

# BYLAWS OF PARMALAT S.P.A.

## NAME – PURPOSE – REGISTERED OFFICE – DURATION

### **Article 1 – Name**

The company being established shall be called “Parmalat S.p.A.” (no restriction on graphic representations).

Outside Italy, the company name may be translated into the languages of the countries where the Company chooses to operate.

### **Article 2 – Registered Office**

The Company’s registered office is in Collecchio (Parma).

The Company may establish, move or eliminate secondary headquarters, management offices, branches, agencies and satellite offices in Italy and abroad.

### **Article 3 – Purpose**

The Company’s purpose includes the following: (i) manufacturing, packaging, buying, importing, selling, exporting, storing and trading in general, for its own account or on behalf of third parties, foodstuffs, beverages and diet products and all related items; (ii) livestock ranching and farming; (iii) acquiring equity investments in other companies or businesses in Italy and abroad with a purpose similar or related to its own and manage and coordinate said investments.

Moreover, acting in compliance with the applicable laws, the Company may carry out any commercial, industrial or financial transactions and transactions involving real and personal property that may be necessary or otherwise conducive to the attainment of the corporate purpose, including receiving and granting loans, providing collateral and guarantees on behalf of companies in its group, and buying and selling receivables, provided these transactions are not executed with consumers.

The Company reserves the right to engage in all other activities that are permissible pursuant to law.

### **Article 4 – Duration**

The Company’s duration is until December 31, 2050 and may be extended.

## SHARE CAPITAL – SHARES – BONDS

### **Article 5 – Share Capital – Shares**

The Company’s share capital is 1,755,434,162.00 euros, divided into 1,755,434,162 shares, par value 1 euro each.

The Extraordinary Shareholders’ Meeting of March 1, 2005 (which on September 19, 2005 approved a motion allowing the “permeability” of the different installments listed below, meaning that if any one of the installments into which the overall capital increase of 2,009,967,908 euros is divided — except for the first installment of 1,502,374,237 euros reserved for “Eligible Creditors” and the last installment of 80,000,000 reserved for the exercise of warrants — should prove to be larger than the actual amount needed to convert into capital the claims that the installment in question was supposed to cover, the excess of this capital increase installment may be used to cover the claims of another class of creditors,

when such claims exceed the funds provided by the capital increase installment allocated to them) approved resolutions agreeing to:

a) carry out divisible capital increases:

a.1 – up to a maximum amount of 1,502,374,237 (one billion five hundred two million three hundred seventy-four thousand two hundred thirty-seven) euros by issuing at par up to 1,502,374,237 (one billion five hundred two million three hundred seventy-four thousand two hundred thirty-seven) common shares, par value 1 (one) euro each, ranking for dividends as of January 1, 2005, reserving this increase for the exercise of the preemptive right of the Foundation, the Company's sole shareholder, which will subscribe it on behalf of the "Eligible Creditors," as they appear in the enforceable lists filed with the Office of the Clerk of the Bankruptcy Court of Parma by the Italian bankruptcy judges (*Giudici Delegati*) on December 16, 2004; this capital increase shall be paid in at par, upon the satisfaction of the condition precedent that the Court of Parma approve the Composition with Creditors of the companies of the Parmalat Group by offsetting the amounts of the various claims in accordance with the percentages determined under the Composition with Creditors;

a.2 – up to a maximum amount of 38,700,853 (thirty-eight million seven hundred thousand eight hundred fifty-three) euros by issuing at par up to 38,700,853 (thirty-eight million seven hundred thousand eight hundred fifty-three) common shares, par value 1 (one) euro each, ranking for dividends as of January 1, 2005, reserving this increase for the exercise of the preemptive right of the Foundation, the Company's sole shareholder, which will subscribe it at par (offsetting, in accordance with the percentages determined under the Composition with Creditors, the claims acquired by the Foundation and formerly owed to their subsidiaries by companies that are parties to composition with creditors proceedings), upon the satisfaction of the condition precedent that the Court of Parma approve the Composition with Creditors of the companies of the Parmalat Group;

b) carry out a further capital increase that, as an exception to the requirements of Article 2441, Section Six, of the Italian Civil Code, will be issued without requiring additional paid-in capital, will be divisible, will not be subject to the preemptive right of the sole shareholder, will be carried out by the Board of Directors over ten years in multiple installments, each of which will also be divisible, and will be earmarked as follows:

b.1 – up to a maximum amount of 238,892,818 (two hundred thirty-eight million eight hundred ninety-two thousand eight hundred eighteen) euros by issuing at par up to 238,892,818 (two hundred thirty-eight million eight hundred ninety-two thousand eight hundred eighteen) common shares, par value 1 (one) euro each, ranking for dividends as of January 1, 2005, allocating to:

b.1.1 – unsecured creditors who have challenged the sum of liabilities (so-called "Challenging Creditors") shares that shall be paid in at par by offsetting the amounts of their claims in accordance with the percentages determined under the Composition with Creditors, once their claims have been effectively verified as a result of a court decision that has become final, and/or an enforceable settlement;

b.1.2 – unsecured creditors with conditional claims (so called "Conditional Creditors") shares that shall be paid in at par upon the satisfaction of the condition precedent by offsetting the amounts of their claims in accordance with the percentages determined under the Composition with Creditors;

b.2 – up to a maximum amount of 150,000,000 (one hundred fifty million) euros by issuing at par up to 150,000,000 (one hundred fifty million) common shares, par value 1 (one) euro each, regular ranking for dividends, allocating to unsecured creditors with a title and/or cause that predates the date when the companies that are parties to the Proposal of Composition with Creditors were declared eligible for Extraordinary Administration Proceedings, including unsecured creditors whose claims were not included in the sum of liabilities but whose claims were later verified by a court decision that has become final and, therefore, can no longer be challenged (so called "Late-Filing Creditors"), shares that shall be paid in at par by offsetting the amounts of their claims in accordance with the percentages determined under the Composition with Creditors, once their claims have been effectively verified as a result of a court decision that has become final, and/or an enforceable settlement;

b3 – up to a maximum amount of 80,000,000 (eighty million) euros by issuing at par up to 80,000,000 (eighty million) common shares, par value 1 (one) euro each, regular ranking for dividends, which shares will be used to allow conversion of the warrants allotted to Eligible Creditors, Challenging Creditors, Conditional Creditors, Late-Filing Creditors and the Foundation, on the basis of the capital

increase subscribed by the latter (offsetting the claims acquired by the Foundation and formerly owed to their subsidiaries by companies that are parties to composition with creditors proceedings), at the exercise ratio of 1 (one) new common share, par value 1 (one) euro each, for each warrant tendered for the purpose of exercising the subscription right, up to the first 650 (six hundred fifty) shares attributable to the unsecured creditors and the Foundation.

The extraordinary shareholders' meeting of April 28, 2007 approved a resolution allowing a further share capital increase of up to 15,000,000 (fifteen million) euros, to be carried out through the issuance of up to 15,000,000 (fifteen million) common shares, par value 1 (one) euro each, for the purpose of increasing from 80,000,000 (eighty million) to 95,000,000 (ninety five million) the amounts set forth in Section Two, Letter b.3), of this Article.

The shares are registered shares, if so required by law. Otherwise, provided they have been fully paid in, they can either be registered or bearer shares, at the discretion of the shareholders.

The provisions regarding representation, exercise of ownership rights and circulation of equity investments that govern securities traded in regulated markets apply to the Company's shares as well.

Future capital increases may be carried out by issuing shares with different rights and in exchange for different cash contributions, within the limits of the law.

Notwithstanding all other provisions that apply to share capital, if the Company's shares are traded on a regulated market, its share capital may be increased with contributions in cash by not more than 10% of the value of the preexisting capital, without counting option rights, provided that the issue price is equal to the market price of the shares and that such valuation is confirmed in a special report by independent auditors retained for that purpose, with the exception indicated in the following paragraph. Resolutions concerning the issues that are the subject of this paragraph must be adopted with the quorums referred to in Articles 2368 and 2369 of the Italian Civil Code.

As an exception to the provisions of the preceding paragraph and to the requirements of Article 2441, Section Six, of the Italian Civil Code, the capital increase approved for the benefit of Late-Filing Creditors and any future capital increases that may be approved for the benefit of Late-Filing Creditors shall be carried out by issuing shares at par, with exclusion of the preemptive rights of other shareholders, it being understood that the expression Late-Filing Creditors shall mean those unsecured creditors whose claims were not included in the sum of liabilities of the companies that were parties to the Proposal of Composition with Creditors but whose claims were later verified by a court decision that has become final and, therefore, can no longer be challenged.

As allowed under Article 2349 of the Italian Civil Code, the Extraordinary Shareholders' Meeting may approve the distribution of earnings to employees of the Company or its subsidiaries through the noncontributory issuance of common shares with a total par value equal to the amount of the earnings being distributed.

Acting within the confines of the law, the Extraordinary Shareholders' Meeting may also approve the issuance of other financial instruments or the establishment of separate financial entities.

## **Article 6 – Bonds**

The Company may issue bonds of any type, provided it complies with the applicable statutory requirements.

The Extraordinary Shareholders' Meeting has jurisdiction over the issuance of bonds that may be converted into warrants or that have attached warrants to subscribe newly issued shares, but may delegate its authority as allowed under Article 2420 *ter* of the Italian Civil Code. In all other cases, the Board of Directors has jurisdiction, and a power of attorney is not required.

## **REDEMPTION OF SHARES**

### **Article 7 – Redemption of Shares**

The right to demand redemption of one's shares may be exercised only with the limitations and in accordance with the provisions of irrevocable statutes. In any case, such right is not available with regard to a) extensions of the Company's duration or b) the introduction, modification or elimination of restrictions to the circulation of the Company's shares.

## **SHAREHOLDERS' MEETING**

### **Article 8 – Shareholders' Meeting**

Shareholders' Meetings are convened by means of a notice published on the Company website, as well as by other means required by Consob regulations, and in two of the following newspapers: *Corriere della Sera*, *La Repubblica* or *Il Sole 24 Ore*, as well as in the *Financial Times*.

The procedure for convening a Shareholders' Meeting, which may take place anywhere in Italy, including outside the municipality where the Company's registered office is located, and the manner by which shareholders may be represented at the meeting are governed by the applicable law.

The Notice of Shareholders' Meeting must state the date of the Meeting's second or third calling. If such information is not provided, the Shareholders' Meeting must be convened on the second or third calling within 30 (thirty) days from the first or second calling, respectively, and the deadline required under Article 2366 of the Italian Civil Code may be shortened to 8 (eight) days.

The Board of Directors may decide, should it deem it appropriate, that the Ordinary Shareholders' Meeting and the Extraordinary Shareholders' Meeting be convened on a single calling. When a single calling is used, the majorities required for such cases pursuant to law will be applicable.

When the law allows it, the Ordinary Shareholders' Meeting may be convened to approve the Company's Annual report within 180 (one hundred eighty) days after the end of the fiscal year.

### **Article 9 – Attendance and Representation at Shareholders' Meetings**

The eligibility to attend the Shareholders' Meeting and exercise the right to vote shall be certified by means of a communication sent to the issuer by the intermediary, in accordance with the data in its accounting records, for the benefit of the party qualified to exercise the right to vote.

The communication required pursuant to Paragraph 1 shall be sent by the intermediary, based on the corresponding evidence available at the expiration of the record date, seven stock market trading day before the date set for the first, or single, calling of the Shareholders' Meeting. Debit or credit entries posted to the accounting records after this deadline are irrelevant for purpose of determining the eligibility to exercise the right to vote at the Shareholders' Meeting. The communication must reach the Company by the close of business three stock market trading day before the date set for the first, or single, calling of the Shareholders' Meeting or other deadline required by the Consob pursuant to regulations issued in concert with the Bank of Italy. However, shareholders will be eligible to attend the Shareholders' Meeting and vote even if the communications are delivered to the Company after the deadline set forth in this paragraph, provided they are delivered before a Shareholders' Meeting convened with a single notice is called to order.

Any shareholder who is entitled to attend the Shareholders' Meeting may be represented at the Meeting, pursuant to law, by means of a written or electronically conveyed proxy, when allowed by the applicable regulations and in the manner set forth therein. If electronic means are used, the notice of the proxy may be given using the page of the Company website provided for this purpose or in accordance with any other method listed in the notice of the Shareholders' Meeting.

The Company may designate for each Shareholders' Meeting one or more person whom shareholders may appoint as their representative, in the manner required pursuant to law and the applicable regulations, before the close of business two stock market trading days before the date of the Shareholders' Meeting convened on the first calling or single calling, providing the representative with a proxy with voting instructions regarding all or some of the items on the agenda. The proxy shall not be effective for motions for which no voting instructions were provided. The names of the designated

representatives and the methods and deadline for granting proxies shall be set forth in the notice of the Shareholders' Meeting.

#### **Article 10 – Convening, Chairing and Managing Shareholders' Meetings**

Shareholders' Meetings are chaired by the Chairman of the Board of Directors. If the Chairman is absent, Meetings are chaired in the following order: by the most senior Deputy Chairman, if one or more Deputy Chairmen have been appointed, or, in the case of equal seniority, by the eldest Deputy Chairman; by the Deputy Chairman next in line, if one has been appointed; or, lastly, by a person elected by the Shareholders' Meeting.

The Chairman of the Meeting, who may appoint officers to help him with this task, is responsible for ascertaining whether the Meeting has been properly convened, verifying the identity of the attendees and their right to attend the Meeting, managing the progress of the Meeting and verifying voting results.

At the request of the Chairman, the Shareholders' Meeting elects a secretary and, if necessary, two poll counters.

The resolutions approved by the Shareholders' Meetings are recorded in the Minutes of the Meeting, which must be signed by the Chairman and the poll counters, if appointed.

When required by law or if the Chairman of the Meeting deems it necessary, the Minutes are drawn up by a Notary, who also serves as Secretary of the Meeting, upon designation by the Chairman.

The Shareholders' Meeting may adopt rules governing its proceedings. The Shareholders' Meeting may be carried out with the attendees located in different rooms, provided these rooms are linked by means of an audio/videoconferencing systems that allow the attendees to take part in the discussion and vote in real time.

Shareholders' Meetings can be Ordinary or Extraordinary, depending on what the law requires.

An Ordinary or Extraordinary Shareholders' Meeting shall be deemed to have been properly convened and able to adopt valid resolutions, whether on the first or a subsequent calling, when the provisions of the applicable statutes have been complied with, except for resolutions of the Extraordinary Shareholders' Meeting that amend Articles 10, 11, 12, 15, 16, 17 and 18 of these Bylaws, which require, until the financial statements for the fiscal year ended December 31, 2009 have been approved, the favorable vote of shareholders representing at least 95% of the share capital, whether the Meeting is held on the first or a subsequent calling..

## **GOVERNANCE**

#### **Article 11 – Board of Directors**

The Company is governed by a Board of Directors comprising 11 (eleven) Directors. The Shareholders' Meeting that elects the Directors determines the length of their term of office, which, however, may not be longer than three fiscal years. The term of office of the Directors thus appointed expires on the date of the Shareholders' Meeting convened to approve the financial statements for the last year of their term of office. Directors may be re-elected.

In the course of an election, at least 6 (six) of the Directors elected by the Shareholders' Meeting must be independent Directors possessing the requirements set forth in Article 12.

Directors are elected through voting on slates of candidates presented by the Shareholders in accordance with the provisions of the following Article of these Bylaws. Candidates must be assigned a number and listed on the slates in consecutive order.

Slates filed by Shareholders must be deposited at the Company's registered office at least twenty five day prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the Board of Directors and they must be available for the public at the Company's registered office, on the Company's web site and with the other modalities provided by Consob with Regulation at least twenty-one days prior to the date set for the Shareholders' Meeting, provided publication of the slates takes

place on at least two of the newspapers referred to in Article 8 and on the *Financial Times* at least ten days prior to the date of the Shareholders' Meeting.

Each Shareholder may file or help file only one slate. Shareholders who are parties to a shareholder agreement, such as defined in Article 122 of the Uniform Financial Law (Legislative Decree No. 58/1998), as amended, controlling shareholders, and subsidiaries and companies under joint control may file individually or in combination only one slate. Nominations filed and votes cast in violation of the prohibition set forth in this paragraph will not be attributed to any slate.

Each candidate may appear only on one slate, under penalty of having his/her candidacy rejected.

Only shareholders who, alone or together with other shareholders, hold a number of shares equal in the aggregate to at least 1% of the Company's shares (or a lower percentage if provided by Consob) that convey the right to vote at Shareholders' Meetings are entitled to file slates of candidates. In order to prove ownership of the number of shares needed to file slates of candidates, shareholders must file at the Company's registered office, together with the slates of candidates, or even after the filing of the slates provided that the time limit thereon provided has not expired, a certification proving their ownership of the shares. In each slate, at least six elevenths (6/11) of the candidates must be independent candidates. The independent candidates in each list must be identified with the first numbers listed in sequence or alternating (e.g., listed under the numbers 1, 3, 5 etc. or 2, 4, 6 etc. in the slate) with the candidates who are not independent.

Together with each list, the shareholders must file, within the deadline stated above, affidavits by which each candidate accepts to stand for election and attests, on his/her responsibility, that there is nothing that would bar the candidate's election or make the candidate unsuitable to hold office and that he/she has met the requirements for election to the respective office. Each candidate must file together with his/her affidavit a curriculum vitae listing his/her personal professional data and, if applicable, showing his/her suitability for being classified as an independent Director.

Each shareholder who is entitled to vote may vote only for one slate of candidates.

The election of the Board of Directors will be carried out in the following manner:

- a) A number of Directors in proportion to the number of votes received plus two, but not more than 9 (nine), will be taken from the slate that received the majority of votes. Fractions greater than 0.5 (zero point five) will be rounded to the next higher whole number, and fractions smaller than 0.5 (zero point five) will be eliminated;
- b) The remaining Directors will be elected from the remaining slates. To that end, the votes cast for these lists will be divided in sequence by one, two, three or four, depending on the number of Directors that need to be elected. The quotients thus obtained will be attributed progressively to the candidates in each of the slates, in the order in which the candidates are listed on the slates. The quotients thus attributed to the candidates on the various slates will be arranged in decreasing order. The candidates with the highest quotients will be elected. If more than one candidate receives the same quotient, the candidate belonging to the slate that contains no elected Directors or the smallest number of elected Directors will be elected.

If none of these slates contains an elected Director or all contain the same number of elected Directors, the candidate who received the highest number of votes will be elected. If candidates receive the same number of slate votes and the quotient is the same, the Shareholders' Meeting will be asked to vote again, and the candidate who receives a plurality of the votes will be elected.

If the group of candidates elected from the slate that received the majority of the votes cast does not include a sufficient number of independent Directors, the non independent candidate elected with the smallest quotient from the slate that received the highest number of votes after the first slate will be replaced by the unelected independent candidate from the same slate with the highest quotient, and so forth, slate by slate, until the required number of independent Directors is reached.

If only one slate has been filed or no slate has been filed or the election concerns only a portion of the Board of Directors, the Shareholders' Meeting will vote with the applicable statutory majorities and in accordance with the provisions Article 11, Paragraph 2.

If one or more Directors should leave office in the course of the fiscal year, irrespective of the reason, the Board of Directors will proceed in accordance with provisions of Article 2386 of the Italian Civil Code. If one or more the departing Directors had been elected from a slate containing names of

candidates who had not been elected, the Board of Directors will replace the departing Directors by appointing candidates taken in sequence from the slate of the departing Director, provided these candidates are still electable and are willing to serve. If an independent Director should leave office, he or she must be replaced, to the extent that it is feasible, with the first of the unelected independent Directors in the slate from which the departing Director was drawn.

Whenever the majority of the members of the Board of Directors elected by the Shareholders' Meeting leave office for any cause or reason whatsoever, the remaining Directors who have been elected by the Shareholders' Meeting will be deemed to have resigned and their resignation will become effective the moment a Shareholders' Meeting convened on an urgent basis by the Directors still in office elects a new Board of Directors.

Directors must meet the requirements of the applicable statutes or regulations (and of the code of conduct published by the company that operates the regulated market in Italy on which the Company's shares are traded). The following individuals may not be elected to the Board of Directors and, should such an individual currently be serving in such capacity, he/she shall be removed from office automatically: (i) individuals against whom the Company or its predecessors in title have filed legal actions at least 180 (one hundred eighty) days prior to the date of the Shareholders' Meeting convened to elect the Board of Directors; (ii) individuals who, prior to June 30, 2003, served as Directors, Statutory Auditors, General Managers or Chief Financial Officers of companies that at time were part of the Parmalat Group; (iii) individuals who are defendants in criminal proceedings related to the insolvency of the Parmalat Group or who have been found guilty in such proceedings and ordered to pay damages, even if the sentence is not final.

#### **Article 12 – Requirements of Independent Directors**

The function of the independent Directors is to balance the interest of all shareholders, whether they are in the majority or the minority.

Independent Directors are those who:

- a) have never been or have not recently been, either directly, indirectly or on behalf of third parties, a party to business transactions large enough to impair their independence, with the Company, its subsidiaries, its Directors with executive authority, shareholders who individually own a controlling or linking interest in the Company or are parties to Shareholder Agreements that provide control or establish linkage, or who serve as Directors of companies or the parent companies of such companies that have these characteristics;
- b) are not parties to disputes with the Company or its subsidiaries;
- c) are neither Directors, employees nor controlling stockholders of a company that is a party to a dispute with the Company;
- d) do not own, directly, indirectly or on behalf of third parties, equity investments large enough to enable them to exercise control over or exert a significant influence on the Company and are not a party to voting syndicates that have control of the Company, and do not otherwise own and/or are not Directors or employees of companies that own, directly or indirectly, an equity interest equal to or greater than two percent of the Company's capital stock;
- e) are not among the immediate family of Company Directors with executive authority or individuals who find themselves in the positions described in letters a) and b) above.

The independence of the Directors is checked at least annually by the Board of Directors, in accordance with regulations that the Board has adopted and based on the information that the individual Directors are required to provide. The resulting findings are communicated to the Shareholders and the financial markets. In assessing the independence of Directors, the Board reviews the last three fiscal years when considering employment relationships and assignments requiring Directors to have executive powers, and the last fiscal year when other business relationships are involved.

If the Board of Directors determines that a Director is no longer independent, it adopts the appropriate resolutions with a majority of two-thirds (2/3) of the Directors attending the meeting.

Directors who have been elected as independent Directors but no longer meet the requirements of independence are deemed to have resigned automatically and the other Directors are required to replace them promptly.

#### **Art. 13 – Obligations Incumbent upon Directors**

Directors bring to the Company the unique professional skills they possess and must be aware of the tasks and responsibilities entailed by their office. Directors must act and deliberate with full understanding of the issues at hand and with full autonomy, while pursuing the objective of creating value for the shareholders. Directors may accept their appointment only when they believe that they will be able to devote sufficient time to the task of discharging their duties, based on the number of Boards of Directors or Boards of Statutory Auditors of companies with shares traded on regulated markets, in Italy or abroad, or Boards of banking, insurance or large private companies on which they may be serving. Directors will treat as confidential any information to which they may have access through the office they hold. The Chairman and any Managing Directors shall inform the Board of Directors of new legislative or regulatory developments that affect the Company or its corporate governance bodies. Directors must inform the Board of Directors and the Board of Statutory Auditors of any interest that they may have (for their own account or on behalf of outsiders, including any entity with which they have direct or indirect business transactions, by which they may be employed or on the Board of Directors of which they may serve) in a transaction or settlement involving the Company and must refrain from voting on motions involving such transactions or settlements. A violation of his/her duties by a Director shall constitute grounds for removal from his/her office and will give rise to the obligation to indemnify the Company and its Shareholders for any damages incurred.

#### **Article 14 – – Chairman of the Board of Directors**

Unless this task has already been handled by the Shareholder's Meeting, the Board of Directors elects from among its members a Chairman and, if appropriate, one or two Deputy Chairmen. The Board of Directors may also appoint a temporary or permanent Secretary, who need not be a Director.

Meetings of the Board of Directors are chaired by the Chairman. If the Chairman is absent or incapacitated, Board meetings are chaired, in order, by the most senior of the Deputy Chairmen or, if the Deputy Chairmen have equal seniority, by the eldest Director.

The specific duties of the Chairman of the Board of Directors include:

- a) convening meetings of the Board of Directors, determining the meeting's Agenda and, in preparation for the meetings, transmitting to the Directors, as expeditiously as appropriate based on the circumstances, the materials required to participate in the meeting with adequate knowledge of the issues at hand;
- b) supervising the meeting and the voting process;
- c) handling the preparation of Minutes of the meeting;
- d) ensuring that there is an adequate flow of information between the Company's management and the Board of Directors and, more specifically, ensuring the completeness of the information that the Board uses as a basis for making its decisions and exercising its power to manage, guide and control the activities of the Company and the entire Group;
- e) ensuring that the Board is informed on a regular basis, as required by Article 15 of the Bylaws;
- f) in general, ensuring that the Company is in compliance with the provisions of all laws and regulations, and with the Bylaws and the corporate governance rules of the Company and its subsidiaries; is responsive to the regulations and conduct guidelines issued by the entity governing the regulated market where the Company's shares are traded, and adheres to best industry practices.

The Chairman of the Board of Directors is never allowed to combine his or her office with that of Managing Director.

### **Article 15 – Meetings of the Board of Directors**

The Board of Directors meets at the Company's registered office, or at a different location, at the request of the Chairman, whenever he or she deems it necessary, or at the request of no fewer than two Directors or two Statutory Auditors, and in all other instances that the law requires.

If the Chairman is absent, Board meetings can be convened by the most senior Deputy Chairman or, in cases of equal seniority, by the eldest Deputy Chairman.

Meetings of the Board of Directors can be convened by means of registered mail, fax or e-mail message sent at least 4 (four) days in advance (in urgent cases, by means of telegram, fax or e-mail message sent at least 2 (two) days in advance) to the domicile or address communicated by each serving Director or Statutory Auditor.

The Notice of the meeting must indicate the day, time and place of the meeting and the meeting's Agenda.

However, the Board of Directors can adopt valid resolutions even if a meeting has not been formally convened, provided all serving Directors and Statutory Auditors are present.

Meetings of the Board of Directors may be held via teleconferencing or videoconferencing, provided all participants can be identified and are able to follow the proceedings, participate in real time in the discussion of the items on the Agenda and receive, transmit and review documents. If these requirements are met, the meeting of the Board of Directors is deemed to have been held at the place where both the Chairman and the Secretary are located, so that the Minutes may be duly recorded and signed in the appropriate register.

Whenever the Board of Directors meets, but at least once every quarter, the Board of Directors and the Board of Statutory Auditors must be informed by the officers to whom management authority has been delegated about the performance of the Company and its subsidiaries, the outlook for the foreseeable future and major operating, financial or asset transactions, particularly with respect to transactions in which Directors have a direct interest, or for the benefit of third parties, or over which the officer exercising management and coordination authority may have influence.

For the sake of timely communication, the Board of Statutory Auditors may receive the information referred to above directly or at meetings of the Executive Committee, if one has been appointed.

There is just cause to terminate Directors who are absent repeatedly, without written justification, from meetings of the Board of Directors

### **Article 16 – Resolutions of the Board of Directors**

A meeting of the Board of Directors is validly convened when the majority of the Directors in office is present.

With the exception of the cases referred to in Article 17 below, resolutions are adopted with the favourable vote of the Directors attending the meeting. In case of a tie, the Chairman of the meeting casts the tie-breaking vote.

### **Article 17 – Powers of the Board of Directors and Delegation of Powers**

The Board of Directors shall have all of the ordinary and extraordinary powers needed to govern the Company.

The Board of Directors, specifying the scope of the powers it is conveying, may:

- a. appoint some of its members to an Executive Committee, to which it may delegate some of its powers, with the exception of those that the law and the Bylaws expressly reserve for the Board, and determine the Committee's composition, powers and rules of operation;
- b. delegate some of its powers, specifying the limits of the powers that are being delegated, to one or more of its members who are entrusted with special assignments;
- c. establish Committees and Commissions and determine their composition and tasks.

The Board of Directors has exclusive responsibility to:

- a) review and approve the strategic, industrial and financial plans of the Company and the Group and the structure by which the group of companies headed by the Company is organized;
- b) review and approve transactions (including investments and divestitures) that, because of their nature, strategic significance, amount or implied commitment, could have a material effect on the Company's operations, particularly when these transactions are carried out with related parties;
- c) ascertain the effectiveness of the system of organization and general administration adopted by the Company and the Group;
- d) draft and adopt the rules that govern the Company and its Code of Ethics, and define the applicable Group guidelines, while acting in a manner consistent with the principles of the Bylaws;
- e) establish an entity responsible for corporate oversight, as required by Legislative Decree No. 231 of June 8, 2001;
- f) grant and revoke powers to Directors and the Executive Committee, if one has been established, defining the limits of these powers and the manner in which they may be exercised, and determine at which intervals (normally not more than quarterly) these parties are required to report to the Board of Directors on the exercise of the powers granted them;
- g) determine whether Directors meet and continue to satisfy independence requirements;
- h) determine the attributions and powers of any General Manager it may appoint;
- i) designate candidates for the offices of Chairman (unless a Chairman has been elected by the Shareholders' Meeting), Managing Director and/or General Manager of strategically relevant subsidiaries, except for the subsidiaries of publicly traded subsidiaries;
- j) after reviewing proposals from the appropriate Committee and taking into account the opinion of the Board of Statutory Auditors, determine the compensation of Managing Directors and divide among its members and the members of the Committees the total compensation provided for the Board of Directors, unless such allocation has already been performed by the Shareholders' Meeting;
- k) supervise the Company's overall performance, with special emphasis on conflict of interest situations, reviewing the information received from the Managing Directors, the Executive Committee (if one has been established) and the Internal Control and Corporate Governance Committee and comparing periodically actual and planned results;
- l) evaluate and approve the financial reports that must be published on a regular basis in accordance with the applicable statutes.

The following actions also fall under the exclusive purview of the Board of Directors, with the restrictions applicable pursuant to law: adoption of resolutions concerning the opening and closing of secondary offices; designation of Directors who may represent the Company; reduction of the Company's share capital when Shareholders exercise the right to have their shares redeemed; adoption of amendments to the Bylaws to make them consistent with new laws; transfer of the Company's registered office anywhere in Italy; approval of mergers in the cases covered by Articles 2505 and 2505 *bis* of the Italian Civil Code and the provisions of Article 2506 *ter* of the Italian Civil Code that apply to demergers.

Lastly, the Board of Directors shall have exclusive jurisdiction over the power to pass resolutions concerning the settlement of disputes that arise from the insolvency of companies that are parties to composition with creditors proceedings, and such power may not be delegated in accordance with the provisions of either Article 17 of these Bylaws or Article 2381 of the Italian Civil Code. As an exception to the provisions of Article 16 of these Bylaws, resolutions concerning the settlement of disputes that arise from the insolvency of companies that are parties to composition with creditors proceedings may be validly adopted with the favorable vote of 8/11 of the Directors who are in office and are entitled to vote in accordance with these Bylaws, it being understood that if the result obtained by applying the abovementioned quotient is a decimal number, it will be rounded to the next integer.

## **Article 18 – Committees**

The Board of Directors shall establish an Internal Control and Corporate Governance Committee and an Appointments and Compensation Committee and, for all matters that are not expressly covered by these Bylaws, provide them with powers and operating regulations that are consistent with the guidelines of the Code of Conduct issued by Borsa Italiana S.p.A. The Internal Control and Corporate Governance Committee shall comprise exclusively independent Directors, and at least one of its members must be drawn from a minority slate filed in accordance with the requirements of these Bylaws. The Appointments and Compensation Committee shall comprise Directors who do not exercise executive functions, and at least one of its members must be drawn from a minority slate filed in accordance with the requirements of these Bylaws. Acting within the confines of the law, the Board of Directors may grant further investigative and consultative powers to the abovementioned committees and may establish additional Commissions and Committees with the similar investigative and consulting functions. The membership of these Commissions and Committees may be opened to non-Directors.

The Board of Directors shall also establish a Committee for Legal Disputes. The majority of the members of this Committee shall be independent Directors, and at least one of these independent Directors must be taken from a minority slate filed in accordance with the requirements of these Bylaws. This Committee will provide consulting support to the Chief Executive Officer in legal disputes arising from the insolvency of companies that are parties to composition with creditors proceedings.

The rules governing the operation of the Committee for Legal Disputes must be approved by the Board of Directors and shall require that, if any member of the Board of Directors of Parmalat S.p.A. or this Committee should find himself/herself in a conflict-of-interest position due to his/her relationship and/or connection to a party with which Parmalat S.p.A. has a dispute, the Director or Committee member who is in a conflict-of-interest position shall abstain from voting on the relevant resolution of the Board of Directors and/or the Committee and shall remove himself/herself from any meeting during which issues related to the dispute that gave rise to the conflict of interest are discussed.

## **Article 19 – Compensation of the Board of Directors**

The compensation of the Directors and members of the Executive Committee, if one has been created, which may also be provided in the form of profit sharing or stock options, is determined by the Shareholder's Meeting and does not change until the Shareholders' Meeting approves a new resolution. The Shareholders' Meeting determines the Board's overall compensation, including the amount payable to individual Directors who have been entrusted with special assignments in accordance with the Bylaws.

The Board of Directors, relying, if appropriate, on the advice of the Board of Statutory Auditors and the Executive Committee, if one has been created, decides how the amount of compensation should be allocated among its members.

Directors are entitled to be reimbursed for expenses incurred in discharging the duties of their office.

## **Article 20 – General Manager**

The Board of Directors may appoint one or more General Managers and specify their powers, which may include the right to grant powers of attorney for individual transactions or classes of transactions.

If invited by the Chairman, General Managers may attend meetings of the Board of Directors and Executive Committee, if one has been created, and may be allowed to voice nonbinding opinions about the issues on the Agenda.

## **Article 20 bis – Office Responsible for the Preparation of Corporate Accounting Documents**

The Board of Directors, which must request the prior opinion of the Board of Statutory Auditors, shall be responsible for appointing an executive with responsibility for preparing corporate accounting documents, as required by Article 154 bis of the Uniform Financial Code (Legislative Decree No. 58/98).

The Officer responsible for the preparation of corporate accounting documents must meet the following requirement: (i) employment as an executive for at least five years; (ii) employment in the area of

accounting or control, or management responsibilities at a corporation with a share capital of at least 2 million euros.

## **BOARD OF STATUTORY AUDITORS – LEGALLY RECOGNIZED AUDITS OF THE ACCOUNTING RECORDS**

### **Article 21 – Board of Statutory Auditors**

The Board of Statutory Auditors shall comprise 3 (three) Statutory Auditors and 2 (two) Alternates.

The attributions, obligations and term of office of Statutory Auditors are set forth in the applicable statutes.

Individuals who, pursuant to laws or regulations, are not electable, are no longer allowed to remain in office or lack the required qualifications may not be elected Statutory Auditors and, if elected, must forfeit their office. The requirements of Article 1, Section 2, Letters b) and c), and Section 3 of Ministerial Decree No. 162 of March 30, 2000 apply when a candidate's professional qualifications refer, respectively, to:

- (i) the Company's area of business;
- (ii) fields of law, economics, finance and technology/science that are relevant to the area of business referred to in (i) above.

In addition to the other cases listed in the applicable law, individuals who serve as Statutory Auditors in more than 5 (five) companies whose shares are traded in regulated markets in Italy or who are in one of the situations described in the last paragraph of Article 11 above may not be elected Statutory Auditors and, if elected, must forfeit their office.

The election of the Board of Statutory Auditors is carried out on the basis of slates of candidates in accordance with the procedures outlined below, the purpose of which is to ensure that minority Shareholders appoint one Statutory Auditor and one Alternate.

These slates shall consist of 2 (two) sections: one for candidates for the post of Statutory Auditor and another for candidates for the post of Alternate. The slates may not contain a number of candidates greater than the number of posts to be filled. The names of the candidates must be numbered in sequence.

Slates filed by Shareholders must be deposited and published according to the ruling provisions set out by Consob, provided the publication of the slates takes place on at least two of the newspapers referred to in Article 8 and on the *Financial Times*. For further modalities and legitimation rules for the presentation of slates the provisions under article 11 of the Bylaws.

Each Shareholder may vote only for one slate.

The first 2 (two) candidates from the slate that received the highest number of votes and the first candidate from the slate with the second highest number of votes will be elected to the post of Statutory Auditor. The candidate from the slate with the second highest number of votes will serve as Chairman of the Board of Statutory Auditors. The first candidate from the slate with the highest number of votes and the first candidate from the slate with the second highest number of votes will be elected to the post of Alternate.

In case of a tie involving two or more slates, the oldest candidates will be elected to the post of statutory Auditor until all posts are filled.

If only one slate is filed, the candidates in that slate will be elected to the posts of Statutory Auditor and Alternate.

If a Statutory Auditor needs to be replaced, the vacancy will be filled by the Alternate elected from the same slate as the Auditor who is being replaced.

Resolutions concerning the elections of replacement Statutory Auditors, Alternates and the Chairman of the Board of Statutory Auditors require only a relative majority of the Shareholders' Meeting, provided no injury is made to the rights of the minority Shareholders, as outlined in this Article.

The Board of Statutory Auditors is required to meet at least every 90 (ninety) days.

#### **Article 22 – Obligations Incumbent Upon the Board of Statutory Auditors**

Statutory Auditors must operate autonomously and independently of everyone, including the Shareholders who elected them.

Statutory Auditors are required to treat as confidential the documents and information they receive for the purposes of their office and must comply with the procedures adopted by the Company for the publication of documents and information.

#### **Article 23 – Legally Recognized Audits of the Accounting Records**

Legally recognized audits of the accounting records are performed by independent auditors who are members of the applicable official board and have been retained and operate pursuant to law.

### **LEGAL REPRESENTATIVES**

#### **Article 24 – Legal Representatives of the Company**

The Chairman of the Board of Directors is the Company's legal representative vis-à-vis third parties and in court proceedings.

Deputy Chairmen, if appointed, Managing Directors and Directors who perform special functions in accordance with instructions received from the Board of Directors may also act as legal representatives of the Company.

### **FISCAL YEAR - EARNINGS**

#### **Article 25 – Fiscal Year – Financial Statements**

The Company's fiscal year ends each year on December 31.

#### **Article 26 – Appropriation of Earnings**

The remainder of the earnings shown in the financial statements after allocation to the statutory reserve, which must be set aside until the reserve reaches its statutory limit, are distributed to the Shareholders or allocated for other purposes, based on a resolution approved by the Shareholders' Meeting upon a motion from the Board of Directors. Earnings may be allocated to reserves established for special purposes.

Earnings distributions that Shareholders fail to collect within the statutory deadlines are deemed to have been forfeited and revert to the Company.

Any income generated for the Company by actions to void in bankruptcy and actions for damages (and settlements of such actions), net of any related costs, must be distributed by the Company to the shareholders in an amount equal to 50% of the distributable earnings shown in each of its first 15 annual financial statements. If the distributable earnings for a given fiscal year are equal to less than 1% of the share capital, no earnings will be distributed and the earnings will be brought forward and retained for distribution, together with earnings of subsequent years, until the percentage listed above is reached.

#### **Article 27 – Interim Dividends**

The Board of Directors may approve the distribution of interim dividends, when the law allows it, in the manner and according to the procedures set forth in the applicable statutes.

## **DISSOLUTION AND LIQUIDATION**

### **Article 28 – Liquidation**

In addition to cases of statutory liquidation, the Company may be dissolved by a resolution approved by the Shareholders' Meeting.

If the Company is dissolved, the Shareholders' Meeting decides the method of liquidation, appoints one or more liquidators and specifies their powers.

### **Article 29 – Domicile of Shareholders**

For all issues concerning transactions with the Company, the domicile of the Shareholders is the one listed in the stock record.

## **GENERAL PROVISIONS**

### **Article 30 – Legal Framework**

All matters not covered by these Bylaws shall be governed by the provisions of the applicable laws.

### **Article 31 – Transitional Provisions**

As an exception to provisions of the preceding articles, the following transitional provisions shall apply until at least 50.1% of the shares comprising the Company's share capital have been distributed to shareholders other than Fondazione Creditori Parmalat or, in any case, for not more than 14 months from the date when the purchase of the Company's entire share capital by Fondazione Creditori Parmalat is recorded in the Company Register: (i) Until the date of the first Shareholders' Meeting held before the approval of the Proposal of Composition with Creditors for the purpose of passing a resolution approving a contributory capital increase that will be subscribed in full by Fondazione Creditori Parmalat, the Company's Board of Directors shall comprise 3 (three) members, whose names are listed in the Proposal of Composition with Creditors. During this phase, the Board of Directors shall have all of the ordinary and extraordinary powers needed to govern the Company. (ii) Between the date of the resolution mentioned in Item (i) above and the date on which at least 50.1% of the shares comprising the Company's share capital have been distributed to shareholders of the Assumptor other than Fondazione Creditori Parmalat, the Board of Directors shall comprise at least 7 (seven) members, 3 (three) of whom must be independent Directors. Once at least 50.1% of the shares comprising the Company's share capital have been distributed to shareholders other than Fondazione Creditori Parmalat or, in any case, after not more than 14 months from the date when the purchase of the Company's entire share capital by Fondazione Creditori Parmalat is recorded in the Company Register, the Company's Board of Directors will be deemed to have automatically resigned and will convene a Shareholders' Meeting to elect a replacement. The members of the new Board of Directors will be elected in accordance with the provisions of these Bylaws.