

## **B Y – L A W S**

### **CORPORATE NAME, CORPORATE PURPOSE, REGISTERED OFFICE AND DURATION**

**Art. 1)** A joint-stock company called “ISAGRO S.p.A.” is incorporated.

**Art. 2)** The corporate purpose of the company is research and development, production, sale and distribution in Italy and abroad of chemical and natural products for agricultural, domestic and veterinary use, and also the marketing of seeds and supply of services and chemical and natural products for the prevention, maintaining and treating of the ecosystem.

As an instrumental and not predominant activity, the company may:

- carry out any commercial, industrial, financial, real and movable property operation necessary or useful for achieving the corporate purpose, including the granting of real and/or personal security in its own interest or in the interest of third parties;
- acquire and dispose of investments and stakeholdings in other companies, organisations or firms, incorporated or being incorporated, which have a corporate purpose which is the same as, similar to or connected with its own, both directly and indirectly;
- issue convertible and unconvertible bonded loans, exclusively through a resolution passed by the extraordinary shareholders’ meeting in accordance with art. 13 of the Articles of Association.

The company may not, under any circumstances, perform activities reserved to banks or other authorised brokers pursuant to current legal regulations on banking, credit and finance.

**Art. 3)** The registered office of the company is in Milan, at the address indicated in the specific declaration lodged with the Register of Companies in accordance with art. 111-ter of the implementation measures of the Italian Civil Code.

**Art. 4)** The domicile of shareholders, for relations with the company, is the one indicated on the shareholders’ register.

**Art. 5)** The duration of the company is until 31 December, 2050, and may be extended.

### **SHARE CAPITAL**

**Art. 6)** The share capital is equal to Euro 24.961.207,65 and is divided into no. 24.549.960 ordinary shares and into no. 14.174.919 special shares called “Growth Shares”, both with no indication of par value.

Growth Shares bear the rights provided for and have the characteristics indicated in the subsequent art. 7.

The company may receive loans from shareholders, in compliance with current laws and regulations on this; loans made by shareholders to the company are intended as non-interest-bearing, unless otherwise resolved.

Payments on shares are requested by the board of directors within the times and using the methods it deems appropriate. Shareholders making late payments are charged annual interest at the official discount rate, without affecting the requirements of article 2344 of the Italian Civil Code.

**Art. 7)** The Growth Shares bear privileges in the distribution of profits and reserves prescribed by art. 24.

Growth Shares bear no right to vote.

Growth Shares convert into ordinary shares automatically and in the ratio of one ordinary share for each Growth Share should even just one of the following events occur:

- (a) a *change of control*: outside of the cases provided for in the subsequent lett. (c) or governed under the subsequent subsection fifth, in the case in which (i) PIEMME S.r.l. ceases to hold

- more than 50 percent of the share capital with right to vote of HOLDISA S.r.l., or (ii) HOLDISA S.r.l., ceases to hold more than 50 percent of the ordinary shares of the company; or
- (b) *mandatory takeover bid*: in the case in which, based on the law and also upon request by Consob, it is mandatory to notify the latter and publicize, pursuant to art. 102, subsection 1 of Italian legislative Decree 58/1998, the emergence of an obligation to promote a public takeover bid or trade; or
  - (c) a *voluntary take-over bid*: in the case in which a public take-over bid or trade on ordinary shares that is exempt from the obligation for the subsequent bidding pursuant to article 106, paragraph 4 and 107, paragraph 1 of Italian Legislative Decree 58/1998 (an “**Exempt Offer**”) in which the shareholder HOLDISA S.r.l. participates contributing a number of ordinary shares insufficient to reduce its equity investment below the threshold of 50 percent of the ordinary shares, in which case the conversion will have effect: (i) in the case in which the offer was also extended to all of the Growth Shares in issue, for a consideration not less than that offered for ordinary shares, the day after the end of the period to participate in the offer (if the effectiveness of the offer has not been subject to conditions or the conditions take place before the start of the period to participate) i.e. the day after the bidder notifies Consob and makes public the facts that the conditions have been met; (ii) otherwise, on the date indicated in the subsequent paragraph fifth subordinate to the fulfilment of the bid obligation therein governed by the bidder.

In the case in which (i) an Exempt Offer, which is not extended, for the same consideration and under the same conditions –to all the Growth Shares in issue (a Partial Bid), (ii) the shareholder HOLDISA S.r.l. participates contributing enough ordinary shares to reduce its equity investment below the threshold of 50 percent of the ordinary shares and (iii) the bid is unconditional or the conditions to which it was subject occur, then subsequent to and as an a result of the settlement of the consideration of the bid and the acquisition of ordinary shares contributed into the said offer by the bidder:

- (a) the bidder shall be obliged to offer to purchase, at the same consideration as the Partial Offer, and unconditionally, all the Growth Shares in issue;
- (b) the mandatory bid pursuant to item (a) (the “**Mandatory Bid**”) must be promoted: (i) with the methods and within the time limit prescribed by 102 et seq. of Italian Legislative Decree 58/1998 and related implementation provisions; or (ii) in the case in which, due to its characteristics, the Mandatory Bid cannot be promoted within the methods and with the times prescribed by the aforesaid provisions, within 5 days from the settlement of the consideration of the Partial Bid, by way of a notice to be published in at least one daily newspaper with national circulation or with other forms and methods that may be established by board of directors of the company and in this case, the Mandatory Bid must last and remain irrevocable for no less than fifteen days and no more twenty-five calendar days;
- (c) the bidder must pay the consideration, and will at the same time acquire title to the Growth Shares contributed to the Mandatory Bid, within or the third day subsequent to the conclusion of the bid;
- (d) the right to vote to which the bidder is entitled shall be suspended for all the shares it holds until it has fulfilled the bidding obligation;
- (e) the automatic conversion of the Growth Shares shall take place the day subsequent to the payment of the consideration of the Growth Shares contributed to the Mandatory Bid;
- (f) if the bidder does not fulfil the bid obligation within the terms prescribed by herein, without prejudice to the provisions of letter (d) and except in each case the indemnification of the damages, the Growth Shares shall acquire the right to full vote, maintaining the privileges prescribed by art. 24.

Should the prerequisites of the conversion of the Growth Shares into ordinary shares be met, the Board of Directors shall ascertain the actual conversion and shall proceed with the consequential registration and notification as well as the filing of the updated text of the By-Laws at the Register of Companies. The Board of Directors shall establish the date on which the ordinary shares relating to the conversion

will be assigned, the entitled parties, in concert with Borsa Italiana S.p.A. and having had regard to the need to ensure the regular initiation of trading of the ordinary shares themselves.

In so far that it may be necessary, the extraordinary shareholders' meeting of April 7, 2014 resolved, to the intents and purposes of art. 104, subsection 1-*ter*, of Italian Legislative Decree 58/1998, that neither the conversion of Growth Shares into ordinary shares established in the third paragraph nor the expectation nor the emergence of the bidding obligations pursuant to the fourth paragraph require and therefore are subordinate to the authorization of the shareholders' meeting set forth by paragraphs 1 and 1-*bis* of article 104 of the Italian Legislative Decree 58/1998.

If the ordinary shares and/or the Growth Shares are excluded from trading, the Growth Shares shall maintain their rights and characteristics, unless resolved upon otherwise in shareholders' meeting resolutions.

**Art. 8)** Both the ordinary shares and the Growth Shares are registered, indivisible and freely transferable. Each shareholder is entitled to withdraw from the company in the cases contemplated by law, with the exception of the cases referred to in art. 2437.2 of the Italian Civil Code.

#### **THE SHAREHOLDERS' MEETING**

**Art. 9)** The shareholders' meeting represents all shareholders and its resolutions, taken in conformance with the law and these Articles of Association, are binding upon all shareholders.

The shareholders' meeting is ordinary or extraordinary, according to law.

It may be called outside the registered office, provided this is in Italy and in EU member states.

The shareholders' meeting must be called by the administrative body at least one a year, within one hundred and twenty days of the end of the company year or within one hundred and eighty days, if the company is required to prepare consolidated financial statements and when particular circumstances relating to the corporate structure and purpose require this.

**Art. 10)** Each shareholder is entitled to one vote for every ordinary share held.

**Art. 11)** Shareholders' meetings are called through notice of meeting to be published according to the methods and times required by the applicable legal and regulatory provisions.

The notice of meeting must indicate the date, time and place of the meeting and a list of the items on the agenda and the additional information contemplated by current rules and regulations. The ordinary shareholders' meeting and the extraordinary shareholders' meeting shall be held in a single call, unless the Board of Directors, for a specific Shareholders' Meeting, resolves to indicate the date for the second, and if necessary, for the third call, providing notice thereof in the notice of call.

**Art. 12)** Participation and representation of shareholders at the meeting are governed by current laws and regulations on this.

The persons entitled to vote have the right to notify proxies to participate and vote in the meeting by means of certified electronic mail sent to the address specified in the notice of meeting and in accordance with the procedures set forth therein.

The company may in its notice of meeting for each meeting designate a person to whom shareholders may entrust their proxies with voting instructions on all or some of the items on the agenda in accordance with the terms and procedures contemplated by current regulations.

The chairman of the meeting checks proxies are in order and on the right to participate in the meeting in general.

**Art. 13)** The shareholders' meeting is chaired by the chairman of the board of directors or, in his absence or impediment, by the vice chairman, if appointed, or, in the absence of both, by another person appointed by the board of directors, failing which the meeting elects its own chairman.

The shareholders' meeting appoints a secretary, who may be a non-shareholder.

Voting at both ordinary and extraordinary shareholders' meetings takes place in accordance with the methods decided by the chairman of the meeting and, in any case, in accordance with the law.

Resolutions of the shareholders' meeting are entered in minutes signed by the chairman and the secretary.

In the cases required by law and when the chairman deems this appropriate, the minutes are kept by a notary public.



The ordinary shareholders' meeting may approve or, if necessary, alter a rule of the shareholders' meeting which governs the methods of running the meeting, in accordance with current regulations on joint-stock companies listed on regulated markets.

Any sale of assets (including firms, business units and intellectual properties) representing more than the 25% of the amount of the total assets, resulting from the latest consolidated certified financial statements approved by Isagro, shall be subject to the approval of the ordinary shareholders' meeting pursuant to article 2364, no. 5), of the Italian Civil Code.

The extraordinary shareholders' meeting is exclusively responsible for issuing the convertible and unconvertible bonded loans referred to in art. 2 of the Articles of Association.

**Art. 14)** The ordinary and extraordinary shareholders' meeting are held, as a general rule, in a single call, and they are constituted and pass valid resolutions with the majorities contemplated by law.

The shareholders' meeting resolution that prejudice the rights of the Growth Shares established by art. 7 and/or by art. 24 must be approved by the special of Growth Shareholders in compliance and with the majorities prescribed by law.

#### **ADMINISTRATION**

**Art. 15)** The company is administered by a board of directors formed of five to fifteen members, appointed for the first time in the articles of incorporation and subsequently elected by the shareholders' meeting.

Directors, who may also be non-shareholders, remain in office for three years or for a lesser period of time, if decided by the shareholders' meeting on appointment, and may be re-elected.

Directors are appointed by the shareholders' meeting on the basis of the lists submitted by the shareholders and by the outgoing board of directors.

The lists may be submitted by shareholders representing, by themselves or with others, at least 2.5% (two point five percent) of the share capital represented by shares with voting rights or the different proportion established by Consob regulation and must be lodged at the company registered office within the terms contemplated by current laws and regulations and this must be mentioned in the notice of meeting. In order to demonstrate possession of the number of shares necessary for submitting the lists, shareholders must ensure that the related certification reaches the company within the terms contemplated by current regulations. Each shareholder may submit (or participate in submitting) and vote on one list only.

Shareholders participating in a semi-company agreement under article 122 of Legislative Decree no. 58/1998, or participating in voting syndicates, whatever the form and subject of the agreement, may not submit and vote, or participate in submitting and voting on more than one list, not even through third parties or trust companies. For this purpose, on submitting their list, the shareholders must also submit a declaration in which they confirm the absence of agreements or links of any kind with other shareholders who have submitted or participated in the submitting of other lists.

Participation and votes expressed in violation of this requirement will not be attributable to any list.

Each list must contain one or more candidates possessing the requisites of independence required by law. The lists submitting a number of three or more candidates must also include candidates of both genders so that at least a number of candidates corresponding to the minimum quota set by law are from the less represented gender.

On the lists, the candidates must be indicated through a progressive number equal to the number of positions to be covered. Together with the lists, the shareholders submitting them must submit:

- (i) the irrevocable acceptance of the assignment by the candidates (conditional for their appointment)
- (ii) certification of possession of the requisites of professionalism and ability and the non-existence of causes of ineligibility and/or forfeiture, in accordance with current laws and regulations;
- (iii) a curriculum vitae of each candidate.

No one may be a candidate on more than one list: acceptance of candidature on more than one list will lead to ineligibility.

Directors are elected in the following manner:

- (a) two thirds of the directors to be elected from the list which obtains the largest number of votes expressed by the shareholders, in the progressive order in which they are listed on the list itself, with rounding off to the nearest number in the case of fractions of less than one unit;
- (b) the remaining directors from the other lists, for this purpose, the votes obtained by the lists are divided by one, two, three and so on, according to the number of directors to be elected. The quotients obtained in this manner are assigned progressively to the candidates of each of these lists, according to the order respectively contemplated by each. The quotients thus attributed to the candidates on the different lists are placed on a single classification list in decreasing order. Those obtaining the highest quotients are elected. If several lists obtain the same number of votes, a ballot will be held between these lists by all shareholders present at the shareholders' meeting and the candidates on the list which obtains the simple majority of votes will be elected. In any case at least one of the members of the board of directors shall be drawn from the minority list which obtained the greatest number of votes and is not connected in any way, even indirectly, with the shareholders who submitted or voted the list which gained the most number of votes;
- (c) if as a result of the procedure pursuant to letters a) and b) above, is not ensured:
  - the composition of the Board in accordance with the current pro tempore regulations on matters of gender balance, the candidate belonging to the most represented gender elected last in progressive order in the list with the greatest number of votes shall be replaced by the first candidate belonging to the least represented gender on the same list and not elected. A similar replacement shall also be made in the other lists from which at least one candidate was elected, in decreasing order by number of votes obtained until the composition of the Board is in accordance with the current pro tempore regulations on matters of gender balance;
  - the appointment of a number of independent directors pursuant to art. 147-ter, paragraph 4, of Legislative Decree no. 58/1998 at least equal to the minimum number required by that article in relation to the overall number of directors, the non-independent candidate elected who came last in the progressive order in the list which gained the largest number of votes among those which elected at least one candidate but which had not already expressed at least one independent director shall be replaced by the first independent candidate included on that list and not elected. A similar replacement will also be made in the list that came second by number of votes among those which elected at least one candidate but did not already express at least one independent director, if that should be necessary to ensure the appointment of the minimum number of independent directors;
- (d) if after that, the result of the procedure pursuant to (c) above, should fail to ensure the compliance with the current pro tempore provisions on matters of gender balance and/or on matters of minimum numbers of independent directors, the Shareholders' Meeting will take steps with the legal majority to appoint the missing directors, after presentation of the candidature of persons possessing the required qualifications.

For the appointment of the directors which takes place on occasions other than renewal of the entire board of directors, as in the case where only one list is submitted or no list is submitted, the Shareholders' Meeting resolves with the majorities required by law and without following the process set forth above, in compliance with the current pro tempore provisions on matters of gender balance and/or on matters of minimum numbers of independent directors.

If during the course of the period one or more directors should leave the office, the provisions in accordance with art. 2386 of the Italian Civil Code on matters of gender balance and/or on matters of minimum numbers of independent directors will be applied.

**Art. 16)** If the majority of directors leaves office due to resignation or for other reasons, the entire board of directors leaves office and must call the shareholders' meeting for appointment of all the directors without delay.

**Art. 17)** If the shareholders' meeting has not done so, the board of directors' meeting elects a chairman from among its members and may appoint one or more vice chairmen, and a secretary, who may be a non-director or a non-shareholder.

The board of directors may delegate its powers to an executive committee, formed of several of its members, or to one or more of its members, deciding the limits of the mandate upon appointment, in compliance with the requirements of article 2381 of the Italian Civil Code.

The administrative body may appoint managers and general proxies, holders of power of attorney for negotiation and mandate holders in general for specific acts or categories of acts.

The board of directors may set up committees, formed of its own members, of an exclusively consultative and/or propositional nature, deciding the number of members of these committees and their duties, in accordance with current regulations on joint-stock companies listed on regulated markets.

**Art. 18)** The board of directors' meeting is held at the registered office or elsewhere, provided this is in Italy or an EU member state, whenever this is considered necessary by the chairman or requested by at least 1 (one) of its members or by the board of statutory auditors or by at least 2 (two) standing auditors.

**Art. 19)** The meeting is called via letter, telegram, electronic mail or fax, to be sent at least 5 (five) days prior to the meeting to each director and to each standing auditor and, in emergencies, via telegram, electronic mail or fax to be sent 2 (two) days beforehand.

In the absence of these formalities, the board of directors' meeting is validly called when all serving directors and all standing auditors are present.

**Art. 20)** Resolutions of the board of directors' meeting are valid when the majority of members are present and they receive the vote in favour of the majority present.

Resolutions of the board of directors' meeting are entered in minutes signed by the chairman and the secretary appointed for this purpose each time.

Board of directors' meetings may be held via teleconferencing or videoconferencing, provided all participants may be identified and can follow the debate and intervene in real time in discussing the items on the agenda and also view, receive and transmit documentation.

If these requisites are satisfied, the board of directors' meeting is considered as being held in the place where the chairman is present and where the secretary is also present, in order to allow drafting and signing of the minutes on the relative register.

**Art. 21)** The administrative body holds the widest powers for the ordinary and extraordinary management of the company, without exceptions of any kind (unless as resolved by the article 13, penultimate paragraph), and is authorised to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, with the exception of those reserved by law to the shareholders' meeting.

Directors report promptly to the board of statutory auditors, and, in any case, at least every quarter, usually verbally at the board of directors' meeting or the executive committee meeting, if appointed, or also directly through a written note sent to the chairman of the board of statutory auditors, on the activities carried out and on the most important operations in economic, financial and equity terms carried out by the company and by subsidiary companies.

Directors report, in particular, on operations where there is potential conflict of interest.

In addition to exercising the powers attributed to it by law, the board of directors' meeting is also authorised to vote on:

- (i) merger of companies in which at least a 90% (ninety percent) stake is held (cf. arts. 2505 and 2505-bis of the Italian Civil Code);
- (ii) alterations to the Articles of Association made necessary for adaptation to regulatory requirements;
- (iii) transfer of the registered office within the national territory.

**Art. 21 bis)** The board of directors' meeting appoints and dismisses a manager responsible for preparing the company's accounting documents, in accordance with the binding opinion of the board

of statutory auditors, and grants him the appropriate powers and means for performing the duties assigned, in accordance with the law and regulations.

The manager responsible for preparing the company's accounting documents must possess the requisites of respectability contemplated by law for members of the board of directors and must have gained an overall experience of at least three years in carrying out administrative and/or accounting and/or financial and/or control duties at the company and/or its subsidiary companies and/or at other joint-stock companies.

#### **COMPANY SIGNATURE AND REPRESENTATION**

**Art. 22)** The chairman of the board of directors and the managing directors, if appointed, hold the company signature and represent the company, severally, before third parties and the law, with the power of bringing legal actions and judicial and administrative petitions for each degree of jurisdiction and also for sentences of revocation and cassation, appointing attorneys and holders of warrant of attorney for this purpose.

The company may also be represented by non-directors appointed by it as part of and in order to exercise the powers granted to them.

#### **FINANCIAL STATEMENTS AND PROFITS**

**Art. 23)** The company year ends on 31 December each year. Within the times and in the forms required by law, the board of directors prepares the financial statements, including the balance sheet, income statement and accompanying notes, in accordance with the law, accompanied by its own annual report on performance.

**Art. 24)** Net profits according to the financial statements, approved by the shareholders' meeting, minus the 5% (five percent) allocated to the legal reserve until this reaches the legal limit, shall be allocated as established by the shareholders' meeting.

The profits for which the shareholders' meeting resolves on distribution shall be divided between the ordinary shares and the Growth Shares so that each Growth Share is entitled to an overall dividend 20 percent greater than that of the ordinary shares.

Starting with the financial year ended on 31 December 2014, the profits which the shareholders' meetings resolves to carry over must be recorded in a special reserve that allows its separated recognition with respect to the retained profit carried forward from earlier years and with respect to the other reserves. Should the shareholders' meeting resolve to distribute it, said reserve must be partitioned between ordinary shares and the Growth Shares so as to recognize the same above indicated privileges to the Growth Shares. In case of distribution of every other reserve, the Growth Shares shall have the same rights as ordinary shares.

Payment of dividends is made within the times indicated by the shareholders' meeting, via the brokers authorised in accordance with current regulations.

The board of directors' meeting may vote to distribute advances on dividends in the methods and forms contemplated by law, without prejudice, in this case, to the privilege to which the Growth Shares are entitled in accordance with the second paragraph above. Dividends remaining uncollected for 5 (five) years from the date when they become collectable revert to the company.

#### **BOARD OF STATUTORY AUDITORS**

**Art. 25)** The board of statutory auditors is formed of 3 (three) standing auditors and 2 (two) alternate auditors appointed by the shareholders' meeting on the basis of lists submitted by the shareholders, on which the candidates must be listed with a progressive number.

In each list submitting an overall number of candidates of three or more, the first two candidates for the office of standing auditor must be of different genders, as must the two candidates for the office of alternate auditor.

For the submission, publication and lodging of the lists and related documentation (including the prescribed statements and certifications) the procedures contemplated in art. 15 of these articles of association are applied insofar as they are compatible with art. 144-sexies of the Issuer Regulation approved by Consob in Resolution no 11971 of 14/05/1999 and subsequent amendments.



The members of the board of statutory auditors are chosen from among those possessing the requisites of professionalism and honour indicated in Ministry of Justice Decree no. 162 of 30 March, 2000.

For purposes of verifying the existence of the requisite of experience accrued by each candidate, the topics and sectors of activity strictly linked with the one of the company are intended as those relating to the so-called “behavioural products”, i.e. such as to guarantee specialised characteristics.

The 2 (two) standing auditors and 1 (one) alternate auditor will be taken from the list which has obtained the largest number of votes expressed by shareholders, in the progressive order in which they are indicated on the list. The third standing auditor and the second alternate auditor are taken from the other lists, in accordance with the procedure contemplated in letter (b) of art. 15 of these Articles of Association.

The chairman of the board of statutory auditors is the first candidate on the second list (the third standing auditor) obtaining the largest number of votes.

If only one list should be submitted, the meeting expresses its vote thereon; should the list obtain the relative majority, the first 3 (three) candidates indicated in progressive order are elected standing auditors and the fourth and fifth candidates are elected alternate auditors; the first candidate on the list submitted is entitled to the chairmanship of the board of statutory auditors. Should no list be submitted, the board of statutory auditors and its chairman are elected by the shareholders’ meeting by the majorities pursuant to article 14 of these Articles of Association, in compliance with the current pro tempore provisions on matters of gender balance.

In the case of the replacement of an auditor, the alternate auditor belonging to the same list as the one departing steps in, in compliance with the current pro tempore provisions on matters of gender balance.

In the case of replacement of the chairman of the board of statutory auditors, the chairmanship is taken by the other standing auditor from the list to which the departing chairman belonged. Should it not be possible to proceed to the replacement in accordance with the above criteria or if provision must be made in accordance with the law, the shareholders’ meeting will be called to restore the board of statutory auditors to the right number and will resolve by the majorities pursuant to article 14 of these Articles of Association, in compliance with the current pro tempore provisions on matters of gender balance.

#### **WINDING-UP**

**Art. 26)** If the company is wound up at any time and for any reason, the shareholders’ meeting will decide the methods of liquidation and will appoint one or more liquidators, deciding their powers, with the majorities contemplated in article 14 of these Articles of Association.

#### **GENERAL PROVISIONS**

**Art. 27)** For anything not specifically contemplated in these Articles of Association, reference is made to the provisions contained in the Italian Civil Code and in special laws on this.