

COMPANY BY-LAWS

Title I – Name, registered office, duration

Article 1) - NAME

1.1. The name of the joint-stock company is: Raffaele Caruso S.p.A.

Article 2) – REGISTERED OFFICE

2.1 The Company's registered office is in the Town of Soragna (Province of Parma).

2.2 The Board of Directors is entitled to establish secondary headquarters, offices, agencies, representative branches and sales points elsewhere, in Italy or abroad, in addition to being granted the powers and prerogatives referred to under point 15.3, letters b- and f-.

Article 3) - DURATION

3.1 The duration of the Company is set through 31 December 2050, and it may be extended under the provisions of the Law.

Title II – Stated Objective

Article 4) – COMPANY'S STATED OBJECTIVE

4.1 The Company's objective is the production, marketing and sale of all types of clothing and garments.

4.2 The Company may take on or grant agency, commission or representation arrangements, with or without deposits, as well as mandates, granting and obtaining licenses of commercial exploitation in addition to performing whatever commercial operations are necessary or useful to the achievement of the Company's goals.

4.3 For the purpose of achieving its stated objective, the Company may also carry out whatever industrial or financial operations, as well as initiatives involving movable property or real estate, are held to be necessary or useful by the administrative officers, assuming such activities are accessory or instrumental to the Company's stated objective. It may also take on, directly or indirectly, holdings or interests in other enterprises whose stated objectives are like or similar to its own, with the exception of all those activities reserved for others under the provisions of Law no. 1/91 and under Legislative Decree no. 385/1993, plus subsequent modifications or additions, plus any operations involving transactions with the public.

Title III – Share capital

Article 5) - DOMICILE

5.1 For the purposes of their relations with the Company, the shareholders' domicile is that indicated in the Shareholders' Book.

Article 6) – SHARE CAPITAL AND SHARES

6.1 The share capital is 2,000,000.00 (two million/00) euro, and it is divided into 2,000,000 shares that have a face value of 1.00 (one/00) euro each.

6.2 At the extraordinary general meeting of the shareholders' held on 18 July 2007, a motion was voted to increase the paid-in share capital, with exclusion of the option right referred to under art. 2441, paragraph five, of the Civil Code, on an indivisible basis, for a maximum face value of 220,000 (two hundred thousand/00) euro, through issue of a maximum of 220,000 shares at a face value of 1.00 (one/00) euro each, bearing regular rights.

6.3 The shares may be registered under one name only, they may be freely transferred, and they grant equal rights to those who possess them. Each share is indivisible; its possession implies acceptance of the present by-laws.

6.4 The share capital can be increased, with methods including the conferral of goods in kind and of receivables.

Article 7) – SHARES AND FINANCIAL INSTRUMENTS

7.1 The Company may issue, in accordance with the prerequisites stipulated under the Law, financial instruments other than shares.

7.2 The issuing of financial instruments is undertaken through a motion passed in by the shareholders assembled in an extraordinary general meeting, determining the characteristics and setting the conditions for the issue, together with the administrative and/or financial rights, the penalties in the event of breach of the services and benefits to be provided, as well as the procedures for transfer, circulation and reimbursement.

7.3 The issue of share certificates is excluded, given that the Company is subject to the procedure of obligatory dematerialisation of its ordinary shares, in compliance with the applicable legislative and regulatory measures. The Company's ordinary shares are issued under the system of centralised management contemplated under Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act).

Article 8) – WITHDRAWAL OF SHAREHOLDERS

8.1 Shareholders are entitled to withdraw under those circumstances where the Law provides such a right, without exceptions or reserves.

8.2 Shares that do not participate in the approval of motions regarding the following topics are not entitled to withdraw:

I. extension of the Company's duration;

II. the introduction or removal of constraints on the circulation of securities.

Article 9) – FINANCING

9.1 The Company may obtain financing from its shareholders in return for consideration or free of charge, with or without the obligation of reimbursement, in accordance with the legislation and regulations currently in force, and in particular with the rules that govern, or, better yet, when there are no stipulated conditions, that exclude the collection of savings from the general public.

Title IV – General Meetings

Article 10) – POWERS OF THE GENERAL MEETINGS OF THE SHAREHOLDERS

10.1 General Meetings are ordinary or extraordinary in accordance with the provisions of the Law.

10.2 General meetings represent all the shareholders, and their motions, passed in accordance with the Law and with the present By-Laws, are binding on all the shareholders.

Article 11) – CONVOCAZIONE OF GENERAL MEETINGS

11.1 General meetings are convened by the Board of Directors or by the Board of Auditors, under the circumstances and procedures stipulated under the Law, in the municipality where the Company has its registered office, or elsewhere, assuming the location is in Italy.

The above power of convocation may also be exercised by at least two members of the Board of Auditors acting on concert. The members of the Board of Directors convene a general meeting of the shareholders, doing so without delay, when a written request to this effect is made by at least two of the members of the Board of Auditors or by as many shareholders as represent at least one tenth of the share capital, and when the request indicates the topics to be addressed, apart from the exceptions contemplated under the Law.

11.2 An ordinary general meeting must be convened at least once a year, within one hundred and twenty days of the close of the fiscal year, or within one hundred and eighty days, in the event that the Company is required to draw up consolidated financial statements, or when the additional time is made necessary by particular circumstances regarding the structure or the stated objective of the Company.

11.3 The notice of convocation must indicate:

- the place in which the general meeting is to be held, as well as any other sites connected electronically;
- the date and the time at which the general meeting is convened;
- the subjects on the Agenda;
- any other information required under the Law.

11.4 General meetings must be convened by means of notices that must be published, at the discretion of the Board of Directors, in the Official Gazette of the Italian Republic or in any one of the following nationally distributed daily newspapers: "MF - Milano Finanza" or "Il Sole 24 Ore".

11.5 The notice of convocation may also set the date for the second convocation, in the event that, on the occasion of the first convocation, the quorum required under the Law for the general meeting is not met.

A general meeting held following a second convocation cannot take place on the same day as the first convocation.

If the date for the second convocation is not indicated in the notice, then the general meeting must be reconvened within thirty days of the first convocation, once again in accordance with the procedures stipulated under point 11.4.

Article 12) – QUORUMS FOR HOLDING MEETINGS AND PASSING MOTIONS

12.1 Ordinary and extraordinary general meetings are classified as being validly convened and entitled to pass motions in accordance with the provisions of the Law. Unless legal measures stipulate otherwise, the voting process shall be open.

Article 13) – RIGHT OF PARTICIPATION AND VOTING

13.1 The right to participate in, or be represented at, general meetings is governed by the provisions of the Law.

Participation in general meetings is open to shareholders who exhibit the certification issued by the intermediary that, under the system of dematerialisation, keeps the accounts, doing so at least two business days prior to the general meeting, with notification made to the Company. Certifications that have been deposited may be withdrawn following deposit, before the general meeting has begun its deliberations, with its being understood that such withdrawal nullifies the right to participate in the general meeting.

13.2 Any shareholder entitled to participate in a general meeting may arrange to be represented by others, doing so by means of a written proxy, in accordance, and within the limits, of the provisions of the Law. The chairman of the meeting is responsible for controlling whether the proxies are in order and, in general, whether those present are entitled to participate.

Article 14) – CHAIRING THE GENERAL MEETING AND MINUTES OF THE DELIBERATIONS

14.1 General meetings are chaired by the Chairman of the Board of Directors, or by the Assistant Chairman, or by one of the Assistant Chairmen, or, should these figures not be present, by an individual designated by those in attendance. The general meeting appoints a secretary, who does not necessarily have to be a shareholder, plus, if called for, one or more voting examiners, who do not have to

be shareholders. When the minutes of the meeting are kept by a notary public, there is no need for a secretary.

14.2 The Chairman of the general meeting, who may draw on the services of individuals appointed for the tasks, determines that the meeting has been regularly convened, controls the identity and the right to participate of those present, oversees the proceedings of the general meeting and determines and proclaims the results of the votes. The Chairman of the general meeting also regulates the proceedings, setting the order of those who wish to take the floor and the procedures for addressing the Agenda.

14.3 The minutes of the general meeting must be drawn up without delay, within the time periods necessary for satisfying the obligations of deposit and publication within the deadlines stipulated under the Law, and they must be signed by the Chairman, by the Secretary or by the Notary Public. The minutes must indicate: the date of the general meeting; the identity of the participants and the share capital which each represents (including an appendix, if necessary); the procedures and results of the votes; the identity of those casting votes, specifying whether they voted for or against the motion, or whether they abstained, including an appendix, if necessary; at the express request of those present, a summary of their declarations regarding the Agenda.

Title V - Administration

Article 15) – THE ADMINISTRATIVE BODY

15.1 Management of the Company is the exclusive prerogative of the Directors, who carry out whatever operations prove necessary for attainment of the Company's stated objective, with it being understood that specific authorisation must be received in the cases for which it is required under the Law or under the present article.

15.2 The directors must request prior authorisation from an extraordinary general meeting before acquiring holdings in other companies, when such acquisitions entail taking on unlimited responsibility for the obligations of the companies in question.

15.3 The administrative body is also granted the following powers:

a- to approve motions on mergers, in the cases referred to under articles 2505 and 2505-b of the Civil Code, as well as split-offs;

b- to establish or eliminate secondary offices;

c- to indicate which administrative officers are entitled to represent the Company;

d- to reduce the share capital, in the event of withdrawal of a shareholder;

e- to modify the Company by-laws, in accordance with legislative and regulatory measures;

f- to transfer the Company's registered office, within the same municipality or to another municipality within the national territory;

g- to issue non-convertible debenture loans, under the provisions of art. 24.2 of the present by-laws.

15.4 The Directors are required to comply with the prohibition against competition contained in art. 2390 of the Civil Code, unless a motion to the contrary is approved by a general meeting, which must pass the motion in question with the majorities required for extraordinary general meetings.

Article 16) – APPOINTMENT, TERMINATION AND REPLACEMENT OF DIRECTORS

16.1 The Company is administered by a Board of Directors with a minimum of 3 (three) and a maximum of 9 (nine) members. Article 2382 of the Civil Code applies.

16.2 At the time of the appointment of the Board of Directors by the ordinary general meeting, the number of its members is also determined.

16.3 The term of office of the Directors is set at the time of their appointment and can be no longer than three years. The directors may be re-elected, and their terms expire on the date of the general meeting convened to approve the financial statements for the last year of their term.

16.4 If one or more of the Directors vacate their positions during the year, then the others replace them by voting a motion that also receives the approval of the Board of Auditors, assuming that the votes of the majority are cast by Directors who were appointed by the general meeting or in the acts of foundation. The Directors appointed in his manner remain in office until the next general meeting.

16.5 Should the majority of the Directors appointed by the general meeting or in the articles of foundation vacate their positions, then those still in office must convene a general meeting in order to replace the missing Directors. The terms of office of Directors appointed in this way expire together with those of the Directors in office at the time of their appointment.

Should all the Directors vacate their positions, the Board of Directors convenes a general meeting, on an urgent basis, in order to replace them. Until such time as the new Directors are appointed, the Board of Auditors may handle acts of ordinary administration

When the prerequisites stipulated under the Law are no longer met, this constitutes cause for immediate removal of a Director.

Article 17) – CHAIRMAN OF THE BOARD OF DIRECTORS

17.1 The Board of Directors, in the course of its first meeting following its appointment, elects a Chairman from among its members, and possibly one or more assistant chairmen to replace the Chairman, should the latter be absent or prevented from serving, assuming the general meeting has not already made such appointments.

17.2 The Chairman of the Board of Directors of the Assistant Chairman, or one of the Assistant Chairmen, convenes the Board of Directors, setting the Agenda, coordinating the proceedings and ensuring that all the Board Members receive adequate information on the topics entered on the Agenda.

17.3 The Board appoints a secretary, who does not necessarily have to be one of its members.

Article 18) – DELEGATION OF MANAGEMENT POWERS

18.1 The Board of Directors may delegate, within the limits of art. 2381 of the Civil Code, a portion of its prerogatives to one or more of its members, setting their powers and the related remuneration.

18.2 The delegated bodies are required to report to the Board of Directors and to the Board of Auditors on a quarterly basis.

18.3 The Board may also appoint General Directors and special representatives, setting their powers.

Article 19) – RESOLUTIONS OF THE BOARD OF DIRECTORS

19.1 The Board meets in the place indicated in the notice of convocation, at the registered office or elsewhere, assuming the location falls within Italian territory, whenever a meeting is held necessary by the Chairman, the Board of Auditors or even a single one of the members of the Board of Directors.

19.2 Meetings of the Board of Directors can be organised with the participants located in a number of different sites connected by audiovisual technology, under the following conditions, which must be confirmed in the minutes:

a- that the Chairman and the Secretary of the meeting, who are to draw up and sign the minutes, are present at the same site, which is to be considered the location at which the meeting was held;

b- that the Chairman of the meeting is able to control the identity of the participants, regulate the proceedings and announce the results of the votes;

c- that the subject taking the minutes has an adequate perception of the events of the meeting being recorded;

d- that those in attendance are able, all at the same time, to take part in the discussion and the voting on the topics on the Agenda, in addition to viewing, receiving or transmitting documents.

19.3 The convocation must be made at least three days in advance of the meeting, by means of a letter to be sent by fax, telegram or electronic mail. In urgent cases, the convocation may be made by means of a letter sent by fax, telegram or electronic mail at least one day in advance.

19.4 Meetings of the Board are validly convened when the majority of the sitting Directors are present, and motions are passed when they receive the votes of an absolute majority of the Board Members present. In the event of a tie vote, the Chairman's vote is the deciding one.

Board Members who abstain, or who declare themselves to be subject to a conflict of interest, are not considered when calculating the majority (quorum for motions).

19.5 The meetings of the Board of Directors are chaired by the Chairman, or, should the Chairman be absent or prevented from acting, by the Assistant Chairman, or by one of the Assistant Chairmen.

19.6 Votes cannot be cast by proxy.

Article 20) – POWERS OF REPRESENTATION

20.1 The power to represent the Company is granted to the Chairman or to the Board of Directors, or, should the Chairman be absent or prevented from acting, to the Assistant Chairman or the Assistant Chairmen.

Board Members who receive a mandate from the Board are also entitled to represent the Company.

Article 21) – COMPATIBILITY AND COMPENSATION OF THE DIRECTORS

21.1 Should the Directors work or provide services as part of the technical or organisational structure of the Company, then a normal employment relationship may be established with them, in terms of rules and regulations, compensation and pension and social-security plans.

21.2 The members of the Board of Directors are entitled to reimbursement of the expenses sustained in the performance of their duties, as well as any compensation stipulated by the general meeting at the time of their appointment.

Any remuneration granted to Directors appointed to the position of Chairman or Managing Director is set by the Board of Directors, after receiving the opinion of the Board of Auditors, within the maximum levels set by the general meeting of the shareholders.

21.3 A portion of the compensation may take the form of leaving pay at the end of the term of office, possibly through the taking out of insurance policies.

Title VI – Control of legitimacy and accounting controls

Article 22) – BOARD OF AUDITORS

22.1 The Board of Auditors oversees compliance with the Law and with the by-laws, as well as respect for the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting practices followed by the Company, together with their concrete implementation, in addition to exercising accounting controls in the cases permitted under the Law. The Board of Auditors also

controls the Company's operating performance, with methods including the monitoring of parameters and indexes.

22.2 The general meeting elects the Board of Auditors, which consists of three auditors plus two alternates, and appoints its Chairman, setting the compensation for the entire term of office.

22.3 Throughout their terms of office, the auditors must satisfy the prerequisites referred to under art. 2399 of the Civil Code, together with the requirements of honourable conduct stipulated under Legislative Decree No. 58 of 24 February 1998 (the Consolidated Finance Act) and the standards of professional integrity set under Decree no. 162 of the Ministry of Justice, issued on 30 March 2000.

Failure to maintain satisfaction of these prerequisites shall result in immediate removal of the auditor.

22.4 Should an auditor die, resign or vacate his or her position, then the alternates shall fill the post, being chosen in order of age, in compliance with article 2397, paragraph II, and article 2401 of the Civil Code.

22.5 The Auditors' terms of office conclude on the date of the general meeting convened for approval of the financial statements regarding the third year of their term of office. The positions of auditors whose terms of office have expired are officially vacated from the moment in which the new Board of Auditors is appointed.

22.6 The Board of Auditors meets at least once every ninety days, at the initiative of any one of the individual auditors. It is validly convened when the majority of the Auditors are present, and its motions pass when they receive the favourable votes of an absolute majority.

Article 23) – ACCOUNTING AUDITS

23.1 In cases where it is obligatory for an outside auditor or accounting firm to be given the assignment of auditing the company's accounts, potentially by exchanging information with the Board of Auditors, the latter:

- carries out controls during the fiscal year, on at least a quarterly basis, to ensure that the Company's accounts are properly kept and that the operating facts are correctly entered in the accounting records;

- ensures that the year-end financial statements and, when drawn up, the consolidated financial statements, correspond to the entries in the accounting records and to the audit findings, and that they comply with the regulations governing their formulation;

- issues a specific report containing a judgment on the year-end financial statements and on the consolidated financial statements, when the latter have been drawn up.

23.2 Notation of the auditing activities is made in a book kept for the purpose at the Company's registered office.

23.3 When it appoints the outside auditor, the General Meeting must also set the auditor's fee for the entire length of the assignment.

23.4 The outside auditor or auditing firm must satisfy the prerequisites stipulated under the law for the entire duration of the assignment; application is made of article 2409-fifth part, paragraphs I and III, of the Civil Code, in addition to which auditing firms must be entered on the Special Rolls of Auditing Firms referred to under article 161 of Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act).

Failure to satisfy this requirement renders them ineligible, and they are automatically removed from the position. When the auditor's position is vacant, the Directors are required to convene a general meeting without delay, in order to appoint a new outside auditor.

23.5 The outside auditors cease to hold their positions upon approval of the financial statements for the last fiscal year of their assignment, and they may be re-elected.

Title VII – Bonds

Article 24) - BONDS

24.1 The Company may issue convertible or non-convertible debenture loans.

24.2 The power to issue a debenture loan not convertible into shares is granted to the administrative body, within the limits referred to under article 2412 of the Civil Code.

24.3 The holders of the bonds must select a joint representative.

The general meeting of the bondholders is subject to the provisions of art. 2415 of the Civil Code.

Title VIII – Financial statements and profits

Article 25) – FINANCIAL STATEMENT AND PROFITS

25.1 The Company's fiscal years close on 31 December of each year.

25.2 The net profits shown in the financial statements, following a deduction of at least 5% (five percent) to be placed in the legal reserve, until the amount of this reserve reaches one-fifth of the share capital, shall be distributed among the shareholders, in proportion to the share holding possessed by each, unless the general meeting approves additional allocations to extraordinary reserve funds.

Title IX – Dissolution and liquidation

Article 26) – DISSOLUTION AND LIQUIDATION

26.1 The Company is dissolved for the motives contemplated under the Law, meaning:

- a- for expiration of the term of duration;
- b- for achievement of the Company's stated objective, or for the unforeseen impossibility of achieving that objective, unless a general meeting convened for the purpose, and without delay, passes the necessary modifications in the by-laws;
- c- when operations prove impossible or the general meeting of the shareholders is inactive on a continuous basis;
- d- when the share capital falls below the legal minimum, except in the cases contemplated under articles 2447 and 2482-third part of the Civil Code;
- e- under the circumstance referred to in article 2437-fourth part of the Civil Code;
- f- as a result of a motion passed at a general meeting;
- g- for other causes indicated under the Law.

26.2 In all cases of dissolution, the administrative body must make the notifications required under the Law, doing so forthwith.

26.3 At an extraordinary general, specifically convened for the purpose by the administrative body, if necessary, one or more liquidators shall be appointed and decisions shall be reached on:

- a) their exact number;
- b) in the event there is more than one liquidator, the rules under which the committee is to operate, with a possible reference framework being the Board of Directors, to the extent compatible;
- c) who bears the power to represent the Company;
- d) the criteria under which the liquidation must be performed;
- e) any limits placed on the power of the liquidators.

Title X – Arbitration clause

Article 27) – ARBITRATION CLAUSE

27.1 Whatever disputes should arise between the shareholders, or between the shareholders and the Company, including disputes over the validity of motions passed at general meetings, as well as disputes raised by Directors, liquidators, auditors or outside auditors, or against these same parties, regarding rights available under corporate relations, but with the exception of those for which the Law states that a public magistrate must intervene, they must be resolved by a board of arbitration consisting of three arbitrators, all of them appointed by the President of the Chamber of Commerce of Parma, who must make the appointment within thirty days of receiving the request from the more diligent party. Should the designated subject fail to perform the task, the chief judge of the court with jurisdiction over the location of the Company's registered office shall make the appointment.

27.2 The board of arbitration shall decide according to standard procedure, based on the law, and shall determine how the expenses are to be distributed, doing so within sixty days of being appointed.

27.3 It is irrevocably stipulated, from this point forward, that the rulings and findings of the board of arbitration shall be binding on the parties.

27.4 The introduction or elimination of an arbitration clause into or from the by-laws entitles any absent or dissenting shareholders to withdraw, with this right to be exercised within the ninety days that follow the change in the by-laws.

Title XI – Final clause

Article 28) – FINAL CLAUSE

28.1 For any points not covered by the present by-laws, the provisions of the Civil Code apply.

Signature on the original document:

Alberto Caruso

PIETRO SOZZI