

**UNOFFICIAL COURTESY TRANSLATION FROM THE ITALIAN TEXT**

**B Y - L A W S**

**TITLE I  
INCORPORATION OF THE COMPANY**

**Article 1 (Name)**

The name of the Company is:

**“Sorin S.p.A.”**

**Article 2 (Registered office)**

The Company's registered office is in Milan.

The Company may establish, modify or eliminate offices, branches, representative offices and agencies in Italy and abroad.

**Article 3 (Purpose)**

The Company operates overall, either directly or indirectly, including through subsidiaries and affiliates, in the research, design, production and commerce of medical technologies, through the manufacture of mechanical, chemical and electronic products and the rendering of related services.

The Company may also operate in:

- a) the natural and chemical fibers industry and the transformation of the fibers;
- b) the chemical industry in general.

Moreover, acting directly or on behalf of its subsidiaries and affiliates, the Company may engage in any activity that is related or beneficial to its business or the businesses of its subsidiaries and affiliates, including by way of example: (i) activities in the field of energy and the exploitation of mineral properties, including exploration, production, distribution, sale and transmission; and (ii) activities in the field of real estate, including the buying, selling and leasing of properties.

The Company may carry out any commercial, industrial or financial transaction, involving both personal and real property, that may be necessary or useful for the furtherance of the corporate purpose. It may

also provide sureties, endorsements, secured guarantees and/or unsecured guarantees on behalf of third parties.

The Company is expressly prohibited from engaging in financial activities aimed at the public, professional activities, and financial activities limited to special types of companies.

#### **Article 4 (Duration)**

The Company's duration is until December 31, 2050.

## **TITLE II CAPITAL STOCK – SHARES – BONDS**

#### **Article 5 (Capital stock)**

The capital stock amounts to €478,738,144 (four hundred seventy eight million seven hundred thirty eight thousand one hundred forty four), consisting of 478,738,144 (four hundred seventy eight million seven hundred thirty eight thousand one hundred forty four) common shares, with par value of € 1(one) each.

The assignment of profits to full-time employees of the Company or of subsidiary companies is permitted in accordance with the terms, conditions and forms prescribed by the law, through the issuance of shares, pursuant to Paragraph 1 of Article 2349 of the Italian Civil Code.

On April 30, 2014 the extraordinary stockholders' meeting approved a resolution to vest powers with the Board of Directors, pursuant to Article 2443 of the Civil Code, for a period of five years from the date of the resolution, to effect a bonus capital stock increase for a maximum nominal amount of Euro 23,000,000, through the issuance of a maximum of 23,000,000 common shares, with a par value of Euro 1 each, with regular rights of enjoyment, to be assigned to employees of Sorin S.p.A. and/or its subsidiaries, pursuant to Article 2349 of the Civil Code, as part of the Company stock-granting plans in effect currently and in the future. Such capital increases shall occur through the use of earnings or earnings results as reported in the most recent financial statements approved from time to time.

The capital stock may also be increased through the transfer of assets in kind or the conversion of receivables, pursuant to and for the effects of the combined provisions of Articles 2342 and 2343 of the Italian Civil Code.

If the capital stock is increased through the issuance of new shares, the pre-emptive right of stockholders may be waived, pursuant to and for the effects of Article 2441, Paragraph 4 of the Italian Civil Code, in

an amount of up to 10% of the pre-existing capital stock, provided the issuance price of the abovementioned new shares is consistent with the market value of the Company's shares and that such fact is confirmed in a report issued by independent auditors.

**Article 6 (Shares)**

The shares may be issued in registered form or, where the law allows it, in bearer form. Registered shares may be converted into bearer shares, and vice versa, at the option and the expense of the stockholder.

**Article 7 (Bonds)**

The issuance of bonds is resolved by the directors in accordance with the issuance limits imposed upon them in accordance with the law.

Resolutions authorizing the issuance of bonds must be evidenced in the minutes of the Board meeting drawn up by a notary and registered in accordance with Article 2436 of the Italian Civil Code.

**TITLE III**  
**STOCKHOLDERS' MEETINGS**

**Article 8 (Convocation, right to attend and representation at stockholders' meetings)**

The ordinary stockholders' meeting is convened at least once a year, within 120 days after the end of the fiscal year, pursuant to and for the effects of the final paragraph of Article 2364 of the Italian Civil Code, or within 180 days as long as the Company is required to prepare consolidated financial statements, or when there are special needs in relation to the Company's structure and purpose that require it.

The stockholders' meeting may be convened anywhere in Italy, including at locations outside of the municipality where the Company's registered office is located.

The ordinary and extraordinary meetings of the stockholders are normally held following two or more convocations. The Board of Directors may establish however, should it deem it appropriate, and by providing explicit communication thereof in the notice of the convocation, that both the ordinary stockholders' meeting and the extraordinary stockholders' meeting are held following a single convocation.

Without prejudice to the other convocation powers provided by the law, the stockholders' meeting must be promptly convened by the Board of Directors whenever a request therefor has been made by

stockholders representing at least one twentieth of the capital stock and the request indicates the matters to be put on the meeting agenda.

The rights to attend and to be represented at stockholders' meetings are governed by the law.

The Board of Directors has the power to allow, for any individual stockholders' meeting, the expression of the voting right via electronic means, indicating the related procedures in the notice convening the meeting.

The notification to the Company of the proxy for participation in the stockholders' meeting may also be made through the sending via electronic mail of the document indicated in the notice of the meeting.

#### **Article 9 (Valid constitution of the stockholders' meeting and validity of resolutions)**

The provisions of law shall apply with respect to the valid constitution and validity of the resolutions of the ordinary and extraordinary meetings.

The election of directors and statutory auditors is governed by Articles 11 and 19. Only the holders of common shares may vote at ordinary and extraordinary stockholders' meetings.

The chairman of the meeting is responsible for verifying the accuracy of the proxies and, in general, the right of those present to attend the meeting.

#### **Article 10 (Chairmanship)**

Stockholders' meetings are chaired by the chairman of the Board of Directors or, should the chairman be absent or unable to act, by the eldest deputy chairman or, if the deputy chairman is not available, by a person elected by a vote of the majority of the meeting's attendees.

The chairman is assisted by a secretary who is designated by the chairman and elected by the meeting.

The assistance of a secretary is not required when the minutes of the meeting are drawn up by a notary.

The chairman verifies that the meeting has been properly convened, ascertains the identity of the attendees and their right to attend the meeting and governs the meeting proceedings.

The chairman chooses the voting and ballot-counting systems. The chairman ascertains the voting results.

The resolutions adopted by the stockholders' meeting must be set forth in minutes signed by the chairman and by the secretary or a notary.

## **TITLE IV**

## ADMINISTRATION

### **Article 11 (Board of Directors)**

The Company is governed by a Board of Directors comprising at least five but not more than fifteen members. The stockholders' meeting shall determine the number of directors who will serve on the Board, and that number will not change until a different resolution is approved. The appointment of the Board of Directors shall occur, **in accordance with regulations in effect from time to time with regard to the balance between the types of directors to be elected**, on the basis of slates filed by stockholders in accordance with the paragraphs that follow, and by the outgoing Board of Directors, in which the candidates are numbered in sequence.

The directors must be in possession of the requisites provided by prevailing law; a minimum number of directors must be in possession of the requisites of independence referenced in Article 148, Paragraph 3 of the Law Decree n. 58/1998.

**The appointment of the Board of Directors shall occur, in accordance with regulations in effect from time to time with regard to the balance between the types of directors to be elected, on the basis of slates filed by stockholders in accordance with the paragraphs that follow, in which the candidates are numbered in sequence.**

Should a director no longer meet the requisites, he/she shall be disqualified from office. Should a director no longer meet the independence requisites as set out above, he/she will not be disqualified from office, as long as the requisites are met by the minimum number of directors set by prevailing law.

Should the Board of Directors file its own slate of candidates, without prejudice to any other procedural charge provided by the law, including by prevailing regulations, the slate shall be filed at the Company's registered office and published in *Il Corriere della Sera* or *Il Sole 24 Ore* or *Milano Finanza* at least twenty-five days before the date set for the convocation of first session of the stockholders' meeting.

Slates of candidates submitted by stockholders must be filed at the Company's registered office at least twenty-five days before the date set for the convocation of first session of the stockholders' meeting and shall be subject to other forms of public disclosure as provided by prevailing law.

Any stockholder, stockholders who are party to a stockholders' agreement relevant for the purposes of Article n. 122 of Law Decree n. 58/1998, the controlling person, the subsidiary companies and those companies subject to common control according to Article n. 93 of Law Decree n. 58/1998, may not present or contribute to the presentation of, not even through trust companies or nominees, more than a single slate nor may they vote for different slates, and each candidate may only be presented on one slate,

or shall otherwise be disqualified. Participation or voting in violation of such prohibition will not be assigned to any slates.

The slates may be presented only by stockholders who represent, alone or together with other presenting stockholders, at least 2.5% of the capital stock with voting rights at the ordinary stockholders' meeting, or a smaller percentage as established by binding provisions of laws or regulations.

**The lists presenting a number of candidates equal to or greater than three must be made up of candidates for both types of directors so that at least one third (rounded up) of the candidates belongs to the lesser represented type.**

Together with each slate, within the respective time limits specified above, statements must be filed with which the individual candidates accept their candidacy and certify, on their own responsibility, the non-existence of causes of ineligibility or incompatibility and the existence of the requisites prescribed for the respective offices. With the statements, curriculum vitae shall be filed for each candidate with regard to personal and professional credentials, with the indication, if applicable, of the suitability for qualifying as independent. Within the term provided by applicable law for the Company's publication of the slates, special certification released by an intermediary legally authorized therefor must also be filed in order to prove ownership, as of the filing of the slate with the Company, of the number of shares needed for the presentation of the slate.

The election of the Board of Directors will be conducted as follows:

- a) 70% of the directors to be elected (rounding down to the next whole number in the case of a fraction) shall be taken from the slate that receives the largest number of votes with directors selected in the sequential order in which they are listed on the slate;
- b) The remaining directors shall be selected from the other slates as follows: The votes cast for the other slates shall be divided by one, two, three or four, depending on the number of directors that remain to be elected. The quotients thus obtained will be attributed progressively to the candidates on each of the slates, in accordance with the order in which they are listed on the slate. The quotients thus attributed to the candidates on the various slates will be ranked in descending order. The candidates with the highest quotients will be elected.

The application of the procedure outlined above must in any case guarantee the appointment of at least one director elected from the minority slate who is not linked in any way, even indirectly, with the persons who presented or voted the slate referenced in the preceding point a).

For this purpose, the last candidate elected according to the procedure b) will be substituted with the first candidate of the slate with the mentioned characteristics that obtained the largest number of votes

amongst those excluded according to the procedure in point b). Without prejudice to the foregoing, the slate still must have obtained a percentage of votes at least equal to one-half of that required for the presentation of the slates, as provided by the seventh paragraph of this article.

If two or more candidates receive the same quotient, the candidate listed on a slate from which no director has been drawn or from which the smallest number of directors has been drawn will be elected.

If no director has been drawn from the abovementioned slates or if the same number of directors has been drawn from each of the abovementioned slates, the candidate who received the most votes among those listed on all of the abovementioned slates will be elected. If candidates receive the same number of slate votes and are attributed the same quotient, the stockholders' meeting shall cast a new vote, and the candidate receiving a simple majority of the votes will be elected.

In case the nomination of the candidates elected with the above procedures do not assure the minimum number of directors with the requirements of independence established for the Statutory Auditors pursuant to Article 148, Paragraph 3 of the Law Decree n. 58/98, the last non-independent candidate elected in sequential order who had the highest number of votes, as referenced in point a) above will be substituted by the first independent candidate, according to sequential order, who was not elected from the same slate, or, in absence thereof, by the first independent candidate, in sequential order, who was not elected from the other slates, in accordance with the number of votes obtained by each slate. This substitution procedure will be applied until the Board of Directors is composed of a number of members in possession of the requisites set out in Article 148, Paragraph 3 of Law Decree n. 58/98, that is equal at least the minimum number prescribed by the law. Should such procedure not ensure this result, the substitution will take place with a resolution taken by the relative majority of the stockholders, subject to the presentation of candidates satisfying the requisites.

**Furthermore, should the make-up of the Board of Directors in accordance with regulations in effect from time to time with regard to the balance between the types of directors to be elected not be ensured with the candidates elected with the means indicated above, the candidate of the greater represented type elected as the final director according to the sequence of the list that received the highest number of votes shall be substituted by the first candidate of the lesser represented type not elected from the same list, according to the sequential order. This substitution procedure will be applied until the make-up of the Board of Directors complies with regulations in effect from time to time with regard to the balance between the types of directors. Finally, should such procedure not ensure this result, the substitution will take place with a resolution approved by the**

**relative majority of the stockholders, subject to the presentation of candidates belonging to the lesser represented type.**

Should one slate or no slate be filed, the stockholders' meeting shall deliberate with the majorities required by law, without applying the proceedings described above.

Should the directors not be appointed pursuant to the proceedings provided herein, the stockholders' meeting shall appoint the directors by resolution in accordance with the majorities provided by the law.

Should one or more directors give up the office during the fiscal year, the director(s) shall be replaced as outlined below in accordance with the provisions of Article 2386 of the Italian Civil Code, provided that the majority of directors is represented by directors elected by the stockholders' meeting:

a) the Board of Directors proceeds with the substitution with reference to the candidates belonging to the same slate as the director not serving out the office and the stockholders' meeting resolves, with the majorities set by the law, respecting the same criterion;

b) should there be no non-elected candidates remaining on the above slate or should there be no candidates satisfying the requisites, or when, for whatever reason, is not possible to comply with the provisions in point a), the Board of Directors arranges for the substitution, just as the stockholders meeting arranges thereafter, with the majorities established by law, without any slate voting.

In any case, the Board of Directors and the stockholders' meeting shall proceed with the appointment in order to ensure the presence of independent directors, in the total minimum number established by prevailing law, **and the respect of the regulations in effect from time to time with regard to the balance between the types of directors.**

If a majority of the directors should leave office for any cause or reason, the remaining directors shall be deemed to have resigned and their resignation shall become effective on the date that a new Board of Directors is elected by the stockholders' meeting.

#### **Article 12 (Powers)**

The Board of Directors shall have all of the ordinary and extraordinary powers needed to govern the Company. Consequently, it may perform all acts, including acts of pledging or making assets available, that it may deem useful for the furtherance of the Company's purpose, except those acts for which the stockholders' meeting is expressly empowered by law.

Pursuant to and for the purposes of Article 2365, Paragraph 2 of the Italian Civil Code, the directors are expressly granted the power to adopt resolutions concerning mergers (in the cases covered by Articles 2505 and 2505-bis of the Italian Civil Code), the opening or closing of secondary offices, the designation

of directors empowered to represent the Company, the reduction of the Company's capital stock when stockholders exercise the right to have their shares redeemed, the amendment of these by-laws to make them consistent with laws and regulations, and the transfer of the Company's registered office to any location within Italy.

**Article 13 (Appointments – Executive Committee – consultative committees – manager responsible for preparing the Company's financial reports)**

The Board of Directors appoints its chairman and can appoint one or more deputy chairmen and define their powers.

It can also appoint one or more chief executive officers and establish an Executive Committee and define their powers. In the case of the Executive Committee, it also determines the number of its members and the rules under which the committee must operate. The chairman of the Board of Directors is by law a member of the Executive Committee whenever such committee is created.

In addition, the Board of Directors can establish one or more consultative committees with specific functions and tasks, and define the membership and the *modus operandi* of these committees.

The Board of Directors shall appoint the manager responsible for preparing the Company's financial reports after consulting the Board of Statutory Auditors pursuant to Article 154-*bis* of Law Decree n. 58/98 and resolves on the manager's compensation. The manager responsible for preparing the companies' financial reports must possess, in addition to the ethical requisites established by the current law for managers involved in administration and supervision, the professional requisites consisting of specific skills in financial and accounting matters. Such skills, to be ascertained by the Board of Directors, must be acquired through specific job experience in a position with a certain level of responsibility and for a certain period of time.

**Article 14 (Meetings of the Board of Directors)**

The Board of Directors shall be convened at least quarterly, at the Company's registered office or at a different location in Italy or abroad, by the chairman, or the person acting on behalf of the chairman; the meetings shall be convened by means of a notice containing the meeting's agenda, sent by telegram, fax or electronic mail at least three days prior to the date of the meeting.

Meetings of the Board of Directors may also be convened, upon prior notice to the chairman, by one statutory auditor.

Any directors who have been vested with special powers are required to report at least quarterly to the Board of Directors and the Board of Statutory Auditors about the work performed in the exercise of the powers, about transactions of a material amount carried out by the Company or its subsidiaries and about transactions that could involve potential conflicts of interest.

Directors may attend Board meetings from remote locations by the use of telecommunication systems.

In such case:

- The following must be guaranteed:
  - a) all participants must be identified at each point of connection;
  - b) all participants must be able to participate in the meeting; express their opinion verbally; view, receive and transmit all documents and review the issues; and vote at the same time;
- The meeting of the Board of Directors shall be deemed to have been held at the place where both the chairman and the secretary are located.

#### **Article 15 (Resolutions of the Board of Directors)**

The provisions of the law shall apply for the validity of the resolutions of the Board of Directors.

The resolutions must be set forth in the minutes of the meeting, which are signed by the chairman and the secretary, the latter of whom need not be a director.

#### **Article 16 (Representation)**

The responsibility for the representation of the Company with respect to third parties and in legal proceedings is separately vested with the chairman and, if appointed, the deputy chairmen and the chief executive officers, with the same empowered to release mandates to proxies or attorneys.

#### **Article 17 (Compensation)**

Members of the Board of Directors and the Executive Committee shall receive compensation in the amount approved by the stockholders' meeting. Such compensation may be commensurate, in whole or in part, with the Company's results for the year. These individuals shall also be entitled to the reimbursement of expenses incurred in the discharge of the duties of their office.

The compensation of directors vested with special responsibility is governed by the provisions of Article 2389, Paragraph 3 of the Italian Civil Code.

**TITLE V**  
**BOARD OF STATUTORY AUDITORS**

**Article 18 (Composition)**

The Board of Statutory Auditors shall consist of three statutory auditors and three alternates.

**Article 19 (Election)**

Minority stockholders have the right to elect one statutory auditor, appointed as chairman, and one alternate.

The statutory auditors must meet the requisites established by the applicable law or regulations, including with reference to the limits on the number of statutory auditor positions that they can hold.

The election of the Board of Statutory Auditors shall be carried out on the basis of slates filed by stockholders in which the candidates are numbered in sequence. These slates shall consist of two sections: one for candidates for the post of statutory auditor and another for candidates for the post of alternate.

The slates may be presented only by stockholders who represent, alone or together with other presenting stockholders, at least 2.5% of the capital stock with voting rights at the ordinary stockholders' meeting, or a smaller percentage as established by binding provisions of laws or regulations.

Any stockholder, stockholders who are party to a stockholders' agreement relevant for the purposes of Article n. 122 of Law Decree.58/1998, the controlling person, the subsidiary companies and those companies subject to common control according to Article n. 93 of Law Decree 58/1998, may not present or contribute to the presentation of, not even through trust companies or nominees, more than a single slate nor may they vote for different slates, and each candidate may only be presented on one slate, or shall otherwise be disqualified. Participation or voting in violation of such prohibition will not be assigned to any slates.

Individuals who meet the professional requisites set forth in the regulations issued by the Ministry of Justice may be elected to the post of statutory auditor. Individuals who are not listed in the Register of Independent Auditors may serve as statutory auditors provided they have at least three years' experience in the exercise of the activities provided by laws and regulations and activities pertaining to the subject matter and the sectors listed in the statement of the Company's purpose.

Statutory auditors may be re-elected at the end of their term of office.

Slates of candidates submitted by stockholders must be filed at the Company's registered office at least twenty-five days before the date set for the convocation of first session of the stockholders' meeting, with the communication thereof indicated in the meeting notice, and the slates shall be subject to other forms of public disclosure as provided by prevailing law.

Without prejudice to any other procedural charge provided by the law, including by prevailing regulations, the slates must be accompanied by:

- a) Information regarding the identity of stockholders who presented the slates,
- b) A statement from stockholders other than those who hold, alone or jointly, a controlling or a relative majority, certifying the absence of any relationships with the latter, as provided by laws and regulations;
- c) Comprehensive disclosure about the candidates' personal credentials, as well as a statement of the candidates certifying the possession of the requisites provided by the law and the candidates' acceptance of the candidacy, as well as the list of administrative and control mandates, if any, held with respect to other companies.

Any slate that does not comply with the requirements listed above will be deemed not to have been filed at all.

The election of the statutory auditors will be carried out as follows:

1. Two statutory auditors and two alternates are selected, in the sequential order in which they are listed in the respective sections of the slate, from the slate that receives the highest number of votes at the stockholders' meeting;
2. The remaining statutory auditor, who will be appointed chairman of the Board of Statutory Auditors, and the other alternate are selected, in the sequential order in which they are listed in the respective sections of the slate, from the slate that received the second highest number of votes at the stockholders' meeting and that is not connected, directly or indirectly, with the persons who presented or voted the slate that received the highest number of votes.

For the purpose of the nomination of statutory auditors referenced in point 2 of the preceding paragraph, in the event of slates obtaining the same number of votes, the slate filed by the stockholders having the largest shareholding should prevail, or, secondarily, the slate filed by the largest number of stockholders. Should one slate or no slate be filed, the statutory auditors and alternates will be elected based on all candidates in the only slate, or on the basis of the candidates voted by the stockholders' meeting, provided that they obtain a relative majority of the votes at the stockholders' meeting.

If a statutory auditor needs to be replaced, his/her place shall be taken by the alternate from the same slate as the auditor who needs to be replaced. The position of chairman will be in any case covered by a candidate from the slate voted by the minority stockholders.

Should it be necessary to elect the statutory auditors and/or alternates to fill vacancies on the Board of Statutory Auditors, the stockholders' meeting shall proceed as follows: Should statutory auditors elected from the majority slate need to be replaced, the appointment occurs with a relative majority vote without any slate restrictions. However, should the statutory auditors elected from the minority stockholders' slate need to be replaced, the stockholders' meeting substitutes them by a relative majority vote, selecting them from the candidates indicated on the slate listing the statutory auditors to be replaced.

Should the application of such procedures not allow, for whatever reason, the substitution of the statutory auditors elected by the minority stockholders, the stockholders' meeting will decide the appointment through a relative majority vote; in any event, in the ascertainment of the voting results, the votes will of the following will not be counted: stockholders who hold, according to current legislation, directly or indirectly, or jointly with other stockholders participating in a stockholders agreement relevant for the purposes of Article 122 of Law Decree 58/98, the relative majority of the votes exercisable at the stockholders' meeting or the stockholders' who control, are controlled or are subject to joint control of the same.

Statutory auditors who no longer meet the qualifications pursuant to law and these by-laws shall no longer be eligible to hold office.

#### **Article 20 (Meetings and resolutions of the Board of Statutory Auditors)**

The Board of Statutory Auditors must meet at least once every 90 days.

The chairman of the Board of Statutory Auditors convenes meetings of the Board of Statutory Auditors by means of a written notice, listing the place and time of the meeting, sent at least one day before the date of the meeting.

Meetings can also be held using telecommunications systems.

In such cases, the following must be guaranteed:

1. All participants must be identified at each point of connection;
2. All participants must be able to participate in the meeting; express their opinion verbally; view, receive and transmit all documents and review the issues; and vote at the same time.

The meeting shall be deemed to have been held at the place where the chairman of the Board of Statutory Auditors is located.

Meetings of the Board of Statutory Auditors shall be deemed to have been validly constituted when a majority of the Board's members is in attendance. Resolutions are adopted by absolute majority of the votes cast by the attendees.

## **TITLE VI FINANCIAL STATEMENTS – NET INCOME**

### **Article 21 (Fiscal year)**

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

### **Article 22 (Appropriation of net income)**

The net income shown in the Company's financial statements is to be appropriated as follows:

- a) 5% to the legal reserve, until the reserve is equal to one-fifth of the capital stock;
- b) the remaining earnings to the stockholders, unless otherwise decided by the stockholders' meeting.

During the course of the year, and if deemed appropriate on the basis of the Company's results from operations, the Board of Directors may approve the payment of advances against the dividend for the year.

## **TITLE VII DISSOLUTION AND LIQUIDATION**

### **Article 23 (Liquidation)**

In the event of the dissolution of the Company, the stockholders' meeting shall decide the manner in which it will be liquidated and will appoint one or more liquidators and determine their powers and compensation.

## **TITLE VIII GENERAL PROVISIONS**

**Article 24 (Reference to the provisions of laws)**

For any matter not expressly contemplated by these by-laws, reference shall be made to the provisions of the law.