the candidates, if necessary giving details of their ability to be qualified as independent, are to be filed at the company offices at least fifteen days prior to the date foreseen for the Meeting.</u></p> <p><u>The lists of candidates, accompanied by the information on the characteristics of said candidates, is published in a timely manner on the company internet site.</u></p> <p><u>Together with each list are filed, within the above term, the declarations issued by individual candidates in which they</u></p>
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<p>The Board of Directors remains in office for a period of three years, and may be re-elected.</p> <p>Should the Meeting fail to do so, the Board of Directors will nominate a Chairman from among its members.</p> <p>If during the course of the financial year one or more members of the Board of Directors is no longer available, the others will provide for his replacement by means of a resolution approved by the Board of Auditors. The Members of the Board nominated in this way will remain in office until the next Shareholders' Meeting.</p> <p>Should the number of Board Members in office be reduced to less than half, through resignation or other causes, all the Members of the Board will be considered to have resigned from office, and it will be necessary to call a Shareholders' Meeting to nominate the entire Board of Directors.</p> <p>The Board of Directors may also nominate one or more Managing Directors, the Executive Committee and one or more Members with special positions.</p>	<p><u>accept the candidacy and certify under their own responsibility that nothing is liable to render them ineligible or incompatible for election as foreseen by law, and that they are in possession of any requirements set by law and by the regulations for members of the Board of Directors.</u></p> <p><u>Any list for which the statutory requirements above are not complied with shall be considered as not presented.</u></p> <p><u>The members of the Board of Directors will be elected in the following manner:</u></p> <ul style="list-style-type: none"> <li>a) <u>from the list that obtained the highest number of votes at the Meeting, will be taken a number of Members representing the total number to be elected less one;</u></li> <li>b) <u>the remaining board member will be taken from the list that obtained the second highest number of votes at the Meeting, in the person of the candidate at the top of said list.</u></li> </ul> <p><u>The candidate listed at the top of the list that obtained the highest number of votes at the Meeting will be nominated Chairman of the Board of Directors.</u></p> <p><u>If only one list is presented or voted all the Board members will be taken from that list.</u></p> <p><u>In the absence of lists, the Board of Directors will be nominated by the Meeting of Shareholders according to the majority votes set by law.</u></p> <p>The Board of Directors remains in office for a period of three years, and may be re-elected.</p> <p><del>Should the Meeting fail to do so, the Board of Directors will nominate a Chairman from among its members.</del></p> <p>If during the course of the financial year one or more members of the Board of Directors is no longer available, the others will provide for his replacement by means of a resolution approved by the Board of Auditors. The Members of the Board nominated in this way will remain in office until the next Shareholders' Meeting.</p> <p>Should the number of Board Members in office be reduced to less than half, through resignation or other causes, all the Members of the Board will be considered to have resigned from office, and it will be necessary to call a Shareholders' Meeting to nominate the entire Board of Directors.</p> <p>The Board of Directors may also nominate one or more Managing Directors, the Executive Committee and one or more Board Members with special <u>tasks, or create other committees, granting them any powers considered necessary, also in order to implement codes of behaviour drawn up by the companies managing regulated markets or class</u></p>
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<p>Meetings of the Board of Directors will be held at the Company Head Office or in another location to be indicated in the notice of convocation, provided it is within the territory of the European Community.</p> <p>The Board of Directors will be considered validly met when the majority of its members in office are present, and resolutions will be passed with a majority vote by those present. If votes are even, the President will cast the deciding vote.</p> <p>Unless otherwise foreseen by current regulations, meetings are normally called by the President on his own initiative or, if the President is absent or incapacitated, by the Managing Director/s, on the request of at least two thirds of the Board Members or of the Board of Auditors.</p> <p>The notice of convocation must be sent by mail, telegram, telex, telefax, or other similar telematic means, provided it is legally recognised, at least five days in advance, and in case of urgency by telegram, telefax and other similar telematic means at least one day (24 hours) in advance of the date set for the meeting.</p> <p>The Board of Directors will in any case be considered validly met even without notice of convocation, provided that all its Members and all the Full Auditors are present.</p> <p>Meetings may also be held in teleconference and/or videoconference (and in this case the notice of convocation must contain the time at which the telematic connection will commence), provided that all participants can be identified and that they are able to follow the discussion and intervene in real time to deal with the questions discussed, and provided that they are able to view, receive and manage the documentation.</p> <p>At the conditions described above the Board of Directors will be considered to have met at the place in which the President is present, which must coincide with the location indicated in the convocation, except in the case of a full meeting. The Secretary for the Meeting must be present at the same place, to draw up the minutes in the special minutes book and sign it, together with the President.</p> <p>The Secretary and the President, should they consider it advisable, may, either at the time or at a later date, collect signed approval from those taking part at the teleconference and/or videoconference, by fax, network, electronic signature or other similar form of copy of draft of the minutes. When instructed to do so by the President or the Board Members, the Secretary may keep and file recordings of the</p>	<p><u>associations.</u></p> <p>Meetings of the Board of Directors will be held at the Company Head Office or in another location to be indicated in the notice of convocation, provided it is within the territory of the European Community.</p> <p>The Board of Directors will be considered validly met when the majority of its members in office are present, and resolutions will be passed with a majority vote by those present. 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<p>videoconference and/or teleconference.</p> <p>The Board of Directors has ordinary and special management powers, with the exception of those reserved by law for the Meeting of Shareholders.</p> <p>The Executive Committee, if nominated, will comprise a maximum of three members, and will be presided over by the President of the Board of Directors.</p> <p>The rules foreseen for the Board of Directors will also be applied when calling Executive Committee meetings and for the resolutions passed by said Committee.</p> <p>The Board of Directors, through the President (also in his position as President of the Executive Committee, if there is one) or the Managing Director/s, reports to the Board of Auditors on the activities carried out and on the operations of greatest economic, financial and capital importance carried out by the Company and its affiliates, if there are any, and in particular reports on operations where there is a potential conflict of interests.</p> <p>Reporting is normally carried out at the time of Board meetings, and in any case at least once a quarter.</p> <p>The Board of Directors may delegate all or part of its powers to the President, and may delegate to its own members and to third parties the actual putting into practice of resolutions that have been duly passed.</p> <p>The Managing Directors and the Executive Committee, if nominated, will have all or part of the powers granted to the Board of Directors, with the sole exception of those powers that by law cannot be delegated.</p> <p>The Board of Directors may therefore proceed with purchase and alienation of assets and real estate; take on obligations, including liability on bills of exchange and mortgages; take on shareholdings in existing or future businesses or companies, including underwriting, carry out any operation with the Public Debt and the Savings and Loans Bank, with Banks, Issuing bodies and any other Public or Private Office, allow establishment, subrogation and deferment, cancellation and renunciation of mortgages and annotations of all kinds, exonerating the keepers of Real Estate Registers, the Director of Public Debt and the Savings and Loans Bank and any other Public or Private Body from all responsibility.</p>	<p>videoconference and/or teleconference.</p> <p>The Board of Directors has ordinary and special management powers, with the exception of those reserved by law for the Meeting of Shareholders.</p> <p><u>The Board of Directors likewise is entitled to vote on proposals relating to:</u></p> <ul style="list-style-type: none"> <li>- <u>merger by incorporation of companies whose shares or shareholdings are held entirely by the Company, in compliance with the provisions of art. 2505 of the civil code;</u></li> <li>- <u>merger by incorporation of companies of which at least 90% (ninety percent) of the shares or shareholdings are held entirely by the Company, in compliance with the provisions of art. 2505-bis of the civil code;</u></li> </ul> <p>The Executive Committee, if nominated, will comprise a maximum of three members, and will be presided over by the President of the Board of Directors.</p> <p>The rules foreseen for the Board of Directors will also be applied when calling Executive Committee meetings and for the resolutions passed by said Committee.</p> <p>The Board of Directors, through the President (also in his position as President of the Executive Committee, if there is one) or the Managing Director/s, reports to the Board of Auditors on the activities carried out and on the operations of greatest economic, financial and capital importance carried out by the Company and its affiliates, if there are any, and in particular reports on operations where there is a potential conflict of interests.</p> <p>Reporting is normally carried out at the time of Board meetings, and in any case at least once a quarter.</p> <p>The Board of Directors may delegate all or part of its powers to the President, and may delegate to its own members and to third parties the actual putting into practice of resolutions that have been duly passed.</p> <p>The Managing Directors and the Executive Committee, if nominated, will have all or part of the powers granted to the Board of Directors, with the sole exception of those powers that by law cannot be delegated.</p> <p>The Board of Directors may therefore proceed with purchase and alienation of assets and real estate; take on obligations, including liability on bills of exchange and mortgages; take on shareholdings in existing or future businesses or companies, including underwriting, carry out any operation with the Public Debt and the Savings and Loans Bank, with Banks, Issuing bodies and any other Public or Private Office, allow establishment, subrogation and deferment, cancellation and renunciation of mortgages and annotations of all kinds, exonerating the keepers of Real Estate Registers, the Director of Public Debt and the Savings and Loans Bank and any other Public or Private Body from all responsibility.</p>
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<p>He will be entitled to act in legal action, including appeals and revocation, in preliminary agreements and transactions, and will be entitled to nominate arbitrators and persons in charge of amicable composition.</p> <p>He will be entitled to approve all commercial contracts, nominate and suspend staff, set wages; he will be entitled to nominate and revoke the nomination of Managers and Attorneys with similar or more limited powers.</p> <p>17) The President of the Board of Directors, or the Managing Directors, if they have been nominated, will sign for and represent the Company both before third parties and in a court of law.</p> <p>However, the Board of Directors may assign said powers to other Directors, attorneys and managers, who will use them within the limits set by the Board itself.</p> <p>18) The Board of Directors has the right to nominate one or more General Managers for the Company, also setting the emoluments to be paid them. Said General Managers will carry out the resolutions passed by the Board of Directors and will be delegated by the latter to manage current affairs, propose operations and exercise all other powers that may be assigned them on a continuous basis or from time to time by the Board.</p> <p>Within the limits of the powers assigned them, the General Managers will represent the Company before third parties.</p> <p>19) The Ordinary Meeting of Shareholders may proceed to nominate a President with honorary functions. The Honorary President is not a member of the Board of Directors. The Honorary President will remain in office for the same time as the Board of Directors, and will stand down from office either by tendering his resignation or when the period in office of the Board expires. The Honorary President will be assigned the sole function of representing the Company at events other than those typical of company activities, with cultural, scientific and benevolent aims. The Honorary President will not be entitled to sign on behalf of or represent the Company.”</p> <p><b>BOARD OF AUDITORS</b></p> <p>19 bis) The Board of Auditors comprises three Full Auditors and two assistant auditors elected by the Shareholders' Meeting, which also sets down the wages to be paid to said auditors. The minority is entitled to elect one Full Auditor and one assistant.</p> <p>Nomination of the Board of Auditors takes place based on the lists presented by Shareholders, in which the candidates are listed under progressive numbers. The number of candidates must not exceed the number of candidates to be</p>	<p>He will be entitled to act in legal action, including appeals and revocation, in preliminary agreements and transactions, and will be entitled to nominate arbitrators and persons in charge of amicable composition.</p> <p>He will be entitled to approve all commercial contracts, nominate and suspend staff, set wages; he will be entitled to nominate and revoke the nomination of Managers and Attorneys with similar or more limited powers.</p> <p>17) The President of the Board of Directors, or the Managing Directors, if they have been nominated, will sign for and represent the Company both before third parties and in a court of law.</p> <p>However, the Board of Directors may assign said powers to other Directors, attorneys and managers, who will use them within the limits set by the Board itself.</p> <p>18) The Board of Directors has the right to nominate one or more General Managers for the Company, also setting the emoluments to be paid them. Said General Managers will carry out the resolutions passed by the Board of Directors and will be delegated by the latter to manage current affairs, propose operations and exercise all other powers that may be assigned them on a continuous basis or from time to time by the Board.</p> <p>Within the limits of the powers assigned them, the General Managers will represent the Company before third parties.</p> <p>19) The Ordinary Meeting of Shareholders may proceed to nominate a President with honorary functions. The Honorary President is not a member of the Board of Directors. The Honorary President will remain in office for the same time as the Board of Directors, and will stand down from office either by tendering his resignation or when the period in office of the Board expires. The Honorary President will be assigned the sole function of representing the Company at events other than those typical of company activities, with cultural, scientific and benevolent aims. 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<p>elected. Shareholders from voting syndicates will only be entitled to present a single list.</p> <p>The list comprises two sections: one for candidates to the position of Full Auditor, the other for candidates to the position of Assistant Auditor.</p> <p>Only those Shareholders who, either alone or together with others, are the owners of voting Shares representing at least 2% (two percent) of the capital entitled to vote at the Ordinary Shareholders' Meeting are entitled to present lists. No Shareholder, along with the Shareholders in the same group, is entitled to present more than one list, even through a different person of fiduciary company, nor may he vote for different lists. In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented. Each candidate may only be present in one list, penalty ineligibility.</p> <p>The lists may not contain the names of candidates who already hold the office of Auditor in five other listed companies, with the exception of those controlling and controlled by the Company, or candidates who are not in possession of the necessary requirements of honour and professionalism set down by applicable regulations.</p> <p>For the purposes of article 1, paragraph 2, letters b) and c), and paragraph 3 of Ministerial Decree No. 162 dated 30 March 2000 on the subject of the professional requirements for members of the board of auditors of listed companies, the subjects and sectors strictly pertaining to those of interest to the company are intended to comprise commercial and company law, business economics, financial and statistical sciences, and all the other subjects of the same or similar nature, although with different names, whereas the sectors strictly connected or relating to those in which the company operates are understood to comprise the manufacture, distribution and sale of machines and tools, automation systems, software and precision components.</p> <p>Auditors standing down from office may be re-elected.</p> <p>The lists presented must be filed at the Company head office at least ten days before the date on which the Meeting is first called, and mention of this fact will be made in the notice of convocation.</p> <p>The professional curriculum of each candidate must be filed together with each list, within the terms indicated above, along with the declarations with which each candidate accepts candidacy and certifies, at his own responsibility, that there is no cause of ineligibility or incompatibility, and that the legal and statutory requirements foreseen for the respective positions are met. Any list for which the above requirements are not met will be considered not to have been presented.</p>	<p>elected. Shareholders from voting syndicates will only be entitled to present a single list.</p> <p>The list comprises two sections: one for candidates to the position of Full Auditor, the other for candidates to the position of Assistant Auditor.</p> <p>Only those Shareholders who, either alone or together with others, are the owners of voting Shares representing at least 2% (two percent) of the capital entitled to vote at the Ordinary Shareholders' Meeting are entitled to present lists. No Shareholder, along with the Shareholders in the same group, is entitled to present more than one list, even through a different person of fiduciary company, nor may he vote for different lists. In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented. 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The Auditors will be elected as follows:

- two full members and one assistant member, taken according to the progressive order in which they are listed in the various sections of the list, will be taken from the list that has attained the largest number of votes at the Meeting;
- the remaining full member and the other assistant member, taken according to the progressive order in which they are listed in the various sections of the list, will be taken from the list that has attained the second largest number of votes at the Meeting;

In the event of two or more lists with an equal number of votes, the oldest candidates will be elected to cover the positions that have to be assigned.

The first candidate on the list that achieves the highest number of votes will be nominated President of the Board of Auditors; in the event of two or more lists with an equal number of votes the provisions contained in the preceding paragraph will apply.

Should the conditions set down in the regulations and in the Statute cease to exist, the President of the Board of Auditors will cease to hold office.

In the event of replacement or lapse from office of an Auditor, the assistant auditor from the same list as the replaced or lapsed auditor will take over.

To nominate the Full and/or assistant Auditors required to complete the Board of Auditors following replacement or lapse, the Full or assistant Auditor from the same list as the replaced or lapsed Auditor will take over. Should this not be possible, the Shareholders' Meeting will vote, with the majority required for the ordinary Shareholders' meeting to pass resolutions, without prejudice to the reservation made in paragraph 1 of this article.

The lists of candidates, accompanied by the information on the characteristics of said candidates, is published in a timely manner on the Company's internet site.

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- two full members and one assistant member will be according to the progressive order in which they are listed in the various sections of the list, will be taken from the list that has attained the largest number of votes at the Meeting;
- the remaining full member, who will take the office of Chairman, and the other assistant member, taken according to the progressive order in which they are listed in the various sections of the list, will be taken from the list that has attained the second largest number of votes at the Meeting;

In the event of two or more lists with an equal number of votes, the oldest candidates will be elected to cover the positions that have to be assigned.

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#### DIRECTOR IN CHARGE OF DRAWING UP COMPANY ACCOUNTING DOCUMENTS

19 ter) The Board of Directors will nominate, after consulting the Board of Auditors, a director in charge of drawing up company accounting documents. The Board will grant the director in charge adequate powers and means to carry out the tasks assigned him according to law and the regulations.

## FINANCIAL STATEMENT AND PROFITS

20) The company financial year ends on December 31st of each year. At the end of each financial year the administrative body will draw up the financial statement according to law.

21) Any profits, after deducting 5% to be assigned to the ordinary reserve fund until the latter reaches the value of the Company Capital, will be assigned to Shareholders proportionately to the number of shares owned, unless the Shareholders' Meeting resolves to assign payments to special reserves or for other purposes, or to bring all or part of the profits forward to the following financial years.

22) Payment of dividends will be made by the banks designated by the President of the Board of Directors within the term set annually by the latter.

Any dividends that are not collected within five years of the date on which they become payable, will be prescribed to the reserve fund.

When the conditions foreseen by law arise, accounts on dividends may be distributed in the manner and following the procedures set down by current provisions.

## DISSOLUTION AND WINDING-UP

23) On expiry of the company duration or when winding-up the Company for whatever reason, the Special Meeting of Shareholders will proceed to nominate one or more liquidators and will determine the powers and functions to be assigned to them.

## GENERAL PROVISIONS

24) For all those questions not explicitly contemplated in this Statute, the provisions of the Italian Civil Code and any other legal provision will be applicable.

The Shareholders hereby give their consent, according to law No. 675 of 31 December 1996, to treatment of their personal data and transfer of the same by the Company to any other body or authority, according to the provisions of this Statute and to law.

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Dear Shareholders,  
with regard to the above, you are hereby invited to vote on the following:

“ The Meeting of Shareholders, having listened to the proposal put forward by the Chairman, votes to approve the proposed changes to the following articles of the current Statute, which will become an effective part of the Company Statute:

- 16) (Management);
- 19 b) (Board of Auditors)
- 24) (General provisions)

And also votes to introduce the following article, which will become an effective part of the Company Statute:

- art. 19 ter) (Director responsible for drawing up company accounting documents)”.

Pesaro, 27<sup>th</sup> March 2007

For the Board of Directors

The Chairman Roberto Selci

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