

# 11 – BY-LAWS OF FIAT S.P.A. (EFFECTIVE 1 SEPTEMBER 2011)

This document has been translated into English for the convenience of readers outside Italy.  
The original Italian document should be considered the authoritative version.

## **Article 1 – Name**

A Joint Stock Company is hereby incorporated under the name “FIAT S.p.A.”.

The name may be written in either upper case or lower case letters, with or without punctuation marks.

## **Article 2 – Registered Office**

The Company has its registered office in Turin (Italy).

## **Article 3 – Objects**

The objects for which the Company is established are: to carry on, either directly or through wholly or partially-owned companies and entities, activities relating to passenger and commercial vehicles, transport, mechanical engineering, agricultural equipment, energy and propulsion, as well as any other manufacturing, commercial, financial or service activity.

Within the scope and for the achievement of the above purposes, the Company may:

- operate in, among other areas, the mechanical, electrical, electromechanical, thermomechanical, electronic, nuclear, chemical, mining, steel and metallurgical industries, as well as in telecommunications, civil, industrial and agricultural engineering, publishing, information services, tourism and other service industries;
- acquire shareholdings and interests in companies and enterprises of any kind or form and purchase, sell or place shares and debentures;
- provide financing to companies and entities it wholly or partially owns and carry on the technical, commercial, financial and administrative coordination of their activities;
- purchase or otherwise acquire, on its own behalf or on behalf of companies and entities it wholly or partially owns, the ownership or right of use of intangible assets providing them for use by those companies and entities;
- promote and ensure the performance of research and development activities, as well as the use and exploitation of the results thereof;
- undertake, on its own behalf or on behalf of companies and entities it wholly or partially owns, any investment, real estate, financial, commercial, or partnership transaction whatsoever, including the assumption of loans and financing in general and the granting to third parties of endorsements, suretyships and other guarantees, including real security.

## **Article 4 – Duration**

The Company is established for a period ending on 31 December 2100.

## **Article 5 – Share Capital**

The issued share capital of the Company is €4,465,600,020, divided into 1,092,680,610 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares having a par value of €3.50 each.

Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A., share capital may be increased by a maximum of €33,484,062.50 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.

**Article 6 – Classes of Shares and Common Representative**

Ordinary and preference shares are registered shares. Savings shares may be either registered or bearer shares, at the option of the holder or as required by law. All shares are issued in dematerialized form.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares, as set out in Articles 20 and 23 below.

Each ordinary share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.

In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class (or classes) if shares of the class already held are not offered or the number offered is insufficient.

The Company's share capital may also be increased by issuing ordinary and/or preference and/or savings shares in exchange for contributions in kind or receivables.

Resolutions authorizing the issuance of new preference or savings shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.

In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.1225, rather than €0.1085, with respect to the dividend received by the ordinary and preference shares.

In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 per share.

Any expenditure required for the safeguarding of the common interests of the holders of preference and savings shares, in relation to which dedicated funds are approved in the respective Special Meetings of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000 for each class.

In order to ensure that the Common Representatives of the holders of preference and savings shares have adequate information on transactions which could influence the market price of those shares, the Company's legal representatives must provide the Common Representatives with any such information in a timely manner.

**Article 7 – General Meetings**

General Meetings of Shareholders may be called where the Company has its registered office, or elsewhere in Italy, by means of a notice published, on or before the statutory deadline, on the Company's internet site, as well as in any other manner required by law. The notice may also provide for a single call only or a first, second and, for Extraordinary General Meetings only, a third call.

As the Company is required to prepare consolidated financial statements, an Ordinary General Meeting of Shareholders must be convened within 180 days after the close of the Company's financial year.

A General Meeting may also be called whenever the Board of Directors deems it appropriate and must be convened when required by law.

**Article 8 – Attendance and Representation at General Meetings**

Holders of voting rights who have obtained the appropriate documentary evidence from an authorized intermediary are entitled to attend a General Meeting or be represented by proxy. Communication thereof must be made to the Company in accordance with applicable law.

At each General Meeting, the Company may designate one or more representatives upon whom holders of voting rights may confer proxy, giving instructions to vote on one or more motions on the agenda. Details of the designated representative(s) and the procedure and deadline for conferment of the proxy are to be provided in the notice of the general meeting.

A General Meeting may be held with attendees being in multiple adjacent or remote locations that are linked by a telecommunications system, provided that the correct procedures and the principles of good faith and equal treatment of all shareholders are observed.

In such cases:

- Notice of the General Meeting must state the audio/video link-up locations provided by the Company at which the Meeting may be attended and the Meeting will be deemed held at the location where the Chairman and the individual taking the Minutes of the Meeting are present;
- The Chairman of the Meeting must, in his office as Chairman and/or through his delegated representatives present at the various link-up locations, be able to ensure that the Meeting is regularly convened, ascertain the identity of the attendees and their right to attend the Meeting, direct the proceedings and verify the result of any votes;
- The individual taking the Minutes of the Meeting must be able to adequately follow any elements of the Meeting which are to be included in the Minutes;
- All attendees must be able to participate in any discussion and vote simultaneously on the items on the Agenda.

The Board of Directors may institute a procedure for voting to be conducted electronically.

Proxies may be conferred electronically in conformity with applicable law.

Electronic notification of proxies may be given, in accordance with the procedures stated in the meeting notice, on the relevant section of the Company's internet site or by message sent to the certified electronic mail address provided in the meeting notice.

#### ***Article 9 – Calling of General Meetings and Validity of Resolutions***

Resolutions adopted in a General Meeting in accordance with the requirements of law and the Company By-laws are binding on all shareholders, including those who are absent or dissenting.

An Ordinary General Meeting shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at a single or second call, any portion of shares with voting rights are represented.

Resolutions are adopted by an absolute majority of votes cast, except for the election of Directors and Statutory Auditors for which the provisions of Articles 11 and 17 shall apply.

An Extraordinary Meeting of Shareholders shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at second call, more than one-third of shares with voting rights are represented; or, at a single or third call, at least one-fifth of shares with voting rights are represented.

In an Extraordinary Meeting of Shareholders, resolutions are adopted with the favorable vote of at least two-thirds of shares represented at the Meeting.

The foregoing shall be without prejudice to any special majorities required by law or provisions governing Special Meetings for holders of shares of a particular class.

#### ***Article 10 – Chairmanship of General Meetings***

General Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice Chairman, if appointed. Where both are absent, the chair for the Meeting shall be selected by those shareholders present.

The Secretary shall be appointed by the shareholders present, upon the proposal of the Chairman. Where the law so provides, or where deemed appropriate by the Chairman of the meeting, the minutes may be drawn up by a notary public appointed by the Chairman, in which case appointment of a Secretary shall not be required.

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

The Company is managed by a Board of Directors consisting of a number varying from nine to fifteen members, as determined by Shareholders in a General Meeting.

No one aged 75 or over shall be appointed as a Director.

The Board of Directors is appointed by using lists of candidates filed at the company's registered office at least 25 days prior to the date of the meeting. If several lists are submitted, one of the members of the Board of Directors shall

be chosen from the list that obtained the second highest number of votes. Lists may be submitted only by those shareholders who, individually or together with others, own voting shares representing a percentage no lower than the percentage which is mandatory under applicable law. Certification of that percentage must, if not presented at the time the lists are filed, be provided at least 21 days prior to the date of the meeting. All of the above shall be stated in the meeting notice.

No single shareholder, nor shareholders that are controlled by or associated with the company pursuant to the Italian Civil Code, can present or vote, even by means of third parties or a trustee company, more than one list of candidates. Each candidate can be present in one list only, otherwise he will be considered ineligible.

The candidates included on the lists must be indicated in numerical order and satisfy the requirements of integrity imposed by law. The candidate who is indicated at number one on the list must also satisfy the legal requirements of independence, in addition to the requirements of the corporate governance code adhered to by the Company.

Together with each list the following shall also be deposited: comprehensive information on the personal and professional characteristics of the candidates and declarations in which the single candidates accept the candidature and, on their own responsibility, state that they satisfy the envisaged requirements. The candidates who do not comply with these rules are ineligible.

Once Shareholders have, in a General Meeting, determined the number of directors to be elected, the following procedure shall be applied:

1. all the directors except one shall be elected from the list that has obtained the highest number of votes, on the basis of the numerical order under which they appear on the list;
2. in accordance with the law, one director shall be elected from the list that has obtained the second highest number of votes, on the basis of the numerical order under which the candidates appear on the list.

Lists that received a percentage of votes at the General Meeting that is less than half of the number required pursuant to the third paragraph of this article shall not be counted.

The foregoing rules for appointment of the Board of Directors do not apply if at least two lists are not submitted or voted on, or at General Meetings that must replace directors during their terms. In these cases, Shareholders shall decide in a General Meeting on the basis of a relative majority.

Without prejudice to what is set forth in this article, the appointment, revocation, expiration of the term of office, replacement or lapsing of Directors is governed by the applicable laws. However, if as a result of resignations or other reasons the majority of the Directors elected by Shareholders is no longer in office, the term of office of the entire Board of Directors will be deemed to have expired, and a General Meeting of Shareholders will be convened on an urgent basis by the Directors still in office for the purpose of electing a new Board of Directors.

#### **Article 12 – Corporate Offices, Committees and Directors' Compensation**

The Board of Directors shall appoint, from among its members, a Chairman, a Vice Chairman, where deemed appropriate, and one or more chief executive officers. In the event of the absence or incapacity of the Chairman, the Vice Chairman, if appointed, shall assume his functions.

The Board of Directors may establish an executive committee and/or other committees having specific functions and tasks, determining both the composition and procedures of such committees. More specifically, the Board of Directors shall establish a committee to supervise the Internal Control System and committees for the nomination and compensation of directors and senior executives with strategic responsibilities.

After receiving the opinion of the Board of Statutory Auditors, the Board of Directors shall appoint the manager responsible for the preparation of the Company's financial reports. The Board of Directors may vest with the relevant functions more than one individual provided that these individuals perform such functions together and have joint responsibility. Only a person who has acquired several years of experience in the accounting and financial affairs at large companies may be appointed.

The Board of Directors may also appoint one or more Chief Operating Officers and may designate a Secretary, who need not be selected from among its members.

Compensation payable to the Directors and members of the executive committee shall be determined by Shareholders in a General Meeting and shall remain valid until or unless superseded by a further resolution. Compensation for Directors vested with particular offices shall be determined by the Board of Directors, after having received the opinion of the Board of Statutory Auditors. Shareholders may, however, set an aggregate amount for compensation of all Directors, including those vested with specific responsibilities.

**Article 13 – Meetings and Duties of the Board of Directors**

Meetings of the Board of Directors, called by the Chairman, are convened at least once each quarter and at any other time the Chairman deems appropriate or when requested by three or more Directors or a Director to whom powers have been delegated.

A meeting of the Board of Directors can also be called, after first notifying the Chairman, by one or more of the Statutory Auditors.

Meetings are called through written notice, accompanied by all materials pertinent to the discussion, to be sent at least five days prior to the date of the meeting, except in cases of urgency.

Meetings are presided over by the Chairman or, in his absence, by the Vice Chairman, if appointed. In the absence of both, another Director designated by the Board shall assume the chair.

Directors to whom powers have been delegated must report to the Board of Directors and the Board of Statutory Auditors at least once each quarter on general operating performance and expected future developments, as well as on transactions carried out by the Company or its subsidiaries that are particularly significant in terms of their size or other characteristics, and each Director is required to disclose any interest that they may have, either directly or on behalf of third parties, in any transaction to which the Company is a party.

On the basis of the information received, the Board of Directors: evaluates the adequacy of the Company's organizational and administrative structure and accounting systems; reviews the Company's strategic, industrial and financial plans; and, based on reports from the bodies with delegated powers, assesses the Company's overall operating performance.

Directors and Statutory Auditors may participate in meetings through the use of a telecommunications system. In such cases, it must be possible to identify the individual participants and they must be able to follow the proceedings, participate in real time in discussion of the items on the agenda and receive, send or view documents.

**Article 14 – Resolutions of the Board of Directors**

For any resolutions taken by the Board to be valid, the majority of serving Directors must be present. Resolutions are passed by an absolute majority of votes of the Directors present. In the event of a tie, the chairman of the meeting shall have the deciding vote.

Resolutions are to be recorded in minutes signed by both the chair and secretary of the meeting.

**Article 15 – Powers of the Board of Directors**

The Board is vested, without limitation, with the fullest powers for the ordinary and extraordinary management of the Company and has the authority to carry out any act, including acts of disposition, deemed appropriate to achievement of the Company's purposes – including registration, subrogation, postponement or cancellation of mortgages, liens or priorities, in whole or in part, as well as effecting or cancelling registrations or notes of any kind, independently of the payment of debts to which such registrations or notes relate – without exclusion or exception other than those acts where the approval of Shareholders is required by law.

In addition to the power to issue non-convertible bonds, the Board of Directors is also authorized to adopt resolutions relating to:

- merger and demerger of companies, where specifically allowed by law;
- establishment or closure of branch offices;
- designation of Directors empowered to represent the Company;

- reduction of share capital in the event of shareholders exercising their right of withdrawal;
- amendment of the By-laws to reflect changes in the law;
- transfer of the Company's registered office to another location in Italy.

The Board of Directors, and any individual or bodies it may delegate, shall also have the power to carry out, without the requirement for specific shareholder approval, all acts and transactions necessary to defend against a public tender or exchange offer, from the time of the public announcement of the decision or obligation to make the offer until expiry or withdrawal of the offer itself.

The Board of Directors, and any individual or bodies it may delegate, shall also have the power to implement those decisions, not yet fully implemented either in whole or in part and that do not constitute the normal activities of the company, taken prior to the communication referred to hereinabove, the implementation of which may counter the achievement of the objectives of the offer.

#### **Article 16 – Representation**

The Chairman and Vice Chairman of the Board of Directors and the Chief Executive Officer, separately and individually, shall be the Company's legal representatives in relation to the execution of resolutions adopted by the Board and in legal proceedings, as well as execution of other powers conferred on them by the Board.

The Board of Directors may also confer on other Directors the power to represent the Company to third parties and in legal proceedings, including the power to give formal depositions as provided by law.

#### **Article 17 – Election and Qualifications of the Statutory Auditors**

The Board of Statutory Auditors is composed of 3 regular members and 3 alternate members. The minority has the right to appoint one regular and one alternate auditor.

All statutory auditors must be entered in the register of auditors and possess at least three years' experience as a statutory account auditor.

The Board of Statutory Auditors is appointed on the basis of lists, filed at the Company's registered office at least 25 days prior to the date of the meeting, in which candidates, whose number shall not exceed the number of statutory auditors to be appointed, are listed in numerical order. The list consists of two sections: one for candidates to the office of regular auditor, the other for candidates to the office of alternate auditor.

Only those shareholders who, alone or with others, hold in total voting shares representing a percentage no lower than that required by applicable laws for the submission of lists of candidates for the appointment of the company's Board of Directors have the right to present lists of candidates.

Certification of that percentage must, if not presented at the time the lists are filed, be provided at least 21 days prior to the date of the meeting. All of the above shall be stated in the meeting notice.

No single shareholder, nor shareholders belonging to the same group, nor shareholders who are parties of shareholders' agreements whose object is the company's shares, can present or vote, even by means of third parties or a trustee company, more than one list. Each candidate can be present in one list only, otherwise he will be considered ineligible.

Candidates who are within the legally applicable limit for the number of concurrent offices held and meet the requirements of integrity, professionalism and independence set forth in the law and this article may be included in lists of candidates. Statutory auditors whose term of office has expired may be re-elected.

The lists must also be accompanied by the following:

- information as to the identity of the shareholders submitting the lists, with an indication of the total percentage equity interest held;
- a statement by shareholders other than those having a controlling interest or relative majority interest, including jointly, in which they declare that they have no relation to such latter shareholders as provided in applicable law;
- exhaustive information on the personal and professional characteristics of the candidates and a declaration in which the single candidates accept the candidature and state, on their own responsibility, that they satisfy the requirements laid down by law and by the company's By-laws for the position in question;

- a list of the positions as director or statutory auditor held by candidates in other companies and their undertaking that they will update said list at the date of the General Meeting.

Any candidate for which the above rules are not observed will be considered as ineligible.

The statutory auditors are elected as follows:

1. two regular auditors and two alternate auditors are elected from the list that has obtained the highest number of votes from Shareholders, on the basis of the numerical order under which they appear in each section of the list;
2. in compliance with the provisions of applicable law, the remaining regular auditor and the other alternate auditor are elected from the list that has obtained the second highest number of votes from Shareholders, on the basis of the numerical order under which they appear in each section of the list. In the case of a tied vote between lists, the candidates are appointed from the list submitted by the shareholders having the greater equity interest or, subordinately, by the greatest number of shareholders.

The chairmanship of the Board of Statutory Auditors will go to the first candidate from the list that has obtained the second highest number of votes as determined pursuant to preceding point 2.

Should it be impossible to proceed with the appointment according to the above described system, Shareholders shall resolve by relative majority in a General Meeting.

Where the requirements of the law or company articles are not met, the statutory auditor forfeits his office.

In the event of a statutory auditor being replaced, the first alternate auditor belonging to the same list as the auditor being substituted and after having confirmed the existence of the prescribed requirements, will join the Board for the remainder of the auditors' term of office. In the event of a replacement of the Chairman, the office will be taken over by the statutory auditor that replaces him.

Prior rules in matters of the appointment of statutory auditors do not apply to General Meetings that have to appoint regular and/or alternate auditors to return the number of members of the Board to its original level. In such cases, Shareholders resolve by relative majority in a General Meeting, basing the decision on the principle that minority shareholders shall be represented.

Meetings of the Statutory Auditors may be held by means of telecommunication systems. In such cases, the meeting is deemed to have been held at the location where it was convened and where at least one Statutory Auditor was present. In addition, it must be possible to identify the attendees, and they must be able to follow the proceedings, intervene in real time in the discussion of the topics on the Agenda and receive, send or view documents.

#### **Article 18 – Independent Audits**

Accounting audits shall be performed by a firm of independent auditors which satisfies the statutory requirements.

Appointment and removal of the certified auditors and determination of their compensation is at the discretion of Shareholders upon recommendation from the Board of Statutory Auditors.

The duration of the appointment, as well as the rights, duties and prerogatives of the independent auditors are subject to the provisions of law.

#### **Article 19 – Financial Year**

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

#### **Article 20 – Allocation of Profit**

Net profit reported in the annual financial statements shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of the reserve is equal to one-fifth of share capital;
- to savings shares, a dividend of up to €0.217 per share;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or retained profit reserve as may be resolved by Shareholders;
- to preference shares, a dividend of up to €0.217 per share;
- to ordinary shares, a dividend of up to €0.1085 per share;

- to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share;
- to each ordinary, preference and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute.

When the dividend paid to savings shares in any year amounts to less than €0.217, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In the event of a change to the par value of shares, the amounts stated above shall be adjusted on a pro rata basis.

Where the Board of Directors sees fit in relation to the Company's operating results and within the conditions established by law, it may authorize the payment of interim dividends during the year.

Any dividends unclaimed within five years of the date they become payable shall be forfeited and shall revert to the Company.

#### ***Article 21 – Shareholders' Right of Withdrawal***

The right of shareholders to withdraw is governed by the applicable laws, it being understood that this right is not available to shareholders who, either because absent or dissenting, did not vote in support of resolutions extending duration or introducing or removing restrictions on the circulation of shares.

The terms and procedures for the exercise of this right, the criteria used to determine share values and the share redemption process are governed by the applicable laws.

#### ***Article 22 – Domicile and Identification of Shareholders***

For all matters regarding the relationship of Shareholders with the Company, their domicile shall be considered that recorded in the Shareholder Register.

The Company may, through the centralized share administration service, request that intermediaries provide details of the identity of shareholders and the number of shares registered to them on a particular date.

#### ***Article 23 – Winding-up***

The Company shall be wound up in the cases provided for and in accordance with the term of the law.

It shall be for Shareholders, in a general meeting, to appoint one or more liquidators and determine their powers.

In the event of a winding up, the Company's assets shall be distributed in the following order of priority:

- repayment of savings shares up to their par value;
- repayment of preference shares up to their par value;
- repayment of ordinary shares up to their par value;
- distribute any balance remaining, in an equal pro rata amount to shares of all three classes.