

Articles of association

Indesit Company

ARTICLES OF ASSOCIATION

SECTION I

Establishment- Denomination – Registered office – Purpose – Duration

Article one

The joint-stock company denominated *INDESIT COMPANY s.p.a.* is herewith established.
The name may be written in whole or part, in upper or lower case characters and without graphic limitations.

Article two

The company's registered office is situated in Fabriano, Viale Aristide Merloni 47, with a secondary headquarters in Roma. The Company can establish and suppress offices, branches, agencies, secondary divisions and other operating units however denominated, both in Italy and abroad.

Article three

The Company's purpose is the production and commerce of domestic appliances and electronic appliances for household use in general and related components, such as, for example, refrigerators, freezers, gas and electric cookers, ovens and hobs, washing machines, water-heaters, dishwashers, dryers, hoods, kitchen furniture. In addition the company can perform all commercial, industrial, financial (expressly including the underwriting of loans), real estate and securities transactions, considered necessary or useful for the achievement of the corporate purpose. The company can undertake holdings and interests, both directly and indirectly, in any form, in other domestic and foreign companies, with a similar, analogous, instrumental or complementary purpose or however connected with the company's purpose; the company can grant mortgages, guarantees, sureties and collaterals also on behalf of third parties, when this is considered useful or necessary to achieve the corporate purpose and however without such operations ever representing its main activity.

The following operations are peremptorily excluded:

- the performance of operations as of art. 106, paragraphs 1 and 4 of Law Decree No. 385 dated 1/9/1993 regarding the public;
- other reserved operations pursuant to Law Decree No.385 dated 1/9/1993;
- investment and fund management services contemplated in decree law 58, dated 24th February 1998 and relative enforcement legislation.

Article four

The duration of the Company is established up to 31 December 2050, and can be extended through resolution of the Shareholders' meeting in conformity with legislation.

SECTION II

Share capital – Shares - Bonds

Article five

The subscribed and paid up share capital amounts to Euro 102, 727,769.40 divided into 114,141,966 shares of nominal value Euro 0.90 each, of which 113,630,684 ordinary shares and 511,282 non-convertible savings shares.

The Extraordinary Shareholders' Meeting held on 16 September 1998, resolved to increase the share capital pursuant to art.2441, paragraph 8 of the Italian Civil Code, by a maximum amount of Euro 2,700,0000, issuing maximum 3,000,000 ordinary shares with nominal value of Euro 0.9, reserved for the exercise of subscription options which will be assigned to management employees or to employees qualified as "quadri" of group companies, in accordance with the requirements of the Shareholders' Meeting resolutions dated 16 September 1998 and 5 May 2000.

The Extraordinary Shareholders' Meeting held on 23 October 2001, resolved to increase the share capital pursuant to art.2441, paragraph 8 of the Italian Civil Code, by additional maximum Euro 2,700,000, issuing additional maximum 3,000,000 ordinary shares, with the same characteristics as shares already outstanding, reserved for the exercise of subscription options which will be assigned to management employees or to employees qualified as "quadri" of group companies, in accordance with the requirements of the Shareholders' Meeting resolution.

As a result of the resolutions detailed above, the voted share capital stands at Euro 105,672,569.40 divided into 117,413,966 registered shares, par value Euro 0.90 each, of which 116.902.684 ordinary and 511.282 non convertible

saving shares.

Article five bis

Savings shares entitle to the rights provided for by legislation and by these articles of association.

The Board of Directors, either directly or through appointed officials, should timely report to the common representative of shareholders of savings shares, relevant transactions from the economic, financial and equity points of view, carried out by the company or by its subsidiaries, which might affect trends in the listing of shares of that class.

In the event of suspension of the listing of ordinary or savings shares, the latter maintain their rights, except as otherwise established by the Shareholders' meeting.

Article six

Share capital can also be increased through shares issues to be paid through contributions in kind. The new shares can also be preference savings shares or other classes of shares and have different rights compared with already issued shares.

The Extraordinary Shareholders' meeting resolves the share capital increase: the Extraordinary Shareholders' meeting can delegate the share capital increase to the board of directors within the limits established by art.2443 of the Italian Civil Code.

Resolutions regarding the issue of new shares other than ordinary shares, both through share capital increase and through the conversion of other classes of shares, do not require the approval of special Shareholders' meetings of the other classes of shares.

In the event of share capital increase, the new shares will be offered in conformity with law rules. Though the other cases of exclusion from or limitation of pre-emption rights provided for in art. 2441, clause 4, Civil Code continue to apply, it will however be possible to exclude pre-emption rights in favour of any type of shares also in the case of new rights issues of less than ten percent of the share capital at the date of the resolution approving the capital increase, provided the issue price is in line with the equity's market value as specifically confirmed by the Board of Directors in its capital increase proposal and further endorsed by a report by the Company's independent auditors.

Shareholders' payments for the benefit of the company, both on capital account and on other accounts, do not bear interest, except as otherwise established by the Shareholders' Meeting.

The Company can underwrite loans from the Shareholders with obligation of reimbursement.

Such source of financing does not represent a savings collection from the public, and will thus have to comply with limits and criteria set forth in art.11, paragraph 3 of Law Decree No.385 dated 01/09/1993.

In addition, the Ordinary Shareholders' Annual Meeting resolution will establish from time to time any other possible requirement able to resolve such loans.

Article seven

Shares are registered or bearer shares, with regard to existing law rules on the subject and they can be freely transferred. Shares cannot be divided and for each of them the company only recognizes one holder, pursuant to article 2347 of the Italian Civil Code. In the event of succession with several heirs, only the legal representative appointed by the heirs will be recognized, or, in his/her absence, the judicial authorities. The shares are issued on a dematerialized basis.

Article eight

In conformity with legislation, the company can issue registered or bearer bonds, also convertible into shares.

SECTION III

Shareholders' Meeting

Article nine

The Shareholders' Meeting, both ordinary and extraordinary, is called by a notice published within the legal term in the "Gazzetta Ufficiale della Repubblica Italiana" and in one of the following newspapers: "Il Sole 24 Ore" or "Il Corriere della Sera". An ordinary Shareholders' Meeting must be called at least once a year within 120 days of the closing of the financial year. The notice must indicate the date of a second call to meeting and may also indicate, at the most, the date of a third call.

Meetings may also be called within 180 days of the close of the financial year if the relevant legal conditions hold.

The meeting, both ordinary and extraordinary, can take place also outside the Company's registered office, provided it is in Italy, in the place indicated in the notice of meeting.

Whenever legally requested by the shareholders, the agenda is integrated under the terms and in the manner provided

Indesit Company

for by the applicable provisions of law.

Article ten

All the Shareholders who deposit their certificate given by the broker at least two business days before the date fixed for the single Meeting and have not withdrawn them before the Meeting takes place are entitled to take part in the Meeting. The Shareholder can be represented by other shareholders or by third parties, through written proxy, within the limits established by art.2372 of the Italian Civil Code, except for other requirements regarding the collection and request of proxies or other legislation requirements. Each shareholder is entitled to the same number of votes as shares owned.

Article eleven

The Meeting, both ordinary and extraordinary, is held and resolves in conformity with legislation and the by-laws.

Article twelve

The Chairman of the Board of Directors chairs the Shareholders' Meeting, and, in his absence or impediment, the Vice Chairman, when appointed, and, in his absence, another individual appointed by the Shareholders' Meeting. The Chairman is assisted by a Secretary appointed by the meeting; the secretary assistance is not necessary when a notary is appointed to prepare the minutes of the meeting. The minutes of the Shareholders' meetings should be subscribed by the chairman, by the secretary or by the notary. The Shareholders' meeting resolutions, decided in conformity with law rules and with these articles of association, oblige all the shareholders, also absent and disagreeing, except for the right of recession as of article 2437 of the Italian Civil Code.

Article thirteen

The following is reserved to the vote of the Shareholders' Meeting: appointments, determinations and resolutions on the issues reserved to the meeting by legislation or by the articles of association. When appropriate, the Shareholders' meeting can directly appoint the Chairman of the Board of Directors.

SECTION IV

Administration - Representatives – Signature

Article fourteen

The Company is administered by a Board of Directors composed of no less than five and no more than thirteen members, also non shareholders. They are appointed by an open vote of the Shareholders' meeting, which first establishes its number, and their term lasts three financial years and they can be re-elected.

Appointment of the Board is by voting on lists presented by the shareholders in which candidates are numbered progressively. Only shareholders together representing at least the percentage of capital required by current law are entitled to present lists. Lists must be filed with the Company's registered office at least fifteen days before the date fixed for the 1st call meeting.

The notice of the meeting to appoint directors must contain an indication of the percentage of capital with voting rights in ordinary meetings needed to present lists and the deadline for filing same.

The following documents must be filed with the registered office along with each list:

- a) copy of certificate issued by authorized brokers with whom the shares are deposited;
- b) CV of each candidate adequately illustrating professional and personal characteristics;
- c) list of directorships and positions of control held by each candidate in other companies;
- d) indication of eventual eligibility as an independent director pursuant to art. 148, clause 3, decree law 58/98;
- e) statements by the candidates that they accept candidacy and declare under their own responsibility that there are no causes of ineligibility or incompatibility and that they possess the requisites for holding the post prescribed by law and the Company's by-laws;
- f) declaration by shareholder or shareholders presenting the list stating under their own responsibility that there is no connection with other lists presented.

For the purposes of the previous clause, a connection is understood to exist when the shareholders are either i) in a control relationship with each other or under the same control as defined in art. 93, decree law 58/98, ii) in a relationship of connection with each other as defined in art. 2359, clause 3, Civil Code, iii) or are parties to agreements involving the exercise of voting rights as per art. 122, clause 1, decree law 58/98.

A shareholder may not present or agree with others to present, not even through intermediaries or trust companies, more than one list or vote for more than one list.

Indesit Company

On pain of ineligibility, a candidate may only register in one list and must not be in any of the circumstances constituting ineligibility as defined in art. 14-bis of these by-laws. Each list must contain enough independent directors to satisfy the requirement in art. 14 bis of these by-laws, with progressive numbering so that if the list obtains the most votes, said candidates will be elected.

A list which does not comply with the provisions illustrated above is considered as not having been presented.

The Company shall publish validly presented lists on its website within the legal term.

Directors are elected as follows:

- a) one director is taken from the list that obtained most votes after the list in b) hereunder;
- b) the other directors are taken from the list that obtained most votes, in the progressive order in which they are listed.

The Board is chaired by the first candidate in the list in b) above.

For the purposes of the election described above, lists that fail to obtain half the minimum percentage of votes required in clause 3 above are not counted. A shareholder may only vote one list.

If only one list is presented or if no list is presented or if the list in a) above fails to obtain half the minimum percentage of votes required to present the list, the shareholders' meeting votes by the legal majority without observing the aforementioned procedure.

If one or more directors fail to complete their term of office, the others will provide for replacements as required by law and appoint the first, in progressive order, of the non-elected candidates in the list from which the director to be replaced was taken, provided the new candidate is still eligible. If the director to be replaced is independent as defined in art. 148, clause 3, decree law 58/98, election shall be as described above so that the Board continues to have the minimum number of directors with the same requisites of independence; failing this, the first of the non-elected candidates with said requisites shall be elected.

Election of directors nominated pursuant to art. 2386, Civil Code, is by the legal majority, replacements being appointed on the basis of the criteria set forth in the previous sentence. Directors thus appointed end their term of office at the same time as the directors already in office when they were appointed.

If the number of directors elected is less than the maximum provided for in the first clause of this article, the shareholders' meeting may during the Board's term of office increase such number within the upper limit indicated in the first clause, voting by legal majority.

Article fourteen-bis

No one who:

- is in any way ineligible or unsuitable under the terms of applicable law,
 - or does not have the requisites for the post indicated in the by-laws or legislation,
- may be appointed to the office of director, or if he is, he must immediately stand down.

At least one of the members of the Board – or two if the Board has more than seven members – must have the requisites of independence specified in law applying to statutory auditors of companies listed on regulated markets in Italy.

Article fifteen

A remuneration will be assigned to directors, in addition to the reimbursement of expenses, to be established in accordance with article 2389 of the Italian Civil Code.

Article sixteen

When the Shareholders' Meeting does not provide for it, the Board of Directors appoints a Chairman among its *components* and possibly a Vice Chairman and, if considered appropriate or necessary, one or more Managing Directors; the Board can also appoint a secretary, chosen also among individuals not part of the Board.

Article seventeen

The Chairman or nominee, or the statutory audit committee or a standing auditor, calls the Board of Directors' Meeting, when this is considered appropriate in the interest of the company or however in those instances required by legislation. The notice of call will be made by at least one of the following means: e-mail, fax, telex, telegram, registered letter, or other means guaranteeing proof of receipt, to be sent at least five days before the date established for the meeting or, in urgent cases, at least 24 hours before the meeting to the domicile or home address provided by each of the directors or statutory auditors in office

Board meetings are valid even when not duly called provided all the directors and all the statutory auditors in office are present or also if a majority of directors and auditors in office are present and those absent have received prior written communication as to the matters to discuss in the meeting and they have given their written consent to such matters being discussed.

The individuals attending the Board of Directors' Meetings have the possibility of attending at distance, utilizing audio and visual and/or telephone connection systems.

Indesit Company

In this case the following must in any case be ensured:

- a) identification of all individuals attending the meeting in each connection point;
- b) possibility for all individuals attending the meeting to intervene, verbally express their opinion, view, receive or transmit all the documentation, as well as examination and resolutions taking place at the same time.

The Board of Directors' meeting is considered as having been held in the place where the Chairman and the Secretary simultaneously find themselves.

Article eighteen

The Board of Directors' meetings are valid at the presence of the absolute majority of directors in charge. The resolutions are validly established by majority of present votes; votes being equal, the vote of the Chairman prevails.

The Directors report also verbally to the Board of Statutory Auditors on a timely basis and however at least quarterly about activities and the most important economic, financial and equity operations carried out by the Company or its subsidiaries; in particular they report on operations in which they have an interest, on their own account or for third parties, or which are influenced by the person eventually providing management or co-ordination.

Article nineteen

The Board of Directors' resolutions should be copied to an appropriate register and the related minutes should be signed by the individual chairing the meeting or by the secretary.

Article twenty

The Board of Directors is assigned with the widest powers for the ordinary and extraordinary administration, except for those powers reserved by the law to the Shareholders' Meeting. In this connection, the Board will be able to carry out all acts considered necessary and appropriate for the performance and achievement of the corporate purpose. Therefore, among other faculties, the Board can establish or suppress in Italy and abroad agencies and representatives, undertake holdings, interests, excepting where such undertakings must, by law, be voted by the Shareholders' Meeting, purchase, sell and exchange real estate; decide and provide for all receivable and payable transactions with Banks, Credit Institutions, Public Debts institutions, Deposits and Loans cash, at any other public or private office, enable the raising, subrogation, deferral, cancellation and renounce of mortgages, transcriptions and notes of all kinds; decide on compromises and transactions, for the purposes as of article 3 of these articles of association.

The Board of Directors also has the authority to pass resolutions on the matters provided for in article 2365, clause 2, Civil Code, and may also adapt the rules for Shareholders' Meetings to make them comply with current law. Attribution of such authority to the Board of Directors does not exclude the principal authority of the Shareholders' Meeting, which maintains its power to decide on such matters.

The Board of Directors, in conformity with article 2381 of the Italian Civil Code, can delegate its powers to the Chairman, to the Vice Chairman and to one or more Managing Directors, both jointly and severally, and determine the content, limits and eventual procedures for exercising such powers of attorney. The persons thus appointed report (also orally) to the Board and the Statutory Auditors on a quarterly basis on the general conduct of business and likely trends as well as on the more important operations, in terms of size or characteristics, carried out by the Company or its subsidiaries.

Having heard the opinion of the statutory auditors, the Board appoints an officer responsible for the drafting of the Company's accounting documents. The Board provides said officer with adequate powers and means for the tasks assigned to him under the relevant laws and rules and fixes his remuneration. The officer responsible for the drafting of the Company's accounting documents must have suitably long experience in the same position and/or other management functions in the administration, finance or control of listed and/or big corporations. Said officer must have the requisites of moral standing required of directors.

Article twenty one

The Chairman of the Board of Directors and the nominee are entitled to the corporate signature and to the legal representation of the Company, also in Court. In addition, the Company's Managing Directors and proxy-holders represent the company, within the limits of powers entrusted to them.

Factory Managers and the officials responsible for the management of company's areas with appropriate resolution of the Board of Directors represent the company in transactions and however for the requirements as of Law Decree No.626 dated 19 September 1994 and possible subsequent modifications and integrations.

SECTION V

Board of Statutory Auditors

Indesit Company

Article twenty two

The Shareholders' Meeting, with vote by show of hands, appoints the Board of Statutory Auditors, composed of three Standing Members and of two Alternate Members, establishing their remuneration. Minority shareholders are entitled to the appointment of a Standing Member and of an Alternate Member.

The Board of Statutory Auditors is appointed on the basis of lists presented by shareholders where candidates are listed with a sequential number. The list comprises two sections, one for Standing Member candidates and the other for Alternate Members candidates. Lists presented must indicate at least one standing auditor candidate and one alternate auditor candidate.

Only Shareholders who together hold shares amounting to at least 2% of the share capital with voting rights at ordinary meetings or, if less, at least the percentage eventually ruled by Consob for Board members, are entitled to present lists.

Each Shareholder, either through third parties or trust companies, can only present one list and cannot vote different lists. Each candidate can only enrol in one list, subject to ineligibility.

Candidates already holding positions in administration and control in excess of the limits laid down by current law, or who are ineligible or incompatible or who don't have the statutory or legal requisites to hold office may not be entered in candidate lists. Auditors not having the requisites of moral standing and professionalism must stand down.

For the purposes of article 1, paragraph 3 of the Ministry of Justice Decree No.162 dated 30 March 2000, the following should be considered as strictly connected with Company's operations: the research and/or development and/or production and/or commercialization of goods and services in the energy, light mechanics, electronics segments, and associated materials.

The outgoing Statutory Auditors can be re-elected.

Presented lists will be deposited at the Company's registered office at least fifteen days before the date established for the meeting to be held in first call, and this will be mentioned in the notice of call. The notice of the meeting to appoint statutory auditors must contain an indication of the percentage of capital with voting rights in ordinary meetings needed to present lists and the deadline for filing same.

Each shareholder that presents a list, on his own account or with others, must file with the registered office upon presentation of such list a certificate issued by authorized brokers pursuant to current law proving entitlement to exercise rights and a declaration stating under his own responsibility that there is no connection with other lists presented, in accordance with the provisions of the applicable law.

The statements whereby the individual candidates accept candidature are deposited with each list within the term indicated above and state, under their individual responsibility, the non existence of reasons for ineligibility or inconsistency, as well as the existence of the regulatory and statutory requirements regarding the relevant appointments. They must also adequately illustrate their professional and personal characteristics and list any other posts held in the administration and control of other companies.

A list which does not comply with the provisions illustrated above is considered as having not been presented.

If only one list is presented in the fifteen days before the date of the 1st call meeting, the provisions of the current law apply.

The following procedure applies for the appointment of statutory auditors:

1 two standing members and an alternate member are drawn from the list which at the meeting has won the majority of votes, based on the sequential order where they are indicated in the sections of the list;

2 the remaining standing member and the other alternate member are drawn from the list which won the second most votes at the meeting, and is not connected, even indirectly, with the list in 1) above, based on the sequential order where they are indicated in the sections of the list.

The standing auditor elected from the list which obtained the second most votes in the shareholders' meeting is entitled to become the Chairman of the Board of Statutory Auditors.

When the regulation and statutory requirements no longer apply, the statutory auditor falls from office. In the event of replacement of a statutory auditor, the alternate member part of the same list as the replaced statutory auditor succeeds.

The provisions illustrated above do not apply at meetings which provide in accordance with legislation for the appointment of standing and/or alternate statutory auditors and of the Chairman, necessary to integrate the Board of Statutory Auditors as a result of termination or fall from office. Should this be the case, the Shareholders' meeting resolves by relative majority, except for the reservation expressed in paragraph one of this article.

Article twenty two bis

The Board of Statutory Auditors meets at least every 90 days.

Meetings are called by the Chairman of the Board of Statutory Auditors by notice to each of the Auditors using at least one of the following means; e-mail, fax, telex, telegram or other means guaranteeing proof of receipt, at last five days before the meeting or at last 48 hours in the case of emergency.

Meetings are in any case valid and competent even without the aforementioned formalities provided all the standing auditors attend.

Meetings may also be held by videoconference, teleconference or similar technologies provided that the notice of meeting indicates the places connected by audio/video link (except in the case indicated in the previous clause), that all

Indesit Company

the participants can be identified with certainty and that they are allowed to follow the discussion and intervene in real time in the business on the agenda. Such conditions holding, the Meeting is deemed to be held in the place where its chairman is, so as to arrange for the drawing up and signing of the minutes in the relevant Company register.

Article twenty three

The Board of Statutory Auditors performs its engagement in conformity with law rules.

SECTION VI

Financial year – Financial statements – Profits

Article twenty four

The financial year ends on 31 December of each year. The financial statements, prepared by the Board of Directors, should be deposited within the terms required by the Italian Civil Code and by the Articles of Association.

Article twenty five

Net profit resulting from the financial statements is allocated as follows:

- 5% (five per cent) to the ordinary reserve, until it has reached one fifth of the share capital;
- to savings shares, up to achieving 5% (five per cent) of their nominal value:
- when in a financial year, the dividend assigned to savings shares is lower than 5% (five per cent) of the share nominal value or when no dividend has been assigned, the difference is allocated as an increase of the privileged dividend for the two subsequent financial years;
- the remainder at the disposal of the Shareholders' meeting for the resolution it will adopt. Should the Shareholders' Meeting resolve its distribution, also partial, net profit will be allocated to all shares, so that savings shares will be entitled to a total higher dividend than ordinary shares, at the extent of 2% (two per cent) of the share nominal value. The directors can resolve the distribution of advances on dividends in compliance with the requirements of article 2433 bis of the Italian Civil Code. Dividends will be paid on the basis of the formalities established by the Board of Directors. Dividends not collected within a five-year period from the established date, will be prescribed for the benefit of the company.

In the event of distribution of reserves, savings shares have the same rights as the other shares.

The decrease in share capital due to losses does not involve a decrease in the shares nominal value, but for the portion of loss in excess of the total nominal value of the other shares.

SECTION VII

Change to articles of association – Dissolution – Winding up

Article twenty six

The Shareholders, at the regular Extraordinary Shareholders' Meeting, at the presence of required majorities, can modify these Articles of Association at any time.

Notwithstanding, the provision in article 20, clause 2, of these articles of association holds.

Article twenty seven

The company can transform or dissolve, also before the established term, following a resolution of the Extraordinary Shareholders' Meeting. In the event of dissolution of the company due to any reason, the Shareholders' Meeting, in compliance with law rules, will appoint one or more liquidators, determining their powers and assignments. Savings shares are entitled to the right of pre-emption in the reimbursement of capital for the full nominal value.

SECTION VIII

General

Article twenty eight

With reference to relationships with the Company, the Shareholders' residence is that resulting from the Shareholders' register.

Indesit Company

Article twenty nine

With regard to all matters not expressly dealt with in these Articles of Association, the Civil Code regulations apply, as well as rules of other special laws on the subject.